

EXHIBIT 4 - OPERATING COSTS

EB-2014-0080

Table of Contents

| | | | |
|----|------|---|----|
| 1 | I. | Overview of Cost Trends | 3 |
| 2 | | Ex.4/Tab 1/Sch.1 - Overview of Operating Expenses | |
| 3 | II. | Summary and Cost Driver Tables | 6 |
| 4 | | Ex.4/Tab 2/Sch.1 - Cost Driver Tables | |
| 5 | | Ex.4/Tab 2/Sch.2 - OM&A Variance Analysis | |
| 6 | III. | Program Delivery Costs with Variance | |
| 7 | | Analysis | 15 |
| 8 | | Ex.4/Tab 3/Sch.1 - Program Description | |
| 9 | | Ex.4/Tab 3/Sch.2 - Program Variance Analysis | |
| 10 | | Ex.4/Tab 3/Sch.3 - Employee Compensation | |
| 11 | | Ex.4/Tab 3/Sch.4 - Shared Services of Corporate Cost | |
| 12 | | Allocation | |
| 13 | | Ex.4/Tab 3/Sch.5 - Variance Analysis of Corporate | |
| 14 | | Cost Allocation | |
| 15 | | Ex.4/Tab 3/Sch.6 - Purchases of Non-Affiliate Services | |
| 16 | | Ex.4/Tab 3/Sch.7 - One-time Costs; | |
| 17 | | Ex.4/Tab 3/Sch.8 - Regulatory Costs; | |
| 18 | | Ex.4/Tab 3/Sch.9 - Low Income Energy Assistance | |
| 19 | | Programs; | |
| 20 | | Ex.4/Tab 3/Sch.10 - Charitable and Political Donations. | |
| 21 | IV. | Depreciation, Amortization & Depletion | 44 |
| 22 | | Ex.4/Tab 4/Sch.1 - Depreciation Rates and | |
| 23 | | Methodology | |
| 24 | | Ex.4/Tab 4/Sch.2 - OEB Appendix | |
| 25 | | Ex.4/Tab 4/Sch.3 - Typical Useful Lives Study | |
| 26 | | Ex.4/Tab 4/Sch.4 - OEB Appendix 2-BB | |
| 27 | | Ex.4/Tab 4/Sch.5 - Depreciation Expense Associated | |
| 28 | | with Retirement Obligation | |
| 29 | | Ex.4/Tab 4/Sch.6 - Depreciation and Capitalization | |
| 30 | | Policy | |
| 31 | | Ex.4/Tab 4/Sch.7 - Adoption of Half Year Rule | |
| 32 | V. | Taxes or Payments In Lieu of Taxes (PILs) | |
| 33 | | and Property Taxes | 58 |

| | | |
|----|---|-----------|
| 1 | Ex.4/Tab 5/Sch.1 - Overview of PILs | |
| 2 | Ex.4/Tab 5/Sch.2 - Latest Filed Tax Return, Tax | |
| 3 | Assessments and Correspondence | |
| 4 | Ex.4/Tab 5/Sch.3 - Calculation of Tax Credits | |
| 5 | Ex.4/Tab 5/Sch.4 - Non-recoverable and Disallowed | |
| 6 | Expenses | |
| 7 | Ex.4/Tab 5/Sch.5 - Integrity Checklist | |
| 8 | VI. Conservation and Demand Side | |
| 9 | Management | 63 |
| 10 | Ex.4/Tab 6/Sch.1 - Overview of CDM | |
| 11 | Ex.4/Tab 6/Sch.2 - LRAM | |

1 Overview of Cost Trends

2 Ex.4/Tab 1/Sch.1 - Overview of Operating Expenses

3 Operations, Maintenance and Administrative (“OM&A”) expenses included in the calculation of a
 4 utility’s revenue requirement are those determined to be reasonable in amount and necessary
 5 for and related to the provision of utility service or in some way benefit customers. OM&A
 6 expenses consist of; the required expenditures necessary to maintain and operate HPDC’s
 7 distribution system assets; the costs associated with metering, billing, collecting from its
 8 customers; the costs associated with ensuring all stakeholders safety; and costs to maintain the
 9 distribution business service quality and reliability.

10 As shown in Table 4.0 below, Hearst Power’s increase in OM&A spending from its 2010 Cost of
 11 Service to the 2015 Test Year amounts to \$134K or 14.5% over the past 5 years. Year over
 12 year variances at a summary level are also presented at Table 4.0a) to 4.0e). Detailed variance
 13 analysis are presented at Ex.4/Tab 2/Sch.2.

Table 4.0 – 2015 vs. 2010 Board Approved

| | 2010 Board Approved | 2015 | Variance from Board Approved |
|--|---------------------|----------------|------------------------------|
| Operations | \$95,218 | \$145,860 | \$50,642 |
| Maintenance | \$284,565 | \$372,700 | \$88,135 |
| Billing and Collecting | \$230,079 | \$282,250 | \$52,171 |
| Community Relations | \$5,000 | \$8,000 | \$3,000 |
| Administrative and General | \$308,815 | \$249,214 | -\$59,601 |
| Total OM&A Expenses | \$923,677.00 | \$1,058,023.28 | \$134,346.28 |
| Percent change (year over year) | | | 14.5% |

14
 15 The majority of the increase can be attributed to the operating (approx. \$50K) and maintenance
 16 (approx. \$88K) of the distribution system. Operation and Maintenance costs, which include
 17 activities such as repairs, inspection, testing, cleaning, and verification activities, are for the
 18 most part aimed at an increase in maintenance on overhead and underground assets. Billing in
 19 Collecting shows an increase of \$52K and Administrative costs show a reduction of \$59K. The
 20 major contributor to the increase in Billing and Collecting costs is the hiring of a new billing clerk.
 21 Details of this new position are presented at Ex.4/Tab 3/Sch.3. The reduction in administrative
 22 cost is due to the redistribution of employee pension and benefits account to its related labor
 23 accounts as per actual labor cost distribution at year end. The Regulatory Costs have also
 24 decreased since the last cost of service. Regulatory Costs are discussed at Ex.4/Tab 3/Sch.8

1 The cost of living is based on an inflation rate of 2% as published by the Bank of Canada - a
2 well-known, reliable and widely used source in establishing inflation rates. Salaries for non-
3 union are adjusted in accordance with the Collective Agreement which can be found at Ex.4/Tab
4 3/Sch.3.

- 1 Appendix 2-JA below shows a summary of year over year “OM&A” costs as required by the
2 OEB’s filing guidelines. Year over year variance analysis is presented at Ex.4/Tab 2/Sch.2

3 **Appendix 2-JA - Summary of Recoverable OM&A Expenses**

| <i>Reporting Basis</i> | CGAAP | CGAAP | CGAAP | CGAAP | NEWGAAP | NEWGAAP | IFRS |
|---|-------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| | Board Approved | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Operations | \$95,218 | \$91,992 | \$109,685 | \$123,187 | \$125,808 | \$138,474 | \$145,860 |
| Maintenance | \$284,565 | \$292,585 | \$308,339 | \$356,254 | \$347,220 | \$330,694 | \$372,700 |
| SubTotal | \$379,783 | \$384,577 | \$418,025 | \$479,441 | \$473,027 | \$469,168 | \$518,560 |
| %Change (year over year) | | 1.3% | 8.7% | 14.7% | -1.3% | -0.8% | 10.5% |
| %Change (Test Year vs Last Rebasing Year - Actual) | | | | | | | 36.5% |
| Billing and Collecting | \$230,079 | \$181,256 | \$192,856 | \$179,762 | \$202,970 | \$230,957 | \$282,250 |
| Community Relations | \$5,000 | \$3,479 | \$6,070 | \$673 | \$505 | \$5,817 | \$8,000 |
| Administrative and General+LEAP | \$308,815 | \$250,244 | \$249,846 | \$161,178 | \$172,721 | \$265,072 | \$249,214 |
| SubTotal | \$543,894 | \$434,980 | \$448,773 | \$341,614 | \$376,196 | \$501,847 | \$539,464 |
| %Change (year over year) | | -20.0% | 3.2% | -23.9% | 10.1% | 33.4% | 7.5% |
| %Change (Test Year vs Last Rebasing Year - Actual) | | | | | | | -0.8% |
| Total | \$923,677 | \$819,557 | \$866,798 | \$821,055 | \$849,223 | \$971,015 | \$1,058,023 |
| %Change (year over year) | | -11.3% | 5.8% | -5.3% | 3.4% | 14.3% | 9.0% |
| %Change (Test Year vs Last Rebasing Year - Actual) | | | | | | | 14.5% |

4

1 Summary and Cost Driver Tables

2 **Ex.4/Tab 2/Sch.1 - Cost Driver Tables**

3 Appendix 2-JB, below, outlines the key drivers of OM&A costs over the 2010 to 2015 period.
4 The majority of the increases in costs are associated with Operation and Maintenance
5 expenses.

6 Operations and Maintenance expenses include all costs relating to the operation and
7 maintenance of the HPDC distribution system which are necessary in order to keep the
8 distribution system in a state of good repair. The work typically involves inspection, testing,
9 cleaning, and verification activities. This includes both direct labor costs and non-capital material
10 spending to support both scheduled and reactive maintenance events.

11 HPDC strives to provide safe, reliable service while minimizing the life cycle costs of assets by
12 doing predictive and preventative work. Maintenance work also help to identify those areas that
13 require capital investments. HPDC is then able to adjust its capital spending priorities to address
14 these matters. This process is described in more detail in HPDC's Distributions System Plan,
15 found at Ex2/Tab 6/Sch.1

16 HPDC places a high priority on the upkeep and replacement of its aging infrastructure. Asset
17 management leads to increases in operational costs. Distribution equipment that was placed in-
18 service over 40 years ago, in many cases, has reached its normal useful life. Therefore HPDC
19 is faced with the ongoing replacement of this aging infrastructure that originated in those early
20 years when growth accelerated. Customer expectations for reliability have increased over time
21 and as new technology is added to the system it can only perform on a solid base of well-
22 maintained distribution infrastructure. Thus, investment in replacement equipment along with its
23 associated operational costs has become a continuous reality for HPDC as it commits to
24 satisfying the essential community needs. Another significant cost driver in 2014 is the hiring of
25 a billing clerk. Justification for this new employee is detailed in the Employee Compensation at
26 Ex.4/Tab 3/Sch.3. Most other drivers are related to expenses being moved from one account to
27 another as is the case for Regulatory Costs which were initially booked to Outside Service.

28

1

Appendix 2-JB - Recoverable OM&A Cost Driver Table

| OM&A | Last Rebasing | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <i>Reporting Basis</i> | | CGAAP | CGAAP | CGAAP | NewCGAAP | NewCGAAP | IFRS |
| Opening Balance | \$923,677.00 | \$923,677.00 | \$819,556.35 | \$866,797.88 | \$821,054.63 | \$849,222.96 | \$971,014.67 |
| 5025-Overhead Distribution Lines and Feeders - Operation Supplies and Expenses | | \$12,499.73 | | \$16,852.81 | | | |
| 5105-Maintenance Supervision and Engineering | | -\$23,865.22 | | | | | |
| 5120-Maintenance of Poles, Towers and Fixtures | | \$16,136.16 | | \$10,111.39 | | -\$13,879.40 | \$11,155.37 |
| 5125-Maintenance of Overhead Conductors and Devices | | \$18,228.49 | | \$36,527.62 | -\$25,449.60 | | \$16,014.72 |
| 5155-Maintenance of Underground Services | | \$10,148.31 | | | | | |
| 5160-Maintenance of Line Transformers | | -\$10,554.18 | | | | | |
| 5310-Meter Reading Expense | | -\$52,316.82 | | | | | |
| 5315-Customer Billing | | | \$11,059.01 | \$14,721.33 | | \$24,742.77 | \$50,731.52 |
| 5320-Collecting | | | | | | \$10,201.77 | |
| 5335-Bad Debt Expense | | | | -\$14,551.67 | \$22,697.41 | -\$12,389.26 | |
| 5615-General Administrative Salaries and Expenses | | | \$29,890.43 | -\$29,741.70 | | | \$13,021.26 |
| 5630-Outside Services Employed | | -\$49,305.52 | -\$10,534.93 | | | \$27,958.30 | -\$24,209.88 |
| 5645-Employee | | -\$90,500.00 | | | | | |

Hearst Power Distribution Company Ltd.
 EB-2014-0080
 Exhibit 4 – Operating Expenses
 Filed: June 8, 2015

| | | | | | | | |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Pensions and Benefits | | | | | | | |
| 5655-Regulatory Expenses | | \$70,261.85 | -\$34,109.34 | -\$29,933.61 | | \$49,817.20 | -\$20,334.33 |
| 5665-Miscellaneous General Expenses | | \$14,048.69 | | -\$14,235.46 | | \$10,979.46 | |
| 5681-Special Purpose Charge Expense | | \$15,738.87 | | -\$23,465.13 | | | |
| Combined Expenses less than 10K | | -\$34,641.01 | \$50,936.36 | -\$12,028.83 | \$30,920.52 | \$24,360.87 | \$40,629.95 |
| | | | | | | | |
| Closing Balance | \$923,677.00 | \$819,556.35 | \$866,797.88 | \$821,054.63 | \$849,222.96 | \$971,014.67 | \$1,058,023.28 |
| | \$923,677.00 | \$819,556.35 | \$866,797.88 | \$821,054.63 | \$849,222.96 | \$971,014.67 | \$1,058,023.28 |

1

1 **Ex.4/Tab 2/Sch.2 - OM&A Variance Analysis**

2 Table 4.0a) to 4.0 e) below shows the year over year variances of OM&A expenses for 2010
 3 Board Approved to 2015. A variance analysis of expenses exceeding the materiality threshold
 4 follows the table.

Table 4.0a) – 2010 vs. 2010 Board Approved

| | Board Approved | 2010 | Variance from Board Approved |
|--|-----------------------|------------------|-------------------------------------|
| Operations | \$95,218 | \$91,992 | -\$3,226 |
| Maintenance | \$284,565 | \$292,585 | \$8,020 |
| Billing and Collecting | \$230,079 | \$181,256 | -\$48,423 |
| Community Relations | \$5,000 | \$3,479 | -\$1,521 |
| Administrative and General | \$308,815 | \$250,244 | -\$58,571 |
| Total OM&A Expenses | \$923,677 | \$819,556 | -\$104,121 |
| Percent change (year over year) | | | -11.27% |

Table 4.0b) – 2011 vs. 2010

| | 2010 | 2011 | Variance |
|--|------------------|------------------|-----------------|
| Operations | \$91,992 | \$109,685 | \$17,693 |
| Maintenance | \$292,585 | \$308,339 | \$15,755 |
| Billing and Collecting | \$181,256 | \$192,856 | \$11,601 |
| Community Relations | \$3,479 | \$6,070 | \$2,591 |
| Administrative and General | \$250,244 | \$249,846 | -\$398 |
| Total OM&A Expenses | \$819,556 | \$866,798 | \$45,242 |
| Percent change (year over year) | | | 5,52% |

Table 4.0c) – 2012 vs. 2011

| | 2011 | 2012 | Variance |
|--------------------------------|------------------|------------------|------------------|
| Operations | \$109,685 | \$123,187 | \$13,501 |
| Maintenance | \$308,339 | \$356,254 | \$47,915 |
| Billing and Collecting | \$192,856 | \$179,762 | -\$13,094 |
| Community Relations | \$6,070 | \$673 | -\$5,397 |
| Administrative and General | \$249,846 | \$161,178 | -\$86,668 |
| Total OM&A Expenses | \$866,798 | \$821,055 | -\$45,743 |

| | | | |
|--|--|--|---------------|
| Percent change (year over year) | | | -5.29% |
|--|--|--|---------------|

Table 4.0d) – 2013 vs. 2012

| | 2012 | 2013 | Variance |
|--|------------------|------------------|-----------------|
| Operations | \$123,187 | \$125,808 | \$2,621 |
| Maintenance | \$356,254 | \$347,220 | -\$9,035 |
| Billing and Collecting | \$179,762 | \$202,970 | \$23,208 |
| Community Relations | \$673 | \$505 | -\$168 |
| Administrative and General | \$161,178 | \$172,721 | \$18,459 |
| Total OM&A Expenses | \$821,055 | \$849,223 | \$28,168 |
| Percent change (year over year) | | | 3.43% |

Table 4.0e) – 2014 vs. 2013

| | 2013 | 2014 | Variance |
|--|------------------|------------------|------------------|
| Operations | \$125,808 | \$138,474 | \$12,666 |
| Maintenance | \$347,220 | \$330,694 | -\$16,526 |
| Billing and Collecting | \$202,970 | \$230,957 | \$27,988 |
| Community Relations | \$505 | \$5,817 | \$5,312 |
| Administrative and General | \$172,721 | \$265,072 | \$92,351 |
| Total OM&A Expenses | \$849,223 | \$971,015 | \$121,792 |
| Percent change (year over year) | | | 14.34% |

Table 4.0f) – 2015 vs. 2014

| | 2014 | 2015 | Variance |
|--|------------------|--------------------|-----------------|
| Operations | \$138,474 | \$145,860 | \$7,386 |
| Maintenance | \$330,694 | \$372,700 | \$42,006 |
| Billing and Collecting | \$230,957 | \$282,250 | \$51,292 |
| Community Relations | \$5,817 | \$8,000 | \$2,183 |
| Administrative and General | \$265,072 | \$249,214 | -\$15,858 |
| Total OM&A Expenses | \$971,015 | \$1,058,023 | \$87,009 |
| Percent change (year over year) | | | 8.96% |

1

Table 4.1 - Summary of Recoverable OM&A Expenses

2

(next page)

| Description | Board Approved | CGAAP | | CGAAP | | CGAAP | | NewGAAP | | NewGAAP | | MIFRS | |
|--|----------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|--------------|
| | | 2010 | Var \$ | 2011 | Var \$ | 2012 | Var \$ | 2013 | Var \$ | 2014 | Var \$ | 2015 | Var \$ |
| 5012-Station Buildings and Fixtures Expense | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$573.59 | \$573.59 | \$0.00 | -\$573.59 | \$0.00 | \$0.00 |
| 5014-Transformer Station Equipment - Operation Labour | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 5020-Overhead Distribution Lines and Feeders - Operation Labour | \$5,000.00 | \$3,171.80 | -\$1,828.20 | \$1,988.13 | -\$1,183.67 | \$5,295.77 | \$3,307.64 | \$3,084.47 | -\$2,211.30 | \$3,110.38 | \$25.31 | \$4,209.00 | \$1,098.62 |
| 5025-Overhead Distribution Lines and Feeders - Operation Supplies and E | \$48,480.00 | \$60,379.73 | \$12,499.73 | \$68,346.21 | \$17,366.48 | \$85,199.02 | \$16,852.81 | \$68,781.22 | \$3,582.20 | \$97,824.31 | \$3,043.09 | \$98,419.00 | \$594.63 |
| 5035-Overhead Distribution Transformers- Operation | \$210.00 | \$0.00 | -\$210.00 | \$0.00 | \$0.00 | \$98.28 | \$98.28 | \$0.00 | -\$98.28 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 5040-Underground Distribution Lines and Feeders - Operation Labour | \$200.00 | \$0.00 | -\$200.00 | \$0.00 | \$0.00 | \$98.28 | \$98.28 | \$0.00 | -\$98.28 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 5045-Underground Distribution Lines and Feeders - Operation Supplies and | \$1,000.00 | \$1,315.58 | \$315.58 | \$336.06 | -\$379.52 | \$511.89 | \$175.83 | \$372.70 | -\$139.13 | \$443.22 | \$76.52 | \$544.00 | \$94.78 |
| 5055-Underground Distribution Transformers - Operation | \$100.00 | \$75.08 | -\$24.92 | \$42.98 | -\$32.10 | \$0.00 | -\$42.98 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 5065-Meter Expense | \$5,000.00 | \$145.79 | -\$4,854.21 | \$5,894.11 | \$5,748.32 | \$3,353.87 | -\$2,540.24 | \$2,351.19 | -\$1,002.68 | \$3,174.68 | \$823.49 | \$4,748.00 | \$1,573.32 |
| 5085-Miscellaneous Distribution Expense | \$24,478.00 | \$17,786.38 | -\$6,691.62 | \$26,015.26 | \$8,228.88 | \$24,374.62 | -\$1,640.64 | \$26,246.39 | \$1,871.77 | \$27,472.35 | \$1,225.96 | \$31,368.00 | \$3,895.65 |
| 5095-Overhead Distribution Lines and Feeders - Rental Paid | \$0.00 | \$5,367.74 | \$5,367.74 | \$4,112.62 | -\$1,255.12 | \$1,305.12 | -\$2,807.50 | \$1,448.17 | \$143.05 | \$5,367.74 | \$3,319.57 | \$5,475.03 | \$107.35 |
| 5096-Other Rent | \$10,750.00 | \$3,150.00 | -\$7,600.00 | \$2,950.00 | -\$2,000.00 | \$2,950.00 | \$0.00 | \$2,950.00 | \$0.00 | \$1,075.00 | -\$1,875.00 | \$1,096.50 | \$215.00 |
| | \$95,218.00 | \$31,992.10 | -\$3,225.90 | \$109,685.37 | \$17,693.27 | \$123,186.85 | \$13,501.48 | \$125,807.73 | \$2,620.88 | \$138,473.68 | \$12,665.95 | \$145,853.59 | \$7,385.91 |
| Description | | | | | | | | | | | | | |
| 5105-Maintenance Supervision and Engineering | \$30,000.00 | \$6,134.78 | -\$23,865.22 | \$6,469.22 | \$334.44 | \$6,352.43 | -\$116.79 | \$6,205.68 | -\$146.75 | \$6,211.67 | \$5.99 | \$7,788.00 | \$1,576.33 |
| 5120-Maintenance of Poles, Towers and Fixtures | \$60,190.00 | \$76,326.16 | \$16,136.16 | \$83,714.11 | \$7,387.95 | \$93,825.50 | \$10,111.39 | \$102,724.03 | \$8,898.53 | \$88,844.63 | -\$13,879.40 | \$100,000.00 | \$11,155.37 |
| 5125-Maintenance of Overhead Conductors and Devices | \$89,475.00 | \$107,703.49 | \$18,228.49 | \$113,362.37 | \$5,658.88 | \$149,889.99 | \$36,527.62 | \$124,440.39 | -\$25,443.60 | \$126,052.28 | \$1,611.89 | \$142,067.00 | \$16,014.72 |
| 5130-Maintenance of Overhead Services | \$6,100.00 | \$10,312.30 | \$4,212.30 | \$15,835.83 | \$5,523.53 | \$22,262.65 | \$6,426.82 | \$24,425.37 | \$2,162.72 | \$18,745.98 | -\$5,679.39 | \$25,000.00 | \$6,254.02 |
| 5135-Overhead Distribution Lines and Feeders - Right of Way | \$50.00 | \$0.00 | -\$50.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 5145-Maintenance of Underground Conduit | \$2,000.00 | \$2,019.06 | \$19.06 | \$418.30 | -\$1,601.66 | \$303.70 | -\$115.20 | \$651.39 | \$347.69 | \$543.71 | -\$107.68 | \$562.00 | \$18.29 |
| 5150-Maintenance of Underground Conductors and Devices | \$2,000.00 | \$5,061.41 | \$3,061.41 | \$1,121.51 | -\$3,339.30 | \$2,079.18 | \$957.67 | \$3,476.88 | \$1,397.70 | \$10,083.75 | \$6,606.87 | \$2,733.00 | -\$7,350.75 |
| 5155-Maintenance of Underground Services | \$11,000.00 | \$21,148.31 | \$10,148.31 | \$20,129.21 | -\$1,019.10 | \$16,656.72 | -\$3,472.49 | \$23,817.42 | \$7,160.70 | \$18,106.34 | -\$5,711.08 | \$24,705.00 | \$6,598.66 |
| 5160-Maintenance of Line Transformers | \$68,750.00 | \$58,195.82 | -\$10,554.18 | \$56,008.88 | -\$2,186.94 | \$60,120.00 | \$4,003.12 | \$53,479.57 | -\$6,532.43 | \$54,005.03 | \$525.46 | \$60,000.00 | \$5,994.97 |
| 5175-Maintenance of Meters | \$15,000.00 | \$5,683.52 | -\$9,316.48 | \$11,279.34 | \$5,595.82 | \$4,872.05 | -\$6,407.29 | \$7,998.96 | \$3,126.91 | \$8,100.79 | \$101.83 | \$9,845.00 | \$1,744.21 |
| | \$284,565.00 | \$292,584.85 | \$8,019.85 | \$308,339.37 | \$15,754.52 | \$356,254.22 | \$47,314.85 | \$347,219.63 | -\$9,034.53 | \$330,634.18 | -\$16,525.51 | \$372,700.00 | \$42,005.82 |
| Description | | | | | | | | | | | | | |
| 5310-Meter Reading Expense | \$85,079.00 | \$32,762.18 | -\$52,316.82 | \$25,380.96 | -\$7,381.22 | \$16,169.38 | -\$9,211.58 | \$13,895.68 | -\$2,273.70 | \$18,182.61 | \$4,286.93 | \$22,602.00 | \$4,419.39 |
| 5315-Customer Billing | \$95,000.00 | \$101,834.10 | \$6,834.10 | \$112,893.11 | \$11,059.01 | \$127,614.44 | \$14,721.33 | \$130,346.71 | \$3,332.27 | \$155,683.48 | \$24,742.77 | \$206,421.00 | \$50,731.52 |
| 5320-Collecting | \$20,000.00 | \$21,030.65 | \$1,030.65 | \$24,084.69 | \$3,054.04 | \$21,526.60 | -\$2,558.09 | \$20,347.62 | -\$1,178.98 | \$30,543.39 | \$10,201.77 | \$26,160.00 | -\$4,383.39 |
| 5330-Collection Charges | \$5,000.00 | \$3,276.64 | -\$1,723.36 | \$1,845.62 | -\$1,431.02 | \$1,093.06 | -\$1,736.56 | \$593.17 | \$484.11 | \$1,585.99 | \$992.82 | \$1,617.71 | \$317.22 |
| 5335-Bad Debt Expense | \$15,000.00 | \$11,336.09 | -\$3,663.91 | \$18,514.85 | \$7,178.76 | \$3,363.16 | -\$14,551.67 | \$26,660.59 | \$22,697.41 | \$14,271.33 | -\$12,389.26 | \$14,556.76 | \$285.43 |
| 5340-Miscellaneous Customer Accounts Expenses | \$10,000.00 | \$1,016.16 | -\$8,983.84 | \$10,137.12 | -\$879.04 | \$10,379.24 | \$242.12 | \$10,525.80 | \$146.56 | \$10,678.43 | \$152.63 | \$10,926.00 | \$213.57 |
| | \$230,079.00 | \$181,255.82 | -\$48,823.18 | \$192,856.35 | \$11,600.53 | \$179,761.90 | -\$13,094.45 | \$202,969.57 | \$23,207.67 | \$230,957.23 | \$27,987.72 | \$282,243.53 | \$51,292.24 |
| Description | | | | | | | | | | | | | |
| 5405-Supervision | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$153.90 | \$153.90 | \$0.00 | -\$153.90 |
| 5415-Energy Conservation | \$0.00 | \$25.08 | \$25.08 | \$192.56 | \$167.48 | \$0.00 | -\$192.56 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 5515-Advertising Expense | \$5,000.00 | \$3,454.04 | -\$1,545.96 | \$5,877.92 | \$2,423.88 | \$673.40 | -\$5,204.52 | \$505.00 | -\$168.40 | \$5,520.91 | \$5,015.91 | \$8,000.00 | \$2,479.09 |
| 5520-Miscellaneous Sales Expense | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | \$5,000.00 | \$3,479.12 | -\$1,520.88 | \$6,070.48 | \$2,591.36 | \$673.40 | -\$5,397.08 | \$505.00 | -\$168.40 | \$5,680.81 | \$5,175.81 | \$8,000.00 | \$2,319.13 |
| Description | | | | | | | | | | | | | |
| 5605-Executive Salaries and Expenses | \$12,000.00 | \$8,314.28 | -\$3,685.72 | \$8,077.77 | -\$256.51 | \$6,516.67 | \$438.90 | \$11,453.88 | \$2,937.21 | \$8,500.00 | -\$2,953.88 | \$12,500.00 | \$4,000.00 |
| 5615-General Administrative Salaries and Expenses | \$78,000.00 | \$70,103.30 | -\$7,896.70 | \$99,393.73 | \$23,890.43 | \$70,252.03 | -\$29,741.70 | \$78,344.57 | \$8,632.54 | \$88,228.74 | \$3,284.17 | \$101,250.00 | \$13,021.26 |
| 5620-Office Supplies and Expenses | \$2,500.00 | \$1,757.60 | -\$742.40 | \$3,172.70 | \$1,415.10 | \$1,668.01 | -\$2,404.69 | \$5,535.48 | \$4,767.47 | \$3,851.40 | -\$1,684.08 | \$6,500.00 | \$2,648.60 |
| 5630-Outside Services Employed | \$76,516.00 | \$27,210.48 | -\$49,305.52 | \$16,675.55 | -\$10,534.93 | \$24,812.32 | \$8,136.77 | \$23,251.58 | -\$1,560.74 | \$51,203.88 | \$27,358.30 | \$27,000.00 | -\$24,209.88 |
| 5635-Property Insurance | \$56.00 | \$57.42 | \$1.42 | \$58.56 | \$1.14 | \$57.64 | \$1.18 | \$6,867.56 | \$6,109.92 | \$6,504.00 | -\$363.56 | \$6,764.16 | \$260.16 |
| 5640-Injuries and Damages | \$9,000.00 | \$2,280.96 | -\$6,719.04 | \$4,710.00 | \$2,429.04 | \$3,571.59 | -\$1,138.41 | \$0.00 | -\$3,571.59 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 5645-Employee Pensions and Benefits | \$90,500.00 | \$0.00 | -\$90,500.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 5655-Regulatory Expenses | \$7,095.00 | \$7,356.85 | \$261.85 | \$43,247.51 | -\$34,109.34 | \$13,313.90 | -\$29,933.61 | \$18,617.13 | \$5,303.23 | \$68,434.33 | \$49,817.20 | \$48,100.00 | -\$20,334.33 |
| 5660-General Advertising Expenses | \$0.00 | \$0.00 | \$0.00 | \$4,399.03 | \$4,399.03 | \$1,340.16 | -\$2,458.87 | \$274.97 | -\$1,665.19 | \$0.00 | -\$274.97 | \$0.00 | \$0.00 |
| 5665-Miscellaneous General Expenses | \$22,000.00 | \$36,048.69 | \$14,048.69 | \$32,604.76 | -\$3,443.93 | \$18,369.30 | -\$14,233.46 | \$14,833.05 | -\$3,536.25 | \$25,812.51 | \$10,979.46 | \$29,000.00 | \$3,187.49 |
| 5670-Rent | \$8,838.00 | \$8,316.58 | -\$521.42 | \$9,139.49 | \$222.91 | \$14,297.64 | \$5,158.15 | \$9,336.86 | -\$4,900.78 | \$3,503.62 | -\$112.76 | \$13,600.00 | \$4,090.38 |
| 5680-Electrical Safety Authority Fees | \$1,800.00 | \$1,973.43 | \$173.43 | \$1,764.78 | -\$215.65 | \$2,579.00 | \$814.22 | \$2,195.89 | -\$383.11 | \$3,021.73 | \$825.84 | \$2,500.00 | -\$521.73 |
| 5681-Special Purpose Charge Expense | \$0.00 | \$15,738.87 | \$15,738.87 | \$23,465.13 | \$7,726.26 | \$0.00 | -\$23,465.13 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 6205-Sub-account LEAP Funding | \$0.00 | \$0.00 | \$0.00 | \$2,000.00 | \$2,000.00 | \$2,000.00 | \$0.00 | \$1,350.00 | -\$650.00 | \$0.00 | -\$1,350.00 | \$2,000.00 | \$2,000.00 |
| | \$308,815.00 | \$250,244.46 | -\$58,570.54 | \$243,846.31 | -\$338.15 | \$161,178.26 | -\$88,668.05 | \$172,720.97 | \$11,542.71 | \$265,072.21 | \$92,351.24 | \$249,214.16 | -\$15,858.05 |
| | \$923,677.00 | \$819,556.35 | -\$104,120.65 | \$866,797.88 | \$47,241.53 | \$821,054.63 | -\$45,743.25 | \$843,222.96 | \$28,168.33 | \$970,878.17 | \$121,655.21 | \$1,058,023.28 | \$87,145.11 |

1 **2010-2010BA Variances, Increases above the materiality threshold**

2 One variance in excess of the threshold is due to the redistribution of \$90,500 in account
 3 5645, employee pension and benefits account, to its related labor accounts as per actual labor
 4 cost distribution at year end, therefore showing actual O&M costs with overheads. The only
 5 other variance in excess of the materiality threshold pertains to regulatory expenses that were
 6 approved as “outside services” and were booked instead to “regulatory expenses”. A
 7 breakdown is shown below.

| Account Description | 2010 BA | 2010 Actual |
|--------------------------------|-----------|-------------|
| 5630-Outside Services Employed | \$ 76,516 | \$ 27,210 |
| 5655-Regulatory Expenses | \$ 7,095 | \$ 77,357 |

8

9 **2014-2015 Variances, Increases above the materiality threshold**

10 The single variance in excess of the threshold relates to account 5315 – Customer Billing. The
 11 increase of \$50,731 is due to the hiring of a new billing and service clerk. Further details on
 12 this new hire can be found at Ex4/Tab 3/Sch.3.

13 Appendix 2-L Recoverable OM&A Cost per Customer and per FTE, below, outlines the cost per
 14 customer per full time employee. This information is provided for the 2010 to 2015 period, in
 15 accordance with the OEB’s minimum filing requirements, discussions of cost per customer
 16 follows the Appendix.

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

| | Last Rebasings | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|----------------|---------|---------|---------|---------|---------|-----------|
| Number of Customers | 2,754 | 2,767 | 2,758 | 2,776 | 2,780 | 2,781 | 2,782 |
| Total Recoverable OM&A from Appendix 2-JB | 923,677 | 819,557 | 866,798 | 821,055 | 849,223 | 971,015 | 1,058,023 |
| OM&A cost per customer | 335 | 296 | 314 | 296 | 305 | 349 | 380 |
| Number of FTEs | 6 | 6 | 6 | 6 | 6 | 7 | 7 |
| Customers/FTEs | 459 | 461 | 460 | 463 | 463 | 397 | 397 |
| OM&A Cost per FTE | 153,946 | 136,593 | 144,466 | 136,842 | 141,537 | 138,716 | 151,146 |

18

19 As shown in the Table above, the OM&A costs per customer in the Test Year has marginally
 20 increased since 2010 Board Approved costs. The problem which the utility is faced with is

1 that despite that fact that the number of customers in Hearst not growing, investments in
2 its customer service and investments in its infrastructure (repairs and maintenance) are
3 still required.

4 On the up side, according to the OEB's published "total cost per customer", HPDC at
5 \$380 in 2013 was still well below the provincial average of \$614 per customer.

1 Program Delivery Costs with Variance Analysis

2 Ex.4/Tab 3/Sch.1 - Program Description

3 The following section describes programs which the utility is in the process of adopting. These
4 programs are based on the RRFE categories (Customer Focus, Operational Effectiveness,
5 Public Responsiveness and Miscellaneous.)

6 Customer Focus

7 **360° Communication**

8 The Organizational Effectiveness and Communications programs involves developing
9 and maintaining effective employee, customer and shareholder relations. It also involves
10 organizational development, and reaching out to customers in many forms, such as
11 social media and online communication.

12 **Customer Service, Mailing Costs, Billing and Collections**

13 This program focuses on frontline contact with customers, the preparation of customer
14 bills and the collection of the billed amounts owing. Costs related to this program ensure
15 customer questions and queries are answered in a timely manner and that HPDC's
16 customers are satisfied with the services that they receive. The Customer Services area
17 is also responsible for activities such as payment processing and applications for service
18 (new and changes).

19 **Locates**

20 The Locate program includes the costs of providing locate services on customer
21 premises.

22 Operational Effectiveness

23 **Meters**

24 This involves the installation, testing, and commissioning of new metering and for the
25 ongoing operations of existing metering, both simple and complex metering installations.
26 Metering also investigates theft of power. This department also provides emergency
27 response to customer trouble call requests

1 **Overhead and Underground Lines**

2 Maintenance work performed outside of the capital budget accounts is captured through
3 the operating maintenance accounts. This work can be either planned or unplanned, and
4 can involve capital work under the general service capital budgets. Maintenance and
5 operating budgets are typically prepared based on historical values. The field inspection
6 program identifies a number of immediate concerns and concerns requiring immediate
7 analysis. Most of the concerns were slated under planned work and categorized as
8 priority scheduled work or normal scheduled work.

9 **Operations, Engineering, Inspection, Drafting & Design, Construction Services**

10 This program involves connection requests from builders and developers for the design
11 of distribution system capital projects, collection, analysis and allocation of materials,
12 system planning, project planning and coordination and management of the distribution
13 system design. It is also responsible for overall coordination of construction activities to
14 enhance, modify and renew the distribution system.

15 **Poles Towers & Fixtures**

16 This program covers the cost for wood pole testing and treatment. Along with checking
17 obstructions, grade, accessibility, rot, cracks, infestations, identification, insulators,
18 feathering, down guys, span guys, mounted equipment and third party attachments, and
19 check above and below ground for rot, voids, and infestations, chemical treatments may
20 be applied to mitigate further damage to the pole. If any poles are found to be in a
21 dangerous condition, the poles are then recommended for replacement.

22 **Warehouse and Garage Building costs**

23 This program accounts for any general repairs and maintenance to the buildings.

24 **Legal, Accounting and Professional Services**

25 The program includes costs such as legal and administrative costs incurred annually as
26 part of the utility's business operations. These costs also include general accounting and
27 audit costs. This program covers preparation of statutory, management and financial
28 reporting; accounts payable and general accounting; treasury functions, including
29 borrowing and cash management; financial risk management; accounting systems and
30 internal control processes; preparation of consolidated budgets and forecasts; and tax
31 compliance. The executive team is responsible for the decision making for all financial

1 and non- financial aspects of the utility. This program also covers professional costs
2 associated with Regulatory Affairs. HPDC has hired a third party service to handle all
3 preparation of regulatory filings, rate applications, and input to the regulatory bodies.
4 This function is also responsible for monitoring all applicable legislation.

5 Miscellaneous – General Expenses

6 **Health & Safety Training Costs**

7 HPDC's Health and Safety costs consists in training the staff in the following areas.

- 8
- 9 • Identifying, reacting to, and mitigating risk in the workplace
 - 10 • Acting within compliance and safety work practice codes
 - 11 • Developing preventable measures and objectives tied to performance
 - 12 • Monitoring and conducting corrective action, as necessary

12 **Bad Debts**

13 Bad debts expense is the amount of receivables that the utility is not able to collect from
14 its customers.

15 **Class Action lawsuit**

16 This was a one-time cost in 2011 for which the utility had no control over.

17 Public & Regulatory Responsiveness

18 **Regulatory Compliance**

19 These cost are related to the utility's commitment to comply with Ontario's evolving
20 energy market, changing government policy and evolving regulatory framework. The
21 increasing complexity in the regulatory environment, such as; RRFE, Distribution System
22 Plan, smart meters, has a tendency to influenced OM&A spending. HPDC is constantly
23 searching for ways to minimize costs by collaborating, sharing costs and developing
24 synergies with other utilities.

1 **Ex.4/Tab 3/Sch.2 - Program Variance Analysis**

2 Appendix below shows the year over year variances of OM&A programs for 2010 Board
3 Approved to 2015. A variance analysis of expenses exceeding the materiality threshold follows
4 the table. HPDC notes that prior to 2014, the programs listed at the previous schedule and
5 presented in the table below were not in place. The utility carefully selected and adopted these
6 programs based on a review of OM&A Programs that were introduced in recent Cost of Service
7 application. The utility fully plans on using, tracking and reporting on these programs on a going
8 forward basis. The utility fully expects that these OM&A Programs will evolve and change over
9 time.

10

Appendix 2-JC – OM&A Programs Table

| Programs | Last Rebasing | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | Variance (Test Year vs. 2014 Actuals) | Variance (Test Year vs. Last Rebasing Year (2010 Board-Approved)) |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------------------------|---|
| <i>Reporting Basis</i> | CGAAP | CGAAP | CGAAP | CGAAP | NewCGAAP | NewCGAAP | IFRS | | |
| Customer Focus | | | | | | | | | |
| 360 Communication | 5,000 | 3,479 | 10,470 | 2,614 | 780 | 5,817 | 8,000 | 2,183 | 3,000 |
| Customer Service, Mailing Costs, Billing and Collections ² | 217,579 | 171,677 | 177,514 | 176,567 | 181,844 | 220,537 | 274,193 | 53,655 | 56,614 |
| Bad Debts | 15,000 | 11,336 | 18,515 | 3,963 | 26,661 | 14,271 | 14,557 | 285 | -443 |
| Locates | 11,000 | 21,148 | 20,129 | 16,657 | 23,817 | 18,106 | 24,705 | 6,599 | 13,705 |
| Sub-Total | 248,579 | 207,641 | 226,628 | 199,800 | 233,102 | 258,732 | 321,455 | 62,722 | 72,876 |
| Operational Effectiveness | | | | | | | | | |
| Meters | 25,430 | 5,829 | 17,173 | 8,226 | 10,350 | 11,275 | 14,593 | 3,318 | -10,837 |
| Overhead lines | 201,695 | 190,685 | 206,595 | 267,001 | 245,130 | 252,176 | 276,267 | 24,091 | 74,572 |
| Underground Lines | 7,110 | 8,471 | 1,919 | 2,993 | 4,501 | 11,077 | 3,839 | -7,238 | -3,271 |
| Operations & engineering ,Inspection drafting & design construction services | 38,145 | 6,135 | 6,469 | 6,352 | 6,206 | 6,212 | 7,788 | 1,576 | -30,357 |
| Distribution Transformers | 86,850 | 58,196 | 56,009 | 60,012 | 53,480 | 54,005 | 60,000 | 5,995 | -26,850 |
| Poles Towers & Fixtures | 75,575 | 76,326 | 83,714 | 93,826 | 102,724 | 88,845 | 100,000 | 11,155 | 24,425 |
| Warehouse and garage building costs | 24,478 | 17,786 | 26,015 | 24,375 | 26,820 | 27,472 | 31,368 | 3,896 | 6,890 |
| Legal, Professional and Insurance Services ¹ | 101,366 | 110,426 | 131,818 | 110,489 | 122,713 | 157,464 | 150,014 | -7,450 | 48,648 |
| Misc Gen Expenses | | | | | | | | | |
| - Health & Safety and training costs | 0 | 17,985 | 0 | 0 | 0 | 9,211 | 10,000 | 789 | 10,000 |
| - Late payment class action settlement | | | 14,889 | | | | | | |
| - Other (Misc. Gen. Expenses, Rent) | 30,838 | 26,981 | 26,855 | 32,667 | 24,230 | 26,111 | 32,600 | 6,489 | 1,762 |
| Sub-Total | 591,487 | 518,820 | 571,457 | 605,941 | 596,153 | 643,848 | 686,469 | 42,621 | 94,982 |
| Public & Regulatory Responsiveness | | | | | | | | | |
| Regulatory & Compliance ¹ | 83,611 | 77,357 | 43,248 | 13,314 | 18,617 | 68,434 | 48,100 | -20,334 | -35,511 |
| | | | | | | | | | 0 |
| | | | | | | | | | 0 |
| | | | | | | | | | 0 |
| | | | | | | | | | 0 |

| | | | | | | | | | |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|---------------|----------------|
| Sub-Total | 83,611 | 77,357 | 43,248 | 13,314 | 18,617 | 68,434 | 48,100 | -20,334 | -35,511 |
| Miscellaneous | | | | | | | | | |
| Special Purpose Charge as per OEB | 0 | 15,739 | 23,465 | 0 | 0 | 0 | 0 | | 0 |
| Donations - LEAP Funding | 0 | 0 | 2,000 | 2,000 | 1,350 | 0 | 2,000 | 2,000 | 2,000 |
| | | | | | | | | | 0 |
| | | | | | | | | | 0 |
| Sub-Total | 0 | 15,739 | 25,465 | 2,000 | 1,350 | 0 | 2,000 | 2,000 | 2,000 |
| | | | | | | | | | 0 |
| Total | 923,677 | 819,556 | 866,798 | 821,055 | 849,223 | 971,015 | 1,058,023 | 87,009 | 134,346 |

1

2

Table 4.2 - OM&A Programs Variances

| Programs | Board Approved | 2010 | 2010 Actuals vs 2010 B.A. | 2011 | 2011 Actuals vs 2010 Actuals | 2012 | 2012 Actuals vs 2011 Actuals | 2013 | 2013 Actuals vs 2012 Actuals | 2014 | 2014 Actuals vs 2013 Actuals | 2015 | 2015 Actuals vs 2014 Actuals |
|--|-----------------------|----------------|----------------------------------|----------------|-------------------------------------|----------------|-------------------------------------|----------------|-------------------------------------|----------------|-------------------------------------|----------------|-------------------------------------|
| Reporting Basis | | | Variance (\$) | | Variance (\$) | | Variance (\$) | | Variance (\$) | | Variance (\$) | | |
| Customer Focus | | | | | | | | | | | | | |
| 360 Communication | 5,000 | 3,479 | -1,521 | 10,470 | 6,990 | 2,614 | -7,856 | 780 | -1,834 | 5,817 | 5,037 | 8,000 | 2,183 |
| Customer Service, Mailing Costs, Billing and Collections ² | 217,579 | 171,677 | -45,902 | 177,514 | 5,837 | 176,567 | -947 | 181,844 | 5,278 | 220,537 | 38,693 | 274,193 | 53,656 |
| Bad Debts | 15,000 | 11,336 | -3,664 | 18,515 | 7,179 | 3,963 | -14,552 | 26,661 | 22,697 | 14,271 | -12,389 | 14,557 | 286 |
| Locates | 11,000 | 21,148 | 10,148 | 20,129 | -1,019 | 16,657 | -3,472 | 23,817 | 7,161 | 18,106 | -5,711 | 24,705 | 6,599 |
| Sub-Total | 248,579 | 207,641 | -40,938 | 226,628 | 18,987 | 199,800 | -26,828 | 233,102 | 33,302 | 258,732 | 25,630 | 321,455 | 62,723 |
| Operational Effectiveness | | | | | | | | | | | | | |
| Meters | 25,430 | 5,829 | -19,601 | 17,173 | 11,344 | 8,226 | -8,948 | 10,350 | 2,124 | 11,275 | 925 | 14,593 | 3,318 |
| Overhead lines | 201,695 | 190,685 | -11,010 | 206,595 | 15,910 | 267,001 | 60,406 | 245,130 | -21,871 | 252,176 | 7,046 | 276,267 | 24,091 |
| Underground Lines | 7,110 | 8,471 | 1,361 | 1,919 | -6,552 | 2,993 | 1,074 | 4,501 | 1,508 | 11,077 | 6,576 | 3,839 | -7,238 |
| Operations & engineering, inspection drafting & design construction services | 38,145 | 6,135 | -32,010 | 6,469 | 334 | 6,352 | -117 | 6,206 | -147 | 6,212 | 6 | 7,788 | 1,576 |
| Distribution Transformers | 86,850 | 58,196 | -28,654 | 56,009 | -2,187 | 60,012 | 4,003 | 53,480 | -6,532 | 54,005 | 525 | 60,000 | 5,995 |
| Poles Towers & Fixtures | 75,575 | 76,326 | 751 | 83,714 | 7,388 | 93,826 | 10,111 | 102,724 | 8,899 | 88,845 | -13,879 | 100,000 | 11,155 |
| Warehouse and garage building costs | 24,478 | 17,786 | -6,692 | 26,015 | 8,229 | 24,375 | -1,641 | 26,820 | 2,445 | 27,472 | 652 | 31,368 | 3,896 |
| Legal, Professional and Insurance Services ¹ | 101,366 | 110,426 | 9,060 | 131,818 | 21,392 | 110,489 | -21,328 | 122,713 | 12,224 | 157,464 | 34,751 | 150,014 | -7,450 |

| | | | | | | | | | | | | | |
|---|----------------|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|---------------|----------------|----------------|------------------|----------------|
| Misc Gen Expenses | | | | | 0 | | | | | 0 | | | |
| - Health & Safety and training costs | 0 | 17,985 | 17,985 | 0 | -17,985 | 0 | 0 | 0 | 0 | 9,211 | 9,211 | 10,000 | 789 |
| - Late payment class action settlement | | | 0 | 14,889 | 14,889 | | | | 0 | | 0 | | |
| - Other (Misc. Gen. Expenses, Rent) | 30,838 | 26,981 | -3,857 | 26,855 | -126 | 32,667 | 5,812 | 24,230 | -8,437 | 26,111 | 1,882 | 32,600 | 6,489 |
| Sub-Total | 591,487 | 518,820 | -72,667 | 571,457 | 52,638 | 605,941 | 34,483 | 596,153 | -9,787 | 643,848 | 47,695 | 686,469 | 42,621 |
| Public & Regulatory Responsiveness | | | | | | | | | | | | | |
| Regulatory & Compliance ¹ | 83,611 | 77,357 | -6,254 | 43,248 | -34,109 | 13,314 | -29,934 | 18,617 | 5,303 | 68,434 | 49,817 | 48,100 | -20,334 |
| Sub-Total | 83,611 | 77,357 | -6,254 | 43,248 | -34,109 | 13,314 | -29,934 | 18,617 | 5,303 | 68,434 | 49,817 | 48,100 | -20,334 |
| Miscellaneous | | | | | | | | | | | | | |
| Special Purpose Charge as per OEB | 0 | 15,739 | 15,739 | 23,465 | 7,726 | 0 | -23,465 | 0 | 0 | 0 | 0 | 0 | 0 |
| Donations - LEAP Funding | 0 | 0 | 0 | 2,000 | 2,000 | 2,000 | 0 | 1,350 | -650 | 0 | -1,350 | 2,000 | 2,000 |
| Sub-Total | 0 | 15,739 | 15,739 | 25,465 | 9,726 | 2,000 | -23,465 | 1,350 | -650 | 0 | -1,350 | 2,000 | 2,000 |
| Total | 923,677 | 819,556 | -104,121 | 866,798 | 47,242 | 821,055 | -45,743 | 849,223 | 28,168 | 971,015 | 121,792 | 1,058,023 | 87,008 |

1

2 **2010 to 2015 Variances, Increases above the materiality threshold**

3 The only variance in excess of the threshold pertains to Overhead lines. The reasons for this
 4 increase are;

- 5
- 6 • The utility did an adjustment to employee vacations for the period of 2002 to 2012
 - 7 valued of over 24k\$. Employee vacations were not calculated properly in prior years
 - 8 and were re-adjusted/paid out in 2012.
 - 9 • In April 2013, the 4th field employee graduated from apprentice to journeyman (this
 - 10 same employee quit in 2013)
 - 11 • With an aging distribution system, more and more maintenance is required for public

12

1 **Ex.4/Tab 3/Sch.3 - Employee Compensation**

2 As explained in the description of the Corporate Organization at Ex.1/Tab 5/Sch.5 – HPDC has
 3 7 full time employees, A General Manager; A field Superintendent/Leadhand; An administrative
 4 assistant; A billing and customer service clerk (since Oct 2014) and 3 linemen.

5 **Compensation - Union**

6 Compensation for unionized employees is negotiated through the collective bargaining process.
 7 When negotiating wage levels, consideration is given to the skill sets required to work within our
 8 distribution system, as well as the competitive wage levels of its geographic market.

9 HPDC is bound by a Collective Agreements with Canadian Union OF Public Employees Local
 10 1536-02 representing both Office and Trades workers. In April of 2013, the utility negotiated a
 11 3-year collective agreement with both bargaining units, in place effective April 1, 2013. Wage
 12 increases were negotiated at 2.75% in year 1, 2.5% in year 2 and 2.0% in year 3. HPDC has
 13 provided a copy of its Collective Agreement following this schedule.

14 **Compensation – Non-Union**

15 All non-union employees’ compensation levels are reviewed by the general manager and the
 16 Board of Directors. The increase in total compensation paid to employees in non-union and
 17 management position are attributable to cost of living increase and a provision for benefit
 18 coverage. A percentage of the staff’s annual salary is invested in a pension plan.

19 **Pension:**

20 The employees of all LDCs are required to participate in the OMERS retirement plan.
 21 Therefore, the pension benefits provided to the employees of HPDC are consistent with the
 22 pension benefits provided to employees of other LDCs. Historical and Forecasted Pension
 23 Costs are shown below.

| Year | Costs | Notes |
|-----------------|-------------|---|
| 2015 Forecasted | 40,425.00\$ | Costs in line with previous year |
| 2014 Actual, | 39,201.06\$ | New employee is hired |
| 2013 Actual, | 38,020.57\$ | Costs in line with previous year |
| 2012 Actual, | 36,512.70\$ | New General Manager is hire, new contribution |
| 2011 Actual, | 27,277.27\$ | General Manager had maxed out contribution |
| 2010 Actual, | 25,643.57\$ | General Manager had maxed out contribution |
| | | |

24

1 **Benefit:**

2 A comprehensive and competitive benefits package exists which includes health and dental
3 insurance, life insurance, vacation and leave policies. The plans are designed to address the
4 health and wellness needs of the employee's.

5 All benefit plans for each employee group are essentially the same. The unionized benefit
6 plans, negotiated through collective bargaining, play a significant role in driving the plan design
7 for the non-unionized employees, with many plan provisions remaining common across all
8 employee groups.

9 Appendix 2-K presented at the next page details HPDC's employee compensation. As a rule,
10 the utility applies the inflation rate to salaries and wages.

11 In accordance with Board policy which states that: "Where there are three, or fewer, full-time
12 equivalents (FTEs) in any category, HPDC may aggregate this category with the category to
13 which it is most closely related. This higher level of aggregation may be continued, if required, to
14 ensure that no category contains three, or fewer, FTEs", The Applicant has aggregated
15 information relating to its 3 full time employees in the FTE class.

16 **Appendix 2-K – Employee Compensation**

| | Last Rebasing | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Number of Employees (FTEs including Part-Time)¹ | | | | | | | |
| Management (including executive) | | 1 | 2 | 1 | 1 | 3 | 1 |
| Non-Management (union and non-union) | | 5 | 5 | 5 | 5 | 6 | 6 |
| Total | | 6 | 7 | 6 | 6 | 9 | 7 |
| Total Salary and Wages including overtime and incentive pay | | | | | | | |
| Management (including executive) | \$0.00 | \$61,313.48 | \$83,659.96 | \$53,399.58 | \$55,011.82 | \$72,324.73 | \$74,900.00 |
| Non-Management (union and non-union) | \$0.00 | \$316,551.29 | \$329,588.84 | \$346,111.27 | \$322,002.62 | \$341,595.16 | \$416,141.06 |
| Total | \$0.00 | \$377,864.77 | \$413,248.80 | \$399,510.85 | \$377,014.44 | \$413,919.89 | \$491,041.06 |
| Total Benefits (Current + Accrued) | | | | | | | |
| Management (including executive) | \$0.00 | \$7,857.22 | \$7,410.83 | \$9,820.79 | \$10,813.03 | \$13,064.76 | \$13,529.96 |
| Non-Management (union and non-union) | \$0.00 | \$72,091.19 | \$76,537.29 | \$87,666.35 | \$87,521.54 | \$81,392.73 | \$101,528.13 |
| Total | \$0.00 | \$79,948.41 | \$83,948.11 | \$97,487.14 | \$98,334.57 | \$94,457.49 | \$115,058.09 |
| Total Compensation (Salary, Wages, & Benefits) | | | | | | | |
| Management (including executive) | \$0.00 | \$69,170.70 | \$91,070.78 | \$63,220.36 | \$65,824.85 | \$85,389.49 | \$88,429.96 |
| Non-Management (union and non-union) | \$0.00 | \$388,642.47 | \$406,126.13 | \$433,777.62 | \$409,524.16 | \$422,987.89 | \$517,669.19 |
| Total | \$0.00 | \$457,813.17 | \$497,196.91 | \$496,997.99 | \$475,349.01 | \$508,377.38 | \$606,099.15 |

17

18

1

Table 4.4 – Employee Compensation Variance Analysis

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|------|--------|----------|----------|---------|--------|
| Number of Employees (FTEs including Part-Time)¹ | | | | | | |
| Management (including executive) | | 1 | - 1 | - | 2 | - 2 |
| Non-Management (union and non-union) | | - | - | - | 1 | - |
| Total | | 1 | - 1 | - | 3 | - 2 |
| Total Salary and Wages including overtime and incentive pay | | | | | | |
| Management (including executive) | | 22,346 | - 30,260 | 1,612 | 17,313 | 2,575 |
| Non-Management (union and non-union) | | 13,038 | 16,522 | - 24,109 | 19,593 | 74,546 |
| Total | | 35,384 | - 13,738 | - 22,496 | 36,905 | 77,121 |
| Total Benefits (Current + Accrued) | | | | | | |
| Management (including executive) | | - 446 | 2,410 | 992 | 2,252 | 465 |
| Non-Management (union and non-union) | | 4,446 | 11,129 | - 145 | - 6,129 | 20,135 |
| Total | | 4,000 | 13,539 | 847 | - 3,877 | 20,601 |
| Total Compensation (Salary, Wages, & Benefits) | | | | | | |
| Management (including executive) | | 21,900 | - 27,850 | 2,604 | 19,565 | 3,040 |
| Non-Management (union and non-union) | | 17,484 | 27,651 | - 24,253 | 13,464 | 94,681 |
| Total | | 39,384 | - 199 | - 21,649 | 33,028 | 97,722 |

2

3 **2010-2015 Variances, Increases above the materiality threshold**

4 There were no variances in excess of the materiality threshold. HPDC notes that the increase
5 in Management Salaries and Wages in 2014 is related to the fact that the utility hired a retired
6 manager on an interim basis between the months of February to May until a new manager
7 was hired. The Management Salaries and Wages in 2015 went back down to normal level
8 however, this decrease was offset by a review and change in inter-corporate services. Under
9 the previous management, 21% of the manager's time was allocated to affiliate services. Upon
10 review of the affiliate services, it was found that the manager only spent approximately 5% of
11 his time to affiliate services. This increased the total Management Salaries and Wages in 2015
12 by \$15,500. The increase in non-union salary and wages in 2015 is due to the hiring of a third
13 office employee (billing clerk). A summary of headcount (presented by the number of months
14 worked per year, is presented below)

15

1

Appendix 2-K – Headcount (number of months worked per year)

| Employees months worked per year | 2010 BA | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|----------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Manager #1 – Nicole Leduc | 12 | 12 | 9 | | | 5 | |
| General Manager #2 – Steven Blier | | | 5 | 12 | 12 | 2 | |
| General Manager #3 - Jessy Richard | | | | | | 8 | 12 |
| Admin. Assistant - | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Billing Clerk - | | | | | | 2 | 12 |
| Field superintendent - | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Powerline Tech #1 - | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Powerline Tech #2 - | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Powerline Tech #3 - | 12 | 10 | 12 | 12 | 6 | | |
| Powerline Tech #4 - | | | | | | 7 | 12 |
| | | | | | | | |
| Total Headcount | 6 | 6 | 6 | 6 | 6 | 7 | 12 |

2

3 The utility has had 3 general managers over the past 5 years. Nicole Leduc had been the
 4 general manager for more than 20 years when she retired in October of 2011. Steven Blier was
 5 hired to replace her. In February of 2014, after assuming the role for 3 years S. Blier left the
 6 utility. The Board of Directors hired Nicole Leduc on a contract basis until a new manager was
 7 hired. Jessy Richard was hired in May of 2014. Between May of 2014 and June of 2014, the
 8 utility operated with 2 managers which caused Administrative costs to increase for 2014.

9 In October of 2014, the utility hired a billing clerk increasing the number of office employees
 10 from 2 to 3. With only 2 employees in the office, the utility was struggling to meet the new filing
 11 requirements and expectations of its regulators. It is also difficult to coordinate sick time and
 12 vacation with only 2 employees. With the increase in customer focus, operational effectiveness
 13 and public policy responsiveness, the utility felt that the hiring of a third employee was not only
 14 necessary but also justified. The utility has made an effort to reduce other OM&A costs as well
 15 as creating other interest revenues with a change in their investment savings account to
 16 compensate for the additional employee.

17

COLLECTIVE AGREEMENT



BETWEEN

HEARST POWER DISTRIBUTION COMPANY

(hereinafter know and designated as the "COMPANY")

AND

CANADIAN UNION OF PUBLIC EMPLOYEES

LOCAL 1536-02

Effective: April 1, 2013 to March 31, 2016

TABLE OF CONTENTS

| <u>SUBJECT</u> | <u>PAGE</u> |
|--|-------------|
| ARTICLE 1 – MANAGEMENT RIGHTS | 2 |
| ARTICLE 2 - RECOGNITION..... | 2 |
| ARTICLE 3 – REPRESENTATION OF THE UNION | 2 |
| ARTICLE 4 – CHECK OFF UNION DUES | 3 |
| ARTICLE 5 – CORRESPONDENCE | 3 |
| ARTICLE 6 – STEWARD | 3 |
| ARTICLE 7 – GRIEVANCE PROCEDURE..... | 4 |
| ARTICLE 8 – ARBITRATION | 4 |
| ARTICLE 9 – SENIORITY | 5 |
| ARTICLE 10 – TEMPORARY TRANSFERS AND REASSIGNMENTS | 7 |
| ARTICLE 11 – JOB POSTINGS | 7 |
| ARTICLE 12 – JURY DUTY | 8 |
| ARTICLE 13 – BEREAVEMENT LEAVE..... | 8 |
| ARTICLE 14 – PAID HOLIDAYS | 9 |
| ARTICLE 15 – VACATION WITH PAY | 10 |
| ARTICLE 16 – HOURS OF WORK AND OVERTIME | 11 |
| ARTICLE 17 – BENEFITS | 12 |
| ARTICLE 18 – LIFE INSURANCE | 13 |
| ARTICLE 19 – SHORT TERM SICKNESS AND BENEFITS | 13 |
| ARTICLE 20 – LONG TERM DISABILITY..... | 14 |
| ARTICLE 21 – NO STRIKES/NO LOCKOUTS | 14 |
| ARTICLE 22 – BULLETIN BOARD | 14 |
| ARTICLE 23 – CLOTHING/FOOTWEAR..... | 15 |
| ARTICLE 24 – PENSION PLAN..... | 15 |

ARTICLE 25 – TERMINATION 15

SIGNATURES..... 16

LETTER OF UNDERSTANDING - OVERTIME 17

WAGE SCHEDULE..... 18

APPENDIX A – LONG TERM DISABILITY BENEFITS 19

ARTICLE 1 - MANAGEMENT RIGHTS

- 1:01** The Union acknowledges that it is the exclusive right of the Employer to hire, promote, demote, classify, temporarily transfer, suspend and retire employees and to discipline or discharge any employees for just cause provided that a claim by an employee who has acquired seniority that he/she has been discharged or disciplined without cause may be the subject of a grievance and dealt with as hereinafter provided. The Employer in exercising its rights hereunder will do so in a manner consistent with all the terms and provisions of this Agreement.
- 1:02** The Union further recognizes the right of the Employer to operate and manage its affairs in all respects. The direction of the working force, the work schedules, the right to use improved methods to benefit the employees and the Employer, machinery and equipment and jurisdiction over all operation, building, machinery, tools and employees are solely and exclusively the responsibility of the Employer.

ARTICLE 2 - RECOGNITION

- 2:01** The Employer recognizes the Union as the sole and exclusive collective bargaining agency for all its employees save and except Foreman, persons above the rank of foreman, office and clerical staff and students employed during their summer holidays.
- 2:02** Persons not in the bargaining unit shall not perform work normally performed by employees in the bargaining unit that will result in the layoff of any employee in the bargaining unit.
- 2:03** No employee shall be required or permitted to make any written or verbal agreement, which may conflict with the terms of this Agreement.
- 2:04** It is agreed that the Union and the employees will not hold meetings at any time on the premises of the Employer without the permission of the General Manager or a person designated by her/him.

ARTICLE 3 - REPRESENTATIVE OF THE UNION

- 3.01** Union shall have the right, at any time, to have assistance of representatives of the Canadian Union of Public Employees when dealing or negotiating with the Corporation. Upon notification to the employer, such representatives shall have access to the Corporation's premises in order to investigate and assist in the grievance. The Corporation shall also have the rights of assistance at any time when dealing with or negotiating with the Union.

ARTICLE 4 - CHECK-OFF OF UNION DUES

- 4:01** All present and new employees of the Employer covered by this Agreement shall, pay dues to the Union according to the Constitution and By-Laws of the Union.
- a) All new employees of the Employer covered by this agreement shall commence paying dues to the Union within thirty (30) days of employment.
 - b) The Employer shall, upon written authorization by the employee concerned, which will be obligatory on the part of all employees covered by this Agreement, make such deductions. The Employer agrees to deduct such regular monthly union dues as have been levied by the Union and duly advised to the Employer through the Town Clerk.
 - c) Deduction shall be made from the payroll period at the end of each month and shall be forwarded to the Secretary-Treasurer of the Union not later than the 15th day of the month following, accompanied by a list of all employees from whose wages the deductions have been made.
- 4:02** The employer agrees to provide all new employees with a copy of this agreement. It is the Union's responsibility to orientate the new employee to the Union and the employer will allow the Union and employee reasonable opportunity to do so.

ARTICLE 5 - CORRESPONDENCE

- 5:01** A Copy of all correspondence between the Company and the Steward of the Unit that pertains strictly to the administration or interpretation of this Agreement shall be sent to the representative of CUPE.

ARTICLE 6 - STEWARDS

- 6:01** The Employer acknowledges the right of the Union to appoint or otherwise select a Steward. The name of the Steward selected shall be given to the Employer in writing each year following election and the Employer shall not be required to recognize any such steward until it has been so notified.
- 6:02** The privileges of stewards to leave their work without loss of basic pay to attend to Union business is granted on the following conditions:

- a) Such business must be between the Union and the Employer, except in the case of a discharged employee.
- b) The time shall be devoted to the prompt handling of necessary Union business.
- c) The Steward concerned shall obtain the permission of the Foreman concerned before leaving his/her work. Such permission shall not be unreasonably withheld.
- d) The time away from productive work shall be reported in accordance with the time keeping methods of the department in which the Steward is employed.

ARTICLE 7 - GRIEVANCE PROCEDURE

7:01 For the purposes of the Collective Agreement, a grievance is any question which involves the interpretation or application of the Agreement, and it shall be dealt with promptly as specified below.

7:02 Time limits set out for the processing of grievances shall be rigidly adhered to except in the case of mutual agreement to alter the time limits.

STEP 1 Employees shall present their grievances orally to their immediate supervisor within five (5) working days of the alleged grievance occurring. Their immediate supervisor must give his/her final disposition of the grievance within three (3) working days of the discussion.

STEP 2 Failing settlement to the employee's satisfaction they may then within five (5) working days submit the grievance in writing to the Manager or his/her delegate. Within five (5) working days of the written grievance notice, the Manager will discuss the matter with the Union. The manager shall within five (5) working days of the discussion provide the Union with a final disposition in writing. Failing settlement at this level between the parties, either of them may submit the matter for arbitration within thirty (30) calendar days.

ARTICLE 8 - ARBRITATION

8:01 When either party hereto requests that a grievance be submitted to arbitration, such requests shall be made in writing within the time limit specified in Step 2 of the grievance procedure, addressed to the other party and, at the same time, nominating an arbitrator. Within five (5) working days thereafter, the Union or the Company, as the case may be, shall nominate its nominee.

- 8:02** The two nominees so nominated shall within five (5) working days attempt to select by agreement a chairman of the Arbitration Board. If they are unable to agree upon such chairman within one (1) further working day, then they shall request the Ministry of Labour to appoint an impartial Chairman.
- 8:03** Each party will bear the expense of the arbitrator appointed by it and will bear jointly the expense, if any, of the chairman of the Arbitration Board.
- 8:04** No matter may be submitted to arbitration which has not been properly carried through all previous stages of the grievance procedure.
- 8:05** The arbitrators of the Arbitration Board shall not be authorized to alter, modify or amend any part of this Agreement, to make any decision inconsistent therewith, nor to deal with any matter not covered by this agreement.
- 8:06** The decision of the majority of the Board will be final and binding upon the parties, but should a majority decision not be possible, the decision of the Chairman will be final and binding.
- 8:07** The above time limits may be extended by mutual consent.
- 8:08** At the mutual consent of the two parties a sole arbitrator may be appointed.

ARTICLE 9 - SENIORITY

- 9:01** Seniority, as referred to in this Agreement, shall mean the length of service in the employ of the Employer.
- 9:02** A newly hired employee shall be on probation for the first six (6) month of his/her employment and will have no seniority rights during that period. The dismissal, lay-off of an employee during his/her probationary period shall therefore be considered as arising from the probation and shall not be subject to proceedings set forth in the Agreement. On completion of his/her probationary period, however, the seniority of a newly hired employee shall date back to the date on which his/her employment began.
- 9:03** Seniority lists will be revised every year and a copy of the list will be posted in a readily noticeable location in January of each year and a copy given to the Union. If an employee does not challenge the seniority list within the five (5) working days from the date his/her

name first appears on the seniority list, then he/she shall be deemed to have proper seniority standing. The five (5) day proviso above will not apply to employees absent for whatever cause but will apply upon their return to work.

- 9:04** a) Promotions will be awarded to the most senior qualified applicant.
- b) Lay-offs will be conducted on a reverse seniority basis provided those remaining have the skill and ability to perform the work in the opinion of management.
- c) Recalls to available positions will be done on a senior qualified basis. In the opinion of management.
- 9:05** Seniority shall accumulate in the following circumstances only:
- a) When off the payroll due to lay-off, in which case seniority will continue to accumulate for a period of time equal to twenty-four (24) months.
- b) When off the payroll due to sickness or accident, in which case seniority will continue to accumulate for a period of time equal to twenty-four (24) months.
- c) When off the payroll due to personal leave of absence then seniority will continue to accumulate for the duration of the leave of absence granted.
- d) When absent on vacation or on paid holidays.
- e) When actually at work for the Employer.
- 9:06** Seniority shall terminate and an employee shall cease to be employed by the Employer when he/she:
- a) Voluntarily quits his/her employment with the Employer.
- b) Is discharged and is not reinstated through the grievance procedure or arbitration.
- c) Is laid off for a continuous period of twelve (12) months.
- d) Fail to report to the Employer within five (5) working days after being recalled by the Employer following a lay-off.
- e) Fails to return to work upon the termination of an authorized leave of absence unless a reasonable explanation is given to the Employer, in the opinion of the Utility.

- f) Accepts gainful employment while on a leave of absence without first obtaining the consent of the Employer in writing.
- g) Fails to return to work following a period of absence of twelve (12) months during which he/she was in receipt of Long Term Disability benefits.

9:07 It shall be the duty of each employee to notify the Employer promptly of any change in address. If an employee fails to do this, the Employer will not be responsible for failure of notice to reach such employee.

9:08 Any employee's return after an absence due to illness or accident will be conditional on his/her supplying, when requested, a certificate from a physician that he/she is fully recovered from sickness which caused his/her absence.

ARTICLE 10 - TEMPORARY TRANSFERS AND REASSIGNMENTS

10:01 Any employee who is temporarily transferred to another position within the bargaining unit, for a period of one (1) working day or more to another job within the same department for which the rate of pay is different from that in effect for such employee's regular job, he/she shall be paid which so employed as follows:

- a) If the rate of pay for the job to which he/she is transferred is less than the employee's regular pay, he/she shall receive his/her own higher rate of pay.
- b) If the rate of pay for the job to which he/she is transferred is higher than the employee's regular rate of pay, he/she shall receive the higher rate of pay for the job which he/she is temporarily transferred.

ARTICLE 11 - JOB POSTING

11.01 When a job becomes open or a new job is created, it shall be posted in a readily noticeable location for a period of five (5) working days and any employee in the bargaining unit may make application for such vacancy.

- a) In the filling of the vacancies, the Employer shall be subject to the limitations, as set forth in paragraph 9:04 relating to cases of promotions.
- b) Nothing herein shall prevent the Employer from hiring persons from outside the bargaining unit when no qualified employee applies.

- c) Any vacancy can be filled at the discretion of the Employer on a temporary basis.

ARTICLE 12 - JURY DUTY

12:01 Any employee who is required to serve on a jury shall be paid the difference between the amount paid for such service and his/her normal pay computed at his/her normal hourly rate for the hours lost from work subject to the following provisions:

- a) Employees must notify the Manager within one (1) working day after receipt of notice for selection of jury duty.
- b) Employees selected for jury duty who are on other than the day shift, shall be assigned to the day shift for those days they are required to serve as jurors. In order to be eligible for such payments, the employee must furnish a written statement from the proper public official, showing the date and time service and the amount of pay received.

ARTICLE 13 - BEREAVEMENT LEAVE

- 13:01 a)** An employee shall be granted five (5) regular scheduled working days of leave without loss of salary or wages in the case of death of the employee's spouse, common-law spouse, child or step-child. If such leave occurs on days when an employee is otherwise entitled to a day or days off, such day or days shall not be included in the said five (5) day period and shall not be added thereto.
- c) An employee shall be granted three (3) regular scheduled working days of leave without loss of salary or wages in the case of death of a parent, brother, sister, mother-in-law, father-in-law, grandparents, grandparents-in-law, brother-in-law or sister-in-law. If such leave occurs on days when an employee is otherwise entitled to a day or days off, such day or days shall not be included in the said three (3) day period and shall not be added thereto.

It is understood that all bereavement leave must be taken within 2 weeks of the death with the exception that an employee will be permitted to save 1 day to attend the memorial services or spring internment.

ARTICLE 14 - PAID HOLIDAYS

14:01 The following shall be recognized as paid holidays:

| | | |
|-----------------|-------------------------|------------------|
| New Year's Day | January 2 nd | Good Friday |
| Easter Monday | Victoria Day | Dominion Day |
| Civic Holiday | Labour Day | Thanksgiving Day |
| Remembrance Day | Christmas Day | Boxing Day |

and one other day proclaimed as a holiday by the Municipal Government.

- a) Paid holiday shall be granted with pay to all employees who have completed their probationary period. A probationary employee, who is later retained in employment, shall become eligible to be paid for holidays that fell during his/her probationary period.
- b) Payment for paid holidays shall be based on the employee's regular hourly rate multiplied by the number of hours he/she would normally have worked on such day.

14:02 When a holiday falls on other than a regular working day, then the preceding Friday or the following Monday or Tuesday, at the discretion of the Company, shall be deemed to be the paid holiday for the purpose of this Agreement.

14:03 In order to be entitled to payment for a paid holiday, an employee must have worked the full working day immediately preceding the holiday and the full working day immediately following the holiday provided that:

- a) Any employee who has a day off on one or both of the qualifying days shall not be disqualified from receiving holiday pay.
- b) Any employee who fails to work due to illness verified by a physician, shall not be disqualified from receiving pay, provided he/she has worked one or more of the five (5) working days prior to the holiday and/or returns to work on any of the five (5) working days following the holiday.
- c) Any employee who has received written permission from the Manager to be absent shall not be disqualified from receiving holiday pay.

14:04 If an employee works on one of the above named paid holidays, he/she shall receive payment at time and one-half (1.5) for the hours actually worked by him in addition to receiving his/her holiday pay, or may, with his/her consent, be allowed an extra day's vacation with pay, in lieu of receiving his/her holiday pay.

14:05 Where one of the above named paid holidays falls during an employee's approved vacation period, he/she shall be allowed an extra day's vacation with pay or an extra day's pay, whichever is agreed to between the Company and the employee concerned.

ARTICLE 15 - VACATION WITH PAY

15:01 All employees of the Company shall be entitled to receive an annual vacation leave with pay from the Company. Such leave shall be in accordance with the provisions of Article 15:03 hereof.

15:02 Vacations will, as far as possible, be granted at the times most desired by employees provided this does not impede the efficient operation of the Utility.

15:03 An employee shall be entitled to receive the following periods of annual vacation leave at specified rate:

- a) If the employment of an employee is terminated for any cause within the first twelve (12) months of his/her employment, he/she shall, in accordance with the Employment Standards Act, be paid a vacation pay equal to 4% of the total pay of the employee in the first twelve (12) months of employment or any part thereof. Otherwise, an employee shall not be entitled to any annual vacation within the first (12) months of his/her employment.
- b) In the year of his/her anniversary of one (1) year or more, the employee shall receive two (2) weeks paid vacation at four (4%) percent of total earnings of previous calendar year.
- c) In the calendar year of employee's 4th anniversary or more, the employee shall receive three (3) weeks vacation paid at six (6%) percent of total earnings of previous calendar year.
- d) In the calendar year of employee's 9th anniversary or more, the employee shall receive four (4) weeks vacation paid at eight (8%) percent of total earnings of previous calendar year.
- e) In the calendar year of employee's 16th anniversary or more, the employee shall receive five (5) weeks vacation paid at ten (10%) percent of total earnings of previous calendar year.
- f) In the calendar year of employee's 22nd anniversary or more, the employee shall receive six (6) weeks vacation paid at twelve (12%) percent of total earnings of previous calendar year.

15:04 Where two or more employees request vacation time during the same period and the employees are not able to resolve the conflict, the Company Service Credit will prevail.

15:05 All annual vacation leaves are to be selected by the employee but subject to reasonable notice thereof being given to an approval of the Company obtained.

ARTICLE 16 - HOURS OF WORK AND OVERTIME

16:01 This section provides the basis for establishing work schedules and for the calculation and payment of overtime, but shall not be read or construed as a guarantee of hours of work per day or week or a guarantee of days of work per week.

16:02 The normal workweek shall be forty (40) hours per week consisting of five (5) days of eight (8) hours each with one (1) hour for lunch. Normal daily hours of work shall be 08:00 to 17:00 hours.

Summer hours: from May long weekend to Labour Day weekend, hours should be 07:00 to 16:00 hours with one (1) hour lunch break.

16:03 It is acknowledged that from time to time it will be necessary for employees to perform work outside of the normal schedules at all hours of the day or night and Management has the right to authorize such work as required.

16:04 a) Work performed outside of the employee's normal hours of work shall be considered as overtime and shall be paid in accordance with the following:

- Time and one half (1.5) for all hours worked in excess of forty (40) per week or eight (8) per day, Monday to Saturday;
- Double time on Sundays

b) Employees may decide to bank overtime hours rather than receive pay. Bank time to be taken a later date at a time mutually agreed by the Employer and the Employee.

16:05 **STANDBY PAY** - The employer may request an employee to be on standby duty for any given week, provided however that such week shall alternate as reasonably as possible amongst the employees assigned to such duty. An employee assigned to standby duty shall receive a payment of \$255.00

As of April 1st, 2013 an employee shall receive \$270.00 and an increase of \$15.00 as of April 1st of each year thereafter.

As of April 1st, 2015 the employer agrees to an increase of \$20.00 for each year thereafter.

16:06 There shall be no pyramiding of any premiums of overtime pay in this Agreement for the same hour worked.

16:07 **CALL OUT PAY** – An employee who has completed his/her full daily or weekly schedule of work and who has left his/her place of employment and is called back to perform work will be paid for the time actually worked at the applicable overtime rate. Employees called back under this clause will be guaranteed a minimum of three and a half (3.5) hours work at the applicable overtime rate.

ARTICLE 17 - BENEFITS

17:01 The Company agrees to pay one hundred (100%) percent premiums for the following Health Insurance Plans for all regular employees:

- 1) Great West for semi-private hospital care;
- 2) Great West Dental Care Plan
- 3) Great West Drug Plan (\$0.35 deductible);
- 4) Vision Care Plan (providing reimbursement of two hundred dollars (\$200.00) effective April 1, 2002 for every family member in a twenty-four (24) month period.

17:02 **Early Retirement Benefit**

The Corporation agrees to pay the premium for drug plan coverage, dental benefits, semi-private bed insurance and to provide optical plan coverage to those employees who retire at age 55 whose normal retirement age is 65 and who have completed 25 years of service with the Corporation. This coverage shall be cancelled in the following events:

- a) The retiree obtains gainful employment following retirement
- b) The retiree's spouse is covered through employment for these benefits
- c) The employee attains the age of 65.

17:03 **Disputed WSIB Claims**

If an employee so requests, he may receive sick leave payments while awaiting results from his disputed WSIB claim. If the WSIB claim is subsequently established, the employee will then repay the appropriate fund or insurance company the amount that has been paid to him during the disputed period.

ARTICLE 18 - LIFE INSURANCE

18:01 The Company agrees to maintain and to pay one hundred (100%) percent of the premiums for the following Life Insurance Benefits:

- 1) Group Insurance Plan providing each permanent employee with life insurance in the amount of fifty thousand (\$50,000.00) dollars (effective April 1, 2002).
- 2) Dependent Group Life Insurance Plan in the amount of five thousand (\$5,000.00) dollars for the spouse and two thousand five hundred (\$2,500.00) dollars for each dependent child to age 21 (25 or under if at school on a full – time basis).
- 3) Accidental Death and Dismemberment Benefits, double amount of the employee's Life Insurance (one hundred thousand (\$100,000.00) dollars).

ARTICLE 19 - SHORT TERM SICKNESS BENEFIT

19:01 Except for newly hired employees undergoing a probation, and subject to the limitations prescribed elsewhere in this section, permanent employees who are unable to work due to disability resulting from illness or accident shall be paid seventy-five (75%) percent of their regular basic wage or salary during any such period of disability, up to a maximum period of seventeen (17) weeks.

19:02 Recurrent periods of disability separated by less than two (2) weeks of full-time work shall be considered one period of disability unless the subsequent disability is due to an injury entirely unrelated to the causes of the previous disability, and commences after the employee has returned to active full-time work.

19:03 Benefits under this Plan shall not be payable in respect to a disability resulting from:

- a) injuries or sickness for which benefits are payable under the Workplace Safety and Insurance Act;
- b) self-inflicted injuries;
- c) committing or attempting to commit a criminal offence;
- d) the abuse of drugs or alcohol;
- e) injuries or sickness which commenced while the employee was not actively employed on account of layoff, leave of absence, strike or unauthorized absence;

- f) pregnancy, for the period of maternity leave for which unemployment insurance maternity benefits are paid.

19:04 In order to qualify for short-term sickness benefits, an employee shall:

- a) be required to produce proof of sickness in the form of a medical certificate from duly qualified medical practitioner in all cases of sickness of more than three (3) working days, and may be required to do so, or to provide satisfactory evidence of illness for any period of absence;
- b) notify his/her superior as soon as possible, within one hour after the beginning of his/her shift, unless prior notification has been given.

ARTICLE 20 - LONG TERM DISABILITY

20:01 Permanent employees shall be covered by a Long Term Disability (LTD) group insurance plan whereby eligible employees will receive a monthly indemnity equivalent to seventy-five (75%) per cent of their regular wages less primary CPP offsets, to a maximum taxable benefit of four thousand (\$4,000.00) dollars per month, commencing one (1) month after the completion of an "Elimination Period" of seventeen (17) weeks, until the Terminal Age of sixty-five (65), death or return to work.

20:02 The terms and conditions associated with LTD, as set forth by the insurer, are attached as appendix "A".

ARTICLE 21 - NO STRIKES / NO LOCKOUTS

21:01 There shall be no strikes and no lockouts as defined in the Labour Relations Act during this Agreement.

Where a dispute has arisen between any other group of employees and their Employer, every effort will be made by the employees to complete the required work.

ARTICLE 22 - BULLETIN BOARDS

22:01 The Employer shall provide a bulletin board upon which the Union shall have the right to post notices of meetings and other Union business and affairs as may be of interest to the employee. Before posting, such notices must be approved by the Manager or his/her designate.

ARTICLE 23 - CLOTHING/FOOTWEAR

23:01 Upon receipt of the purchase of approved safety clothing*, the Company will reimburse each lineman/apprentice an equivalent amount of the present value to a maximum of \$450.00 as of April 1st, 2013 and an increase of \$25.00 as of April 1st of each year thereafter.

* Approved safety clothing: Clothing that is either treated with fire retardant chemicals or is inherently flame resistant. (Electrical Utility Safety Rules Book – Sec. 113.1)

23:02 Upon receipt of the purchase of safety footwear, the Company will reimburse the employee \$200.00 in April of each year.

23:03 **Fees and licensing costs:**

The employer agrees to cover the cost of and renewal of the following fees and licenses:

- Master Electrician licensing
- Z endorsement (air brakes)

ARTICLE 24 - PENSION PLAN

24:01 In addition to the Canada Pension Plan, every employee shall join the Ontario Municipal Employees Retirement System. The Company and the employee shall make contributions in accordance with the provisions of the Plan.

ARTICLE 25 - TERMINATION

25:01 This agreement shall be binding and continue in effect and shall continue from year to year unless either party gives written notice to the other party of its desire to bargain for amendments within ninety (90) days prior to the termination date of March 31st, 2016. Upon receipt of such notice by one party or the other, both parties will meet thereafter for the purpose of bargaining.

25:02 Notice that amendments are required, or that either party intends to terminate this Agreement, may only be given within a period of not more than ninety (90) days prior to the expiration date of the Agreement or any anniversary date of such expiration date.

25:03 If notice of amendments or termination is given by either party, the other party agrees to meet for the purpose of negotiations within twenty-five (25) days of the giving of such notice, if requested to do so.

25:04 For interpretations and application of the term of the Collective Agreement, the official contract language will be the English language.

IN WITNESS WHEREOF each of the parties hereto has caused this Agreement to be signed by its duly authorized representative on this _____ day of _____ 2013.

**HEARST POWER DISTRIBUTION
COMPANY**

**CANADIAN UNION OF PUBLIC
EMPLOYEES AND ITS LOCAL
1536-02**

Nc/cope 491

CUPE Local 1536-2 Collective Agreement Expiring March 31, 2016

LETTER OF UNDERSTANDING

BETWEEN

CUPE LOCAL 1536-02

AND

HEARST POWER DISTRIBUTION COMPANY

As of date of ratification, the above parties agree to the following conditions concerning accumulated hours of overtime:

1. In the case of overtime hours worked, an employee has the choice to be paid or ask to bank accumulated hours under their name.
2. The accumulated hours of an employee may never exceed a maximum of 160 hours.
3. A report of accumulated hours will be proved to an employee with his pay slip only when changes occur.
4. Employees commit to use their accumulated hours on a regular basis so as to maintain a relatively small amount of accumulated hours.
5. Only accumulated hours in the current year will be paid, while those of previous years must be used to take time off. For extenuating circumstances, should an employee be terminated or is unable to take time owing, the employer agrees to pay out the total amount of overtime banked.
6. Note: all hours accumulated prior to this agreement being made will not count towards the maximum accumulated hours allowed. Employees may choose to continue to bank these hours to use as paid time off in the future. For extenuating circumstances, should an employee be terminated or is unable to take time owing, the employer agrees to pay out the total amount of overtime banked.

IN WITNESS WHEREOF each of the parties hereto has caused this Agreement to be signed by its duly authorized representative on this _____ day of _____ 2013.

**HEARST POWER DISTRIBUTION
COMPANY**

**CANADIAN UNION OF PUBLIC
EMPLOYEES AND ITS LOCAL
1536-02**

WAGES AND CLASSIFICATION

WAGE SCHEDULE – 2013-2016

| Classification | <u>April 1/13</u> <u>2.75%</u> | <u>April 1/14</u> <u>2.5%</u> | <u>April 1/15</u> <u>2%</u> |
|-------------------------------|-----------------------------------|----------------------------------|--------------------------------|
| Journeyman Lineman | ██████ | ██████ | ██████ |
| Year 4 | ██████ | ██████ | ██████ |
| Year 3 | ██████ | ██████ | ██████ |
| Year 2 | ██████ | ██████ | ██████ |
| Year 1 | ██████ | ██████ | ██████ |
| LEADHAND | ██████ | ██████ | ██████ |

Learner linemen will normally progress each year in accordance with the wage progression table above. Progression will be based on the employee's formal training and their on-job performance as judged by Management. Management retains the right to withhold progressions should performance or formal training be unsatisfactory. When formal training and/or performance improve to a satisfactory level in the opinion of management, then normal progressions will resume. If progress and performance continue to be unsatisfactory, the employee's employment may be terminated or such other action may be taken which, in Management's opinion, is suitable.

- A lineman will be paid an additional one dollar (\$1.00) per hour when required to replace the Foreman.

APPENDIX "A"

INSURER TERMS, CONDITIONS AND BENEFITS

Long Term Disability Benefit

General Benefits

The primary function of the benefit is to provide an income to an employee during extended periods of disability. This income is payable monthly and is referred to as the Monthly Indemnity. To avoid duplicating coverage usually provided for shorter periods of disability by an Employer's Short Term Sickness Benefit Plan, the Long Term Disability Benefit makes use of an Elimination Period.

Payment of the Monthly Indemnity to a totally disabled employee will commence one month after the completion of the Elimination Period. An employee is considered to be totally disabled, if, during the Elimination Period and the next following twenty-four (24) months, (the "Occupationally disabled period"), he/she is continuously prevented from performing each and every duty of his/her normal occupation, as a result of bodily injury, sickness or disease. After the "occupationally disabled period", the employee is considered to be total disabled only if he/she is then prevented from engaging in **any** occupation for which he/she is, or becomes, reasonably qualified by education, training or experience.

The Monthly Indemnity continues to be payable while the employee remains totally disabled in accordance with these definitions, but not beyond the Terminal Age. The amount of Monthly Indemnity payable to an employee will be based on a percentage of his/her insured earnings at the time total disability commences.

APPENDIX "A"

Long Term Disability Benefit

Limitations

Payment will not be made for any period of total disability:

- a) during which the employee is not under the regular care of a doctor;
- b) during which the employee is working for wage or profit, other than Rehabilitative Employment;
- c) during any period the employee is on a pregnancy leave of absence, mutually agreeable to her and the Company or to which she is entitled under Provincial Statute.
- d) due to or resulting from any of the following:
 - 1) intentionally self-inflicted injuries, or attempted suicide;
 - 2) commission or attempted commission of a criminal offence;
 - 3) war, declared or undeclared, or active duty in any armed service during a time of war, or participation in a riot, rebellion or insurrection.

If the total disability of an employee arises from a mental or nervous condition, payment will not be made unless:

- 1) for the first 12 months after completion of the Elimination Period, the employee receives medical treatment from either:
 - a) a registered specialist in psychiatry, or
 - b) a doctor under the direction of a registered specialist in psychiatry, or
 - c) a doctor approved by Great West
- 2) After the 12 months referred to above, the employee is confined in a hospital or is unable to engage in any occupation for which he/she is or becomes reasonably qualified by education, training or experience.

Additional Limitations

Payment will not be made for any period of disability:

- a) due to the abuse of drugs or alcohol unless:
 - i) the employee is confined in a hospital or is satisfactorily participating in an approved rehabilitation program which commenced during the Elimination Period, or,
- b) due to an illness which existed on the date of commencement of the employee's insurance unless:
 - i) he/she has been insured for 13 weeks during which he/she has been continuously actively at work on full-time and has not received medical services for such illness, or,
 - ii) total disability commenced after he/she has been insured for twelve (12) months.

1 **Ex.4/Tab 3/Sch.4 - Shared Services of Corporate Cost Allocation**

2 The purpose of this evidence is to provide an overview of the Shared Services that HPDC
3 purchases from and provides to its sole affiliate which is the Town of Hearst.

4 HPDC provides services to and receives services from Town of Hearst. HPDC is owned by the
5 Town of Hearst; this ownership structure is documented at Ex.1/Tab 5/Sch.4

6 The Services Agreement between HPDC and the Town of Hearst was signed on October 1,
7 2014 and came into effect on January 1, 2015. This agreement is provided at Ex.4/Tab 3/Sch.4.
8 Pursuant to the Services Agreement, HPDC provides Water and Wastewater billing services for
9 Town of Hearst. These services include all associated clerical, labour and administrative
10 services for meter reading, bill preparation and presentment, payment processing, collections,
11 bad debt management, customer care.

12 Since the utility shares physical space with the Town of Hearst, HPDC compensates the Town
13 for access to client reception area, central communication and cashier services, payroll for
14 HPDC employees including bi-weekly pay and associated cost reports, enrolment and
15 administration of fringe benefits including OMERS pension, remittance of deductions and annual
16 T4s. The utility also rents 3 offices and has access to office equipment room, storage rooms,
17 vaults, coffee rooms, meeting rooms and client parking spaces. The utility also has access to a
18 24/7 communication services. These costs detailed at Appendix A of the Inter-corporate Service
19 Agreement are part of the utility's OM&A.

20 All costs shared between Hearst Power Distribution Co. Ltd. and the Town of Hearst exists to
21 provide greater return on each dollar spent. Costs related to the water billing are divided and
22 paid as per a defined Inter-corporate Service agreement between the two entities. In
23 accordance with Article 340 of the APH, the utility confirms that there is no cross-subsidization
24 between regulated and non-regulated or non-rate-regulated distributor lines of business. The
25 Services Agreement specifies the transfer pricing for these services; the transfer pricing
26 methodology adheres to the ARC's transfer pricing rules. No Board of Director costs for affiliates
27 have been included in LDC costs

28 OEB Appendix 2-N Shared Services/Corporate Cost Allocation is presented at Ex.4/Tab
29 5/Sch.1.

30 Variances from 2010 Board Approved to 2015 Test Year and from 2014 to 2015 Test Year is
31 presented at Ex.4/Tab 5/Sch.1.

32

1

Appendix 2-N - Shared Services and Corporate Cost Allocation - 2015

| Shared Services | | | | | |
|---|----------------------------|--|--|---------------------------------------|-----------------------------|
| Name of Company | | Service Offered | Pricing Methodology | Price for the Service | Cost for the Service |
| From | To | | | | |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | General Manager - Water Admin Charge | COST BASED - As per 2015 Intercorporate Service Agreement- Fixed price based on estimated hours | \$5,000 | \$5,000 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Billing Clerk - Water billing clerk charge | COST BASED - As per 2015 Intercorporate Service Agreement- Fixed price based on estimated hours | \$15,000 | \$15,000 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Salaries - Town Receptionist /Cashier ONLY | COST BASED - As per 2015 Intercorporate Service Agreement- Fixed price based on estimated hours | \$10,000 | \$10,000 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Water meter maintenance - labor | COST BASED - As per 2015 Intercorporate Service Agreement- Fixed price based on estimated hours | \$6,000 | \$6,000 |
| Corporate Cost Allocation | | | | | |
| Name of Company | | Service Offered | Pricing Methodology | % of Corporate Costs Allocated | Amount Allocated |
| From | To | | | | |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Billing Supplies and expenses | COST BASED - 40% of HPDC billing supplies and expenses charged to PUC | 40% | \$45,000 |

2

3

1

Appendix 2-N - Shared Services and Corporate Cost Allocation - 2014

| Shared Services | | | | | |
|---|----------------------------|--|--|--------------------------------|----------------------|
| Name of Company | | Service Offered | Pricing Methodology | Price for the Service | Cost for the Service |
| From | To | | | \$ | \$ |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | General Manager - Water Admin Charge | COST BASED - 21% of total General Manager cost (As per inter-corporate service agreement; based on time spent on water issues) | \$19,903 | \$19,903 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Billing Clerk - Water billing clerk charge | COST BASED - 24% of total Billing Clerk cost (As per inter-corporate service agreement; based on time spent on water issues) | \$14,837 | \$14,837 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Salaries - Town Receptionist /Cashier & summer student | COST BASED - 50% of Town receptionist costs charge back to PUC (As per inter-corporate service agreement) | \$19,084 | \$19,084 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Answering service | COST BASED - 50% of 24hr emergency phone service charge back to PUC (As per inter-corporate service agreement) | \$10,678 | \$10,678 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Water meter maintenance - labor | COST BASED - Employee rate + benefits costs | \$4,015 | \$4,015 |
| Corporate Cost Allocation | | | | | |
| Name of Company | | Service Offered | Pricing Methodology | % of Corporate Costs Allocated | Amount Allocated |
| From | To | | | % | \$ |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Billing Supplies and expenses | COST BASED - 39% of HPDC billing supplies and expenses charged to PUC (As per inter-corporate service agreement) | 39% | \$40,661 |

2

3

1

Appendix 2-N - Shared Services and Corporate Cost Allocation - 2013

| Shared Services | | | | | |
|---|----------------------------|--|--|---------------------------------------|-----------------------------|
| Name of Company | | Service Offered | Pricing Methodology | Price for the Service | Cost for the Service |
| From | To | | | \$ | \$ |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | General Manager - Water Admin Charge | COST BASED - 21% of total General Manager cost (As per inter-corporate service agreement; based on time spent on water issues) | \$15,562 | \$15,562 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Billing Clerk - Water billing clerk charge | COST BASED - 24% of total Billing Clerk cost (As per inter-corporate service agreement; based on time spent on water issues) | \$10,494 | \$10,494 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Salaries - Town Receptionist /Cashier & summer student | COST BASED - 50% of Town receptionist costs charge back to PUC (As per inter-corporate service agreement) | \$17,287 | \$17,287 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Answering service | COST BASED - 50% of 24hr emergency phone service charge back to PUC (As per inter-corporate service agreement) | \$10,422 | \$10,422 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Water meter maintenance - labor | COST BASED - Employee rate + benefits costs | \$5,221 | \$5,221 |
| Corporate Cost Allocation | | | | | |
| Name of Company | | Service Offered | Pricing Methodology | % of Corporate Costs Allocated | Amount Allocated |
| From | To | | | % | \$ |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Billing Supplies and expenses | COST BASED - 39% of HPDC billing supplies and expenses charged to PUC (As per inter-corporate service agreement) | 39% | \$35,530 |

2

3

1

Appendix 2-N - Shared Services and Corporate Cost Allocation - 2012

| Shared Services | | | | | |
|---|----------------------------|--|--|--------------------------------|----------------------|
| Name of Company | | Service Offered | Pricing Methodology | Price for the Service | Cost for the Service |
| From | To | | | \$ | \$ |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | General Manager - Water Admin Charge | COST BASED - 21% of total General Manager cost (As per inter-corporate service agreement; based on time spent on water issues) | \$15,300 | \$15,300 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Billing Clerk - Water billing clerk charge | COST BASED - 24% of total Billing Clerk cost (As per inter-corporate service agreement; based on time spent on water issues) | \$9,421 | \$9,421 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Salaries - Town Receptionist /Cashier & summer student | COST BASED - 50% of Town receptionist costs charge back to PUC (As per inter-corporate service agreement) | \$19,034 | \$19,034 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Answering service | COST BASED - 50% of 24hr emergency phone service charge back to PUC (As per inter-corporate service agreement) | \$10,379 | \$10,379 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Water meter maintenance - labor | COST BASED - Employee rate + benefits costs | \$3,481 | \$3,481 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Water meter maintenance - reading | COST BASED - Employee rate + benefits costs | \$1,584 | \$1,584 |
| Corporate Cost Allocation | | | | | |
| Name of Company | | Service Offered | Pricing Methodology | % of Corporate Costs Allocated | Amount Allocated |
| From | To | | | % | \$ |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Billing Supplies and expenses | COST BASED - 39% of HPDC billing supplies and expenses charged to PUC (As per inter-corporate service agreement) | 39% | \$37,314 |

2

3

1

Appendix 2-N - Shared Services and Corporate Cost Allocation - 2011

| Shared Services | | | | | |
|---|----------------------------|--|--|---------------------------------------|-----------------------------|
| Name of Company | | Service Offered | Pricing Methodology | Price for the Service | Cost for the Service |
| From | To | | | \$ | \$ |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | General Manager - Water Admin Charge | COST BASED - 21% of total General Manager cost (As per inter-corporate service agreement; based on time spent on water issues) | \$16,655 | \$16,655 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Billing Clerk - Water billing clerk charge | COST BASED - 24% of total Billing Clerk cost (As per inter-corporate service agreement; based on time spent on water issues) | \$9,681 | \$9,681 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Salaries - Town Receptionist /Cashier & summer student | COST BASED - 50% of Town receptionist costs charge back to PUC (As per inter-corporate service agreement) | \$17,722 | \$17,722 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Answering service | COST BASED - 50% of 24hr emergency phone service charge back to PUC (As per inter-corporate service agreement) | \$9,374 | \$9,374 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Water meter maintenance - labor | COST BASED - Employee rate + benefits costs | \$3,274 | \$3,274 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Water meter maintenance - reading | COST BASED - Employee rate + benefits costs | \$10,840 | \$10,840 |
| Corporate Cost Allocation | | | | | |
| Name of Company | | Service Offered | Pricing Methodology | % of Corporate Costs Allocated | Amount Allocated |
| From | To | | | % | \$ |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Billing Supplies and expenses | COST BASED - 39% of HPDC billing supplies and expenses charged to PUC (As per inter-corporate service agreement) | 39% | \$30,478 |

2

3

1

Appendix 2-N - Shared Services and Corporate Cost Allocation - 2010

| Shared Services | | | | | |
|---|----------------------------|--|--|--------------------------------|----------------------|
| Name of Company | | Service Offered | Pricing Methodology | Price for the Service | Cost for the Service |
| From | To | | | \$ | \$ |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | General Manager - Water Admin Charge | COST BASED - 21% of total General Manager cost (As per inter-corporate service agreement; based on time spent on water issues) | \$16,846 | \$16,846 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Billing Clerk - Water billing clerk charge | COST BASED - 24% of total Billing Clerk cost (As per inter-corporate service agreement; based on time spent on water issues) | \$9,223 | \$9,223 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Salaries - Town Receptionist /Cashier & summer student | COST BASED - 50% of Town receptionist costs charge back to PUC (As per inter-corporate service agreement) | \$17,308 | \$17,308 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Answering service | COST BASED - 50% of 24hr emergency phone service charge back to PUC (As per inter-corporate service agreement) | \$11,016 | \$11,016 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Water meter maintenance - labor | COST BASED - Employee rate + benefits costs | \$6,023 | \$6,023 |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Water meter maintenance - reading | COST BASED - Employee rate + benefits costs | \$21,014 | \$21,014 |
| Corporate Cost Allocation | | | | | |
| Name of Company | | Service Offered | Pricing Methodology | % of Corporate Costs Allocated | Amount Allocated |
| From | To | | | % | \$ |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Billing Supplies and expenses | COST BASED - 39% of HPDC billing supplies and expenses charged to PUC (As per inter-corporate service agreement) | 39% | \$17,441 |

2

3

1 **Ex.4/Tab 3/Sch.5 - Variance Analysis of Corporate Cost Allocation**

2

3

Table 4.5 - Variance Analysis of Corporate Cost Allocation

| | | | 2010 BA | 2015 | | |
|---|----------------------------|--|-----------------------|-----------------------|-----------|---------|
| Name of Company | | Service Offered | Price for the Service | Price for the Service | \$ Var | % Var |
| From | To | | | | | |
| | | | \$ | \$ | | |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | General Manager - Water Admin Charge | \$16,500 | \$5,000 | -\$11,500 | -69.70% |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Billing Clerk - Water billing clerk charge | \$9,000 | \$15,000 | \$6,000 | 66.67% |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Salaries - Town Receptionist /Cashier & summer student | \$0 | \$10,000 | \$10,000 | |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Answering service | \$0 | \$0 | \$0 | |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Water meter maintenance - labor | \$0 | \$6,000 | \$6,000 | |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Water meter maintenance - reading | \$22,450 | \$0 | -\$22,450 | -73.27% |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Billing Supplies and expenses | \$0 | \$45,000 | \$45,000 | |

4

5 The reason for the significant variance between 2010 Board Approved and the 2015 Test Year
 6 is because under the previous manager, revenues related to water billing were netted against
 7 the costs of providing the service. The actual costs should have been shown in this table back in
 8 2010. Also, with the installation of smart meters, the needs for manual meter readings is gone,
 9 therefore, the only cost for meter reading is included in "Billing Clerk" and "Billing Supplies and
 10 Maintenance".

1

Table 4.6 - Variance Analysis of Corporate Cost Allocation

| | | | 2014 | 2015 | | |
|---|----------------------------|--|-----------------------|-----------------------|-----------|----------|
| Name of Company | | Service Offered | Price for the Service | Price for the Service | \$ Var | % Var |
| From | To | | \$ | \$ | | |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | General Manager - Water Admin Charge | \$19,903 | \$5,000 | -\$14,903 | -74.88% |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Billing Clerk - Water billing clerk charge | \$14,837 | \$15,000 | \$163 | 1.10% |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Salaries - Town Receptionist /Cashier & summer student | \$19,084 | \$10,000 | -\$9,084 | -47.60% |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Answering service | \$10,678 | \$0 | -\$10,678 | -100.00% |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Water meter maintenance - labor | \$4,015 | \$6,000 | \$1,985 | 49.44% |
| Hearst Power Distribution Co. Ltd. (HPDC) | PUC Water (Town of Hearst) | Billing Supplies and expenses | \$41,661 | \$45,000 | \$3,339 | 8.01% |

2

3 The new 2015 inter-corporate service agreement takes into account the estimate time spent on
 4 issues that are water related in comparison to the previous agreement, which used a set
 5 percentage (%). In reviewing the actual time spent on water billing issues, the utility found that
 6 the general manager's time had been overstated. In reality, very rarely does the General
 7 Manager need to intervene in water related issues.

8 In addition, the hiring of a new billing and service clerk means that the utility will not need to hire
 9 a summer student to assist in water billing issues.

10 Furthermore, in the previous agreement, the Town was billed for the 24 hr emergency telephone
 11 services for HPDC, but in the new 2015 inter-corporate agreement, it was understood that this
 12 charges was 100% the responsibility of the HPDC and the Town is no longer willing to pay for
 13 this charge.

14 **Reconciliation of Corporate Costs with Other Revenues**

15 As previously mentioned, during the years of 2010 to 2014, revenues related to inter-company
 16 services were netted against the costs of providing the service therefore reconciliation with
 17 Other Revenues for those years are not possible. The new manager has since then changed
 18 the accounting of corporate costs and as such, reconciliation is only available for 2015. The
 19 81,000 shown at Appendix 2-N reconciles with the balances in 4375 and 4380.

| | |
|---|-----------|
| 4375-Revenues from Non-Utility Operations | -\$81,000 |
| 4380-Expenses of Non-Utility Operations | \$81,000 |

INTER-CORPORATE SERVICES AGREEMENT

AGREEMENT made this 1st day of October 2014.

BETWEEN:

THE CORPORATION OF THE TOWN OF HEARST

hereinafter called 'Town of Hearst'
OF THE FIRST PART

- and -

HEARST POWER DISTRIBUTION CORPORATION LIMITED

hereinafter called 'Hearst Power Distribution '
OF THE SECOND PART

WHEREAS The Corporation of The Town of Hearst is incorporated pursuant to an Order of the Province of Ontario dated June 19th, 1922 and Hearst Power Distribution Company Limited is incorporated under the laws of the Province of Ontario pursuant to an order of the Corporation of the Town of Hearst by the passing of By-law 53-2000 on October 30, 2000;

AND WHEREAS Hearst Power Distribution is a "distributor" as defined in the Electricity Act, 1998;

AND WHEREAS the Town of Hearst is sole shareholder of Hearst Power Distribution;

AND WHEREAS Hearst Power Distribution is a provider of services for the Town of Hearst, including billing customers for the consumption of potable water and wastewater;

AND WHEREAS the Town of Hearst is likewise a provider of services for Hearst Power Distribution, including client reception and cashier, payroll, office premises, office equipment, communication, insurance and grounds keeping, and

AND WHEREAS Hearst Power Distribution and the Town of Hearst are affiliates within the meaning of the Business Corporations Act, R.S.O. 1990, as amended;



AND WHEREAS the Town of Hearst and Hearst Power Distribution provide and desire to continue to provide Shared Support Services for each other;

AND WHEREAS the purpose of this Agreement is to describe the Shared Support Services to be provided between the Town of Hearst and Hearst Power Distribution and the fees and charges to be paid for such Shared Support Services.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and the payment of the sum of TWO DOLLARS (\$2.00) each to the others, the receipt and sufficiency of which is hereby acknowledged, the Town of Hearst and Hearst Power Distribution (together the "Parties") agree with each other as follows:

1. DEFINITIONS AND INTERPRETATION

1.1. The following words and expressions wherever used in this Agreement shall have the following meanings, unless the context expressly or by necessary implication, otherwise requires:

- (a) "Agreement" means this Inter-Corporate Services Agreement and any subsequent amendments thereto.
- (b) "Code" means the OEB Affiliate Relationships Code for Electricity Distributors and Transmitters revised March 15, 2010, and any amendments or revisions thereto.
- (c) "Confidential Information" means information obtained by the Town of Hearst and Hearst Power Distribution relating to a specific smart sub-metering provider, wholesaler, consumer, retailer or generator in the process of providing current or prospective utility service, information pertaining to employees and such other information deemed confidential under the Freedom of Information and Protection of Privacy Act.
- (d) "Fully Allocated Cost" means the sum of direct costs plus a proportional share of indirect costs.
- (e) "Indirect Costs" means costs that cannot be identified with a specific unit of product or service or with a specific operation or cost centre, and includes, but is not limited to, overhead costs, administrative and general expenses and taxes.



- (f) "Information Services" means computer systems, service databases and persons knowledgeable about Hearst Power Distribution's information technology systems, and includes programming services.
- (g) "OEB" means the Ontario Energy Board.
- (h) "Parties" means the Corporation of the Town of Hearst and Hearst Power Distribution Company Limited collectively, and "Party" means any one of them as the case may be.
- (i) "Qualifying Facility" means a generation facility or an energy storage facility that meets the requirements set out in subsection 71(3) of the Ontario Energy Board Act, 1988;
- (j) "Representatives" means any employee, agent or subcontractor of the Party in question, including without limitation any third party retained to perform any or all of the Shared Support Services pursuant to this Agreement.
- (k) "Term" shall have the meaning prescribed to it in Article 2 of this Agreement.
- (l) "Shared Support Services" means shared support services of an administrative support nature delivered by each Party's own human and physical resources that include billing and collection, client account administration, client reception and payment, payroll, office premises, office equipment, information technology, storage space, communication, insurance and such other support services as may be justifiably and beneficially shared by the Parties from time to time.

2. TERM AND TERMINATION

- 2.1. The Parties agree that, notwithstanding any provision contained therein, any prior agreements for Shared Support Services made between them will be terminated effective January 1st, 2015.
- 2.2. This Agreement shall commence on January 1st, 2015 and terminate on December 31st, 2017 unless terminated by one of the Parties as permitted in this Agreement or unless otherwise directed by the OEB.



- 2.3. This Agreement may be terminated by any one of the Parties upon one hundred and eighty (180) days written notice to the other Party.

3. SHARED SUPPORT SERVICES

- 3.1. Hearst Power Distribution will provide to the Town of Hearst the Shared Support Services set out in Schedule A attached hereto and forming part of this Agreement, and any additional services required by The Town of Hearst from time to time that can be justifiably and beneficially offered by Hearst Power Distribution. The request shall be within notice, reasonable in the circumstances, for the type and quantity of Shared Support Services it requires, and Hearst Power Distribution shall supply the Shared Support Services, provided it has the capacity to do so without detriment to its own business or operations.
- 3.2. The Town of Hearst will provide to Hearst Power Distribution the Shared Support Services set out in Schedule B attached hereto and forming part of this Agreement, and any additional services required by Hearst Power Distribution from time to time that can be justifiably and beneficially offered by the Town of Hearst. The request shall be within notice, reasonable in the circumstances, for the type and quantity of Shared Support Services it requires, and the Town of Hearst shall supply the Shared Support Services, provided it has the capacity to do so without detriment to its own business or operations.
- 3.3. The quality of the Shared Support Services provided by the Parties will be equivalent to the quality it could expect to receive from third party suppliers. Where no market exists for a Shared Support Service, the quality of such Shared Support Service will be equivalent to the quality provided in the Party's own business and operations.
- 3.4. The Shared Support Services required by the Parties shall be provided in accordance with this Article 3 and with the prices set out respectively in attached Schedule A and Schedule B and the terms, conditions and prices shall be compliant with the requirements of the Code.
- 3.5. Prices charged between the Parties shall be subject to HST.



- 3.6. For the year commencing on January 1st, 2016 and also for ensuing years commencing on January 1st during the term of this Agreement, the prices specified in Schedule A and in Schedule B (except for item 3 of Schedule B in which case the increase is separately established by existing third party contract provisions) shall consist of the prices in effect on the immediately preceding December 31st, plus an adjustment for inflation calculated as described below:

Statistics Canada Consumer Price Index, All Items (Ontario) ("CPI") shall be used to calculate the inflation adjustment referred to hereabove. The percentage difference between the CPI on the first day as compared to the last day of a year shall be the inflation adjustment for the next year. The adjustment will be calculated as soon as necessary information is available from Statistics Canada and the prices will be retroactively adjusted to January 1st of the applicable year. The inflation adjustment shall be added to the prices on a cumulative basis.

The inflation adjustment for any 12-month period shall be limited to a maximum of 2.50%. Notwithstanding, in the event the inflation index for any given year exceeds 5%, the prices may be further adjusted provided however such further adjustment is negotiated between the Town of Hearst and Hearst Power Distribution and such negotiation shall deal only on the portion or part thereof of the inflation index that is in excess of the 5% base.

- 3.7. Invoices will be rendered by each Party for the Shared Support Services as soon as practicable following month end, and will be paid within thirty (30) days of the date thereof. In the event this Agreement is terminated prior to year end, the amounts payable will be pro-rated.
- 3.8. This Agreement shall be deemed to be an exclusive Inter-Corporate Services Agreement between the Town of Hearst and Hearst Power Distribution whom shall not have the right to respectively retain a third party to provide, any of the Shared Support Services unless consented to by the other Party.

4. CONFIDENTIAL INFORMATION

- 4.1. The Town of Hearst and Hearst Power Distribution mutually undertake and agree that they will not request from each other or disclose to each other or to any third party Confidential Information unless the party to whom the Confidential



Information relates, consents, or unless disclosure is permitted under the Code, the corporate by-laws of the Town of Hearst and/or Hearst Power Distribution, the Shareholder Declaration of the Town of Hearst for Hearst Power Distribution or otherwise, is required by law.

- 4.2. It is understood and agreed that subject to any revisions to the Code, to the corporate by-laws of the Town of Hearst and/or Hearst Power Distribution, the Shareholder Declaration of the Town of Hearst for Hearst Power Distribution, all Confidential Information will be protected from access by the Parties and from access by third parties, and access to the Town of Hearst's and Hearst Power Distribution's information services shall include appropriate data management and data access protocols and the Parties further agree to comply with all such protocols.
- 4.3. The Parties further undertake and agree that should a breach of any access protocol occur, the Parties will take immediate steps to remedy such breach.

5. DISPUTE RESOLUTION

Disputes between the Parties with respect to any provision of this Agreement which cannot be resolved by the Parties, shall be referred to arbitration in compliance with the provisions of the Arbitrations Act R.S.O. 1990, as amended, and in particular subject to the following requirements:

- 5.1. There shall be a single arbitrator selected by mutual agreement of both Parties.
- 5.2. The decision of the arbitrator as the case may be, shall be final.
- 5.3. The costs of the arbitration shall be borne equally between the Parties.
- 5.4. Notwithstanding the existence of any such disputes, the Town of Hearst and Hearst Power Distribution shall continue to carry out their respective obligations under this Agreement in a timely fashion, and such carrying out of obligations shall be without prejudice to their respective rights under this Agreement.



6. INSURANCE AND APPORTIONMENT OF RISK

- 6.1. Each Party will maintain policies of insurance for public liability and property as will protect the Parties from claims for damages for personal injury, including death, from claims for loss and from claims for property damage which may arise from the Parties' business or operations, including any act or omission of the Parties' agents, representatives or employees, and such coverage shall include all costs, charges and expenses reasonably incurred with respect to any injury or damage.
- 6.2. Each Party shall bear all risks associated with the business and operations of such Party.

7. INDEMNIFICATION

Each Party agrees to indemnify and save harmless the other Party against all losses, damages, claims, actions, demands, suits, costs and interest arising directly or indirectly from anything done by the Party in connection with this Agreement, whether in the performance of, outside of, or contrary to this Agreement.

8. WORKPLACE SAFETY AND INSURANCE BOARD COVERAGE

The Town of Hearst and Hearst Power Distribution shall procure and carry Workplace Safety and Insurance Board coverage for their employees while providing Shared Support Services to the other Party, the cost of which shall be part of the prices established for services rendered.

9. ENTIRE AGREEMENT

This Agreement is the entire agreement among the Parties regarding the subject of this Agreement and it can be amended or supplemented only by a document executed in writing by authority of the Municipal Council of the Corporation of the Town of Hearst.



10. SEVERABILITY

If any term of this Agreement is found to be invalid, illegal or unenforceable by a court or tribunal having the jurisdiction to do so, that term is to be considered to have been severed from the rest of this Agreement and the rest of this Agreement remains in force unaffected by that finding or by the severance of that term.

11. CONTEXT

In this Agreement, unless the context otherwise requires, the singular includes the plural and the masculine includes the feminine gender and a corporation.

12. GOVERNING LAW

This Agreement shall be governed by and construed and enforced in accordance with the laws of the Province of Ontario.

13. ASSIGNMENT

A Party may only assign this Agreement with the written consent of the other Party, such consent not to be unreasonably withheld.

14. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and shall enure to the benefit of the Parties hereto and their respective permitted successors and assigns.

15. NOTICE

Any notice required or permitted to be given hereunder or any tender or delivery, facsimile or e-mail to the following individuals or to such other individual a Party may stipulate by notice to the other Parties:

For Hearst Power Distribution Company Limited:

Name: Jessy Richard
Title: General Manager
Telephone: 705-372-2815
Fax: 705-362-5902
e-mail: jrichard@hearstpower.com



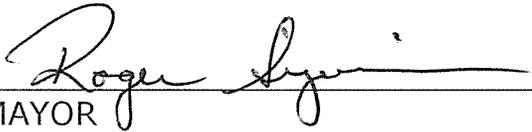
For The Corporation of The Town of Hearst:

Name: Claude Laflamme
Title: Chief Administrative Officer/Clerk
Telephone: 705-372-2817
Fax: 705-362-5902
e-mail: claflamme@hearst.ca

IN WITNESS WHEREOF the Corporate parties have affixed their Corporate Seals under the hands of their officers authorized in that behalf, and the individual parties have set their hands and seals.

EXECUTED AT HEARST THIS 1TH DAY OF October 2014.

THE CORPORATION OF THE TOWN OF HEARST

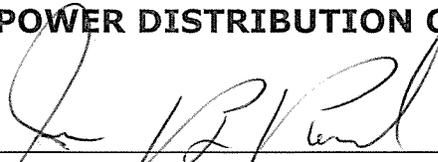


MAYOR



CHIEF ADMINISTRATIVE OFFICER/CLERK

HEARST POWER DISTRIBUTION COMPANY LIMITED



PRESIDENT



GENERAL MANAGER



Schedule A

To Intercorporate Services Agreement dated January 1st 2015

between

The Corporation of the Town of Hearst and Hearst Power Distribution Corporation

Shared Support Services provided by Hearst Power Distribution

Billing services for charges and levies in relation to potable water and wastewater consumption and ancillary services for all properties within the territorial limits of the Corporation of the Town of Hearst that are connected to the potable water and wastewater distribution system, which shall include all associated clerical, labour and administrative services for meter reading, invoicing, payment data entry, collection of arrears and clientele relations as well as a 24 hour answering service shall be provided by Hearst Power Distribution Company Ltd. in accordance with the following:

- An annual lump sum all inclusive price of thirty one thousand (\$ 31 000) payable in equal monthly instalments
- The acquisition of new equipment, software and hardware technology directly linked and required for the sole purpose of client meter reading and billing of potable water and wastewater consumption and ancillary services shall be the responsibility of the Corporation of the Town of Hearst. Acquisition of new billing equipment, software and hardware technology, billing supplies and material that is used for both hydro and water meter reading and billing shall be split 60% to Hearst Power and 40% to the Town of Hearst. The percentage for each corporation is based on the following information:



| Description | Units | Percentage (%) |
|--------------------|--------------|-----------------------|
| Hydro meters | 2,772 | 60% |
| Water meters | 1,822 | 40% |
| Total meters | 4,594 | 100% |

- The value of the acquisition, repair, maintenance and supplies of the postage machine owned by Hearst Power Distribution is deemed to be commensurate with the value of the photocopies and faxes used by Hearst Power Distribution on the photocopier and fax machines owned by the Town of Hearst. The Town of Hearst shall reimburse Hearst Power for postage fees only, billed monthly per usage.



Schedule B

To Intercorporate Services Agreement dated January 1st 2015

between

The Corporation of the Town of Hearst and Hearst Power Distribution Corporation

Shared Support Services provided by Town of Hearst

1. Client reception, central communication and cashier services, payroll for Hearst Power Distribution employees including bi-weekly pay and associated cost reports, enrolment and administration of fringe benefits including OMERS pension, remittances of deductions at source and annual T4 employee slips with employer reports
 - annual lump sum all inclusive price of thirty-eight thousand three hundred and forty dollars (\$ 38 040) payable in equal monthly instalments
2. Offices (3) for the General Manager, Administrative Assistant and Billing Clerk as well as access to common spaces comprising reception area, office equipment room, storage rooms and vaults as designated, coffee rooms, meeting rooms, washrooms, hallways and employee and client parking spaces as well as photocopies and faxes on the equipment owned by the Town of Hearst.
 - annual lump sum price of thirteen thousand three hundred and eighty dollars (\$ 13 380) including electrical, heating and water utilities, janitorial and insurance, payable in equal monthly instalments
3. Twenty-four hour/seven days (24/7) communication services by means of telephone and radio
 - annual lump sum price of twenty-one thousand four hundred and twenty dollars (\$ 21 420) plus as applicable, an annual CPI increase at anniversary date per existing third party contract provisions, payable in equal monthly instalments
4. Direct cost for telephone lines and associated charges
5. Direct cost for insurance of buildings and vehicles



6. The manpower, equipment and machinery charged at the Town hourly rate for its own internal cost accounting purposes, for the following services:

- clearing and removal of snow at the entrance and yard of the Hearst Power Garage
- grounds keeping involving lawn maintenance and granular upkeep of entrance and yard
- undertaking works to prepare land surface to provide vehicle access for Hearst Power crew to hydro pole sites which essentially represents:
 - during winter season conditions, snow clearing, ground freezing and temporary culvert installation
 - during spring, summer and fall season conditions, grading of ground and surfacing with granular material and temporary culvert installation
- uncovering underground electrical wires by extraction of earth with sewer flusher/suction-pump truck
- on occasion, perform repair and maintenance on pick-ups and trucks



1 **Ex.4/Tab 3/Sch.6 - Purchases of Non-Affiliate Services**

2 HPDC's purchases equipment, materials, and services in a cost effective manner with full
3 consideration given to price as well as product quality, the ability to deliver on time, reliability,
4 compliance with engineering specifications and quality of service. Vendors are screened to
5 ensure knowledge, reputation, and the capability to meet HPDC's needs. The procurement of
6 goods and/or services for HPDC is carried out with highest of ethical standards and
7 consideration to the public nature of the expenditures.

8 HPDC methods of procurement policy reads as follows:

9 **Procurement of Goods and/or Services**

10 Where the required product or service can be specified, (and such goods are not stocked in the
11 central stores), it shall be acquired by Purchase Order.

12 Where it is estimated that the value of the goods and services, inclusive of all delivery charges,
13 will cost:

14 **a) \$0 to \$99**

15 The purchase can be approved by either the General Manager, the Leadhand or a Director. A
16 Purchase Order is necessary.

17 **b) \$100 to \$1,999**

18 At least two (2) quotations shall be obtained, where possible and practicable. Quotation may be
19 verbal. The purchase is to be approved by the General Manager. A Purchase Order is
20 necessary.

21 **c) \$2,000 to \$9,999**

22 At least three (3) written quotations shall be obtained, where possible, using a formal Request
23 for Quotation where practicable or else, an informal Request for Quotation or some other
24 method adapted to the particular circumstances. The purchase is to be approved by the
25 General Manager. A Purchase Order is necessary.

26 **d) \$10,000 to \$49,999**

27 The General Manager shall issue a Request for Quotation. If only one quotation is received,
28 HPDC may exercise its right to cancel the call for quotations. Quotations will be formally

1 opened in public in presence of at least one HPDC employee and one witness as designated.
2 Prices or terms of purchase may be disclosed except that copies of quotations and other
3 documents received from a prospective supplier shall remain confidential. A Purchase Order is
4 necessary

5 **e) \$50,000 and over**

6 The General Manager shall issue a Call for Tender for all approved projects based on defined
7 requirements and tender documents shall be subject to prior approval of the board of Directors.

8 a. Tenders require a reply by a designated date and time, signed by the General
9 Manager, authorized to bind the Corporation. Any requested bid deposits, security or
10 bonds must be included with the submission. Replies are delivered directly to the
11 General Manager and are opened at a public meeting. If only one tender is received,
12 Hearst Power Distribution Co. Ltd. has the option of not opening the bid and closing the
13 call for tender.

14 b. Each sealed bid received in response to a formal bid request is reviewed to
15 determine whether a bid irregularity exists.

16 c. A report initiated by the issuing General Manager shall be prepared for the board
17 of Director's consideration and approval.

18 d. Upon board of Director's approval, a legally binding agreement is executed by
19 the General Manager, or under special and appropriate circumstances, a purchase order
20 is issued.

21 In 2014, the only cost in excess of the materiality threshold is for Burman Energy Consultant
22 Group – a cost which is covered by IESO/OPA funding.

23 HPDC's 2014 Vendor list is presented at the next page.

24

| <u>Name</u> | <u>Purchases 2014</u> |
|--|----------------------------------|
| 2-4-1 Pizza | 82.92 |
| AESI | 40,773.58 |
| Ago Industries Inc. | 3,176.63 |
| Algoma Central | 56.50 |
| Allan Fyfe Equipment Ltd. | 455.33 |
| Andre's Communication | 3,383.11 |
| ARMAND H.COUTURE | 4,567.57 |
| Ateliers Nord-Est | 4,549.19 |
| B & B Auto Sports & Marine Inc | 20.85 |
| B & C AUTOMATION | 642.07 |
| Bel Volt Sales Ltd. | 9,909.60 |
| BELL CANADA | 1,369.69 |
| Bell Canada | 5,339.68 |
| Bell Wireless Alliance | 553.85 |
| Bercell Integrated Tech. Ltd. | 14,313.12 |
| Boucher Plumbing & Heating | 407.08 |
| Burman Energy Consultants Group Inc. | 211,677.35 |
| Café J.Caron Boulley | 130.41 |
| Caisse Populaire de Hearst | 183.79 |
| Canada Post Corporation | 16,090.01 |
| Canadian Bearings Ltd. | 766.15 |
| Canadian Tire 406 | 509.43 |
| Collins Barrow | 27,875.18 |
| Cleo Communication | 787.69 |
| Credit Bureau of Timmins | 815.87 |
| Cristobond Electrical Ltd. | 33.62 |
| CUPE NATIONAL OFFICE | 3,104.24 |
| Dr. Patricia Smith | 90.00 |
| EDA | 10,057.00 |
| EDA Northwestern District | 203.40 |
| Electrical Safety Authority | 2,401.25 |
| ENERGA | 2,050.33 |
| ERTH Holdings Inc. | 95,517.92 |
| Expert Garage Ltd. | 609.28 |
| Expressions Florales | 62.15 |
| GILLES MATKO | 137.50 |
| Guillevin International | 5,159.18 |
| Harris Computer Systems | 15,208.75 |
| Hawktree Solutions | 243.46 |
| HD Supply Power Solutions | 31,472.26 |
| Hearst Central Garage | 1,220.66 |
| HEARST CHIROPRACTIC CLINIC | 200.00 |
| Hearst Co-op | 524.23 |
| Hearst Lumber Co. Ltd. | 476.36 |
| Husky Plus - 1535477 Ont.Ltd. | 200.28 |
| Info Tech | 760.39 |
| Infrastructure Health & Safety Association | 206.02 |
| Iron Mountain Intl Property Mgmt | 800.00 |
| J. Morin Construction | 2,186.55 |

| | |
|------------------------------------|------------|
| Jean's Diesel | 818.46 |
| Joanis Locksmith Ltd. | 2,407.77 |
| La Cantinière S & G | 81.02 |
| Le Nord | 1,804.01 |
| Lebel Chain Saw | 358.88 |
| Les Entreprises Forma-Jeunes | 184.64 |
| Louis Filion Professional Services | 5,415.86 |
| Maki Electric Home Hardware | 286.59 |
| Manitoulin Transport Inc. | 532.09 |
| Maurice Welding | 52.77 |
| MEARIE | 10,207.69 |
| MG SIGNS | 73.45 |
| Minister of Finance - EHT | 8,715.60 |
| Minister of Finance | 3,121.00 |
| Minister of Finance/MTO | 50.00 |
| Nedco/KLW | 10,270.89 |
| Neway Cleaner | 369.94 |
| Northern Meter Services | 2,192.20 |
| Northern Pressure Treated Wood | 13,897.87 |
| NorthernTel L.P. | 1,418.29 |
| OMERS | 70,144.82 |
| Ontario Elect Financial Corp | 606,806.27 |
| Ontario Energy Board | 6,457.74 |
| Ontario Northland | 1,666.75 |
| ONTARIO ONE CALL | 1,200.46 |
| Papeterie Hearst Stationary | 2,644.29 |
| Paul's Music World | 2,973.79 |
| Peterborough Utilities Service | 2,101.80 |
| Pitney Bowes Global Credit | 1,464.83 |
| PitneyWorks | 11,300.00 |
| Pizza Place | 416.21 |
| Proliner Utility Products | 398.89 |
| Purolator Courier Ltd. | 280.50 |
| Rocheleau's Independent Grocer | 284.78 |
| ROCK SOLID COMPUTER SERVICES | 223.15 |
| Sage Software Canada Ltd. | 1,136.55 |
| Sam's Car Sales | 72.90 |
| Sensus Canada | 34,280.12 |
| Sensus Metering System | 3,121.66 |
| Strategik Builders | 61,430.20 |
| SUBWAY SANDWICHES & SALADS | 267.74 |
| Sun Media Corporation | 2,988.30 |
| T & C Extinguishers | 516.97 |
| TANDEM ENERGY SERVICES INC. | 23,791.37 |
| Thunderhouse Forest Serv. | 6,046.07 |
| Trefoils Engineering | 2,274.69 |
| Utilities Standards Forum | 9,887.50 |
| Villeneuve Construction Co. | 1,012.20 |
| Vision Verte | 870.04 |
| Workplace Safety & Ins. Board | 4,079.02 |
| Young Utility Equipment Inc. | 1,353.69 |

1 **Ex.4/Tab 3/Sch.7 - One-time Costs;**

2 The only noteworthy one-time costs relate to the costs associated with 2015 Cost of Service
3 application which are amortized over a period of 5 years. Regulatory costs are discussed at the
4 next section. Note that the costs related to the Distribution System Plan have also been
5 amortized over a period of 5 years. These are also discussed in the regulatory section of the
6 application at the next schedule.

7 **Ex.4/Tab 3/Sch.8 - Regulatory Costs;**

8 Table 4.7 below shows HPDC's regulatory costs for the 4 historical years, and test year. Note
9 that the historical costs for regulatory matters shown at line 6 of the table reflect actual costs as
10 opposed to the 2010 approved regulatory costs of \$306,064 (amortized over 4 years) in
11 regulatory costs. In other words, the regulatory costs were booked in the year they were
12 incurred.

13 A detailed breakdown of regulatory costs for the 2015 test years is presented at table 4.7.
14 These costs are attributed to the 2015 Cost of Service, intervener costs and the regulatory
15 applications such as IRM applications, and cost incurred to put together HPDC Distribution
16 System Plan.

17 From 2015 and on, all regulatory costs listed below are tracked in account 5655 – Regulatory
18 Expenses. Costs directly associated with the Cost of Service application are amortized over a
19 period of 5 years. Such costs include Accounting services, Regulatory Services, Special
20 Studies, OEB cost and Intervener cost.

21 The Applicant has reduced its overall regulatory cost by entering into a fixed yearly contract
22 agreement with Tandem Energy Services Inc. ("TESI") to assist the utility with its regulatory
23 needs. The fixed fee include regulatory services such as; Preparing various documentation and
24 submissions required to meet the regulatory requirements of the utility; Provide advice so that
25 the utility operates in continuous compliance with OEB regulations; Preparation and defense of
26 rate applications; Assist in creating a work environment that facilitates the utility's understanding
27 the regulatory requirements. In its 2010 Cost of Service, the OEB approved \$306,064 / 4 or
28 \$76,516 per year. Regulatory Costs for 2015 are estimated at \$53,100/year for the next 5 years.
29 This amounts to a reduction of approximately \$120k over the next 5 years. The regulatory costs
30 include OEB assessment, OEB Section 30 Costs, yearly fees to TESI, costs association with
31 the DSP and intervener costs. HPDC notes that the costs of the DSP (\$35,000) were also
32 amortized over 5 years.

33 HPDC notes that it did not include any costs related to Settlement Conference and/or Oral
34 Hearing. As an effort to keep OM&A costs to a minimum, and as noted at Exhibit 1, the utility
35 wishes to proceed with the review of the application by way of written hearing. However, if the

- 1 OEB requires the utility to go to settlement or oral hearing, the utility reserves the right to
- 2 increase its Regulatory Costs accordingly.

1

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 2011 | 2013 Actual | Annual % Change | 2014 Actual | Annual % Change | 2015 Test Year | Annual % Change |
|---|--------------|----------------------|-----------------------------|--|--------------------------------|-------------|---------------------|-------------|---------------------|----------------|---------------------|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) = [(G)-(F)]/(F) | (I) | (J) = [(I)-(G)]/(G) | (L) | (J) = [(L)-(G)]/(G) |
| 1 OEB Annual Assessment | | 6823 | On-Going | 7095 | 5522 | 6118 | | 6823 | | 7000 | 0 |
| 2 OEB Section 30 Costs (Applicant-originated) | | 0 | | | | | | 0 | | 0 | |
| 3 OEB Section 30 Costs (OEB-initiated) | | 489 | On-Going | | 839 | 495 | | 489 | | 800 | 1 |
| 4 Expert Witness costs for regulatory matters | | | | | | | | | | | |
| 5 Legal costs for regulatory matters | | | | | | | | | | | |
| 6 Consultants' costs for regulatory matters | | 60322 | On-Going | 76516 | 0 | 12681 | | 60322 | 4 | 37000 | |
| 7 Operating expenses associated with staff resources allocated to regulatory matters | | | | | | | | | | | |
| 8 Operating expenses associated with other resources allocated to regulatory matters ¹ | | | | | | | | | | | |
| 9 Other regulatory agency fees or assessments | | 0 | On-Going | 1800 | 1765 | 2196 | | 0 | -1 | 2500 | |
| 10 Any other costs for regulatory matters (please define) | | 800 | On-Going | | 800 | 800 | | 800 | | 800 | |
| 11 Intervenor costs | | | One-Time | | | | | | | 5000 | |
| 12 Sub-total - Ongoing Costs ³ | | 68434 | | 85411 | 8926 | 22290 | 1 | 68434 | 2 | 48100 | |
| 13 Sub-total - One-time Costs ⁴ | | 6823 | | | | | | | | 5000 | |
| 14 Total | | | | 85411 | 8926 | 22290 | 1 | 68434 | 2 | 53100 | |

2

1 **Ex.4/Tab 3/Sch.9 - Low Income Energy Assistance Programs;**

2 HPDC has included \$2,000 of expense for the Low Income Assistance Program (LEAP) under
3 Deductions Donation Expense (USoA #6205). This amount is based on the Board's
4 determination that the greater of 0.12% of a distributor's Board-approved distribution revenue
5 requirement, or \$2,000 should be included in the utility's costs.

6 HPDC has partnered with Northern Corridor Assessment & Resource Service to assist in
7 program intended to provide emergency relief to eligible low-income customers who may be
8 experiencing difficulty paying current arrears be our lead agency.

9 In compliance with OEB policy, HPDC:

- 10 • Collects money from ratepayers for LEAP EFA in the amount approved by the OEB;
- 11 • Transfers program funds to Northern Corridor Assessment & Resource Service;
- 12 • Determine funding allocations within their service territory by geography;
- 13 • Establish partnerships, contracts, and operational procedures with Lead Agencies;
- 14 • Receive, recording and taking appropriate action upon notification from an Intake
15 Agency (or Lead Agency as appropriate) that an assessment of eligibility is being
16 undertaken;
- 17 • Receive, recording and taking appropriate action upon notification from an Intake
18 Agency (or Lead Agency as appropriate) of decisions on applications;
- 19 • Confirm customer and account information used in determining program eligibility,
20 including information on payment history; and

21 HPDC Reports to the OEB in accordance with OEB reporting requirements through filings
22 2.1.16.

23 HPDC attests that the test year revenue requirement does not includes legacy low income
24 energy assistance programs.

1 **Ex.4/Tab 3/Sch.10 - Charitable and Political Donations.**

2 HPDC has a policy in place that it does not donate to charities and as such, the utility confirms
3 that no charitable nor political donations have been included in OM&A expenses for 2014 other
4 than the \$2000 for LEAP funding.

5 No non-recoverable contributions are included in the proposed revenue requirement.

1 Depreciation, Amortization & Depletion

2 **Ex.4/Tab 4/Sch.1 - Depreciation Rates and Methodology**

3 In the summer of 2014, HPDC completed an internal analysis which supported the revised
4 average useful lives of various asset categories based on historical evidence and is within the
5 typical useful life bands outlined in the Kinectrics Report “Asset Depreciation Study for the
6 Ontario Energy Board”. The impact of on the utility’s net assets is discussed at Exhibit 2 and the
7 newly adopted depreciation rates are presented at Ex.4/Tab 7/Sch.1.

8 In accordance with the July 17, 2012 letter from the Board on Regulatory accounting policy
9 direction regarding changes to depreciation expense and capitalization policies and as such,
10 has adopted the Kinectrics proposed useful lives and componentization

11 Continuity Statements of the historical and forecasted depreciation expenses are presented at
12 the next page or Exhibit 4, Tab 7 Schedule 1 Attachment 1.

13 **Ex.4/Tab 4/Sch.2 - OEB Appendix**

14 The applicable depreciation appendices as provided in the Chapter 2 IFRS Appendices (2-CA to
15 2-CI) are provided at the next page

16 The schedules include the following years’

- 17 • 2010 Former CGAAP
- 18 • 2011 Former CGAAP
- 19 • 2012 Former CGAAP
- 20 • 2013 Former CGAAP
- 21 • 2013 Modified CGAAP
- 22 • 2014 Modified CGAAP
- 23 • 2014 IFRS
- 24 • 2015 IFRS

Depreciation and Amortization Expense

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

| Account | Description | Year 2010 | | Former CGAAP | | Total for Depreciation | Years | Depreciation Rate | 2010 Depreciation Expense | 2010 Depreciation Expense per Appendix 2-B Fixed Assets, Column K ⁽¹⁾ | Variance ² |
|---------|--|---|------------------------|----------------------|--------------|------------------------------------|-------|-------------------|---------------------------|--|-----------------------|
| | | Opening Regulatory Gross PP&E as at Jan 1, 2010 | Less Fully Depreciated | Net for Depreciation | Additions | | | | | | |
| | | (a) | (b) | (c) | (d) | | | | | | |
| | | | | | | (e) = (c) + 1/2 x (d) ¹ | (f) | (g) = 1 / (f) | (h) = (e) / (f) | | (m) = (h) - (l) |
| 1611 | Computer Software (Formally known as Account 1925) | \$ 115,957.00 | \$ 54,982.00 | \$ 60,975.00 | | \$ 60,975.00 | 5.00 | 20.00% | \$ 12,195.00 | \$ 12,195.00 | \$ - |
| 1612 | Land Rights (Formally known as Account 1906) | \$ 4,232.00 | \$ 2,432.00 | \$ 1,800.00 | | \$ 1,800.00 | 10.00 | 10.00% | \$ 180.00 | \$ 180.00 | \$ - |
| 1612 | Land Rights (Formally known as Account 1906) | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - |
| 1805 | Land | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - |
| 1808 | Buildings - Equipment | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - |
| 1808 | Buildings - Equipment | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - |
| 1808 | Buildings - Major Repairs | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - |
| 1808 | Buildings - Major Repairs | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - |
| 1808 | Buildings - Brick, Stone, Concrete and Steel | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - |
| 1810 | Leasehold Improvements | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - |
| 1815 | Transformer Station Equipment >50 kV | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - |
| 1820 | Distribution Station Equipment <50 kV | | | \$ - | | \$ - | 30.00 | 3.33% | \$ - | \$ - | \$ - |
| 1825 | Storage Battery Equipment | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - |
| 1830 | Poles, Towers & Fixtures | \$ 666,633.00 | \$ 266,934.50 | \$ 399,698.50 | \$ 2,203.00 | \$ 400,800.00 | 25.00 | 4.00% | \$ 16,032.00 | \$ 16,032.00 | \$ - |
| 1835 | Overhead Conductors & Devices | \$ 947,944.00 | \$ 387,834.00 | \$ 560,110.00 | \$ 2,579.00 | \$ 561,399.50 | 25.00 | 4.00% | \$ 22,455.98 | \$ 22,456.00 | -\$ 0.02 |
| 1840 | Underground Conduit | \$ 5,873.00 | \$ 405.00 | \$ 5,468.00 | \$ 1,881.00 | \$ 6,408.50 | 25.00 | 4.00% | \$ 256.34 | \$ 294.00 | -\$ 37.66 |
| 1845 | Underground Conductors & Devices | \$ 423,391.00 | \$ 70,777.50 | \$ 352,613.50 | \$ 809.00 | \$ 353,018.00 | 25.00 | 4.00% | \$ 14,120.72 | \$ 14,121.00 | -\$ 0.28 |
| 1850 | Line Transformers | \$ 544,950.00 | \$ 341,651.00 | \$ 203,299.00 | \$ 10,201.00 | \$ 208,399.50 | 25.00 | 4.00% | \$ 8,335.98 | \$ 8,540.00 | -\$ 204.02 |
| 1855 | Services (Overhead & Underground) | \$ 9,766.00 | \$ - | \$ 9,766.00 | \$ 581.00 | \$ 10,056.50 | 25.00 | 4.00% | \$ 402.26 | \$ 414.00 | -\$ 11.74 |
| 1860 | Meters | \$ 132,180.00 | \$ 42,355.00 | \$ 89,825.00 | | \$ 89,825.00 | 25.00 | 4.00% | \$ 3,593.00 | \$ 3,593.00 | \$ - |
| 1860 | Meters (Smart Meters) | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - |
| 1905 | Land | \$ 7,600.00 | | \$ 7,600.00 | | \$ 7,600.00 | - | | \$ - | \$ - | \$ - |
| 1908 | Buildings & Fixtures - Equipment | | | \$ - | | \$ - | 10.00 | 10.00% | \$ - | \$ - | \$ - |
| 1908 | Buildings & Fixtures - Driveways | | | \$ - | | \$ - | 20.00 | 5.00% | \$ - | \$ - | \$ - |
| 1908 | Buildings & Fixtures - Major Repairs | \$ 119,617.00 | | \$ 119,617.00 | | \$ 119,617.00 | 50.00 | 2.00% | \$ 2,392.34 | \$ 2,392.34 | \$ - |
| 1908 | Buildings & Fixtures - Brick Store etc | \$ 94,962.00 | \$ 13,474.00 | \$ 81,488.00 | | \$ 81,488.00 | 50.00 | 2.00% | \$ 1,629.76 | \$ 1,629.76 | \$ - |
| 1910 | Leasehold Improvements | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - |
| 1915 | Office Furniture & Equipment (10 years) | \$ 42,114.00 | \$ 13,380.00 | \$ 28,734.00 | | \$ 28,734.00 | 10.00 | 10.00% | \$ 2,873.40 | \$ 2,873.00 | \$ 0.40 |
| 1915 | Office Furniture & Equipment (5 years) | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - |
| 1920 | Computer Equipment - Hardware | \$ 77,302.00 | \$ 77,302.00 | \$ - | | \$ - | 5.00 | 20.00% | \$ - | \$ - | \$ - |
| 1920 | Computer Equip.-Hardware(Post Mar. 22/04) | \$ 2,220.00 | \$ 1,044.00 | \$ 1,176.00 | | \$ 1,176.00 | 5.00 | 20.00% | \$ 235.20 | \$ 235.00 | \$ 0.20 |
| 1920 | Computer Equip.-Hardware(Post Mar. 19/07) | \$ 20,122.00 | | \$ 20,122.00 | \$ 5,236.00 | \$ 22,740.00 | 5.00 | 20.00% | \$ 4,548.00 | \$ 3,952.00 | \$ 596.00 |
| 1930 | Transportation Equipment - under 3 Tons | \$ 176,808.00 | \$ 131,510.00 | \$ 45,298.00 | | \$ 45,298.00 | 5.00 | 20.00% | \$ 9,059.60 | \$ 9,060.00 | -\$ 0.40 |
| 1930 | Transportation Equipment - 3 Tons & Over | \$ 309,627.00 | \$ 309,627.00 | \$ - | | \$ - | 8.00 | | \$ - | \$ - | \$ - |
| 1935 | Stores Equipment | \$ 1,855.00 | \$ 1,855.00 | \$ - | | \$ - | 10.00 | 10.00% | \$ - | \$ - | \$ - |
| 1940 | Tools, Shop & Garage Equipment | \$ 96,771.00 | \$ 80,950.00 | \$ 15,821.00 | | \$ 15,821.00 | 10.00 | 10.00% | \$ 1,582.10 | \$ 1,582.00 | \$ 0.10 |
| 1945 | Measurement & Testing Equipment | | | \$ - | | \$ - | 10.00 | 10.00% | \$ - | \$ - | \$ - |
| 1950 | Power Operated Equipment | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - |
| 1955 | Communications Equipment | \$ 3,546.00 | | \$ 3,546.00 | | \$ 3,546.00 | 10.00 | 10.00% | \$ 354.60 | \$ 355.00 | -\$ 0.40 |
| 1955 | Communication Equipment (Smart Meters) | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - |
| 1960 | Miscellaneous Equipment | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - |
| 1970 | Load Management Controls Customer Premises | | | \$ - | | \$ - | 10.00 | 10.00% | \$ - | \$ - | \$ - |
| 1975 | Load Management Controls Utility Premises | | | \$ - | | \$ - | 10.00 | 10.00% | \$ - | \$ - | \$ - |
| 1980 | System Supervisor Equipment | | | \$ - | | \$ - | 15.00 | 6.67% | \$ - | \$ - | \$ - |
| 1985 | Miscellaneous Fixed Assets | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - |
| 1990 | Other Tangible Property | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - |
| 1995 | Contributions & Grants | | | \$ - | | \$ - | 25.00 | 4.00% | \$ - | \$ - | \$ - |
| | Total | \$ 3,803,470.00 | \$ 1,796,513.00 | \$ 2,006,957.00 | \$ 23,490.00 | \$ 2,018,702.00 | | | \$ 100,246.28 | \$ 99,904.10 | \$ 342.18 |

Depreciation and Amortization Expense

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

| Account | Description | Year 2011 | | Former CGAAP | | Total for Depreciation | Years | Depreciation Rate | 2011 Depreciation Expense | 2011 Depreciation Expense per Appendix 2-B Fixed Assets, Column K (m) | Variance ² |
|---------|--|---|------------------------|----------------------|--------------|------------------------------------|-------|-------------------|---------------------------|---|-----------------------|
| | | Opening Regulatory Gross PP&E as at Jan 1, 2011 | Less Fully Depreciated | Net for Depreciation | Additions | | | | | | |
| | | (a) | (b) | (c) | (d) | (e) = (c) + 1/2 x (d) ¹ | (f) | (g) = 1 / (f) | (h) = (e) / (f) | | (m) = (h) - (l) |
| 1611 | Computer Software (Formally known as Account 1925) | \$ 115,957.00 | \$ 54,982.00 | \$ 60,975.00 | | \$ 60,975.00 | 5.00 | 20.00% | \$ 12,195.00 | \$ 12,195.00 | \$ - |
| 1612 | Land Rights (Formally known as Account 1906) | \$ 4,232.00 | \$ 2,432.00 | \$ 1,800.00 | | \$ 1,800.00 | 10.00 | 10.00% | \$ 180.00 | \$ 180.00 | \$ - |
| 1612 | Land Rights (Formally known as Account 1906) | | | \$ - | | \$ - | 25.00 | 4.00% | \$ - | \$ - | \$ - |
| 1805 | Land | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1808 | Buildings - Equipment | | | \$ - | | \$ - | 10.00 | 10.00% | \$ - | \$ - | \$ - |
| 1808 | Buildings - Equipment | | | \$ - | | \$ - | 20.00 | 5.00% | \$ - | \$ - | \$ - |
| 1808 | Buildings - Equipment | | | \$ - | | \$ - | 25.00 | 4.00% | \$ - | \$ - | \$ - |
| 1808 | Buildings - Major Repairs | | | \$ - | | \$ - | 30.00 | 3.33% | \$ - | \$ - | \$ - |
| 1808 | Buildings - Major Repairs | | | \$ - | | \$ - | 25.00 | 4.00% | \$ - | \$ - | \$ - |
| 1808 | Buildings - Brick, Stone, Concrete and Steel | | | \$ - | | \$ - | 25.00 | 4.00% | \$ - | \$ - | \$ - |
| 1810 | Leasehold Improvements | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1815 | Transformer Station Equipment >50 kV | | | \$ - | | \$ - | 30.00 | 3.33% | \$ - | \$ - | \$ - |
| 1820 | Distribution Station Equipment <50 kV | | | \$ - | | \$ - | 30.00 | 3.33% | \$ - | \$ - | \$ - |
| 1825 | Storage Battery Equipment | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1830 | Poles, Towers & Fixtures | \$ 668,836.00 | \$ 284,384.00 | \$ 384,452.00 | \$ 5,045.00 | \$ 386,974.50 | 25.00 | 4.00% | \$ 15,478.98 | \$ 15,479.00 | \$ 0.02 |
| 1835 | Overhead Conductors & Devices | \$ 950,523.00 | \$ 409,786.00 | \$ 540,737.00 | \$ 2,525.00 | \$ 541,999.50 | 25.00 | 4.00% | \$ 21,679.98 | \$ 21,680.00 | \$ 0.02 |
| 1840 | Underground Conduit | \$ 7,754.00 | \$ 405.00 | \$ 7,349.00 | \$ 484.00 | \$ 7,591.00 | 25.00 | 4.00% | \$ 303.64 | \$ 304.00 | \$ 0.36 |
| 1845 | Underground Conductors & Devices | \$ 424,200.00 | \$ 221,407.00 | \$ 202,793.00 | | \$ 202,793.00 | 25.00 | 4.00% | \$ 8,111.72 | \$ 8,112.00 | \$ 0.28 |
| 1850 | Line Transformers | \$ 555,151.00 | \$ 342,284.00 | \$ 212,867.00 | \$ 5,766.00 | \$ 215,750.00 | 25.00 | 4.00% | \$ 8,630.00 | \$ 8,630.00 | \$ - |
| 1855 | Services (Overhead & Underground) | \$ 10,347.00 | | \$ 10,347.00 | \$ 3,040.00 | \$ 11,967.00 | 25.00 | 4.00% | \$ 474.68 | \$ 475.00 | \$ 0.32 |
| 1860 | Meters | \$ 132,180.00 | \$ 46,005.00 | \$ 86,175.00 | \$ 5,338.00 | \$ 88,844.00 | 25.00 | 4.00% | \$ 3,553.76 | \$ 3,554.00 | \$ 0.24 |
| 1860 | Meters (Smart Meters) | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1905 | Land | \$ 7,600.00 | | \$ 7,600.00 | | \$ 7,600.00 | | | \$ - | \$ - | \$ - |
| 1908 | Buildings & Fixtures - Equipment | | | \$ - | | \$ - | 10.00 | 10.00% | \$ - | \$ - | \$ - |
| 1908 | Buildings & Fixtures - Equipment | | | \$ - | | \$ - | 20.00 | 5.00% | \$ - | \$ - | \$ - |
| 1908 | Buildings & Fixtures - Driveways | | | \$ - | | \$ - | 25.00 | 4.00% | \$ - | \$ - | \$ - |
| 1908 | Buildings & Fixtures - Major Repairs | \$ 119,617.00 | | \$ 119,617.00 | | \$ 119,617.00 | 50.00 | 2.00% | \$ 2,392.34 | \$ 2,393.00 | \$ 0.66 |
| 1908 | Buildings & Fixtures - Brick Store etc | \$ 94,962.00 | \$ 13,474.00 | \$ 81,488.00 | | \$ 81,488.00 | 50.00 | 2.00% | \$ 1,629.76 | \$ 1,630.00 | \$ 0.24 |
| 1910 | Leasehold Improvements | | | \$ - | | \$ - | 10.00 | 10.00% | \$ - | \$ - | \$ - |
| 1915 | Office Furniture & Equipment (10 years) | \$ 42,114.00 | \$ 13,380.00 | \$ 28,734.00 | | \$ 28,734.00 | 10.00 | 10.00% | \$ 2,873.40 | \$ 2,873.00 | \$ 0.40 |
| 1915 | Office Furniture & Equipment (5 years) | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1920 | Computer Equipment - Hardware | \$ 77,302.00 | \$ 77,302.00 | \$ - | | \$ - | 5.00 | 20.00% | \$ - | \$ - | \$ - |
| 1920 | Computer Equip -Hardware(Post Mar. 22/04) | \$ 2,220.00 | \$ 2,220.00 | \$ - | | \$ - | 5.00 | 20.00% | \$ - | \$ - | \$ - |
| 1920 | Computer Equip -Hardware(Post Mar. 19/07) | \$ 25,358.00 | | \$ 25,358.00 | | \$ 25,358.00 | 5.00 | 20.00% | \$ 5,071.60 | \$ 4,476.00 | \$ 595.60 |
| 1930 | Transportation Equipment - under 3 Tons | \$ 178,808.00 | \$ 131,510.00 | \$ 45,298.00 | \$ 25,129.00 | \$ 57,862.50 | 5.00 | 20.00% | \$ 11,572.50 | \$ 11,573.00 | \$ 0.50 |
| 1930 | Transportation Equipment - 3 Tons & Over | \$ 309,627.00 | \$ 309,627.00 | \$ - | | \$ - | 8.00 | 12.50% | \$ - | \$ - | \$ - |
| 1935 | Stores Equipment | \$ 1,855.00 | \$ 1,855.00 | \$ - | | \$ - | 10.00 | 10.00% | \$ - | \$ - | \$ - |
| 1940 | Tools, Shop & Garage Equipment | \$ 96,771.00 | \$ 80,950.00 | \$ 15,821.00 | \$ 1,651.00 | \$ 16,846.50 | 10.00 | 10.00% | \$ 1,664.65 | \$ 1,665.00 | \$ 0.35 |
| 1945 | Measurement & Testing Equipment | | | \$ - | | \$ - | 10.00 | 10.00% | \$ - | \$ - | \$ - |
| 1950 | Power Operated Equipment | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1955 | Communications Equipment | \$ 3,546.00 | | \$ 3,546.00 | | \$ 3,546.00 | 10.00 | 10.00% | \$ 354.60 | \$ 355.00 | \$ 0.40 |
| 1955 | Communication Equipment (Smart Meters) | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1960 | Miscellaneous Equipment | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1970 | Load Management Controls Customer Premises | | | \$ - | | \$ - | 10.00 | 10.00% | \$ - | \$ - | \$ - |
| 1975 | Load Management Controls Utility Premises | | | \$ - | | \$ - | 10.00 | 10.00% | \$ - | \$ - | \$ - |
| 1980 | System Supervisor Equipment | | | \$ - | | \$ - | 15.00 | 6.67% | \$ - | \$ - | \$ - |
| 1985 | Miscellaneous Fixed Assets | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1990 | Other Tangible Property | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1995 | Contributions & Grants | | | \$ - | | \$ - | 25.00 | 4.00% | \$ - | \$ - | \$ - |
| 1609 | Other Tangible Property | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| | | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| | Total | \$ 3,826,960.00 | \$ 1,992,003.00 | \$ 1,834,957.00 | \$ 48,978.00 | \$ 1,859,446.00 | | | \$ 96,166.61 | \$ 95,574.00 | \$ 592.61 |

Depreciation and Amortization Expense

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

| Account | Description | Year 2012 | | Former CGAAP | | Total for Depreciation | Years | Depreciation Rate | 2012 Depreciation Expense | 2012 Depreciation Expense per Appendix 2-B Fixed Assets, Column K ^m | Variance ² |
|---------|--|---|------------------------|----------------------|---------------|------------------------------------|-------|-------------------|---------------------------|--|-----------------------|
| | | Opening Regulatory Gross PP&E as at Jan 1, 2012 | Less Fully Depreciated | Net for Depreciation | Additions | | | | | | |
| | | (a) | (b) | (c) | (d) | | | | | | |
| | | | | | | (e) = (c) + 1/2 x (d) ¹ | (f) | (g) = 1 / (f) | (h) = (e) / (f) | | (m) = (h) - (l) |
| 1611 | Computer Software (Formally known as Account 1925) | \$ 115,957.00 | \$ 54,982.00 | \$ 60,975.00 | \$ 5,795.00 | \$ 63,872.50 | 5.00 | 20.00% | \$ 12,774.50 | \$ 13,353.00 | \$ 578.50 |
| 1612 | Land Rights (Formally known as Account 1906) | \$ 4,232.00 | \$ 2,432.00 | \$ 1,800.00 | | \$ 1,800.00 | 10.00 | 10.00% | \$ 180.00 | \$ 180.00 | \$ - |
| 1612 | Land Rights (Formally known as Account 1906) | | | \$ - | | \$ - | 25.00 | 4.00% | \$ - | \$ - | \$ - |
| 1805 | Land | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - |
| 1808 | Buildings | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1808 | Buildings | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1808 | Buildings | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1808 | Buildings | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1808 | Buildings | | | \$ - | | \$ - | 25.00 | 4.00% | \$ - | \$ - | \$ - |
| 1808 | Buildings | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1810 | Leasehold Improvements | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1815 | Transformer Station Equipment >50 kV | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1820 | Distribution Station Equipment <50 kV | | | \$ - | | \$ - | 30.00 | 3.33% | \$ - | \$ - | \$ - |
| 1825 | Storage Battery Equipment | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1830 | Poles, Towers & Fixtures | \$ 673,881.00 | \$ 302,675.00 | \$ 371,206.00 | \$ 13,038.00 | \$ 377,725.00 | 25.00 | 4.00% | \$ 15,109.00 | \$ 15,109.00 | \$ - |
| 1835 | Overhead Conductors & Devices | \$ 953,048.00 | \$ 428,515.00 | \$ 524,533.00 | \$ 9,083.00 | \$ 529,074.50 | 25.00 | 4.00% | \$ 21,162.98 | \$ 21,163.00 | \$ 0.02 |
| 1840 | Underground Conduit | \$ 8,238.00 | \$ 1,190.00 | \$ 7,048.00 | | \$ 7,048.00 | 25.00 | 4.00% | \$ 281.92 | \$ 280.00 | \$ 1.92 |
| 1845 | Underground Conductors & Devices | \$ 424,200.00 | \$ 244,573.00 | \$ 179,627.00 | \$ 1,196.00 | \$ 180,225.00 | 25.00 | 4.00% | \$ 7,209.00 | \$ 7,209.00 | \$ - |
| 1850 | Line Transformers | \$ 557,917.00 | \$ 321,367.00 | \$ 236,550.00 | | \$ 236,550.00 | 25.00 | 4.00% | \$ 9,462.00 | \$ 9,462.00 | \$ - |
| 1855 | Services (Overhead & Underground) | \$ 13,387.00 | | \$ 13,387.00 | \$ 142.00 | \$ 13,458.00 | 25.00 | 4.00% | \$ 538.32 | \$ 538.00 | \$ 0.32 |
| 1860 | Meters | \$ 137,518.00 | \$ 52,295.00 | \$ 85,223.00 | \$ 197.00 | \$ 85,321.50 | 25.00 | 4.00% | \$ 3,412.86 | \$ 3,413.00 | \$ -0.14 |
| 1860 | Meters (Smart Meters) | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1905 | Land | \$ 7,600.00 | | \$ 7,600.00 | | \$ 7,600.00 | - | | \$ - | \$ - | \$ - |
| 1908 | Buildings & Fixtures | \$ 214,579.00 | \$ 13,474.00 | \$ 201,105.00 | \$ 17,890.00 | \$ 210,050.00 | 50.00 | 2.00% | \$ 4,201.00 | \$ 4,201.00 | \$ - |
| 1908 | Buildings & Fixtures | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1908 | Buildings & Fixtures | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1908 | Buildings & Fixtures | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1908 | Buildings & Fixtures | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1908 | Buildings & Fixtures | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1910 | Leasehold Improvements | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1915 | Office Furniture & Equipment (10 years) | \$ 42,114.00 | \$ 26,335.00 | \$ 15,779.00 | | \$ 15,779.00 | 10.00 | 10.00% | \$ 1,577.90 | \$ 1,578.00 | \$ 0.10 |
| 1915 | Office Furniture & Equipment (5 years) | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1920 | Computer Equipment - Hardware | \$ 77,302.00 | \$ 77,302.00 | \$ - | | \$ - | 10.00 | 10.00% | \$ - | \$ - | \$ - |
| 1920 | Computer Equip.-Hardware(Post Mar. 22/04) | \$ 2,220.00 | \$ 2,220.00 | \$ - | | \$ - | 10.00 | 10.00% | \$ - | \$ - | \$ - |
| 1920 | Computer Equip.-Hardware(Post Mar. 19/07) | \$ 25,358.00 | | \$ 25,358.00 | | \$ 25,358.00 | 5.00 | 20.00% | \$ 5,071.60 | \$ 4,476.00 | \$ 595.60 |
| 1930 | Transportation Equipment | \$ 511,564.00 | \$ 471,963.00 | \$ 39,601.00 | \$ 218,140.00 | \$ 148,671.00 | 5.00 | 20.00% | \$ 29,734.20 | \$ 29,734.00 | \$ 0.20 |
| 1930 | Transportation Equipment | | | \$ - | | \$ - | 8.00 | 12.50% | \$ - | \$ - | \$ - |
| 1935 | Stores Equipment | \$ 1,855.00 | \$ 1,855.00 | \$ - | | \$ - | 10.00 | 10.00% | \$ - | \$ - | \$ - |
| 1940 | Tools, Shop & Garage Equipment | \$ 98,422.00 | \$ 83,809.00 | \$ 14,613.00 | | \$ 14,613.00 | 10.00 | 10.00% | \$ 1,461.30 | \$ 1,461.00 | \$ 0.30 |
| 1945 | Measurement & Testing Equipment | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1950 | Power Operated Equipment | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1955 | Communications Equipment | \$ 3,546.00 | | \$ 3,546.00 | | \$ 3,546.00 | 10.00 | 10.00% | \$ 354.60 | \$ 355.00 | \$ 0.40 |
| 1955 | Communication Equipment (Smart Meters) | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1960 | Miscellaneous Equipment | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1970 | Load Management Controls Customer Premises | | | \$ - | | \$ - | 10.00 | 10.00% | \$ - | \$ - | \$ - |
| 1975 | Load Management Controls Utility Premises | | | \$ - | | \$ - | 10.00 | 10.00% | \$ - | \$ - | \$ - |
| 1980 | System Supervisor Equipment | | | \$ - | | \$ - | 15.00 | 6.67% | \$ - | \$ - | \$ - |
| 1985 | Miscellaneous Fixed Assets | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1990 | Other Tangible Property | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| 1995 | Contributions & Grants | | | \$ - | | \$ - | 25.00 | 4.00% | \$ - | \$ - | \$ - |
| 1609 | Other Tangible Property | | | \$ - | | \$ - | | | \$ - | \$ - | \$ - |
| | Total | \$ 3,872,938.00 | \$ 2,084,987.00 | \$ 1,787,951.00 | \$ 265,481.00 | \$ 1,920,691.50 | | | \$ 112,531.18 | 112,512.00 | \$ 19.18 |

Depreciation and Amortization Expense

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

| Account | Description | Year 2013 | | Former CGAAP | | Total for Depreciation | Years | Depreciation Rate | 2013 Depreciation Expense | 2013 Depreciation Expense per Appendix 2-B Fixed Assets, Column K _m | Variance ² | |
|---------|--|---|------------------------|----------------------|--------------|------------------------|-------|-------------------|---------------------------|--|-----------------------|----------------------------------|
| | | Opening Regulatory Gross PP&E as at Jan 1, 2013 | Less Fully Depreciated | Net for Depreciation | Additions | | | | | | | (e) = (c) + ½ x (d) ¹ |
| | | (a) | (b) | (c) | (d) | | | | | | | (e) |
| 1611 | Computer Software (Formally known as Account 1925) | \$ 121,752.00 | \$ 115,957.00 | \$ 5,795.00 | | \$ 5,795.00 | 5.00 | 20.00% | \$ 1,159.00 | \$ 1,159.00 | \$ - | |
| 1612 | Land Rights (Formally known as Account 1906) | \$ 4,232.00 | \$ 2,432.00 | \$ 1,800.00 | | \$ 1,800.00 | 10.00 | 10.00% | \$ 180.00 | \$ 180.00 | \$ - | |
| 1612 | Land Rights (Formally known as Account 1906) | | | \$ - | | \$ - | 25.00 | 4.00% | \$ - | \$ - | \$ - | |
| 1805 | Land | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - | |
| 1808 | Buildings | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - | |
| 1808 | Buildings | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - | |
| 1808 | Buildings | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - | |
| 1808 | Buildings | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - | |
| 1808 | Buildings | | | \$ - | | \$ - | 25.00 | 4.00% | \$ - | \$ - | \$ - | |
| 1808 | Buildings | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - | |
| 1810 | Leasehold Improvements | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - | |
| 1815 | Transformer Station Equipment >50 kV | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - | |
| 1820 | Distribution Station Equipment <50 kV | | | \$ - | | \$ - | 30.00 | 3.33% | \$ - | \$ - | \$ - | |
| 1825 | Storage Battery Equipment | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - | |
| 1830 | Poles, Towers & Fixtures | \$ 686,919.00 | \$ 321,404.00 | \$ 365,515.00 | \$ 3,127 | \$ 367,078.50 | 25.00 | 4.00% | \$ 14,683.14 | \$ 14,682.00 | \$ 1.14 | |
| 1835 | Overhead Conductors & Devices | \$ 962,131.00 | \$ 451,325.00 | \$ 510,806.00 | \$ 6,608 | \$ 514,110.00 | 25.00 | 4.00% | \$ 20,584.40 | \$ 20,584.00 | \$ 0.40 | |
| 1840 | Underground Conduit | \$ 7,048.00 | \$ - | \$ 7,048.00 | \$ 633 | \$ 7,364.50 | 25.00 | 4.00% | \$ 294.58 | \$ 294.00 | \$ 0.58 | |
| 1845 | Underground Conductors & Devices | \$ 425,396.00 | \$ 269,722.00 | \$ 155,674.00 | \$ 9,403 | \$ 160,375.50 | 25.00 | 4.00% | \$ 6,415.02 | \$ 6,415.00 | \$ 0.02 | |
| 1850 | Line Transformers | \$ 557,917.00 | \$ 337,692.00 | \$ 220,025.00 | | \$ 220,025.00 | 25.00 | 4.00% | \$ 8,801.00 | \$ 8,801.00 | \$ - | |
| 1855 | Services (Overhead & Underground) | \$ 13,529.00 | | \$ 13,529.00 | | \$ 13,529.00 | 25.00 | 4.00% | \$ 541.16 | \$ 541.00 | \$ 0.16 | |
| 1860 | Meters | \$ 137,715.00 | \$ 52,720.00 | \$ 84,995.00 | \$ 7,258 | \$ 88,624.00 | 25.00 | 4.00% | \$ 3,544.96 | \$ 3,544.00 | \$ 0.96 | |
| 1860 | Meters (Smart Meters) | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - | |
| 1905 | Land | \$ 7,600.00 | | \$ 7,600.00 | | \$ 7,600.00 | - | | \$ - | \$ - | \$ - | |
| 1908 | Buildings & Fixtures | \$ 232,469.00 | \$ 13,474.00 | \$ 218,995.00 | | \$ 218,995.00 | 50.00 | 2.00% | \$ 4,379.90 | \$ 4,379.00 | \$ 0.90 | |
| 1908 | Buildings & Fixtures | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - | |
| 1908 | Buildings & Fixtures | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - | |
| 1908 | Buildings & Fixtures | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - | |
| 1908 | Buildings & Fixtures | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - | |
| 1908 | Buildings & Fixtures | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - | |
| 1910 | Leasehold Improvements | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - | |
| 1915 | Office Furniture & Equipment (10 years) | \$ 42,114.00 | \$ 30,432.00 | \$ 11,682.00 | | \$ 11,682.00 | 10.00 | 10.00% | \$ 1,168.20 | \$ 1,168.00 | \$ 0.20 | |
| 1915 | Office Furniture & Equipment (5 years) | \$ - | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - | |
| 1920 | Computer Equipment - Hardware | \$ 77,302.00 | \$ 77,302.00 | \$ - | | \$ - | 5.00 | 20.00% | \$ - | \$ - | \$ - | |
| 1920 | Computer Equip.-Hardware(Post Mar. 22/04) | \$ 2,220.00 | \$ 2,220.00 | \$ - | | \$ - | 5.00 | 20.00% | \$ - | \$ - | \$ - | |
| 1920 | Computer Equip.-Hardware(Post Mar. 19/07) | \$ 25,358.00 | \$ 14,157.00 | \$ 11,201.00 | \$ 3,732 | \$ 13,067.00 | 5.00 | 20.00% | \$ 2,613.40 | \$ 2,017.00 | \$ 596.40 | |
| 1930 | Transportation Equipment | \$ 704,000.00 | \$ 460,731.00 | \$ 243,269.00 | \$ 28,201.00 | \$ 257,369.50 | 5.00 | 20.00% | \$ 51,473.90 | \$ 51,474.00 | \$ -0.10 | |
| 1930 | Transportation Equipment | | | \$ - | | \$ - | 8.00 | 12.50% | \$ - | \$ - | \$ - | |
| 1935 | Stores Equipment | \$ 1,855.00 | \$ 1,855.00 | \$ - | | \$ - | 10.00 | 10.00% | \$ - | \$ - | \$ - | |
| 1940 | Tools, Shop & Garage Equipment | \$ 98,422.00 | \$ 83,609.00 | \$ 14,813.00 | | \$ 14,813.00 | 10.00 | 10.00% | \$ 1,461.30 | \$ 1,461.00 | \$ 0.30 | |
| 1945 | Measurement & Testing Equipment | | | \$ - | | \$ - | 10.00 | 10.00% | \$ - | \$ - | \$ - | |
| 1950 | Power Operated Equipment | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - | |
| 1955 | Communications Equipment | \$ 3,546.00 | | \$ 3,546.00 | | \$ 3,546.00 | 10.00 | 10.00% | \$ 354.60 | \$ 355.00 | \$ -0.40 | |
| 1955 | Communication Equipment (Smart Meters) | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - | |
| 1960 | Miscellaneous Equipment | | | \$ - | | \$ - | 10.00 | 10.00% | \$ - | \$ - | \$ - | |
| 1970 | Load Management Controls Customer Premises | | | \$ - | | \$ - | 10.00 | 10.00% | \$ - | \$ - | \$ - | |
| 1975 | Load Management Controls Utility Premises | | | \$ - | | \$ - | 10.00 | 10.00% | \$ - | \$ - | \$ - | |
| 1980 | System Supervisor Equipment | | | \$ - | | \$ - | 5.00 | 20.00% | \$ - | \$ - | \$ - | |
| 1985 | Miscellaneous Fixed Assets | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - | |
| 1990 | Other Tangible Property | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - | |
| 1995 | Contributions & Grants | | | \$ - | | \$ - | 25.00 | 4.00% | \$ - | \$ - | \$ - | |
| 1609 | Other Tangible Property | | | \$ - | | \$ - | - | | \$ - | \$ - | \$ - | |
| | Total | \$ 4,111,525.00 | \$ 2,235,432.00 | \$ 1,876,093.00 | \$ 58,962.00 | \$ 1,905,574.00 | | | \$ 117,634.56 | \$ 117,034.00 | \$ 600.56 | |

Depreciation and Amortization Expense

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

Year 2013 Revised CGAAP

| Account | Description | Opening NBV as at Jan 1, 2013 ¹ | Additions | Average Remaining Life of Opening NBV ¹ | Years (new additions only) ² | Depreciation Rate on New Additions | Depreciation Expense on Opening NBV | Depreciation Expense on Additions ¹ | 2013 Depreciation Expense | 2013 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l) | Variance ² | Depreciation Expense on 2013 Full Year Additions | Less Depreciation Expense on Assets Fully Depreciated during the year (o) | 2013 Full Year Depreciation ³ |
|---------|--|--|------------------|--|---|------------------------------------|-------------------------------------|--|---------------------------|--|-----------------------|--|---|--|
| | | (a) | (d) | (i) | (f) | (g) = 1 / (f) | (j) = (a) / (i) | (h) = ((d)*0.5)/(f) | (k) = (j) + (h) | (l) | (m) = (k) - (l) | (n) = (d)/(f) | (o) | (p) = (j) + (n) - (o) |
| 1611 | Computer Software (Formally known as Account 1925) | \$ 4,637 | | 4.00 | 5.00 | 20.00% | \$ 1,159 | \$ - | \$ 1,159 | \$ 1,159 | \$ 0 | \$ - | | \$ 1,159 |
| 1612 | Land Rights (Formally known as Account 1906) | \$ 180 | | 1.00 | 10.00 | 10.00% | \$ 180 | \$ - | \$ 180 | \$ 180 | \$ - | \$ - | | \$ 180 |
| 1805 | Land | | | | | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1808 | Buildings - Other | | | | 25.00 | 4.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1808 | Buildings - Brck and Stone | | | | 50.00 | 2.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1810 | Leasehold Improvements | | | | | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1815 | Transformer Station Equipment >50 kV | | | | | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1820 | Distribution Station Equipment <50 kV | | | | 30.00 | 3.33% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1820 | Distribution Station Equipment <50 kV | | | | 40.00 | 2.50% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1820 | Distribution Station Equipment <50 kV | | | | 45.00 | 2.22% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1825 | Storage Battery Equipment | | | | | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1830 | Poles, Towers & Fixtures | | | | | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1830 | Poles, Towers & Fixtures | \$ 129,808 | \$ 3,127 | 35.72 | 45.00 | 2.22% | \$ 3,634 | \$ 35 | \$ 3,669 | \$ 3,669 | \$ 0 | \$ 69 | | \$ 3,704 |
| 1835 | Overhead Conductors & Devices | | | | 60.00 | 1.67% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1835 | Overhead Conductors & Devices | | | 9.74 | 45.00 | 2.22% | \$ 18,661 | \$ 73 | \$ 18,735 | \$ 18,735 | \$ 0 | \$ 147 | | \$ 18,808 |
| 1835 | Overhead Conductors & Devices | \$ 181,815 | \$ 6,608 | | 40.00 | 2.50% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1840 | Underground Conduit | \$ 5,023 | \$ 633 | 18.47 | 50.00 | 2.00% | \$ 272 | \$ 6 | \$ 278 | \$ 278 | \$ 0 | \$ 13 | | \$ 285 |
| 1840 | Underground Conduit | | | | 50.00 | 2.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1845 | Underground Conductors & Devices | \$ 43,552 | \$ 9,403 | 22.34 | 40.00 | 2.50% | \$ 1,950 | \$ 118 | \$ 2,067 | \$ 2,067 | \$ 0 | \$ 235 | | \$ 2,185 |
| 1845 | Underground Conductors & Devices | | | | 40.00 | 2.50% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1850 | Line Transformers | \$ 73,385 | | 29.17 | 25.00 | 4.00% | \$ 2,515 | \$ - | \$ 2,515 | \$ 2,515 | \$ - | \$ - | | \$ 2,515 |
| 1850 | Line Transformers | | | | 40.00 | 2.50% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1855 | Services (Overhead & Underground) | \$ 10,245 | | 19.00 | 40.00 | 2.50% | \$ 539 | \$ - | \$ 539 | \$ 539 | \$ 0 | \$ - | | \$ 539 |
| 1855 | Services (Overhead & Underground) | | | | 60.00 | 1.67% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1855 | Services (Overhead & Underground) | | | | 40.00 | 2.50% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1860 | Meters | \$ 47,598 | \$ 7,258 | 5.38 | 15.00 | 6.67% | \$ 8,849 | \$ 242 | \$ 9,091 | \$ 9,091 | \$ 0 | \$ 484 | | \$ 9,333 |
| 1860 | Meters | | | | 25.00 | 4.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1860 | Meters (Smart Meters) | | | | | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1905 | Land | \$ 7,600 | | | | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1908 | Buildings & Fixtures | \$ 141,225 | | 25.53 | | 0.00% | \$ 5,532 | \$ - | \$ 5,532 | \$ 5,532 | \$ 0 | \$ - | | \$ 5,532 |
| 1910 | Leasehold Improvements | | | | | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1915 | Office Furniture & Equipment (10 years) | \$ 1,887 | | 6.00 | 10.00 | 10.00% | \$ 315 | \$ - | \$ 315 | \$ 315 | \$ 1 | \$ - | | \$ 315 |
| 1915 | Office Furniture & Equipment (5 years) | | | | | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1920 | Computer Equipment - Hardware | | | | | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1920 | Computer Equip -Hardware(Post Mar. 22/04) | | | | | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1920 | Computer Equip -Hardware(Post Mar. 19/07) | \$ 6,494 | \$ 3,732 | 2.03 | 5.00 | 20.00% | \$ 3,193 | \$ 373 | \$ 3,566 | \$ 3,566 | \$ 0 | \$ 746 | \$ 1,299 | \$ 2,640 |
| 1930 | Transportation Equipment | | | | 8.00 | 12.50% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1930 | Transportation Equipment | \$ 213,916 | \$ 28,201 | 8.55 | 5.00 | 20.00% | \$ 25,028 | \$ 2,820 | \$ 27,848 | \$ 27,848 | \$ 0 | \$ 5,640 | | \$ 30,668 |
| 1930 | Transportation Equipment | | | | 8.00 | 12.50% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1935 | Stores Equipment | \$ - | | | | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1940 | Tools, Shop & Garage Equipment | \$ 7,873 | | 3.53 | 10.00 | 10.00% | \$ 2,230 | \$ - | \$ 2,230 | \$ 2,230 | \$ 0 | \$ - | | \$ 2,230 |
| 1945 | Measurement & Testing Equipment | | | | 10.00 | 10.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1950 | Power Operated Equipment | | | | | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1955 | Communications Equipment | \$ 708 | | 2.00 | 5.00 | 20.00% | \$ 354 | \$ - | \$ 354 | \$ 354 | \$ - | \$ - | | \$ 354 |
| 1955 | Communication Equipment (Smart Meters) | | | | | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1960 | Miscellaneous Equipment | | | | 10.00 | 10.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1970 | Load Management Controls Customer Premises | | | | 10.00 | 10.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1975 | Load Management Controls Utility Premises | | | | 10.00 | 10.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1980 | System Supervisor Equipment | | | | 3.00 | 33.33% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1985 | Miscellaneous Fixed Assets | | | | | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1990 | Other Tangible Property | | | | | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1995 | Contributions & Grants | | | | 40.00 | 2.50% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| | Total | \$ 875,946 | \$ 58,962 | | | | \$ 74,411 | \$ 3,667 | \$ 78,078 | \$ 78,078 | \$ 0 | \$ 7,335 | \$ 1,299 | \$ 80,446 |

1

2

2014 Revised CGAAP

| 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 Appendix 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 Deprecation + (n) - (o) |
|---------|--|-------------------|--|--|---|--|--|--|--|--|
| 1611 | Computer Software (Formally known as Account 1925) | \$ 8,675 | 5.00 | 20.00% | \$ 2,027 | \$ 2,027 | \$ 0 | \$ 1,735 | | \$ 2,894 |
| 1612 | Land Rights (Formally known as Account 1906) | | | 0.00% | \$ - | | \$ - | \$ - | | \$ 180 |
| 1805 | Land | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1808 | Buildings | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1808 | Buildings | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1810 | Leasehold Improvements | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1815 | Transformer Station Equipment >50 kV | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1820 | Distribution Station Equipment <50 kV | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1820 | Distribution Station Equipment <50 kV | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1820 | Distribution Station Equipment <50 kV | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1825 | Storage Battery Equipment | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1830 | Poles, Towers & Fixtures | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1830 | Poles, Towers & Fixtures | \$ 16,958 | 45.00 | 2.22% | \$ 3,892 | \$ 3,892 | \$ 0 | \$ 377 | | \$ 4,080 |
| 1835 | Overhead Conductors & Devices | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1835 | Overhead Conductors & Devices | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1835 | Overhead Conductors & Devices | \$ 12,414 | 45.00 | 2.22% | \$ 18,946 | \$ 18,946 | \$ 0 | \$ 276 | | \$ 19,084 |
| 1835 | Overhead Conductors & Devices | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1840 | Underground Conduit | | | 0.00% | \$ 285 | \$ 285 | \$ 0 | \$ - | | \$ 285 |
| 1840 | Underground Conduit | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1845 | Underground Conductors & Devices | \$ 3,382 | 40.00 | 2.50% | \$ 2,227 | \$ 2,227 | \$ 0 | \$ 85 | | \$ 2,269 |
| 1845 | Underground Conductors & Devices | | | 0.00% | \$ - | | \$ - | \$ - | | \$ 347 |
| 1850 | Line Transformers | \$ 13,380 | 40.00 | 2.50% | \$ 2,689 | \$ 2,548 | \$ 141 | \$ 347 | | \$ 2,862 |
| 1850 | Line Transformers | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1855 | Services (Overhead & Underground) | \$ 11,387 | 25.00 | 4.00% | \$ 777 | \$ 777 | \$ 0 | \$ 475 | | \$ 1,015 |
| 1855 | Services (Overhead & Underground) | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1855 | Services (Overhead & Underground) | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1860 | Meters | \$ 2,016 | 15.00 | 6.57% | \$ 9,400 | \$ 9,400 | \$ 0 | \$ 134 | | \$ 9,467 |
| 1860 | Meters | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1860 | Meters (Smart Meters) | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1905 | Land | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1908 | Buildings - Envelope, Structural, Foundation | \$ 35,965 | 70.00 | 1.43% | \$ 5,788 | \$ 5,788 | \$ 0 | \$ 514 | | \$ 6,045 |
| 1908 | Buildings - Interior | \$ 21,325 | 20.00 | 5.00% | \$ 533 | \$ 533 | \$ 0 | \$ 1,066 | | \$ 1,066 |
| 1910 | Leasehold Improvements | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1915 | Office Furniture & Equipment (10 years) | \$ 3,160 | 10.00 | 10.00% | \$ 472 | \$ 472 | \$ 0 | \$ 316 | | \$ 630 |
| 1915 | Office Furniture & Equipment (5 years) | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1920 | Computer Equipment - Hardware | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1920 | Computer Equip.-Hardware(Post Mar. 22/04) | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1920 | Computer Equip.-Hardware(Post Mar. 19/07) | \$ 10,297 | 5.00 | 20.00% | \$ 3,670 | \$ 3,968 | \$ 298 | \$ 2,059 | \$ 1,136 | \$ 3,564 |
| 1930 | Transportation Equipment | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1930 | Transportation Equipment | | | 0.00% | \$ 30,668 | \$ 30,668 | \$ 0 | \$ - | | \$ 30,668 |
| 1930 | Transportation Equipment | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1935 | Stores Equipment | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1940 | Tools, Shop & Garage Equipment | \$ 4,307 | 10.00 | 10.00% | \$ 2,446 | \$ 2,446 | \$ 0 | \$ 431 | \$ 1,597 | \$ 1,064 |
| 1945 | Measurement & Testing Equipment | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1950 | Power Operated Equipment | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1955 | Communications Equipment | | | 0.00% | \$ 354 | \$ 354 | \$ - | \$ - | \$ 354 | \$ - |
| 1965 | Communication Equipment (Smart Meters) | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1960 | Miscellaneous Equipment | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1970 | Load Management Controls Customer Premises | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1975 | Load Management Controls Utility Premises | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1980 | System Supervisor Equipment | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1985 | Miscellaneous Fixed Assets | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1990 | Other Tangible Property | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 1995 | Contributions & Grants | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| 4245 | Other Operating Revenues | | | 0.00% | \$ - | | \$ - | \$ - | | \$ - |
| | Total | \$ 144,266 | | | \$ 84,174 | \$ 84,331 | \$ 157 | \$ 7,815 | \$ 3,087 | \$ 85,521 |
| | Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets) | | | | \$ - | | \$ - | \$ - | | \$ - |
| | Total Depreciation Expense | | | | \$ 84,174 | | | | | |
| | | | | | \$ 84,332 | \$ - | 158 | | | |

2014 MIFRS

| Account | Description | Additions (d) | Years (new additions only) (t) | Depreciation Rate on New Additions (g) = 1 / (t) | 2014 Depreciation Expense ¹ (h)–2013 Full Year Depreciation + (d)/0.5/(t) | 2014 Depreciation Expense per Appendix 2- BA Fixed Assets, Column J (l) | Variance ² (m) = (h) - (l) | Depreciation Expense on 2014 Full Year Additions (n)=(c)/(t) | Less Depreciation Expense on Assets Fully Depreciated during the year (c) | 2014 Full Year Depreciation ³ (p) – 2013 Full Year Depreciation + (n) - (o) |
|---------|--|-------------------|--|--|--|--|--|--|--|---|
| 16'1 | Computer Software (Formerly known as Account 1925) | \$ 8,675 | 5.00 | 20.00% | \$ 2,027 | \$ 2,027 | \$ 0 | \$ 1,735 | | \$ 2,894 |
| 16'2 | Land Rights (Formerly known as Account 1906) | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ 180 |
| 1805 | Land | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1808 | Buildings | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1808 | Buildings | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 18'0 | Leasehold Improvements | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 18'5 | Transformer Station Equipment >50 kV | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1820 | Distribution Station Equipment <50 kV | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1820 | Distribution Station Equipment <50 kV | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1820 | Distribution Station Equipment <50 kV | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1825 | Storage Battery Equipment | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1830 | Poles, Towers & Fixtures | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1830 | Poles, Towers & Fixtures | \$ 6,958 | 45.00 | 2.22% | \$ 3,892 | \$ 3,892 | \$ 0 | \$ 377 | | \$ 4,080 |
| 1835 | Overhead Conductors & Devices | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1835 | Overhead Conductors & Devices | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1835 | Overhead Conductors & Devices | \$ 2,414 | 45.00 | 2.22% | \$ 18,946 | \$ 18,946 | \$ 0 | \$ 276 | | \$ 19,084 |
| 1835 | Overhead Conductors & Devices | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1840 | Underground Conduit | | | 0.00% | \$ 285 | \$ 285 | \$ 0 | \$ - | | \$ 285 |
| 1840 | Underground Conduit | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1845 | Underground Conductors & Devices | \$ 3,382 | 40.00 | 2.50% | \$ 2,227 | \$ 2,227 | \$ 0 | \$ 85 | | \$ 2,269 |
| 1845 | Underground Conductors & Devices | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ 347 |
| 1850 | Line Transformers | \$ 3,080 | 40.00 | 2.50% | \$ 2,669 | \$ 2,640 | \$ 141 | \$ 347 | | \$ 2,062 |
| 1850 | Line Transformers | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1855 | Services (Overhead & Underground) | \$ 1,887 | 25.00 | 4.00% | \$ 777 | \$ 777 | \$ 0 | \$ 475 | | \$ 1,015 |
| 1855 | Services (Overhead & Underground) | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1855 | Services (Overhead & Underground) | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1860 | Meters | \$ 2,016 | 15.00 | 6.67% | \$ 9,400 | \$ 9,400 | \$ 0 | \$ 134 | | \$ 9,467 |
| 1860 | Meters | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1860 | Meters (Smart Meters) | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1905 | Land | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1908 | Buildings - Envelope, Structural, Foundation | \$ 35,965 | 70.00 | 1.43% | \$ 5,788 | \$ 5,788 | \$ 0 | \$ 514 | | \$ 6,045 |
| 1900 | Buildings - Interiors | \$ 21,325 | 20.00 | 5.00% | \$ 533 | \$ 533 | \$ 0 | \$ 1,066 | | \$ 1,066 |
| 19'0 | Leasehold Improvements | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 19'5 | Office Furniture & Equipment (10 years) | \$ 3,160 | 10.00 | 10.00% | \$ 472 | \$ 472 | \$ 0 | \$ 316 | | \$ 630 |
| 19'5 | Office Furniture & Equipment (5 years) | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1920 | Computer Equipment - Hardware | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1920 | Computer Equip.-Hardware(Pos: Mar: 22/04) | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1920 | Computer Equip.-Hardware(Pos: Mar: 19/07) | \$ 10,297 | 5.00 | 20.00% | \$ 3,670 | \$ 3,968 | \$ 298 | \$ 2,069 | \$ 1,136 | \$ 3,564 |
| 1930 | Transportation Equipment | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1930 | Transportation Equipment | | | 0.00% | \$ 30,668 | \$ 30,668 | \$ 0 | \$ - | | \$ 30,668 |
| 1930 | Transportation Equipment | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1935 | Stores Equipment | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1940 | Tools, Shop & Garage Equipment | \$ 4,307 | 10.00 | 10.00% | \$ 2,446 | \$ 2,446 | \$ 0 | \$ 431 | \$ 1,597 | \$ 1,064 |
| 1945 | Measurement & Testing Equipment | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1950 | Power Operated Equipment | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1955 | Communication Equipment | | | 0.00% | \$ 354 | \$ 354 | \$ - | \$ - | \$ 354 | \$ - |
| 1955 | Communication Equipment (Smart Meters) | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1960 | Miscellaneous Equipment | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1970 | Load Management Controls Customer Premises | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1975 | Load Management Controls Utility Premises | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1980 | System Supervisor Equipment | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1985 | Miscellaneous Fixed Assets | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1990 | Other Tangible Property | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 1995 | Contributors & Grants | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| 4245 | Other Operating Revenues | | | 0.00% | \$ - | \$ - | \$ - | \$ - | | \$ - |
| | Total | \$ 144,266 | | | \$ 84,174 | \$ 84,331 | \$ 157 | \$ 7,815 | \$ 3,087 | \$ 85,521 |
| | Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets) | | | | \$ - | \$ - | \$ - | \$ - | | \$ - |
| | Total Depreciation Expense | | | | \$ 84,174 | | | | | |
| | | | | | \$ 84,332 | \$ 158 | | | | |

2015 MIFRS

| Account | Description | Additions (d) | Years (new additions only) (f) | Depreci- ation 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 2-3A Fixed Assets, Column J (l) | Variance ² (m) = (h) - (l) |
|---------|--|-------------------|--|--|--|--|--|
| 1011 | Computer Software (Formally known as Account 1925) | \$ 5,000 | 5.00 | 20.00% | \$ 3,394 | \$ 3,394 | \$ - |
| 1612 | Land Rights (Formally known as Account 1005) | | | 0.00% | \$ - | \$ - | \$ - |
| 1808 | Buildings | | 25.00 | 4.00% | \$ - | \$ - | \$ - |
| 1808 | Buildings | | | 0.00% | \$ - | \$ - | \$ - |
| 1810 | Leasehold Improvements | | | 0.00% | \$ - | \$ - | \$ - |
| 1815 | Transformer Station Equipment >50 kV | | | 0.00% | \$ - | \$ - | \$ - |
| 1820 | Distribution Station Equipment <50 kV | | 30.00 | 3.33% | \$ - | \$ - | \$ - |
| 1820 | Distribution Station Equipment <50 kV | | | 0.00% | \$ - | \$ - | \$ - |
| 1820 | Distribution Station Equipment <50 kV | | | 0.00% | \$ - | \$ - | \$ - |
| 1825 | Storage Battery Equipment | | | 0.00% | \$ - | \$ - | \$ - |
| 1830 | Poles, Towers & Fixtures | | 45.00 | 2.22% | \$ - | \$ - | \$ - |
| 1830 | Poles, Towers & Fixtures | \$ 70,000 | 45.00 | 2.22% | \$ 4,858 | \$ 4,858 | \$ - |
| 1835 | Overhead Conductors & Devices | | | 0.00% | \$ - | \$ - | \$ - |
| 1836 | Overhead Conductors & Devices | | 60.00 | 1.67% | \$ - | \$ - | \$ - |
| 1837 | Overhead Conductors & Devices | \$ 21,000 | 45.00 | 2.22% | \$ 19,317 | \$ 19,317 | \$ - |
| 1838 | Overhead Conductors & Devices | | 40.00 | 2.50% | \$ - | \$ - | \$ - |
| 1840 | Underground Conduit | | 50.00 | 2.00% | \$ 285 | \$ 285 | \$ - |
| 1840 | Underground Conduit | | | 0.00% | \$ - | \$ - | \$ - |
| 1845 | Underground Conductors & Devices | \$ 5,431 | 40.00 | 2.50% | \$ 2,337 | \$ 2,337 | \$ - |
| 1845 | Underground Conductors & Devices | | 40.00 | 2.50% | \$ - | \$ - | \$ - |
| 1850 | Line Transformers | \$ 6,017 | 40.00 | 2.50% | \$ 2,938 | \$ 2,938 | \$ - |
| 1850 | Line Transformers | | 40.00 | 2.50% | \$ - | \$ - | \$ - |
| 1855 | Services (Overhead & Underground) | \$ 11,000 | 25.00 | 4.00% | \$ 1,235 | \$ 1,235 | \$ - |
| 1855 | Services (Overhead & Underground) | | 60.00 | 1.67% | \$ - | \$ - | \$ - |
| 1855 | Services (Overhead & Underground) | | 40.00 | 2.50% | \$ - | \$ - | \$ - |
| 1860 | Meters | | | 0.00% | \$ 9,467 | \$ 9,467 | \$ - |
| 1860 | Meters | | | 0.00% | \$ - | \$ - | \$ - |
| 1860 | Meters (Smart Meters) | \$ 2,625 | 15.00 | 6.67% | \$ 45,475 | \$ 45,475 | \$ - |
| 1905 | Land | | | 0.00% | \$ - | \$ - | \$ - |
| 1908 | Buildings & Fixtures | \$ 7,500 | 22.50 | 4.44% | \$ 6,212 | \$ 6,212 | \$ - |
| 1910 | Leasehold Improvements | | | 0.00% | \$ - | \$ - | \$ - |
| 1915 | Office Furniture & Equipment (10 years) | \$ 2,500 | 10.00 | 0.00% | \$ 755 | \$ 755 | \$ - |
| 1915 | Office Furniture & Equipment (5 years) | | | 0.00% | \$ - | \$ - | \$ - |
| 1920 | Computer Equipment - Hardware | | | 0.00% | \$ - | \$ - | \$ - |
| 1920 | Computer Equip.-Hardware(Post Mar. 22/04) | | | 0.00% | \$ - | \$ - | \$ - |
| 1920 | Computer Equip.-Hardware(Post Mar. 19/07) | \$ 10,000 | 5.00 | 20.00% | \$ 4,564 | \$ 4,564 | \$ - |
| 1930 | Transportation Equipment | | 8.00 | 2.50% | \$ - | \$ - | \$ - |
| 1930 | Transportation Equipment | \$ 28,000 | 5.00 | 20.00% | \$ 33,468 | \$ 33,468 | \$ - |
| 1930 | Transportation Equipment | | 8.00 | 2.50% | \$ - | \$ - | \$ - |
| 1935 | Stores Equipment | | | 0.00% | \$ - | \$ - | \$ - |
| 1940 | Tools, Shop & Garage Equipment | \$ 7,000 | 10.00 | 0.00% | \$ 1,414 | \$ 1,414 | \$ - |
| 1945 | Measurement & Testing Equipment | | 10.00 | 0.00% | \$ - | \$ - | \$ - |
| 1950 | Power Operated Equipment | | | 0.00% | \$ - | \$ - | \$ - |
| 1955 | Communications Equipment | | 5.00 | 20.00% | \$ - | \$ - | \$ - |
| 1955 | Communication Equipment (Smart Meters) | | | 0.00% | \$ - | \$ - | \$ - |
| 1960 | Miscellaneous Equipment | | | 0.00% | \$ - | \$ - | \$ - |
| 1970 | Load Management Controls Customer Premises | | | 0.00% | \$ - | \$ - | \$ - |
| 1975 | Load Management Controls Utility Premises | | | 0.00% | \$ - | \$ - | \$ - |
| 1980 | System Supervisor Equipment | | 3.00 | 33.33% | \$ - | \$ - | \$ - |
| 1985 | Miscellaneous Fixed Assets | | | 0.00% | \$ - | \$ - | \$ - |
| 1990 | Other Tangible Property | | | 0.00% | \$ - | \$ - | \$ - |
| 1995 | Contributions & Grants | | | 0.00% | \$ - | \$ - | \$ - |
| 4245 | Other Operating Revenues | | 40.00 | 2.50% | \$ - | \$ - | \$ - |
| | | | | 0.00% | \$ - | \$ - | \$ - |
| | Total | \$ 176,073 | | | \$ 135,719 | \$ 135,719 | \$ - |
| | Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets) | | | | | | |
| | Total Depreciation expense to be included in the test year revenue requirement | | | | \$ 135,719 | | |

1 **Ex.4/Tab 4/Sch.3 - Typical Useful Lives Study**

2 HPDC has adopted depreciation rates based on the Kinectrics which can be found on the
3 Ontario Energy Board website or using the following link;

4 [http://www.ontarioenergyboard.ca/oeb/_Documents/EB-2010-0178/Kinectrics-418033-](http://www.ontarioenergyboard.ca/oeb/_Documents/EB-2010-0178/Kinectrics-418033-OEB%20Asset%20Amortization-%20Final%20Rep.pdf)
5 [OEB%20Asset%20Amortization-%20Final%20Rep.pdf](http://www.ontarioenergyboard.ca/oeb/_Documents/EB-2010-0178/Kinectrics-418033-OEB%20Asset%20Amortization-%20Final%20Rep.pdf).

- 1 **Ex.4/Tab 4/Sch.4 - OEB Appendix 2-BB**
- 2 Appendix 2-BB is presented at the next page

**Service Life Comparison
Table F-1 from Kinetrics Report¹**

| Parent* | # | Asset Details | | Useful Life | | | USoA Account Number | USoA Account Description | Current | | Proposed | | Outside Range of Min, Max TUL? | | | | | | | | | |
|-------------------|--------------------------------------|---|-------------------|-------------|-----|--------|----------------------------|--------------------------|---------|--------------------------|----------|------|--------------------------------|---------------|----|----|----|----|--|--|--|--|
| | | Category | Component Type | MIN UL | TUL | MAX UL | | | Years | Rate | Years | Rate | Below Min TUL | Above Max TUL | | | | | | | | |
| OH | 1 | Fully Dressed Wood Poles | Overall | 35 | 45 | 75 | 1830 | Poles, Towers & Fixtures | 25 | 4% | 45 | 2% | No | No | | | | | | | | |
| | | | Cross Arm | Wood | 20 | 40 | | | | | | | | | 55 | | | | | | | |
| | | | Cross Arm | Steel | 30 | 70 | | | | | | | | | 95 | | | | | | | |
| | 2 | Fully Dressed Concrete Poles | Overall | 50 | 60 | 80 | | | | | | | | | | | | | | | | |
| | | | Cross Arm | Wood | 20 | 40 | | | 55 | | | | | | | | | | | | | |
| | | | Cross Arm | Steel | 30 | 70 | | | 95 | | | | | | | | | | | | | |
| | 3 | Fully Dressed Steel Poles | Overall | 60 | 60 | 80 | | | | | | | | | | | | | | | | |
| | | | Cross Arm | Wood | 20 | 40 | | | 55 | | | | | | | | | | | | | |
| | | | Cross Arm | Steel | 30 | 70 | | | 95 | | | | | | | | | | | | | |
| | 4 | OH Line Switch | | 30 | 45 | 55 | | | 1835 | OH Conductor and devices | 25 | 4% | 45 | 2% | No | No | | | | | | |
| | 5 | OH Line Switch Motor | | 15 | 25 | 25 | | | | | | | | | | | | | | | | |
| 6 | OH Line Switch RTU | | 15 | 20 | 20 | | | | | | | | | | | | | | | | | |
| 7 | OH Intgral Switches | | 35 | 45 | 60 | | | | | | | | | | | | | | | | | |
| 8 | OH Conductors | | 50 | 60 | 75 | | | | | | | | | | | | | | | | | |
| 9 | OH Transformers & Voltage Regulators | | 30 | 40 | 60 | | | | | | | | | | | | | | | | | |
| 10 | OH Shunt Capacitor Banks | | 25 | 30 | 40 | | | | | | | | | | | | | | | | | |
| 11 | Reclosers | | 25 | 40 | 55 | | | | | | | | | | | | | | | | | |
| TS & MS | 12 | Power Transformers | Overall | 30 | 45 | 60 | 1850 | Line Transformers | | | | | | | | | 45 | 2% | | | | |
| | | | 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 | | 30 | 40 | 60 | | | | | | | | | | | | | | | | |
| | 17 | Station Independent Breakers | Overall | 25 | 40 | 60 | | | | | | | | | | | | | | | | |
| | | | Removable Breaker | 25 | 40 | 60 | | | | | | | | | | | | | | | | |
| Removable Breaker | | | 35 | 45 | 65 | | | | | | | | | | | | | | | | | |
| 18 | Station Switch | | 30 | 50 | 60 | | | | | | | | | | | | | | | | | |
| 19 | Electromechanical Relays | | 25 | 35 | 50 | | | | | | | | | | | | | | | | | |
| 20 | Solid State Relays | | 10 | 30 | 45 | | | | | | | | | | | | | | | | | |
| 21 | Digital & Numeric Relays | | 15 | 20 | 20 | | | | | | | | | | | | | | | | | |
| 22 | Rigid Busbars | | 30 | 55 | 60 | | | | | | | | | | | | | | | | | |
| 23 | Steel Structure | | 35 | 50 | 90 | | | | | | | | | | | | | | | | | |
| UG | 24 | Primary Paper Insulated Lead Covered (PILC) Cables | | 60 | 65 | 75 | 1845 | UG conductor and devices | 25 | 4% | 25 | 4% | No | No | | | | | | | | |
| | 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 | | | | | | | | | | | | | | | | |
| | 30 | Secondary PILC Cables | | 70 | 75 | 80 | | | | | | | | | | | | | | | | |
| | 31 | Secondary Cables Direct Buried | | 25 | 35 | 40 | | | | | | | | | | | | | | | | |
| | 32 | Secondary Cables in Duct | | 35 | 40 | 60 | | | | | | | | | | | | | | | | |
| | 33 | Network Transformers | Overall | 20 | 35 | 50 | | | | | | | | | | | | | | | | |
| | 34 | Pad-Mounted Transformers | Protector | 20 | 35 | 40 | | | | | | | | | | | | | | | | |
| | 35 | Submersible/Vault Transformers | | 25 | 40 | 45 | | | | | | | | | | | | | | | | |
| | 36 | UG Foundation | | 35 | 55 | 70 | | | | | | | | | | | | | | | | |
| 37 | UG Vaults | Overall | 40 | 60 | 80 | 1840 | UG Conduit and Foundations | 25 | 4% | 50 | 2% | No | No | | | | | | | | | |
| | | Roof | 20 | 30 | 45 | | | | | | | | | | | | | | | | | |
| | | Roof | 20 | 35 | 50 | | | | | | | | | | | | | | | | | |
| 38 | UG Vault Switches | | 20 | 30 | 45 | | | | | | | | | | | | | | | | | |
| 39 | Pad-Mounted Switchgear | | 20 | 30 | 45 | | | | | | | | | | | | | | | | | |
| 40 | Ducts | | 30 | 50 | 85 | | | | | | | | | | | | | | | | | |
| 41 | Concrete Encased Duct Banks | | 35 | 55 | 80 | | | | | | | | | | | | | | | | | |
| 42 | Cable Chambers | | 50 | 60 | 80 | | | | | | | | | | | | | | | | | |
| S | 43 | Remote SCADA | | 15 | 20 | | | 30 | | | 15 | 7% | | | | | | | | | | |

Table F-2 from Kinetrics Report¹

| # | Asset Details | | Useful Life Range | USoA Account Number | USoA Account Description | Current | | Proposed | | Outside Range of Min, Max TUL? | |
|----|---|---------------------------------|-------------------|---------------------|----------------------------------|---------|------|----------|------|--------------------------------|-----------------|
| | Category | Component Type | | | | Years | Rate | Years | Rate | Below Min Range | Above Max Range |
| 1 | Office Equipment | | 5 - 15 | 1915 | Office furniture / equipment | 10 | 10% | 10 | 10% | No | No |
| 2 | Vehicles | Trucks & Buckets | 5 - 15 | 1930 | Boom Truck and Heavy trucks | 5 | 20% | 10 | 10% | No | No |
| | | Trailers | 5 - 20 | 1930 | Trailers | 5 | 20% | 10 | 10% | No | No |
| 3 | Administrative Buildings | Vans | 5 - 10 | 1930 | Pick up | 5 | 20% | 5 | 20% | No | No |
| 4 | Leasehold Improvements | | 50 - 75 | | | 50 | 2% | 50 | 2% | No | No |
| 5 | Station Buildings | Station Buildings | 50 - 75 | 1908 | Building - Structure | 50 | 2% | 70 | 1% | No | No |
| | | Parking | 25 - 30 | 1908 | Building Outside / Fence | 50 | 2% | 30 | 3% | No | No |
| | | Fence | 25 - 60 | 1908 | Interior | 50 | 2% | 20 | 5% | Yes | No |
| | | Roof | 20 - 30 | 1908 | Roof | 50 | 2% | 25 | 4% | No | No |
| 6 | Computer Equipment | Hardware | 3 - 5 | 1920 | Computer equipment | 5 | 20% | 5 | 20% | No | No |
| | | Software | 2 - 5 | | | 3 | 33% | 3 | 33% | No | No |
| 7 | Equipment | Power Operated | 5 - 10 | | | | | | | | |
| | | Stores | 5 - 10 | 1935 | Store equipment | 10 | 10% | 10 | 10% | No | No |
| | | Tools, Shop, Garage Equipment | 5 - 10 | 1940 | Tools, Shop and Garage equipment | 10 | 10% | 10 | 10% | No | No |
| 8 | Communication | Measurement & Testing Equipment | 5 - 10 | | | 10 | 10% | | | | |
| | | Towers | 60 - 70 | | | | | | | | |
| 9 | Residential Energy Meters | Wireless | 2 - 10 | 1955 | Communication Equipment | 10 | 10% | 10 | 10% | No | No |
| 10 | Industrial/Commercial Energy Meters | | 25 - 35 | | | 25 | 4% | | | | |
| 11 | Wholesale Energy Meters | | 15 - 30 | 1860 | Old meters | 25 | 4% | 15 | 7% | No | No |
| 12 | Current & Potential Transformer (CT & PT) | | 35 - 50 | | | | | | | | |
| 13 | Smart Meters | | 5 - 15 | 1860 | Smart meters | 15 | 7% | 15 | 7% | No | No |
| 14 | Repeaters - Smart Metering | | 10 - 15 | | | 15 | 7% | | | | |
| 15 | Data Collectors - Smart Metering | | 15 - 20 | | | 15 | 7% | | | | |

1 **Ex.4/Tab 4/Sch.5 - Depreciation Expense Associated with Retirement**
2 **Obligation**

3 The only Asset Retirement Obligations occurred in 2012. The retirements are; a 1986
4 bucket truck at a value of -\$25,704 and an underground conduit at a value of \$1,190.
5 The two asset retirements are reflected in the fixed assets continuity statements at the
6 next page. HPDC's accounting firm removed the entire value of the bucket truck from
7 the depreciation expenses. No depreciation expenses were removed for the fully
8 depreciation underground conduit.

9 **Ex.4/Tab 4/Sch.6 - Depreciation and Capitalization Policy**

10 HPDC's Capitalization and Depreciation Policy is presented at Exhibit 2

11 **Ex.4/Tab 4/Sch.7 - Adoption of Half Year Rule**

12 HPDC confirms that it has applied the half-year rule for the purposes of computing the net book
13 value of Property, Plant and Equipment and General Plant to include in rate base. Under the
14 half-year rule acquisitions and investments made during the year are amortized assuming they
15 entered service at the mid-point of the year.

1 Taxes or Payments In Lieu of Taxes (PILs) and Property

2 Taxes

3 **Ex.4/Tab 5/Sch.1 - Overview of PILs**

4 HPDC is required to make payments in lieu of income taxes (“taxes”) based on its taxable
5 income. HPDC files Federal/Provincial tax returns annually. There have been no special
6 circumstances that would require specific tax planning measures to minimize taxes payable.
7 There are no outstanding audits, reassessments or disputes relating the tax returns filed by
8 HPDC.

9 There are no non-utility activities included in HPDC’s financial results, therefore the entire
10 amount of PILs payable is considered in the proposed allowance to be included in the revenue
11 requirement.

12 HPDC has used the OEB Tax Work Form model to calculate the amount of taxes for inclusion in
13 its 2015 rates. This model is being filed in conjunction to this application. PILs have been
14 calculated under IFRS accounting policies. The PILS model was completed by HPDC’s external
15 auditor Collins Barrow to ensure that the current and proposed tax rates have been applied, that
16 the amount of PILS calculated appears reasonable and that the integrity checks established in
17 the Boards Minimum Filing Requirements have been adhered to.

18 Table 4.8 on the following page summarizes HPDC’s taxes for the 2012 Historical Year, 2014
19 Actual and 2015 Test Year. Under the new accounting policies, HPDC’s PILs amount to \$3,753.

20 The income tax sheet from the Revenue Requirement Workform is presented at the next page
21 and the PILs model is being filed in conjunction with this application

1

Table 4.8 - Tax Provision for the Test Year

| Particulars | | Application |
|--|--|--------------------|
| <u>Determination of Taxable Income</u> | | |
| Utility net income before taxes | | \$105,132 |
| Adjustments required to arrive at taxable utility income | | (\$7,251) |
| Taxable income | | \$97,881 |
| <u>Calculation of Utility income Taxes</u> | | |
| Income taxes | | \$3,172 |
| Capital taxes | | \$ - |
| Total taxes | | \$3,172 |
| Gross-up of Income Taxes | | \$582 |
| Grossed-up Income Taxes | | \$3,753 |
| PILs / tax Allowance (Grossed-up Income taxes + Capital taxes) | | \$3,753 |
| Other tax Credits | | \$ - |
| <u>Tax Rates</u> | | |
| Federal tax (%) | | 11.00% |
| Provincial tax (%) | | 4.50% |
| Total tax rate (%) | | 15.50% |

2

3

4

- 1 **Ex.4/Tab 5/Sch.2 - Latest Filed Tax Return, Tax Assessments and**
- 2 **Correspondence**
- 3 The utility's latest tax return is presented at the next page



Canada Revenue Agency / Agence du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Schedule 1
Code 1101

- 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 | | | A | 96,265 | A |
| Add: | | | | | |
| Provision for income taxes - current | 101 | 11,135 | | | |
| Provision for income taxes - deferred | 102 | 37,050 | | | |
| Interest and penalties on taxes | 103 | 597 | | | |
| Amortization of tangible assets | 104 | 84,329 | | | |
| Amortization of intangible assets | 106 | 1,274 | | | |
| Total of lines 101 to 199 | 500 | 134,385 | ▶ | 134,385 | B |
| Amount A plus amount B | | | | 230,650 | |
| Deduct: | | | | | |
| Capital cost allowance from Schedule 8 | 403 | 150,384 | | | |
| Cumulative eligible capital deduction from Schedule 10 | 405 | 599 | | | |
| Total of lines 401 to 499 | 510 | 150,983 | ▶ | 150,983 | |
| Net income (loss) for income tax purposes - enter on line 300 on page 3 of the T2 return | | | | 79,667 | |

Corporation Loss Continuity and Application

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

Part 1 – Non-capital losses

Determination of current-year non-capital loss

| | | |
|--|--------|---|
| Net income (loss) for income tax purposes | 79,667 | A |
| Deduct: (increase a loss) | | |
| Net capital losses deducted in the year (enter as a positive amount) | | a |
| Taxable dividends deductible under section 112 or subsection 113(1) or 138(6) | | b |
| Amount of Part VI.1 tax deductible | | c |
| Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2) | | d |
| Subtotal (total of amounts a to d) | | B |
| Subtotal (amount A minus amount B; if positive, enter "0") | | C |
| Deduct: (increase a loss) | | |
| Section 110.5 or subparagraph 115(1)(a)(vii) - Addition for foreign tax deductions | | D |
| Subtotal (amount C minus amount D) | | E |
| Add: (decrease a loss) | | |
| Current-year farm loss | | F |
| (whichever is less: the net loss from farming or fishing included in the income, or the non-capital loss before deducting the farm loss) | | |
| Current-year non-capital loss | | G |
| (amount E plus amount F; if positive, enter "0") If amount G is negative, enter it on line 110 as a positive. | | |

Continuity of non-capital losses and request for a carryback

| | | |
|---|-----|---|
| Non-capital loss at the end of the previous tax year | | e |
| Deduct: Non-capital loss expired * | 100 | f |
| Non-capital losses at the beginning of the tax year (amount e minus amount f) | 102 | H |
| Add: | | |
| Non-capital losses transferred on the amalgamation or the wind-up of a subsidiary corporation | 105 | g |
| Current-year non-capital loss (from amount G) | 110 | h |
| Subtotal (amount g plus amount h) | | I |
| Subtotal (amount H plus amount I) | | J |

* A non-capital loss expires as follows:

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

An allowable business investment loss becomes a net capital loss as follows after 10 tax years if it arose in a tax year ending after March 22, 2004.

Part 1 – Non-capital losses (continued)

| | | | |
|--|-----|--|---|
| Deduct: | | | |
| Other adjustments (includes adjustments for an acquisition of control) | 150 | | i |
| Section 80 - Adjustments for forgiven amounts | 140 | | j |
| Non-capital losses of previous tax years applied in the current tax year | | | |
| Enter amount k on line 331 of the T2 return. | 130 | | k |
| Current and previous year non-capital losses applied against current-year taxable dividends subject to Part IV tax** | 135 | | l |
| Subtotal (total of amounts i to l) | | | ▶ |
| Non-capital losses before any request for a carryback (amount J minus amount K) | | | L |
| Deduct – Request to carry back non-capital loss to: | | | |
| First previous tax year to reduce taxable income | 901 | | m |
| Second previous tax year to reduce taxable income | 902 | | n |
| Third previous tax year to reduce taxable income | 903 | | o |
| First previous tax year to reduce taxable dividends subject to Part IV tax | 911 | | p |
| Second previous tax year to reduce taxable dividends subject to Part IV tax | 912 | | q |
| Third previous tax year to reduce taxable dividends subject to Part IV tax | 913 | | r |
| Total of requests to carry back non-capital losses to previous tax years (total of amounts m to r) | | | ▶ |
| Closing balance of non-capital losses to be carried forward to future tax years (amount L minus amount M) | 180 | | N |

** Amount l is the total of lines 330 and 335 from Schedule 3, *Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation*.

Part 2 – Capital losses

| | | | |
|---|-----|--------|---|
| Continuity of capital losses and request for a carryback | | | |
| Capital losses at the end of the previous tax year | 200 | 18,199 | a |
| Capital losses transferred on the amalgamation or the wind-up of a subsidiary corporation | 205 | | b |
| Subtotal (amount a plus amount b) | | 18,199 | ▶ |
| Subtotal (amount A plus amount B) | | 18,199 | A |
| Deduct: | | | |
| Other adjustments (includes adjustments for an acquisition of control) | 250 | | c |
| Section 80 - Adjustments for forgiven amounts | 240 | | d |
| Subtotal (amount c plus amount d) | | | ▶ |
| Subtotal (amount A minus amount B) | | 18,199 | C |
| Add: Current-year capital loss (from the calculation on Schedule 6, <i>Summary of Dispositions of Capital Property</i>) | 210 | | D |
| Unused non-capital losses that expired in the tax year* | | | e |
| Allowable business investment losses (ABIL) that expired as non-capital losses in the tax year** | | | f |
| Enter amount from line e or f, whichever is less | 215 | | |
| ABILs expired as non-capital loss: | | | |
| line 215 divided by the inclusion rate*** | | 220 | E |
| Subtotal (total of amounts C to E) | | 18,199 | F |

Note:

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

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

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

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

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

Part 2 – Capital losses (continued)

| | | | |
|--|------------|--------|---|
| Deduct: Capital losses from previous tax years applied against the current-year net capital gain*** | 225 | _____ | G |
| Capital losses before any request for a carryback (amount F minus amount G) | | _____ | H |
| | | 18,199 | |
| Deduct – Request to carry back capital loss to**** | | | |
| First previous tax year | 951 | _____ | g |
| Second previous tax year | 952 | _____ | h |
| Third previous tax year | 953 | _____ | i |
| Subtotal (total of amounts g to i) | | _____ | I |
| Closing balance of capital losses to be carried forward to future tax years (amount H minus amount I) | 280 | _____ | J |
| | | 18,199 | |

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

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

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

| | | | |
|--|------------|-------|---|
| Farm losses at the end of the previous tax year | _____ | _____ | a |
| Deduct: Farm loss expired* | 300 | _____ | b |
| Farm losses at the beginning of the tax year (amount a minus amount b) | 302 | _____ | A |
| Add: | | | |
| Farm losses transferred on the amalgamation or the windup of a subsidiary corporation | 305 | _____ | c |
| Current-year farm loss (amount F in Part 1) | 310 | _____ | d |
| Subtotal (amount c plus amount d) | | _____ | B |
| Subtotal (amount A plus amount B) | | _____ | C |
| Deduct: | | | |
| Other adjustments (includes adjustments for an acquisition of control) | 350 | _____ | e |
| Section 80 - Adjustments for forgiven amounts | 340 | _____ | f |
| Farm losses of previous tax years applied in the current tax year | | | |
| Enter amount g on line 334 of the T2 return. | 330 | _____ | g |
| Current and previous year farm losses applied against current-year taxable dividends subject to Part IV tax ** | 335 | _____ | h |
| Subtotal (total of amounts e to h) | | _____ | D |
| Farm losses before any request for a carryback (amount C minus amount D) | | _____ | E |
| Deduct - Request to carry back farm loss to: | | | |
| First previous tax year to reduce taxable income | 921 | _____ | i |
| Second previous tax year to reduce taxable income | 922 | _____ | j |
| Third previous tax year to reduce taxable income | 923 | _____ | k |
| First previous tax year to reduce taxable dividends subject to Part IV tax | 931 | _____ | l |
| Second previous tax year to reduce taxable dividends subject to Part IV tax | 932 | _____ | m |
| Third previous tax year to reduce taxable dividends subject to Part IV tax | 933 | _____ | n |
| Subtotal (total of amounts i to n) | | _____ | F |
| Closing balance of farm losses to be carried forward to future tax years (amount E minus amount F) | 380 | _____ | G |

* A farm loss expires as follows:

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

** Amount h is the total of lines 340 and 345 from Schedule 3.

Part 4 – Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business 485 A

Minus the deductible farm loss:

(amount A above _____ – \$2,500) divided by 2 =

Amount a or 15,000 *, whichever is less a

b

c

Subtotal (amount b **plus** amount c) B

Current-year restricted farm loss (amount A **minus** amount B) C

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year d

Deduct: Restricted farm loss expired** 400 e

Restricted farm losses at the beginning of the tax year (amount d **minus** amount e) 402 D

Add:

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

Current-year restricted farm loss (from amount C)

Enter amount g on line 233 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*. 410 g

Subtotal (amount f **plus** amount g) E

Subtotal (amount D **plus** amount E) F

Deduct:

Restricted farm losses from previous tax years applied against current farming income

Enter amount h on line 333 of the T2 return 430 h

Section 80 – Adjustments for forgiven amounts 440 i

Other adjustments 450 j

Subtotal (total of amounts h to j) G

Restricted farm losses before any request for a carryback (amount F **minus** amount G) H

Deduct – Request to carry back restricted farm loss to:

First previous tax year to reduce farming income 941 k

Second previous tax year to reduce farming income 942 l

Third previous tax year to reduce farming income 943 m

Subtotal (total of amounts k to m) I

Closing balance of restricted farm losses to be carried forward to future tax years (amount H **minus** amount I) 480 J

Note

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

* For tax years that end before March 21, 2013, use \$6,250 instead of \$15,000.

** A restricted farm loss expires as follows:

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

Part 7 – Limited partnership losses

Current-year limited partnership losses

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|-----------------|---|------------------------------|--|--|--|
| Partnership identifier | Tax year ending | Corporation's share of limited partnership loss | Corporation's at-risk amount | Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses | Column 4 minus 5 (If negative, enter "0") | Current-year limited partnership losses (Column 3 - 6) |
| 600 | 602 | 604 | 606 | 608 | | 620 |
| Total (enter this amount on line 222 of Schedule 1) | | | | | | |

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

| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
|------------------------|-----------------|--|------------------------------|---|---|--|
| Partnership identifier | Tax year ending | Limited partnership losses at the end of the previous tax year | Corporation's at-risk amount | Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses | Column 11 minus column 12 (if negative, enter "0") | Limited partnership losses that may be applied in the year (the lesser of columns 10 and 13) |
| 630 | 632 | 634 | 636 | 638 | | 650 |

Part 7 – Limited partnership losses (continued)

| Continuity of limited partnership losses that can be carried forward to future tax years | | | | | |
|---|--|---|---|--|--|
| 15 | 16 | 17 | 18 | 19 | 20 |
| Partnership identifier | Limited partnership losses at the end of the previous tax year | Limited partnership losses transferred on an amalgamation or the windup of a subsidiary | Current-year limited partnership losses (from column 7) | Limited partnership losses applied in the current year (cannot be more than column 14) | Current year limited partnership losses closing balance to be carried forward to future years (column 16 plus column 17 plus column 18 minus column 19) |
| 660 | 662 | 664 | 670 | 675 | 680 |
| Total (enter this amount on line 335 of the T2 return) | | | | | |

Notes

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

If you need more space, you can attach more schedules.

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

If you are making an election under paragraph 88(1.1)(f), check the box **190** Yes

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

Note

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



CAPITAL COST ALLOWANCE

Protected B
when completed

Schedule 8
Code 0603

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 | 2 Undepreciated capital cost at the beginning of the year (amount from column 13 of last year's schedule 8) | 3 Cost of acquisitions during the year (new property must be available for use) (see note 1 below) | 4 Adjustments and transfers (show amounts that will reduce the undepreciated capital cost in brackets) (see note 2 below) | 5 Proceeds of dispositions during the year (amount not to exceed the capital cost) | 6 Undepreciated capital cost (column 2 plus column 3 plus or minus column 4 minus column 5) | 7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) (see note 3 below) | 8 Reduced undepreciated capital cost (column 6 minus column 7) | 9 CCA rate % (see note 4 below) | 10 Recapture of capital cost allowance (see note 5 below) | 11 Terminal loss | 12 Capital cost allowance (for declining balance method, column 8 multiplied by column 9, or a lower amount) (see note 6 below) | 13 Undepreciated capital cost at the end of the year (column 6 minus column 12) | |
|-------------------|--|--|---|---|--|---|---|---|---|---------------------|---|--|-----------|
| 200 | 201 | 203 | 205 | 207 | | 211 | | 212 | 213 | 215 | 217 | 220 | |
| 1 | 1 | 122,970 | 57,290 | | | | 180,260 | 28,645 | 151,615 | 4 | | 6,065 | 174,195 |
| 2 | 2 | 628,644 | | | | | 628,644 | | 628,644 | 6 | | 37,719 | 590,925 |
| 3 | 8 | 1,151 | 7,466 | | | | 8,617 | 3,733 | 4,884 | 20 | | 977 | 7,640 |
| 4 | 10 | 729 | | | | | 729 | | 729 | 30 | | 219 | 510 |
| 5 | 8 | 11,714 | | | | | 11,714 | | 11,714 | 20 | | 2,343 | 9,371 |
| 6 | 10 | 169,618 | | | | | 169,618 | | 169,618 | 30 | | 50,885 | 118,733 |
| 7 | 36 | 7,600 | | | | | 7,600 | | 7,600 | NA | | | 7,600 |
| 8 | 45 | 40 | | | | | 40 | | 40 | 45 | | 18 | 22 |
| 9 | 50 | 4,786 | 18,970 | | | | 23,756 | 9,485 | 14,271 | 55 | | 7,849 | 15,907 |
| 10 | 47 | 79,645 | 58,522 | | | | 138,167 | 29,261 | 108,906 | 8 | | 8,712 | 129,455 |
| 11 | 47 | 350,206 | 2,016 | | | | 352,222 | 1,008 | 351,214 | 8 | | 28,097 | 324,125 |
| 12 | 47 | 93,756 | | | | | 93,756 | | 93,756 | 8 | | 7,500 | 86,256 |
| | | | | | | | | | NA | | | | |
| Totals | | 1,470,859 | 144,264 | | | | | 72,132 | 1,542,991 | | | 150,384 | 1,464,739 |

Note 1. 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).

Note 2. Enter in column 4, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost (column 6).

Items that **increase** the undepreciated capital cost:

– Amounts transferred under section 85, or transferred on amalgamation and winding-up of a subsidiary.

Items that **reduce** the undepreciated capital cost (show amounts that reduce the undepreciated capital cost in brackets):

– Government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80.

See the *T2 Corporation Income Tax Guide* for other examples of adjustments and transfers to include in column 4.

Note 3. The net cost of acquisitions is the cost of acquisitions (column 3) **plus** or **minus** certain adjustments and transfers from column 4. For exceptions to the 50% rule, see Interpretation Bulletin IT-285, *Capital Cost Allowance – General Comments*.

Note 4. Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 12.

Note 5. For every entry in column 10, the "Recapture of capital cost allowance" there must be a corresponding entry in column 5, "Proceeds of dispositions during the year". The recapture and terminal loss rules do not apply to passenger vehicles in Class 10.1.

Note 6. 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.

CAPITAL COST ALLOWANCE

Additional information for Class 43.1 and 43.2 assets

| 1 CCA class row number from column 200 | 2 Type of asset code | 3 Province where the asset is located | 4 Percentage allocated to the asset |
|--|-------------------------|--|--|
| | | | |



Canada Revenue Agency

Agence du revenu du Canada

CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Schedule 10
Code 0201

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

| | | | | |
|---|------------|--------------|------------|-------|
| Cumulative eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0") | 200 | | 8,554 | A |
| Add: Cost of eligible capital property acquired during the taxation year | 222 | | | |
| Other adjustments | 226 | | | |
| Subtotal (line 222 plus line 226) | | x 3/4 = | | B |
| Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002 | 228 | | | |
| | | x 1/2 = | | C |
| amount B minus amount C (if negative, enter "0") | | | | D |
| Amount transferred on amalgamation or wind-up of subsidiary | | | 224 | E |
| Subtotal (add amounts A, D, and E) | 230 | | 8,554 | F |
| Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year | 242 | | | G |
| The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) | 244 | | | H |
| Other adjustments | 246 | | | I |
| (add amounts G, H, and I) | | x 3/4 = | 248 | J |
| Cumulative eligible capital balance (amount F minus amount J) (if amount K is negative, enter "0" at line M and proceed to Part 2) | | | 8,554 | K |
| Cumulative eligible capital for a property no longer owned after ceasing to carry on that business | | | 249 | |
| amount K | | | 8,554 | |
| less amount from line 249 | | | | |
| Current year deduction | | 8,554 x 7% = | 250 | 599 * |
| (line 249 plus line 250) (enter this amount at line 405 of Schedule 1) | | | 599 | L |
| Cumulative eligible capital - Closing balance (amount K minus amount L) (if negative, enter "0") | 300 | | 7,955 | M |

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

Part 2 - Amount to be included in income arising from disposition

| | | | | |
|--|------------|-----------|---|---|
| Amount from line K (show as positive amount) | | | | N |
| Total of cumulative eligible capital (CEC) deductions from income for taxation years beginning after June 30, 1988 | 400 | | 1 | |
| Total of all amounts which reduced CEC in the current or prior years under subsection 80 (7) | 401 | | 2 | |
| Total of CEC deductions claimed for taxation years beginning before July 1, 1988 | 402 | | 3 | |
| Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988 | 408 | | 4 | |
| Line 3 minus line 4 (if negative, enter "0") | | | 5 | |
| Total of lines 1, 2, and 5 | | | 6 | |
| Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 400 | | | 7 | |
| Amounts at line T from Schedule 10 of previous taxation years ending after February 27, 2000 | | | 8 | |
| Subtotal (line 7 plus line 8) | 409 | | 9 | |
| Line 6 minus line 9 (if negative, enter "0") | | | | O |
| Line N minus line O (if negative, enter "0") | | | | P |
| Line 5 | | x 1/2 = | | Q |
| Line P minus line Q (if negative, enter "0") | | | | R |
| Amount R | | x 66.6667 | | S |
| Amount N or amount O, whichever is less | | | | T |
| Amount to be included in income (amount S plus amount T) (enter this amount on line 108 of Schedule 1) | 410 | | | |



Canada Revenue Agency

Agence du revenu du Canada

RELATED AND ASSOCIATED CORPORATIONS

Schedule 9
Code 1101

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

| Name | | Country of residence (other than Canada) | Business number (see note 1) | Relationship code (see note 2) | Number of common shares you own | % of common shares you own | Number of preferred shares you own | % of preferred shares you own | Book value of capital stock |
|------|----------------------------|--|------------------------------|--------------------------------|---------------------------------|----------------------------|------------------------------------|-------------------------------|-----------------------------|
| 100 | | 200 | 300 | 400 | 500 | 550 | 600 | 650 | 700 |
| 1 | HEARST POWER SALES AND SER | | 86368 9998 RC 0001 | 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

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, including 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** _____

Enter the calendar year to which the agreement applies **050** _____ 2014

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? **075** 1 Yes 2 No

| 1 Names of associated corporations | | 2 Business Number of associated corporations | 3 Association code |
|---------------------------------------|---|---|-----------------------|
| 100 | | 200 | 300 |
| 1 | HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBUTION | 89053 4811 RC 0001 | 1 |
| 2 | HEARST POWER SALES AND SERVICES COMPANY LIMITED | 86368 9998 RC 0001 | 1 |

Allocate business limit using: % \$

| | Taxation year Start End | | 4 Business limit for the year (before the allocation) \$ | Allocating business limit | | |
|---------------|---|------------|--|---|---------------------------------------|--|
| | | | | 5 Percentage of the business limit (%) | 6 Business limit allocated * \$ | 7 Gross Part I.3 tax for business limit reduction |
| | | | | 350 | 400 | |
| 1 | 2014/01/01 | 2014/12/31 | 500,000 | 100.000 | 500,000 | |
| 2 | 2014/01/01 | 2014/12/31 | 500,000 | | | |
| TOTALS | | | | 100.000 | A 500,000 | |

If the taxation year of the corporation filing this form is less than 51 weeks, enter the prorated business limit in this box. \$ 500,000

AGREEMENT AMONG ASSOCIATED CCPCs TO ALLOCATE THE BUSINESS LIMIT**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 $0.225\% \times (A - \$10,000,000)$ 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.

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, including 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** _____

Enter the calendar year to which the agreement applies **050** _____ 2014

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? **075** 1 Yes 2 No

| 1 Names of associated corporations | | 2 Business Number of associated corporations | 3 Association code |
|---------------------------------------|--|---|-----------------------|
| 100 | | 200 | 300 |
| 1 | HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST | 89053 4811 RC 0001 | 1 |
| 2 | HEARST POWER SALES AND SERVICES COMPANY LIMITED | 86368 9998 RC 0001 | 1 |

Allocate business limit using: % \$

| | Taxation year | | 4 Business limit for the year (before the allocation) \$ | Allocating business limit | | |
|---------------|---------------|------------|--|---|---------------------------------------|--|
| | Start | End | | 5 Percentage of the business limit (%) | 6 Business limit allocated * \$ | 7 Gross Part I.3 tax for business limit reduction |
| 1 | 2014/01/01 | 2014/12/31 | 500,000 | 350 | 100.000 | 500,000 |
| 2 | 2014/01/01 | 2014/12/31 | 500,000 | | | |
| TOTALS | | | | 100.000 | A | 500,000 |

If the taxation year of the corporation filing this form is less than 51 weeks, enter the prorated business limit in this box. \$ _____ 500,000

AGREEMENT AMONG ASSOCIATED CCPCs TO ALLOCATE THE BUSINESS LIMIT**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 $0.225\% \times (A - \$10,000,000)$ 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.



Investment Tax Credit – Corporations

Part 1 - Investments, expenditures and percentages

| | Specified percentage |
|--|----------------------|
| Investments | |
| Qualified property acquired primarily for use in Atlantic Canada | 10% |
| Qualified resource property acquired primarily for use in Atlantic Canada and acquired: | |
| – after March 28, 2012, and before 2014 | 10% |
| – after 2013 and before 2016 | 5% |
| – after 2015* | 0% |
| Expenditures | |
| If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10 on page 5) | 35% |
| Note: If your current year's qualified expenditures are more than the corporation's expenditure limit (see Part 10 on page 5), the excess is eligible for an ITC calculated at the 20% rate**. | |
| If you are a corporation that is not a CCPC and have incurred qualified expenditures for SR&ED in any area in Canada: | |
| – before 2014** | 20% |
| – after 2013** | 15% |
| If you are a taxable Canadian corporation that incurred pre-production mining expenditures before March 29, 2012 | 10% |
| If you are a taxable Canadian corporation that incurred pre-production mining exploration expenditures***: | |
| – after March 28, 2012, and before 2013 | 10% |
| – in 2013 | 5% |
| – after 2013*** | 0% |
| If you are a taxable Canadian corporation that incurred pre-production mining development expenditures****: | |
| – after March 28, 2012, and before 2014**** | 10% |
| – in 2014 | 7% |
| – in 2015 | 4% |
| – after 2015**** | 0% |
| If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment | 10% |
| If you incurred eligible expenditures after March 18, 2007, for the creation of licensed child care spaces for the children of your employees and, potentially, for other children | 25% |
| * A transitional relief rate of 10% may apply to property acquired after 2013 and before 2017, if the property is acquired under a written agreement entered into before March 29, 2012, or the property is acquired as part of a phase of a project where the construction or the engineering and design work for the construction started before March 29, 2012. See paragraph (a.1) of the definition of specified percentage in subsection 127(9) for more information. | |
| ** The reduction of the rate from 20% to 15% applies to 2014 and later tax years, except that, for 2014 tax years that start before 2014, the reduction is pro-rated based on the number of days in the tax year that are after 2013. | |
| *** Pre-production mining exploration expenditures are described in subparagraph (a)(i) of the definition of pre-production mining expenditure in subsection 127(9). | |
| **** A transitional relief rate of 10% may apply to expenditures incurred after 2013 and before 2016, if the expenditure is incurred under a written agreement entered into before March 29, 2012, or the expenditure is incurred as part of the development of a new mine where the construction or the engineering and design work for the construction of the new mine started before March 29, 2012. See subparagraph (k)(ii) of the definition of specified percentage in subsection 127(9) for more information. Pre-production mining development expenditures are described in subparagraph (a)(ii) of the definition of pre-production mining expenditure in subsection 127(9). | |

Part 2 – Determination of a qualifying corporation

Is the corporation a qualifying corporation? **101** 1 Yes 2 No

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC and its taxable income (before any loss carrybacks) for its previous tax year cannot be more than its **qualifying income limit** for the particular tax year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the previous calendar year, cannot be more than their qualifying income limit for the particular tax year.

Note: A CCPC calculating a refundable ITC, is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

If you are a **qualifying** corporation, you will earn a **100%** refund on your share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund*.

Some CCPCs that are **not qualifying** corporations may also earn a **100%** refund on their share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund*.

The 100% refund will not be available to a corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to:

- a) one or more persons exempt from Part I tax under section 149;
- b) Her Majesty in right of a province, a Canadian municipality, or any other public authority; or
- c) any combination of persons referred to in a) or b) above.

* Capital expenditures incurred after December 31, 2013, including lease payments for property that would have been a capital expenditure if purchased directly, are **not** qualified SR&ED expenditures and are **not** eligible for an ITC on SR&ED expenditures.

Part 3 – Corporations in the farming industry

Complete this area if the corporation is making SR&ED contributions.

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? **102** 1 Yes 2 No

Contributions to agricultural organizations for SR&ED* **103** _____

If **yes**, complete Schedule 125, *Income Statement Information*, to identify the type of farming industry the corporation is involved in. For more information on Schedule 125, see the *Guide RC4088, General Index of Financial Information (GIFI)*. Enter contributions on line 350 of Part 8.

* Enter only contributions not already included on Form T661. Include all of the contributions made before 2013 and 80% of the contributions made after 2012.

Qualified Property and Qualified Resource Property

Part 4 - Eligible investments for qualified property and qualified resource property from the current tax year

| CCA* class number 105 | Description of investment 110 | Date available for use 115 | Location used (province or territory) 120 | Amount of investment 125 |
|---------------------------------|---|--------------------------------------|---|------------------------------------|
| | | | | |

Total of investments for qualified property and qualified resource property _____ **A**

* CCA: capital cost allowance

Part 5 - Current-year credit and account balances – ITC from investments in qualified property and qualified resource property

ITC at the end of the previous tax year _____ **B**

Deduct:

Credit deemed as a remittance of co-op corporations **210** _____

Credit expired **215** _____

Subtotal (line 210 **plus** line 215) _____ **C**

ITC at the beginning of the tax year (amount B **minus** amount C) **220** _____

Add:

Credit transferred on amalgamation or wind-up of subsidiary **230** _____

ITC from repayment of assistance **235** _____

Qualified property; and qualified resource property acquired after March 28, 2012, and before January 1, 2014* (applicable part of amount A from Part 4) x 10% = **240** _____

Qualified resource property acquired after December 31, 2013, and before January 1, 2016 (applicable part of amount A from Part 4) x 5% = **242** _____

Credit allocated from a partnership **250** _____

Subtotal (total of lines 230 to 250) _____ **D**

Total credit available (line 220 **plus** amount D) _____ **E**

Deduct:

Credit deducted from Part I tax (enter at amount D in Part 30) **260** _____

Credit carried back to the previous year(s) (amount H from Part 6) _____ **a**

Credit transferred to offset Part VII tax liability **280** _____

Subtotal (total of line 260, amount a, and line 280) _____ **F**

Credit balance before refund (amount E **minus** amount F) _____ **G**

Deduct:

Refund of credit claimed on investments from qualified property and qualified resource property (from Part 7) **310** _____

ITC closing balance of investments from qualified property and qualified resource property (amount G **minus** line 310) **320** _____

* Include investments acquired after 2013 and before 2017 that are eligible for transitional relief.

Part 6 - Request for carryback of credit from investments in qualified property and qualified resource property

1st previous tax year 2013/12/31 Credit to be applied **901** _____

2nd previous tax year 2012/12/31 Credit to be applied **902** _____

3rd previous tax year 2011/12/31 Credit to be applied **903** _____

Total (enter at amount a in Part 5) _____ **H**

Part 7 - Refund of ITC for qualifying corporations on investments from qualified property and qualified resource property

| | | | |
|--|-------|-------|---|
| Current-year ITCs (total of lines 240, 242, and 250 from Part 5) | _____ | ===== | I |
| Credit balance before refund (amount G from Part 5) | _____ | ===== | J |
| Refund (40% of amount I or J, whichever is less) | _____ | ===== | K |

Enter amount K or a lesser amount on line 310 in Part 5 (also enter it on line 780 of the T2 return if the corporation does not claim an SR&ED ITC refund).

SR&ED

Part 8 - Qualified SR&ED expenditures

| | |
|---|-------------------|
| Current expenditures (line 557 on Form T661 plus line 103 from Part 3)* | <u>350</u> |
| Capital expenditures incurred before 2014 (from line 558 on Form T661)** | <u>360</u> |
| Repayments made in the year (from line 560 on Form T661) | <u>370</u> |
| Qualified SR&ED expenditures (total of lines 350 to 370) | <u><u>380</u></u> |

* If you are claiming only contributions made to agricultural organizations for SR&ED, line 350 should equal line 103 in Part 3. Do not file Form T661.

** Capital expenditures incurred after December 31, 2013, are not qualified SR&ED expenditures.

Part 9 - Components of the SR&ED expenditure limit calculation

Part 9 only applies if the corporation is a CCPC.

Note: A CCPC that calculates an SR&ED expenditure limit is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? 385 1 Yes 2 No

Complete lines 390 and 398, if you answered **no** to the question at line 385 above or if the corporation is not associated with any other corporations (the amounts for associated corporations will be determined on Schedule 49).

Enter your taxable income for the previous tax year* (prior to any loss carry-backs applied) 390

Enter your taxable capital employed in Canada for the previous tax year minus \$10 million. If this amount is nil or negative, enter "0". If this amount is over \$40 million, enter \$40 million. 398

* If either of the tax years referred to at line 390 is less than 51 weeks, **multiply** the taxable income by the following result: 365 **divided** by the number of days in these tax years.

Part 10 - SR&ED expenditure limit for a CCPC

| | |
|---|--|
| For a stand-alone corporation: | <u>8,000,000</u> |
| Deduct: | |
| Taxable income for the previous tax year (line 390 from Part 9) or \$500,000, whichever is more | <u>500,000</u> x 10 = <u>5,000,000</u> A |
| Excess (\$8,000,000 minus amount A; if negative, enter "0") | <u>3,000,000</u> B |
| \$40,000,000 minus line 398 from Part 9 | <u>40,000,000</u> a |
| Amount a divided by \$40,000,000 | <u>1.0000</u> C |
| Expenditure limit for the stand-alone corporation (amount B multiplied by amount C) | <u>3,000,000</u> D* |
| For an associated corporation: | |
| If associated, the allocation of the SR&ED expenditure limit as provided on Schedule 49 | <u>400</u> E* |
| Where the tax year of the corporation is less than 51 weeks, calculate the amount of the expenditure limit as follows: | |
| Amount D or E X number of days in the tax year / 365 = | <u>_____</u> F |
| Your SR&ED expenditure limit for the year (enter the amount from line D, E, or F, whichever applies) | <u>410</u> |

* Amount D or E cannot be more than \$3,000,000.

Part 11 - Investment tax credits on SR&ED expenditures

| | | | | | |
|--|------------|---|--------|-------|---|
| Current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10), whichever is less* | 420 | x | 35 % = | _____ | G |
| Line 350 minus line 410 (if negative, enter "0")** | 430 | x | 20 % = | _____ | H |
| Line 410 minus line 350 (if negative, enter "0") | | | b | | |
| Capital expenditures (line 360 from Part 8) or amount b above, whichever is less* | 440 | x | 35 % = | _____ | I |
| Line 360 minus amount b above (if negative, enter "0")** | 450 | x | 20 % = | _____ | J |

Repayments (amount from line 370 in Part 8)

| | | | | | | |
|--|--|---|--------|-------|-------|---|
| If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit at the rate that would have applied to the repaid amount. Enter the amount of the repayment on the line that corresponds to the appropriate rate**. | 460 | x | 35 % = | _____ | c | |
| | 480 | x | 20 % = | _____ | d | |
| | Subtotal (amount c plus amount d) | | | | _____ | K |

Current-year SR&ED ITC (total of amounts G to K; enter on line 540 in Part 12) _____ **L**

* For corporations that are not CCPCs, enter "0" for amounts G and I.

** For tax years that end after 2013, the general SR&ED rate is reduced from 20% to 15%, except that, for 2014 tax years that start before 2014, the reduction is pro-rated based on the number of days in the tax year that are after 2013.

For 2014 tax years that start before 2014, the calculation of amounts H, J and d are as follows:

| | | | | | |
|-----------------|---------|--|---------|----------|--|
| Line 430 | _____ x | Number of days in the tax year before January 1, 2014 | _____ x | 20.0 % = | _____ |
| | | Number of days in the tax year | | | |
| _____ x | _____ x | Number of days in the tax year after December 31, 2013 | 365 x | 15.0 % = | _____ |
| | | Number of days in the tax year | | | |
| | | | | | Total (enter on line H) _____ H |
| Line 450 | _____ x | Number of days in the tax year before January 1, 2014 | _____ x | 20.0 % = | _____ |
| | | Number of days in the tax year | | | |
| _____ x | _____ x | Number of days in the tax year after December 31, 2013 | 365 x | 15.0 % = | _____ |
| | | Number of days in the tax year | | | |
| | | | | | Total (enter on line J) _____ J |
| Line 480 | _____ x | Number of days in the tax year before January 1, 2014 | _____ x | 20.0 % = | _____ |
| | | Number of days in the tax year | | | |
| _____ x | _____ x | Number of days in the tax year after December 31, 2013 | 365 x | 15.0 % = | _____ |
| | | Number of days in the tax year | | | |
| | | | | | Total (enter on line d) _____ d |

Part 12 - Current-year credit and account balances - ITC from SR&ED expenditures

| | | | |
|--|-----|-----|---|
| ITC at the end of the previous tax year | | | M |
| Deduct: | | | |
| Credit deemed as a remittance of co-op corporations | 510 | | |
| Credit expired | 515 | | |
| Subtotal (line 510 plus line 515) | | | N |
| ITC at the beginning of the tax year (amount M minus amount N) | | 520 | |
| Add: | | | |
| Credit transferred on amalgamation or wind-up of subsidiary | 530 | | |
| Total current-year credit (from amount L in Part 11) | 540 | | |
| Credit allocated from a partnership | 550 | | |
| Subtotal (total of lines 530 to 550) | | | O |
| Total credit available (line 520 plus amount O) | | | P |
| Deduct: | | | |
| Credit deducted from Part I tax (enter at amount E in Part 30) | 560 | | |
| Credit carried back to the previous year(s) (amount S from Part 13) | | e | |
| Credit transferred to offset Part VII tax liability | 580 | | |
| Subtotal (total of line 560, amount e, and line 580) | | | Q |
| Credit balance before refund (amount P minus amount Q) | | | R |
| Deduct: | | | |
| Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies) | | 610 | |
| ITC closing balance on SR&ED (amount R minus line 610) | | 620 | |

Part 13 - Request for carryback of credit from SR&ED expenditures

| | | | | |
|---|------------|----------------------|-----|---|
| 1st previous tax year | 2013/12/31 | Credit to be applied | 911 | |
| 2nd previous tax year | 2012/12/31 | Credit to be applied | 912 | |
| 3rd previous tax year | 2011/12/31 | Credit to be applied | 913 | |
| Total (enter at amount e in Part 12) | | | | S |

Part 14 - Refund of ITC for qualifying corporations – SR&ED

Complete this part only if you are a qualifying corporation as determined at line 101 in Part 2.

| | | | |
|--|-----|--------------------------------|--|
| Is the corporation an excluded corporation as defined under subsection 127.1(2)? | 650 | <input type="checkbox"/> 1 Yes | <input checked="" type="checkbox"/> 2 No |
| Current-year ITC (lines 540 plus 550 from Part 12 minus amount K from Part 11) | f | | |
| Refundable credits (amount f above or amount R from Part 12, whichever is less)* | | | T |
| Deduct: | | | |
| Amount T or amount G from Part 11, whichever is less | | | U |
| Net amount (amount T minus amount U; if negative, enter "0") | | | V |
| Amount V multiplied by 40% X 40% = | | | W |
| Add: | | | |
| Amount U | | | X |
| Refund of ITC (amount W plus amount X - enter this, or a lesser amount, on line 610 in Part 12) | | | Y |

Enter the total of lines 310 from Part 5 and 610 from Part 12 on line 780 of the T2 return.

* If you are also an excluded corporation [as defined in subsection 127.1(2)], this amount must be multiplied by 40%. Claim this, or a lesser amount, as your refund of ITC for amount Y.

Part 15 - Refund of ITC for CCPCs that are not qualifying or excluded corporations SR&ED

Complete this box only if you are a CCPC that is not a qualifying or excluded corporation as determined at line 101 in Part 2.

| | | |
|---|-------|----|
| Credit balance before refund (amount R from Part 12) | _____ | Z |
| Deduct: | | |
| Amount Z or amount G from Part 11, whichever is less | _____ | AA |
| Net amount (amount Z minus amount AA; if negative, enter "0") | _____ | BB |
| Amount BB or amount I from Part 11, whichever is less | _____ | CC |
| Amount CC multiplied by 40% | _____ | DD |
| Add: | | |
| Amount AA | _____ | EE |
| Refund of ITC (amount DD plus amount EE) | _____ | FF |
| Enter FF, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return. | | |

RECAPTURE – SR&ED

Part 16 - Recapture of ITC for corporations and corporate partnerships-SR&ED

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 20 previous tax years, if the credit was earned in a tax year ending after 1997 and did not expire before 2008;
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661;
- the cost of the property was included in calculating your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures; and
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property that incorporates the particular property previously referred to.

Note:
The recapture **does not apply** if you disposed of the property to a non-arm's-length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's-length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following tax year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

| Calculation 1 - if you meet all of the above conditions | | |
|---|--|--|
| Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the note above 700 | Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) 710 | Amount from column 700 or 710, whichever is less |
| | | |

Subtotal (enter this amount at amount C in Part 17) _____ **A**

| Calculation 2 - Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil in amount B in Part 16 on page 9. | | |
|--|---|--|
| A | B | C |
| Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement 720 | Proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition 730 | Amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.) 740 |
| | | |

| | | |
|---|---|--|
| D | E | F |
| Amount determined by the formula (A x B) - C (using the columns above) | ITC earned by the transferee for the qualified expenditures that were transferred 750 | Amount from column D or E, whichever is less |
| | | |

Subtotal (enter this amount at amount D in Part 17) _____ **B**

Calculation 3

As a member of the partnership, you will report your share of the SR&ED ITC of the partnership after the SR&ED ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 550 in Part 12 on page 6. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 760 below.

Corporate partner's share of the excess of SR&ED ITC (amount to be reported at amount E in Part 17) **760** _____

Part 17 – Total recapture of SR&ED investment tax credit

| | | |
|---|-------|---|
| Recaptured ITC for calculation 1 from amount A in Part 16 | _____ | C |
| Recaptured ITC for calculation 2 from amount B in Part 16 | _____ | D |
| Recaptured ITC for calculation 3 from line 760 in Part 16 | _____ | E |
| Total recapture of SR&ED investment tax credit – total of amounts C to E | ===== | F |
| Enter amount F at amount A in Part 29. | | |

Pre-Production Mining

Part 18 - Pre-production mining expenditures

Exploration information

A mineral resource that qualifies for the credit means a mineral deposit from which the principal mineral to be extracted is diamond, a base or precious metal deposit, or a mineral deposit from which the principal mineral to be extracted is an industrial mineral that, when refined, results in a base or precious metal.

In column 800, list all minerals for which pre-production mining expenditures have taken place in the tax year.

For each of the minerals reported in column 800, identify each project (in column 805), mineral title (in column 806), and mining division (in column 807) where title is registered. If there is no mineral title, identify only the project and mining division.

| List of Minerals 800 | Project name 805 |
|-------------------------|---------------------|
| | |

| Mineral title 806 | Mining division 807 |
|----------------------|------------------------|
| | |

Pre-production mining expenditures*

Exploration:

Pre-production mining expenditures that the corporation incurred in the tax year for the purpose of determining the existence, location, extent, or quality of a mineral resource in Canada:

| | | |
|---|-----|-------|
| Prospecting | 810 | _____ |
| Geological, geophysical, or geochemical surveys | 811 | _____ |
| Drilling by rotary, diamond, percussion, or other methods | 812 | _____ |
| Trenching, digging test pits, and preliminary sampling | 813 | _____ |

Development:

Pre-production mining expenditures incurred in the tax year for bringing a new mine in a mineral resource in Canada into production in reasonable commercial quantities and incurred before the new mine comes into production in such quantities:

| | | |
|--|-----|-------|
| Clearing, removing overburden, and stripping | 820 | _____ |
| Sinking a mine shaft, constructing an adit, or other underground entry | 821 | _____ |

Other pre-production mining expenditures incurred in the tax year:

| Description 825 | Amount 826 |
|--------------------|---------------|
| | |

Add amounts at column 826 **A**

Total pre-production mining expenditures (total of lines 810 to 821 and amount A) 830 _____

Deduct:

Total of all assistance (grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to at line 830 above 832 _____

Excess (line 830 minus line 832) (if negative, enter "0") _____ **B**

Add:

Repayments of government and non-government assistance 835 _____

Pre-production mining expenditures (amount B plus line 835) _____ **C**

* A pre-production mining expenditure is defined under subsection 127(9).

Part 19 - Current-year credit and account balances - ITC from pre-production mining expenditures

| | | | |
|--|------------|----------------------------|---|
| ITC at the end of the previous tax year | | _____ | D |
| Deduct: | | | |
| Credit deemed as a remittance of co-op corporations | 841 | _____ | |
| Credit expired | 845 | _____ | |
| Subtotal (line 841 plus line 845) | | _____ | E |
| ITC at the beginning of the tax year (amount D minus amount E) | | 850 | |
| Add: | | | |
| Credit transferred on amalgamation or wind-up of subsidiary | | 860 | |
| Pre-production mining expenditures* incurred before January 1, 2013 | | | |
| (applicable part of amount C from Part 18) | 870 | _____ x _____ 10 % = _____ | a |
| Pre-production mining exploration expenditures incurred in 2013 | | | |
| (applicable part of amount C from Part 18) | 872 | _____ x _____ 5 % = _____ | b |
| Pre-production mining development expenditures incurred in 2014 | | | |
| (applicable part of amount C from Part 18) | 874 | _____ x _____ 7 % = _____ | c |
| Pre-production mining development expenditures incurred in 2015 | | | |
| (applicable part of amount C from Part 18) | 876 | _____ x _____ 4 % = _____ | d |
| Current year credit (total of amounts a to d) | 880 | _____ | F |
| Total credit available (total of lines 850, 860, and amount F) | | _____ | G |
| Deduct: | | | |
| Credit deducted from Part I tax (enter at amount F in Part 30) | 885 | _____ | |
| Credit carried back to the previous year(s) (amount I from Part 20) | | _____ | e |
| Subtotal (line 885 plus amount e) | | _____ | H |
| ITC closing balance from pre-production mining expenditures (amount G minus amount H) | | 890 | |

* Also include pre-production mining development expenditures incurred before 2014 and pre-production mining development expenditures incurred after 2013 and before 2016 that are eligible for transitional relief.

Part 20 - Request for carryback of credit from pre-production mining expenditures

| | | | | |
|---|------------|----------------------|------------|-------|
| 1st previous tax year | 2013/12/31 | Credit to be applied | 921 | _____ |
| 2nd previous tax year | 2012/12/31 | Credit to be applied | 922 | _____ |
| 3rd previous tax year | 2011/12/31 | Credit to be applied | 923 | _____ |
| Total (enter at amount e in Part 19) | | | | _____ |
| | | | | I |

Apprenticeship Job Creation

Part 21 - Total current-year credit – ITC from apprenticeship job creation expenditures

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number or name) appears below? (If not, you cannot claim the tax credit.)

611 1 Yes 2 No

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory, under an apprenticeship program designed to certify or license individuals in the trade. For the provinces, the trade must be a Red Seal trade. If there is no contract number, enter the social insurance number (SIN) or the name of the eligible apprentice.

| A Contract number (SIN or name of apprentice) 601 | B Name of eligible trade 602 | C Eligible salary and wages* 603 | D Column C X 10% 604 | E Lesser of column D or \$ 2000 605 |
|---|---|--|-----------------------------------|---|
| 1 Stéphane Néron | Powerline Technician | 33,704 | 3,370 | 2,000 |

Total current-year credit (enter at line 640 in Part 22) 2,000 A

* Net of any other government or non-government assistance received or to be received.

Part 22 - Current-year credit and account balances – ITC from apprenticeship job creation expenditures

ITC at the end of the previous tax year _____ B

Deduct:

Credit deemed as a remittance of co-op corporations 612
 Credit expired after 20 tax years 615
 Subtotal (line 612 plus line 615) 625 C

ITC at the beginning of the tax year (amount B minus amount C) 625

Add:

Credit transferred on amalgamation or wind-up of subsidiary 630
 ITC from repayment of assistance 635
 Total current-year credit (amount A from Part 21) 640 2,000
 Credit allocated from a partnership 655
 Subtotal (total of lines 630 to 655) 2,000 D
 Total credit available (line 625 plus amount D) 2,000 E

Deduct:

Credit deducted from Part I tax (enter at amount G in Part 30) 660
 Credit carried back to the previous year(s) (amount G from Part 23) _____ a
 Subtotal (line 660 plus amount a) _____ F
ITC closing balance from apprenticeship job creation expenditures (amount E minus amount F) 690 2,000

Part 23 - Request for carryback of credit from apprenticeship job creation expenditures

Carryback of this credit is restricted to tax years ending after May 1, 2006.

| | | | |
|---|------------|----------------------|----------------|
| 1st previous tax year | 2013/12/31 | Credit to be applied | <u>931</u> |
| 2nd previous tax year | 2012/12/31 | Credit to be applied | <u>932</u> |
| 3rd previous tax year | 2011/12/31 | Credit to be applied | <u>933</u> |
| Total (enter at amount a in Part 22) | | | <u>_____</u> G |

Child Care Spaces

Part 24 - Eligible child care spaces expenditures

Enter the eligible expenditures that the corporation incurred to create licensed child care spaces for the children of the employees and, potentially, for other children. The corporation cannot be carrying on a child care services business. The eligible expenditures include:

- the cost of depreciable property (other than specified property); and
- the specified child care start-up expenditures;

acquired or incurred only to create new child care spaces at a licensed child care facility.

Cost of depreciable property from the current tax year

| CCA* class number 665 | Description of investment 675 | Date available for use 685 | Amount of investment 695 |
|--|---|--------------------------------------|------------------------------------|
| | | | |
| Total cost of depreciable property from the current tax year | | | 715 |

Add:
 Specified child care start-up expenditures from the current tax year **705**

Total gross eligible expenditures for child care spaces (line 715 plus line 705) **A**

Deduct: Total of all assistance (including grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to at line A) **725**

Excess (amount A minus line 725) (if negative, enter "0") **B**

Add:
 Repayments by the corporation of government and non-government assistance **735**

Total eligible expenditures for child care spaces (amount B plus line 735) **745**

* CCA: capital cost allowance

Part 25 – Current-year credit – ITC from child care spaces expenditures

The credit is equal to 25% of eligible child care spaces expenditures incurred to a maximum of \$10,000 per child care space created in a licensed child care facility.

Eligible expenditures (from line 745) _____ x 25% = _____ **C**

Number of child care spaces **755** x \$10,000= _____ **D**

ITC from child care spaces expenditures (amount C or D, whichever is less) _____ **E**

Part 26 – Current-year credit and account balances – ITC from child care spaces expenditures

ITC at the end of the previous tax year _____ **F**

Deduct:
 Credit deemed as a remittance of co-op corporations **765**
 Credit expired after 20 tax year **770**

Subtotal (line 765 plus line 770) _____ **G**

ITC at the beginning of the tax year (amount F minus amount G) **775**

Add:
 Credit transferred on amalgamation or wind-up of subsidiary **777**
 Total current-year credit (amount E from Part 25) **780**
 Credit allocated from a partnership **782**

Subtotal (total of lines 777 to 782) _____ **H**

Total credit available (line 775 plus amount H) _____ **I**

Deduct:
 Credit deducted from Part I tax (enter at amount H in Part 30) **785**
 Credit carried back to the previous tax year(s) (amount K from Part 27) _____ a

Subtotal (line 785 plus amount a) _____ **J**

ITC closing balance from child care spaces expenditures (amount I minus amount J) **790**

Recapture – Child Care Spaces

Part 27 - Request for carryback of child care space expenditures

| | | | | |
|---|------------|----------------------|------------|----------|
| 1st previous tax year | 2013/12/31 | Credit to be applied | 941 | |
| 2nd previous tax year | 2012/12/31 | Credit to be applied | 942 | |
| 3rd previous tax year | 2011/12/31 | Credit to be applied | 943 | |
| Total (enter at amount a in Part 26) | | | | K |

Part 28 – Recapture of ITC for corporations and corporate partnerships – Child care spaces

The ITC will be recovered against the taxpayer's tax otherwise payable under Part I of the Act if, at any time within 60 months of the day on which the taxpayer acquired the property:

- the new child care space is no longer available; or
- property that was an eligible expenditure for the child care space is:
 - disposed of or leased to a lessee; or
 - converted to another use.

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a)) **792**

In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:

The amount that can reasonably be considered to have been included in the original ITC **795**

25% of either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value (in any other case) of the property **797**

Amount from line 795 or line 797, whichever is less **A**

Corporate partnerships

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 26 on page 14. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 799 below.

Corporate partner's share of the excess of ITC 799

Total recapture of child care spaces investment tax credit – (total of line 792, amount A, and line 799) **B**

Enter amount B at amount B in Part 29.

Summary of Investment Tax Credits

Part 29 – Total recapture of investment tax credit

| | |
|--|----------|
| Recaptured SR&ED ITC (from amount F in Part 17) | A |
| Recaptured child care spaces ITC (from amount B in Part 28) | B |
| Total recapture of investment tax credit (amount A plus amount B) | C |

Enter amount C on line 602 on page 7 of the T2 return

Part 30 – Total ITC deducted from Part I tax

| | |
|---|----------|
| ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 5) | D |
| ITC from SR&ED expenditures deducted from Part I tax (from line 560 in Part 12) | E |
| ITC from pre-production mining expenditures deducted from Part I tax (from line 885 in Part 19) | F |
| ITC from apprenticeship job creation expenditures deducted from Part I tax (from line 660 in Part 22) | G |
| ITC from child care space expenditures deducted from Part I tax (from line 785 in Part 26) | H |
| Total ITC deducted from Part I tax (total of amounts D to H) | I |

Enter amount I at line 652 on page 7 of the T2 return.



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

All legislative references on this return are to the federal *Income Tax Act* and *Income Tax Regulations*. This return may contain changes that had not yet become law at the time of publication.

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

For more information see www.cra.gc.ca or Guide T4012, *T2 Corporation – Income Tax Guide*.

Protected B
when completed

055 Do not use this area

| | |
|--|---|
| Identification | |
| Business number (BN) 001 89053 4811 RC 0001 | |
| Corporation's name 002 HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST | |
| Address of head office Has this address changed since the last time we were notified? 010 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> (If yes , complete lines 011 to 018) 011 P.O. BAG 5000 012 _____ City Province, territory, or state 015 HEARST 016 ON Country (other than Canada) Postal code/Zip code 017 _____ 018 P0L 1N0 | To which tax year does this return apply? Tax year start Tax year-end 060 2014/01/01 061 2014/12/31 |
| Mailing address (if different from head office address) Has this address changed since the last time we were notified? 020 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> (If yes , complete lines 021 to 028) 021 c/o _____ 022 P.O. BAG 5000 023 _____ City Province, territory, or state 025 HEARST 026 ON Country (other than Canada) Postal code/Zip code 027 _____ 028 P0L 1N0 | Has there been an acquisition of control to which subsection 249(4) applies since the tax year start on line 060? 063 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> If yes , provide the date control was acquired 065 _____ |
| Location of books and records (if different from head office address) Has the location of books and records changed since the last time we were notified? 030 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> (If yes , complete lines 031 to 038) 031 P.O. BAG 5000 032 _____ City Province, territory, or state 035 HEARST 036 ON Country (other than Canada) Postal code/Zip code 037 _____ 038 P0L 1N0 | Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? 066 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> Is this the first year of filing after: Incorporation? 070 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> Amalgamation? 071 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> If yes , complete lines 030 to 038 and attach Schedule 24. |
| 040 Type of corporation at the end of the tax year 1 <input type="checkbox"/> Canadian-controlled private corporation (CCPC) 4 <input type="checkbox"/> Corporation controlled by a public corporation 2 <input type="checkbox"/> Other private corporation 5 <input checked="" type="checkbox"/> Other corporation (specify, below) 3 <input type="checkbox"/> Public corporation Hydro successor, Municipal If the type of corporation changed during the tax year, provide the effective date of the change. 043 _____ | Has there been a wind-up of a subsidiary under section 88 during the current tax year? 072 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> If yes , complete and attach Schedule 24. Is this the final tax year before amalgamation? 076 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> Is this the final return up to dissolution? 078 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> If an election was made under section 261, state the functional currency used 079 _____ Is the corporation a resident of Canada? 080 1 Yes <input checked="" type="checkbox"/> 2 No <input type="checkbox"/> 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 <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> 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 <input type="checkbox"/> Exempt under paragraph 149(1)(e) or (l) 2 <input type="checkbox"/> Exempt under paragraph 149(1)(j) 3 <input type="checkbox"/> Exempt under paragraph 149(1)(t) 4 <input checked="" type="checkbox"/> Exempt under other paragraphs of section 149 |
| Do not use this area | |
| 095 | 096 |

Attachments**Financial statement information:** Use GIFI schedules 100, 125, and 141.**Schedules** - Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

| | Yes | Schedule |
|--|---|----------|
| Is the corporation related to any other corporations? | 150 <input checked="" type="checkbox"/> | 9 |
| Is the corporation an associated CCPC? | 160 <input checked="" type="checkbox"/> | 23 |
| Is the corporation an associated CCPC that is claiming the expenditure limit? | 161 <input type="checkbox"/> | 49 |
| Does the corporation have any non-resident shareholders who own voting shares? | 151 <input type="checkbox"/> | 19 |
| Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents | 162 <input type="checkbox"/> | 11 |
| If you answered 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 <input type="checkbox"/> | 44 |
| Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada? | 164 <input type="checkbox"/> | 14 |
| Is the corporation claiming a deduction for payments to a type of employee benefit plan? | 165 <input type="checkbox"/> | 15 |
| Is the corporation claiming a loss or deduction from a tax shelter? | 166 <input type="checkbox"/> | T5004 |
| Is the corporation a member of a partnership for which a partnership account number has been assigned? | 167 <input type="checkbox"/> | 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 <input type="checkbox"/> | 22 |
| Did the corporation own any shares in one or more foreign affiliates in the tax year? | 169 <input type="checkbox"/> | 25 |
| Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal <i>Income Tax Regulations</i> ? | 170 <input type="checkbox"/> | 29 |
| Did the corporation have a total amount over \$1 million of reportable transactions with non-arm's length non-residents? | 171 <input type="checkbox"/> | T106 |
| For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares? | 173 <input type="checkbox"/> | 50 |
| Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year? | 172 <input type="checkbox"/> | ---- |
| Does the corporation earn income from one or more Internet webpages or websites? | 180 <input type="checkbox"/> | 88 |
| Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes? | 201 <input checked="" type="checkbox"/> | 1 |
| Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; gifts of cultural or ecological property; or gifts of medicine? | 202 <input type="checkbox"/> | 2 |
| Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund? | 203 <input type="checkbox"/> | 3 |
| Is the corporation claiming any type of losses? | 204 <input checked="" type="checkbox"/> | 4 |
| Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction? | 205 <input type="checkbox"/> | 5 |
| Has the corporation realized any capital gains or incurred any capital losses during the tax year? | 206 <input type="checkbox"/> | 6 |
| i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or | | |
| ii) does the corporation have aggregate investment income at line 440? | 207 <input type="checkbox"/> | 7 |
| Does the corporation have any property that is eligible for capital cost allowance? | 208 <input checked="" type="checkbox"/> | 8 |
| Does the corporation have any property that is eligible capital property? | 210 <input checked="" type="checkbox"/> | 10 |
| Does the corporation have any resource-related deductions? | 212 <input type="checkbox"/> | 12 |
| Is the corporation claiming deductible reserves (other than transitional reserves under section 34.2)? | 213 <input type="checkbox"/> | 13 |
| Is the corporation claiming a patronage dividend deduction? | 216 <input type="checkbox"/> | 16 |
| Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction? | 217 <input type="checkbox"/> | 17 |
| Is the corporation an investment corporation or a mutual fund corporation? | 218 <input type="checkbox"/> | 18 |
| Is the corporation carrying on business in Canada as a non-resident corporation? | 220 <input type="checkbox"/> | 20 |
| Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits? | 221 <input type="checkbox"/> | 21 |
| Does the corporation have any Canadian manufacturing and processing profits? | 227 <input type="checkbox"/> | 27 |
| Is the corporation claiming an investment tax credit? | 231 <input checked="" type="checkbox"/> | 31 |
| Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures? | 232 <input type="checkbox"/> | T661 |
| Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000? | 233 <input type="checkbox"/> | 33/34/35 |
| Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000? | 234 <input type="checkbox"/> | ---- |
| Is the corporation claiming a surtax credit? | 237 <input type="checkbox"/> | 37 |
| Is the corporation subject to gross Part VI tax on capital of financial institutions? | 238 <input type="checkbox"/> | 38 |
| Is the corporation claiming a Part I tax credit? | 242 <input type="checkbox"/> | 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 <input type="checkbox"/> | 43 |
| Is the corporation agreeing to a transfer of the liability for Part VI.1 tax? | 244 <input type="checkbox"/> | 45 |
| Is the corporation subject to Part II - Tobacco Manufacturers' surtax? | 249 <input type="checkbox"/> | 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 <input type="checkbox"/> | 39 |
| Is the corporation claiming a Canadian film or video production tax credit refund? | 253 <input type="checkbox"/> | T1131 |
| Is the corporation claiming a film or video production services tax credit refund? | 254 <input type="checkbox"/> | T1177 |
| Is the corporation subject to Part XIII.1 tax? | 255 <input type="checkbox"/> | 92 * |

* We do not print this schedule.

Attachments - Continued from page 2

| | Yes | Schedule |
|--|---|----------|
| Did the corporation have any foreign affiliates in the tax year? | 271 <input type="checkbox"/> | T1134 |
| Did the corporation own specified foreign property in the year with a cost amount over \$100,000? | 259 <input type="checkbox"/> | T1135 |
| Did the corporation transfer or loan property to a non-resident trust? | 260 <input type="checkbox"/> | T1141 |
| Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year? | 261 <input type="checkbox"/> | T1142 |
| Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada? | 262 <input type="checkbox"/> | T1145 |
| Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts? | 263 <input type="checkbox"/> | T1146 |
| Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED? | 264 <input type="checkbox"/> | T1174 |
| Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year? | 265 <input type="checkbox"/> | 55 |
| Has the corporation made an election under subsection 89(11) not to be a CCPC? | 266 <input type="checkbox"/> | T2002 |
| Has the corporation revoked any previous election made under subsection 89(11)? | 267 <input type="checkbox"/> | 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 <input checked="" type="checkbox"/> | 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 <input type="checkbox"/> | 54 |

Additional information

| | | | |
|--|-----|--------------------------------|--|
| Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements? | 270 | 1 Yes <input type="checkbox"/> | 2 No <input checked="" type="checkbox"/> |
| Is the corporation inactive? | 280 | 1 Yes <input type="checkbox"/> | 2 No <input checked="" type="checkbox"/> |
| 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 | ELECTRICAL UTILITY | 285 100.000 % |
| | 286 | | 287 % |
| | 288 | | 289 % |
| Did the corporation immigrate to Canada during the tax year? | 291 | 1 Yes <input type="checkbox"/> | 2 No <input checked="" type="checkbox"/> |
| Did the corporation emigrate from Canada during the tax year? | 292 | 1 Yes <input type="checkbox"/> | 2 No <input checked="" type="checkbox"/> |
| Do you want to be considered as a quarterly instalment remitter if you are eligible? | 293 | 1 Yes <input type="checkbox"/> | 2 No <input type="checkbox"/> |
| If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible | 294 | | |
| If the corporation's major business activity is construction, did you have any sub-contractors during the tax year? | 295 | 1 Yes <input type="checkbox"/> | 2 No <input type="checkbox"/> |

Taxable income

| | | | |
|--|-----|--------|---|
| Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI | 300 | 79,667 | A |
| Deduct: Charitable donations from Schedule 2 | 311 | | |
| Gifts to Canada, a province, or a territory from Schedule 2 | 312 | | |
| Cultural gifts from Schedule 2 | 313 | | |
| Ecological gifts from Schedule 2 | 314 | | |
| Gifts of medicine from Schedule 2 | 315 | | |
| Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 | 320 | | |
| Part VI.1 tax deduction * | 325 | | |
| Non-capital losses of previous tax years from Schedule 4 | 331 | | |
| Net capital losses of previous tax years from Schedule 4 | 332 | | |
| Restricted farm losses of previous tax years from Schedule 4 | 333 | | |
| Farm losses of previous tax years from Schedule 4 | 334 | | |
| Limited partnership losses of previous tax years from Schedule 4 | 335 | | |
| Taxable capital gains or taxable dividends allocated from a central credit union | 340 | | |
| Prospector's and grubstaker's shares | 350 | | |
| Subtotal | | ▶ | B |
| Subtotal (amount A minus amount B) (if negative, enter "0") | | 79,667 | C |
| Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions | 355 | | D |
| Taxable income (amount C plus amount D) | 360 | 79,667 | |
| 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) | | | Z |

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 8.

Small business deduction

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

| | | | |
|--|------------|--------|---|
| Income from active business carried on in Canada from Schedule 7 | 400 | 79,667 | A |
| Taxable income from line 360 on page 3, minus 100/28 of the amount on line 632* on page 7, minus 4 times the amount on line 636** on page 7, and minus any amount that, because of federal law, is exempt from Part I tax | 405 | | B |
| Business limit (see notes 1 and 2 below) | 410 | | 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 _____ X **415** *** _____ D _____ = _____ E

11,250

Reduced business limit (amount C **minus** amount E) (if negative, enter "0") **425** _____ 0 F

Small business deduction

Amount A, B, C, or F, whichever is the least _____ x 17% = **430** _____ 0 G

Enter amount G on line 1 on page 7.

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

** 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 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 page 3 (line 360 or amount Z, whichever applies) | | | A |
| Lesser of amounts V and Y from Part 9 of Schedule 27 | | B | |
| Amount QQ from Part 13 of Schedule 27 | | C | |
| Personal service business income | 432 | D | |
| Amount used to calculate the credit union deduction (amount F from Schedule 17) | | E | |
| Amount from line 400, 405, 410, or 425 on page 4, whichever is the least | | F | |
| Aggregate investment income from line 440 on page 6* | | G | |
| Subtotal (add amounts B to G) | | ▶ | H |
| Amount A minus amount H (if negative, enter "0") | | | I |

General tax reduction for Canadian-controlled private corporations – Amount I multiplied by 13% J

Enter amount J on line 638 of page 7.

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

General tax reduction

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

| | | | |
|---|-----|---|---|
| Taxable income from page 3 (line 360 or amount Z, whichever applies) | | | K |
| Lesser of amounts V and Y from Part 9 of Schedule 27 | | L | |
| Amount QQ from Part 13 of Schedule 27 | | M | |
| Personal service business income | 434 | N | |
| Amount used to calculate the credit union deduction (amount F from Schedule 17) | | O | |
| Subtotal (add amounts L to O) | | ▶ | P |

Amount K **minus** amount P (if negative, enter "0") Q

General tax reduction – Amount Q multiplied by 13% R

Enter amount R on line 639 of page 7.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

| | | | | |
|--|------------|--------------------------|------------|--------|
| Aggregate investment income from Schedule 7 | 440 | X 26 2/3 % = | | A |
| Foreign non-business income tax credit from line 632 on page 7 | | | B | |
| Deduct: Foreign investment income from Schedule 7 | 445 | X 9 1/3 % = | | C |
| | | (if negative, enter "0") | ▶ | D |
| Amount A minus amount D (if negative, enter "0") | | | | E |
| Taxable income from line 360 on page 3 | | | 79,667 | F |
| Deduct: Amount on line 400, 405, 410, or 425 on page 4, whichever is the least | | | | G |
| Foreign non-business income tax credit from line 632 of page 7 | | x 100/35 = | | H |
| Foreign business income tax credit from line 636 of page 7 | | x 4.00000 = | | I |
| Subtotal | | | ▶ | J |
| | | | 79,667 | K |
| | | x 26 2/3% = | | L |
| | | | | 21,245 |
| Part I tax payable minus investment tax credit refund (line 700 minus line 780 from page 8) | | | | M |
| Refundable portion of Part I tax – Amount E, L, or M, whichever is the least | | | 450 | N |

Refundable dividend tax on hand

| | | | | |
|---|------------|--|------------|---|
| Refundable dividend tax on hand at the end of the previous tax year | 460 | | | |
| Deduct: Dividend refund for the previous tax year | 465 | | ▶ | O |
| Add the total of: Refundable portion of Part I tax from line 450 above | | | | P |
| Total Part IV tax payable from Schedule 3 | | | | Q |
| Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation | 480 | | ▶ | R |
| Refundable dividend tax on hand at the end of the tax year - Amount O plus amount R | | | 485 | 0 |

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 | | X 1/3 | | 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 of page 8) | | | | 0 |

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 | 0 | A |
| Recapture of investment tax credit from Schedule 31 | 602 | | B |

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

| | | | |
|--|--------|--------|---|
| Aggregate investment income from line 440 on page 6 | | | C |
| Taxable income from line 360 on page 3 | 79,667 | | D |
| Deduct: | | | |
| Amount on line 400, 405, 410, or 425 of page 4, whichever is the least | | | E |
| Net amount (amount D minus amount E) | 79,667 | 79,667 | F |
| Refundable tax on CCPC's investment income – 6 2/3% of whichever is less: amount C or amount F | | 604 | G |
| Subtotal (add amounts A, B, and G) | | | H |

Deduct:

| | | | |
|---|-----|--|---|
| Small business deduction from line 430 on page 4 | | | I |
| Federal tax abatement | 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 J on page 5 | 638 | | |
| General tax reduction from amount R on page 5 | 639 | | |
| Federal logging tax credit from Schedule 21 | 640 | | |
| Eligible Canadian bank deduction under section 125.21 | 641 | | |
| Federal qualifying environmental trust tax credit | 648 | | |
| Investment tax credit from Schedule 31 | 652 | | |
| Subtotal | | | J |

Part I tax payable – Amount H minus amount J 0 K

Enter amount K on line 700 on page 8.

Summary of tax and credits

Federal tax

| | | |
|--|-----|-------|
| Part I tax payable from amount K on page 7 | 700 | _____ |
| 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 | | 0 |

Add provincial or territorial tax:

| | | |
|--|--------|-------|
| Provincial or territorial jurisdiction | 750 ON | _____ |
| <small>(if more than one jurisdiction, enter "multiple" and complete Schedule 5)</small> | | |
| Net provincial or territorial tax payable (except Quebec, and Alberta) | 760 | _____ |
| Provincial tax on large corporations (Nova Scotia Schedule 342) | 765 | _____ |
| <small>(The Nova Scotia tax on large corporations is eliminated effective July 1, 2012.)</small> | | |
| Total provincial or territorial tax | | _____ |
| Total tax payable | 770 | 0 A |

Deduct other credits:

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

Refund Code **894** Overpayment _____ Balance (line A minus line B) 0

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 _____ **918** _____
 Institution number Account number

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** _____

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 NA

If this return was prepared by a tax preparer for a fee, provide their EFILE number **920** A5583

Certification

I, **950** Richard _____ **951** Jessy _____ **954** Manager _____,
 Last name First name 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 2015/06/08 _____ **956** (705) 372-2815 _____
 Date Signature of the authorized signing officer of the corporation Telephone number

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

958 _____ **959** () - _____
 Name Telephone number

Language of correspondence - Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French. **990** **1**

Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français.

Privacy Act, personal information bank number CRA PPU 047

1 **Ex.4/Tab 5/Sch.3 - Calculation of Tax Credits**

2 HPDC is not claiming any tax credit in this application.

3 **Ex.4/Tab 5/Sch.4 - Non-recoverable and Disallowed Expenses**

4 HPDC confirms that expenses that are deemed non-recoverable in the revenue requirement
5 (e.g. certain charitable donations) or disallowed for regulatory purposes, have been excluded
6 from the regulatory tax calculation.

7 HPDC calculates its property taxes using MPAC assessment and the tax rates set by the Town
8 of Hearst.

9 **Ex.4/Tab 5/Sch.5 - Integrity Checklist**

10 HPDC and its external auditors attest that the following integrity checks have been completed in
11 its application. In completing the PILs model, Collins Barrow attests that;

- 12 • the depreciation and amortization added back in the application's PILs model agree
13 with the numbers disclosed in the rate base section of the application;
- 14
15 • the capital additions and deductions in the UCC/ CCA Schedule 8 agree with the rate
16 base section for historic and test years;
- 17
18 • Schedule 8 of the most recent federal T2 tax return filed with the application has a
19 closing December 31st historic year UCC that agrees with the opening 2014 Actual
20 year UCC at January 1st.
- 21
22 • The CCA deductions in the application's PILs tax model for historic and test years
23 agree with the numbers in the UCC schedules for the same years filed in the
24 application;
- 25
26 • Loss carry-forwards, if any, from the tax returns (Schedule 4) agree with those
27 disclosed in the application;
- 28
29 • CCA is maximized even if there are tax loss carry-forwards;
- 30
31 • No losses were and will be fully utilized.
- 32

33

1 Conservation and Demand Side Management

2 Ex.4/Tab 6/Sch.1 - Overview of CDM

3 HPDC filed its CDM Strategy with the OEB in accordance with the CDM Code for Electricity
4 Distributors in the fall of 2010. HPDC began delivering CDM programs with the assistance of
5 Burman Energy in 2011 in order to meet the mandated targets. The emphasis has been on
6 Ontario Power Authority (“OPA”) Contracted Province-Wide Programs to residential and general
7 service customers. HPDC has not sought approval for Board-approved CDM programs.

8 As of December 31st 2013, HPDC had achieved 49% of the OEB cumulative energy target and
9 26% of the peak demand target for 2011-2014, which was set as 3.91 GWh and 680kW
10 respectively. Due to delay in two major energy lightning project (delayed to the summer of
11 2015), HPDC does not anticipates to reach its cumulative energy target for 2011-2014 but
12 estimate it should be very close to achieving 80% of the 3.91 GWh target. HPDC does not
13 anticipate to achieve neither 100% nor 80% of its peak demand target but as the December 17,
14 2014 Board letter states: “With respect to the peak demand savings target, the Board
15 appreciates that many distributors do not expect to meet either 80% or 100% of its target.”

16 The OPA provides funding for HPDC’s CDM programs. HPDC’s funding portfolio for 2011 to
17 2014 was approximately \$258,565 in PAB funding.

18 HPDC signed new Energy Conservation Agreement for the period of 2015 to 2020 with a
19 cumulative energy target savings of 3.2 GWh, which it to be attained with a 843,903\$ budget.
20 With the two major lightning projects postponed to 2015, which includes the alteration of 950
21 streetlights from incandescent to LED as well as an even bigger lightning retrofit for a local
22 wood mill, HPDC does not foresee any problems in reaching the new targets for 2020.

23 Funding and expenditures for the delivery of OPA Contracted Province-Wide Programs are kept
24 separate and tracked in Non-Distribution Revenue Accounts in accordance with the guidance in
25 Chapter 5, Accounting Treatment of the CDM Code. In addition, HPDC has ensured that any
26 function performed within the distribution company for CDM activity has been attributed and
27 tracked in the non-distribution accounts. Therefore, CDM activities are not included in the
28 calculation revenue requirement or revenue offsets.

29 At this time, HPDC does not contemplate employing any Board-Approved programs. The intent
30 is to meet demand and energy reduction requirements by delivering OPA-Contracted Province-
31 Wide programs. HPDC will not be applying for any OM&A costs related to the administration
32 and delivery of CDM programs to be recovered through the revenue requirement.

1 **Ex.4/Tab 6/Sch.2 - LRAM**

2 (Note that this information is also presented at Exhibit 9.)

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

4 On March 31, 2010, the Minister of Energy and Infrastructure issued a directive (the "Directive")
 5 to the Board regarding electricity CDM targets to be met by licensed electricity distributors. The
 6 Directive required that the Board amend the licenses of distributors to add, as a condition of
 7 licence, the requirement for distributors to achieve reductions in electricity demand through the
 8 delivery of CDM programs over a four-year period beginning January 1, 2011. Section 12 of the
 9 Directive required that the Board have regard to the objective that lost revenues that result from
 10 CDM Programs should not act as a disincentive to a distributor. On April 26, 2012, the Board
 11 issued Guidelines for Electricity Distributor Conservation and Demand Management ("CDM
 12 Guidelines"). In keeping with the Directive, the Board adopted a mechanism to capture the
 13 difference between the results of actual, verified impacts of authorized CDM activities
 14 undertaken by distributors between 2011 and 2014 and the level of activities embedded into
 15 rates through the distributors load forecast in an LRAM variance account. Note that HPDC is not
 16 requesting recovery of lost revenue resulting from any pre-2011 CDM activities or legacy
 17 programs.

18 **Table 4.9 – Summary of Requested LRAM Amounts**

| | 2011 LRAMVA | 2012 LRAMVA | 2013 LRAMVA | Total |
|--|----------------|----------------|----------------|----------|
| Total LRAMVA - Pre 2011 Programs Completed in 2011 | 1.75 | 2.01 | 2.02 | 5.78 |
| Total LRAMVA - 2011 OPA Program Results | 1323.08 | 1283.07 | 1292.9 | 3899.05 |
| Total LRAMVA - 2012 OPA Program Results | | 1670.71 | 1681.11 | 3351.82 |
| Total LRAMVA - 2013 OPA Program Results | | | 3368.36 | 3368.36 |
| | 1324.83 | 2955.79 | 6344.39 | 10625.01 |

19

20 HPDC has used the most recent input assumptions when calculating lost revenue and has
 21 relied on the most recent final evaluation report from the Ontario Power Authority in support of
 22 its LRAM calculation for its contracted province-wide CDM programs ("OPA Programs") for
 23 2011-2013. Lost revenues are based on Board approved variable charges and carrying charges
 24 through to April 30, 2015 are requested.

25 HPDC is not currently requesting recovery of lost revenue resulting from Board-approved
 26 programs. The OPA-Contracted Province-Wide CDM Programs Final 2013 Results are provided
 27 at Ex.4/Tab 6/Sch.2 of this Exhibit.

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

- 4 Details of HPDC's LRAM calculations and supporting evidence can be found in the third party
- 5 report prepared by Burman Energy Consulting Group Inc. and provided as Appendix # to this
- 6 Exhibit. Information provided in the Burman Energy Consulting Group Inc. report includes the
- 7 CDM programs/initiatives applicable to each rate class as well as the energy savings (kWh) and
- 8 peak demand (kW) assigned to each of the programs/initiatives.

- 9 For further details, please refer to the report from Burman Energy Report

HEARST POWER DISTRIBUTION COMPANY LIMITED

LRAMVA SUPPORT

JANUARY 14, 2015

PREPARED BY: ANGELA MATTHEWS, PMP

REVIEWED BY: BART BURMAN, MBA, BA.SC. P.ENG., PRESIDENT

1. LRAMVA

With specific reference to the following:

13.2 LRAM Mechanism for 2011- 2014

The Board will adopt an approach for LRAM for the 2011-2014 CDM period that is similar to that adopted in relation to natural gas distributor DSM activities. The Board will authorize the establishment of an LRAM variance account (“LRAMVA”) to capture, at the customer rate-class level, the difference between the following:

- i. 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*
- ii. The level of CDM program activities included in the distributor’s load forecast (i.e. the level embedded into rates).*

Distributors will generally be expected to include a CDM component in their load forecast in cost of service proceedings to ensure that its customers are realizing the true effects of conservation at the earliest date possible date and to mitigate the variance between forecasted revenue losses and actual revenue losses. If the distributor has included a CDM load reduction in its distribution rates, the amount of the forecast that was adjusted for CDM at the rate class level would be compared to the actual DCM results verified by an independent third part for each year of the CDM program (i.e., 2011 to 2014) in accordance with the OPA’s EM&V Protocols as set out in Section 6.1 of the CDM Code. The variance calculated from this comparison result in a credit or a debit to the ratepayers at the customer rate class level in the LRAMVA. The variance calculated from this comparison results in a credit or debit to the ratepayers at the customer rate class level in the LRAMVA. The LRAM amount is determined by applying, by customer class, the distributor’s Board-approved variable distribution charge applicable to the class to the volumetric variance (positive or negative) described in the paragraph above. The calculated lost revenues will be recorded in the LRAMVA. Distributors will be expected to report the balance in the LRAMVA as part of the reporting and record-keeping requirements on an annual basis.

Burman Energy Consultants Group Inc. (Burman Energy) has prepared the following LRAMVA tables, representing the variance amount to be recorded in the LRAM Variance Account. The amount is the calculated result of the lost revenues by customer class based on the volumetric impact of the load reductions arising from the CDM measures implemented, multiplied by Hearst Power's Board-approved variable distribution changes applicable to the customer rate class in which the volumetric variance occurred. The calculations provided by Burman Energy do not include carrying charges or adjustments based on CDM reductions as included in any CDM Load reduction forecast.

| | 2011 LRAMVA | 2012 LRAMVA | 2013 LRAMVA | |
|---|--------------------|--------------------|--------------------|--------------------|
| TOTAL LRAMVA - PRE-2011 PROGRAMS COMPLETED III 2011 | \$ 1.75 | \$ 2.01 | \$ 2.02 | |
| TOTAL LRAMVA - 2011 OPA PROGRAM RESULTS | \$ 1,323.08 | \$ 1,283.07 | \$ 1,292.90 | |
| TOTAL LRAMVA - 2012 OPA PROGRAM RESULTS | | \$ 1,670.71 | \$ 1,681.11 | |
| TOTAL LRAMVA - 2013 OPA PROGRAM RESULTS | | | \$ 3,368.36 | |
| Total LRAMVA | \$ 1,324.83 | \$ 2,955.79 | \$ 6,344.38 | \$10,625.00 |

The following OPA documents were used to prepare the LRAMVA calculations:

- Final Verified Annual 2013 CDM Report_HCHearst Power Distribution Company Limited.xls
- Hearst Power Distribution Company Limited - 2013 Results R1 List.xls
- 2011-2013 Hearst Power Program Savings and Persistence.xls

SUPPORTING ATTACHMENTS

Hearst Power LRAMVA CALCULATIONS
 OPA Conservation & Demand Management Programs
 Initiative Results at End-User Level

| Initiative Name | Program Year | Results Status | 2011 | | | | 2012 | | | | 2013 | | | | 2010 Rate (effective January 1) | 2011 Rate (effective May 1) | 2012 Rate (effective May 1) | 2013 Rate (effective May 1) | 2011 LRAMVA | 2012 LRAMVA | 2013 LRAMVA | | | | |
|---|--------------|----------------|-------------------------------------|--------------------------|---------------------------------------|----------------------------|-------------------------------------|--------------------------|---------------------------------------|----------------------------|-------------------------------------|--------------------------|---------------------------------------|----------------------------|---------------------------------|-----------------------------|-----------------------------|-----------------------------|-------------|---------------------|-------------|--|--|--|--|
| | | | Net Summer Peak Demand Savings (kW) | Net Energy Savings (kWh) | Gross Summer Peak Demand Savings (kW) | Gross Energy Savings (kWh) | Net Summer Peak Demand Savings (kW) | Net Energy Savings (kWh) | Gross Summer Peak Demand Savings (kW) | Gross Energy Savings (kWh) | Net Summer Peak Demand Savings (kW) | Net Energy Savings (kWh) | Gross Summer Peak Demand Savings (kW) | Gross Energy Savings (kWh) | | | | | | | | | | | |
| Pre-2011 PROGRAMS COMPLETED IN 2011 | | | | | | | | | | | | | | | | | | | | | | | | | |
| General Service <50kW | | | | | | | | | | | | | | | kWh | kWh | kWh | | | | | | | | |
| High Performance New Construction | 2011 | Final | 229 | 458 | 73 | 146 | 229 | 73 | 146 | 0.0097 | 0.0066 | 0.0067 | 0.0067 | \$ 1.75 | \$ 0.49 | \$ - | | | | | | | | | |
| 2011 Persistence | | | | | | | | | | 0.0097 | 0.0066 | 0.0067 | 0.0067 | \$ - | \$ 1.53 | \$ 1.53 | | | | | | | | | |
| 2012 Persistence | 2011 | Final | | | | | | | | 0.0097 | 0.0066 | 0.0067 | 0.0067 | \$ - | \$ - | \$ 0.49 | | | | | | | | | |
| GENERAL SERVICE <50kW TOTAL | | | 0.00 | 229 | 0.00 | 458 | 0.00 | 302 | 0.00 | 146 | 0.00 | 302 | 0.00 | 0 | \$ 1.75 | \$ 2.01 | \$ 2.02 | | | | | | | | |
| TOTAL LRAMVA - PRE-2011 PROGRAMS COMPLETED IN 2011 | | | 0.00 | 229 | 0.00 | 458 | 0.00 | 302 | 0.00 | 146 | 0.00 | 302 | 0.00 | 0 | \$ 1.75 | \$ 2.01 | \$ 2.02 | | | | | | | | |
| 2011 OPA PROGRAM RESULTS | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1,000 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Residential Service | | | | | | | | | | | | | | | kWh | kWh | kWh | | | | | | | | |
| Appliance Retirement | 2011 | Final | 0.83 | 6,300 | 1.61 | 12,211 | 0.83 | 6,300 | 0.83 | 6,300 | 0.0102 | 0.0156 | 0.0159 | 0.0160 | \$ 86.95 | \$ 99.55 | \$ 100.60 | | | | | | | | |
| Appliance Exchange | 2011 | Final | 0.08 | 90 | 0.15 | 174 | 0.08 | 90 | 0.08 | 90 | 0.0102 | 0.0156 | 0.0159 | 0.0160 | \$ 1.24 | \$ 1.42 | \$ 1.43 | | | | | | | | |
| HVAC Incentives | 2011 | Final | 0.28 | 515 | 0.46 | 862 | 0.27 | 515 | 0.27 | 515 | 0.0102 | 0.0156 | 0.0159 | 0.0160 | \$ 7.10 | \$ 8.13 | \$ 8.22 | | | | | | | | |
| 2011 Adjustments | | | | -116 | | -194 | | | | | 0.0102 | 0.0156 | 0.0159 | 0.0160 | \$ - | \$ - | \$ - | | | | | | | | |
| Conservation Instant Coupon Booklet | 2011 | Final | 0.77 | 12,421 | 0.68 | 11,276 | 0.77 | 12,421 | 0.77 | 12,421 | 0.0102 | 0.0156 | 0.0159 | 0.0160 | \$ 171.42 | \$ 196.26 | \$ 198.33 | | | | | | | | |
| 2011 Adjustments | | | | 184 | | 171 | | | | | 0.0102 | 0.0156 | 0.0159 | 0.0160 | \$ - | \$ - | \$ - | | | | | | | | |
| Bi-Annual Retailer Event | 2011 | Final | 1.12 | 19,612 | 1.00 | 17,951 | 1.12 | 19,612 | 1.12 | 19,612 | 0.0102 | 0.0156 | 0.0159 | 0.0160 | \$ 270.64 | \$ 309.87 | \$ 313.13 | | | | | | | | |
| 2011 Adjustments | | | | 1,457 | | 1,584 | | | | | 0.0102 | 0.0156 | 0.0159 | 0.0160 | \$ 20.11 | \$ - | \$ - | | | | | | | | |
| RESIDENTIAL TOTAL | | | 3.07 | 40,463 | 3.90 | 44,035 | 3.07 | 38,938 | 0.00 | 0 | 3.07 | 38,938 | 0.00 | 0 | \$ 558.39 | \$ 615.22 | \$ 621.71 | | | | | | | | |
| General Service <50kW | | | | | | | | | | | | | | | kWh | kWh | kWh | | | | | | | | |
| Direct Install Lighting | 2011 | Final | 41.14 | 100,177 | 38.42 | 107,887 | 41.14 | 100,177 | 41.14 | 100,177.13 | 0.0097 | 0.0066 | 0.0067 | 0.0067 | \$ 764.69 | \$ 667.85 | \$ 671.19 | | | | | | | | |
| GENERAL SERVICE <50kW TOTAL | | | 41.14 | 100,177 | 38.42 | 107,887 | 41.14 | 100,177 | 0.00 | 0 | 41.14 | 100,177 | 0.00 | 0 | \$ 764.69 | \$ 667.85 | \$ 671.19 | | | | | | | | |
| TOTAL LRAMVA - 2011 OPA PROGRAM RESULTS | | | 44.22 | 140,641 | 42.33 | 151,922 | 44.22 | 139,115 | 0.00 | 0 | 44.22 | 139,115 | 0.00 | 0 | \$ 1,323.08 | \$ 1,283.07 | \$ 1,292.90 | | | | | | | | |
| 2012 OPA PROGRAM RESULTS | | | | | | | | | | | | | | | | | | | | | | | | | |
| Residential Service | | | | | | | | | | | | | | | kWh | kWh | kWh | | | | | | | | |
| Appliance Retirement | 2012 | Final | | | | | 0.55 | 4,124 | 0.55 | 4,124 | | 0.0156 | 0.0159 | 0.0160 | \$ 65.15 | \$ 65.84 | | | | | | | | | |
| Appliance Exchange | 2012 | Final | | | | | 0.04 | 65 | 0.04 | 65 | | 0.0156 | 0.0159 | 0.0160 | \$ 1.02 | \$ 1.03 | | | | | | | | | |
| HVAC Incentives | 2012 | Final | | | | | 0.71 | 1,337 | 1.45 | 2,757 | 0.71 | 1,337 | | \$ 21.13 | \$ 21.35 | | | | | | | | | | |
| 2012 Adjustments | | | | | | | | 6 | | 11 | | 0.0156 | 0.0160 | | \$ 0.09 | \$ - | | | | | | | | | |
| Conservation Instant Coupon Booklet | 2012 | Final | | | | | 0.15 | 933 | 0.15 | 885 | 0.15 | 933 | | \$ 14.74 | \$ 14.90 | | | | | | | | | | |
| Bi-Annual Retailer Event | 2012 | Final | | | | | 0.99 | 17,873 | 1.08 | 19,501 | 0.99 | 17,873 | | \$ 282.39 | \$ 285.37 | | | | | | | | | | |
| RESIDENTIAL TOTAL | | | 2.43 | 24,337 | 3.28 | 27,343 | 2.43 | 24,332 | 0.00 | 0 | 2.43 | 24,332 | 0.00 | 0 | \$ 384.53 | \$ 388.49 | | | | | | | | | |
| General Service <50kW | | | | | | | | | | | | | | | kWh | kWh | kWh | | | | | | | | |
| Direct Install Lighting | 2012 | Final | | | | | 51.48 | 192,927 | 69.11 | 231,868 | 51.48 | 192,927 | | 0.0066 | 0.0067 | 0.0067 | \$ 1,286.18 | \$ 1,292.61 | | | | | | | |
| GENERAL SERVICE <50kW TOTAL | | | 51.48 | 192,927 | 69.11 | 231,868 | 51.48 | 192,927 | 0.00 | 0 | 51.48 | 192,927 | 0.00 | 0 | \$ 1,286.18 | \$ 1,292.61 | | | | | | | | | |
| TOTAL LRAMVA - 2012 OPA PROGRAM RESULTS | | | 53.91 | 217,264 | 72.38 | 259,211 | 53.91 | 217,259 | 0.00 | 0 | 53.91 | 217,259 | 0.00 | 0 | \$ 1,670.71 | \$ 1,681.11 | | | | | | | | | |
| 2013 OPA PROGRAM RESULTS | | | | | | | | | | | | | | | | | | | | | | | | | |
| Residential Service | | | | | | | | | | | | | | | kWh | kWh | kWh | kWh | | | | | | | |
| Appliance Retirement | 2013 | Final | | | | | | | | 0.06 | 417 | 0.13 | 896 | 0.0159 | 0.0160 | \$ 6.66 | | | | | | | | | |
| Appliance Exchange | 2013 | Final | | | | | | | | 0.21 | 369 | 0.39 | 702 | 0.0159 | 0.0160 | \$ 5.90 | | | | | | | | | |
| HVAC Incentives | 2013 | Final | | | | | | | | 3.50 | 6,713 | 7.46 | 14,311 | 0.0159 | 0.0160 | \$ 107.18 | | | | | | | | | |
| Conservation Instant Coupon Booklet | 2013 | Final | | | | | | | | 0.35 | 5,144 | 0.31 | 4,566 | 0.0159 | 0.0160 | \$ 82.13 | | | | | | | | | |
| Bi-Annual Retailer Event | 2013 | Final | | | | | | | | 0.79 | 11,465 | 0.76 | 10,972 | 0.0159 | 0.0160 | \$ 183.06 | | | | | | | | | |
| Home Assistance | 2013 | Final | | | | | | | | 3.07 | 75,888 | 3.07 | 75,888 | 0.0159 | 0.0160 | \$ 1,211.68 | | | | | | | | | |
| RESIDENTIAL TOTAL | | | | | | | | | | 7.98 | 99,996 | 12.13 | 107,335 | | | \$ 1,596.60 | | | | | | | | | |
| General Service <50kW | | | | | | | | | | | | | | | kWh | kWh | kWh | kWh | | | | | | | |
| Efficiency: Equipment Replacement | 2013 | Final | | | | | | | | 3.38 | 16,707 | 4.72 | 23,271 | 0.0067 | 0.0067 | \$ 111.93 | | | | | | | | | |
| Direct Install Lighting | 2013 | Final | | | | | | | | 73.73 | 243,305 | 78.06 | 257,773 | 0.0067 | 0.0067 | \$ 1,630.14 | | | | | | | | | |
| GENERAL SERVICE <50kW TOTAL | | | | | | | | | | 77.11 | 260,011 | 82.78 | 281,045 | | | \$ 1,742.08 | | | | | | | | | |
| General Service 50 to 4,999 kW | | | | | | | | | | | | | | | kW | kW | kW | kW | | | | | | | |
| Efficiency: Equipment Replacement (Industrial) | 2013 | Final | | | | | | | | 1.07 | 2,948 | 1.49 | 4,107 | 2.3102 | 2.3213 | \$ 29.68 | | | | | | | | | |
| GENERAL SERVICE 50 to 4,999 kW | | | | | | | | | | 1.07 | 2,948 | 1.49 | 4,107 | | | \$ 29.68 | | | | | | | | | |
| TOTAL LRAMVA - 2013 OPA PROGRAM RESULTS | | | | | | | | | | 86.15 | 362,956 | 96.39 | 392,487 | | | \$ 3,368.36 | | | | | | | | | |
| TOTAL LRAMVA - PRE-2011 PROGRAMS COMPLETED IN 2011 | | | 0.00 | 229 | 0.00 | 458 | 0.00 | 302 | 0.00 | 146 | 0.00 | 302 | 0.00 | 0 | \$ 1.75 | \$ 2.01 | \$ 2.02 | | | | | | | | |
| TOTAL LRAMVA - 2011 OPA PROGRAM RESULTS | | | 44.22 | 140,641 | 42.33 | 151,922 | 44.22 | 139,115 | 0.00 | 0 | 44.22 | 139,115 | 0.00 | 0 | \$ 1,323.08 | \$ 1,283.07 | \$ 1,292.90 | | | | | | | | |
| TOTAL LRAMVA - 2012 OPA PROGRAM RESULTS | | | | | | | 53.91 | 217,264 | 72.38 | 259,211 | 53.91 | 217,259 | 0.00 | 0 | \$ 1,670.71 | \$ 1,681.11 | | | | | | | | | |
| TOTAL LRAMVA - 2013 OPA PROGRAM RESULTS | | | | | | | | | | 86.15 | 362,956 | 96.39 | 392,487 | | | \$ 3,368.36 | | | | | | | | | |
| TOTAL LRAMVA | | | 44.22 | 140,870 | 42.33 | 152,380 | 98.13 | 356,682 | 72.38 | 259,357 | 184.28 | 719,632 | 96.39 | 392,487 | \$ 1,324.83 | \$ 2,955.79 | \$ 6,344.38 | | | \$ 10,625.00 | | | | | |

Table 1: Hearst Power Distribution Company 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) | |
|--|------------|---|-------|------|------|---|-----------|-----------|------|--|----------------|----------------|------|--|---|
| | | 2011* | 2012* | 2013 | 2014 | 2011 | 2012 | 2013 | 2014 | 2011 | 2012 | 2013 | 2014 | 2014 Net Annual Peak Demand Savings (kW) | 2011-2014 Net Cumulative Energy Savings (kWh) |
| | | | | | | | | | | | | | | 2014 | 2014 |
| Consumer Program | | | | | | | | | | | | | | | |
| Appliance Retirement | Appliances | 14 | 10 | 1 | | 1 | 1 | 0 | | 6,300 | 4,124 | 417 | | 1 | 38,406 |
| Appliance Exchange | Appliances | 1 | 0 | 1 | | 0 | 0 | 0 | | 90 | 65 | 369 | | 0 | 1,240 |
| HVAC Incentives | Equipment | 1 | 3 | 14 | | 0 | 1 | 4 | | 515 | 1,337 | 6,713 | | 4 | 19,497 |
| Conservation Instant Coupon Booklet | Items | 338 | 21 | 232 | | 1 | 0 | 0 | | 12,421 | 933 | 5,144 | | 1 | 62,772 |
| Bi-Annual Retailer Event | Items | 635 | 708 | 630 | | 1 | 1 | 1 | | 19,612 | 17,873 | 11,465 | | 3 | 154,995 |
| 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 | | | | | | 3 | 2 | 5 | | 38,938 | 24,332 | 24,108 | | 10 | 276,911 |
| Business Program | | | | | | | | | | | | | | | |
| Retrofit | Projects | 0 | 0 | 5 | | 0 | 0 | 4 | | 0 | 0 | 19,655 | | 4 | 39,310 |
| Direct Install Lighting | Projects | 32 | 48 | 56 | | 41 | 51 | 74 | | 100,177 | 192,927 | 243,305 | | 162 | 1,456,014 |
| 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 | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 |
| 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 | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 |
| Business Program Total | | | | | | 41 | 51 | 78 | | 100,177 | 192,927 | 262,959 | | 167 | 1,495,324 |
| 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 | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 |
| Demand Response 3 | Facilities | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 |
| Industrial Program Total | | | | | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 |
| Home Assistance Program | | | | | | | | | | | | | | | |
| Home Assistance Program | Homes | 0 | 0 | 92 | | 0 | 0 | 3 | | 0 | 0 | 75,888 | | 3 | 142,716 |
| Home Assistance Program Total | | | | | | 0 | 0 | 3 | | 0 | 0 | 75,888 | | 3 | 142,716 |
| 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 | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 |
| High Performance New Construction | Projects | 0 | 0 | 0 | | 0 | 0 | 0 | | 229 | 73 | 0 | | 0 | 1,135 |
| 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 | | | | | | 0 | 0 | 0 | | 229 | 73 | 0 | | 0 | 1,135 |
| 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 | | | | | | | 0 | 0 | | | 1,525 | 0 | | 0 | 6,101 |
| Adjustments to 2012 Verified Results | | | | | | | | 0 | | | | 6 | | 0 | 17 |
| Energy Efficiency Total | | | | | | 44 | 54 | 86 | | 139,344 | 217,332 | 362,956 | | 180 | 1,916,086 |
| Demand Response Total (Scenario 1) | | | | | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 |
| Adjustments to Previous Years' Verified Results Total | | | | | | 0 | 0 | 0 | | 0 | 1,525 | 6 | | 0 | 6,118 |
| OPA-Contracted LDC Portfolio Total (inc. Adjustments) | | | | | | 44 | 54 | 86 | | 139,344 | 218,857 | 362,961 | | 180 | 1,922,204 |
| 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. | | | | | | | | Full OEB Target: | | | | 680 | 3,910,000 |
| *Includes adjustments after Final Reports were issued | | Energy Manager, Aboriginal Program and Program Enabled Savings were not independently evaluated | | | | | | | | % of Full OEB Target Achieved to Date (Scenario 1): | | | | 26.5% | 49.2% |

Table 2: Adjustments to Hearst Power Distribution Company 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 | 0 | 0 | | | 0 | 0 | | | -116 | 6 | | |
| Conservation Instant Coupon Booklet | Items | 5 | 0 | | | 0 | 0 | | | 184 | 0 | | |
| Bi-Annual Retailer Event | Items | 55 | 0 | | | 0 | 0 | | | 1,457 | 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 | | | | | | 0 | 0 | | | 1,525 | 6 | | |
| Business Program | | | | | | | | | | | | | |
| Retrofit | Projects | 0 | 0 | | | 0 | 0 | | | 0 | 0 | | |
| Direct Install Lighting | Projects | 0 | 0 | | | 0 | 0 | | | 0 | 0 | | |
| Building Commissioning | Buildings | 0 | 0 | | | 0 | 0 | | | 0 | 0 | | |
| New Construction | Buildings | 0 | 0 | | | 0 | 0 | | | 0 | 0 | | |
| Energy Audit | Audits | 0 | 0 | | | 0 | 0 | | | 0 | 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 | | | | | | 0 | 0 | | | 0 | 0 | | |
| 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 | | | 0 | 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 | | | 0 | 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 | | | | | | 0 | | | | 1,525 | | | |
| Adjustments to 2012 Verified Results | | | | | | | 0 | | | | 6 | | |
| Total Adjustments to Previous Years' Verified Results | | | | | | 0 | 0 | | | 1,525 | 6 | | |

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 11: Hearst Power Distribution Company 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 | 2 | 1 | 0 | | 12,211 | 4,124 | 896 | |
| Appliance Exchange** | Appliances | 0 | 0 | 0 | | 174 | 65 | 702 | |
| HVAC Incentives | Equipment | 0 | 1 | 7 | | 862 | 2,757 | 14,311 | |
| Conservation Instant Coupon Booklet | Items | 1 | 0 | 0 | | 11,276 | 885 | 4,566 | |
| Bi-Annual Retailer Event | Items | 1 | 1 | 1 | | 17,951 | 19,501 | 10,972 | |
| 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 | | 4 | 3 | 9 | | 42,474 | 27,331 | 31,447 | |
| Business Program | | | | | | | | | |
| Retrofit | Projects | 0 | 0 | 6 | | 0 | 0 | 27,378 | |
| Direct Install Lighting | Projects | 38 | 69 | 78 | | 107,887 | 231,868 | 257,773 | |
| Building Commissioning | Buildings | 0 | 0 | 0 | | 0 | 0 | 0 | |
| New Construction | Buildings | 0 | 0 | 0 | | 0 | 0 | 0 | |
| Energy Audit | Audits | 0 | 0 | 0 | | 0 | 0 | 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 | | 38 | 69 | 84 | | 107,887 | 231,868 | 285,151 | |
| 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 | 0 | 0 | |
| Home Assistance Program | | | | | | | | | |
| Home Assistance Program | Homes | 0 | 0 | 3 | | 0 | 0 | 75,888 | |
| Home Assistance Program Total | | 0 | 0 | 3 | | 0 | 0 | 75,888 | |
| 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 | 0 | 0 | 0 | | 0 | 0 | 0 | |
| High Performance New Construction | Projects | 0 | 0 | 0 | | 458 | 146 | 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 | 0 | | 458 | 146 | 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 | 0 | 0 | | 0 | 1,561 | 0 | |
| Adjustments to 2012 Verified Results | | 0 | 0 | 0 | | 0 | 0 | 11 | |
| Energy Efficiency Total | | 42 | 73 | 96 | | 150,819 | 259,345 | 392,487 | |
| Demand Response Total | | 0 | 0 | 0 | | 0 | 0 | 0 | |
| Adjustments to Previous Years' Verified Results Total | | 0 | 0 | 0 | | 0 | 1,561 | 11 | |
| OPA-Contracted LDC Portfolio Total (inc. Adjustments) | | 42 | 73 | 96 | | 150,819 | 260,906 | 392,498 | |

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 Hearst Power Distribution Company 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 | 0 | 0 | | | -194 | 11 | | |
| Conservation Instant Coupon Booklet | Items | 0 | 0 | | | 171 | 0 | | |
| Bi-Annual Retailer Event | Items | 0 | 0 | | | 1,584 | 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 | | 0 | 0 | | | 1,561 | 11 | | |
| Business Program | | | | | | | | | |
| Retrofit | Projects | 0 | 0 | | | 0 | 0 | | |
| Direct Install Lighting | Projects | 0 | 0 | | | 0 | 0 | | |
| Building Commissioning | Buildings | 0 | 0 | | | 0 | 0 | | |
| New Construction | Buildings | 0 | 0 | | | 0 | 0 | | |
| Energy Audit | Audits | 0 | 0 | | | 0 | 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 | | 0 | 0 | | | 0 | 0 | | |
| 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 | 0 | 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 | | 0 | 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 | | 0 | | | | 1,561 | | | |
| Adjustments to 2012 Verified Results | | | 0 | | | | 11 | | |
| Total Adjustments to Previous Years' Verified Results | | 0 | 0 | | | 1,561 | 11 | | |

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 is at the End User Level

| Portfolio | Program | Initiative | LDC | Sector | Conservation Resource Type | (Implementation) Year | Status | Notes: | Activity Unit Name | Activity/Participation (i.e. # of appliances) | Gross Summer Peak Demand Savings (MW) | Gross Energy Savings (MWh) | Net Annual Summer Peak Demand Savings (kW) | | | | Net Annual Energy Savings (kWh) | | | |
|-----------|-------------|-------------------------------------|---|----------------------------|----------------------------|--------------------------------------|---------------|---------------|--------------------|---|---------------------------------------|----------------------------|--|-----------|------|-----------|---------------------------------|-----------|-----------|------|
| | | | | | | | | | | | | | 2011 | 2012 | 2013 | 2014 | 2011 | 2012 | 2013 | 2014 |
| Tier 1 | Consumer | Appliance Exchange | Hearst Power Distribution Company Limited | Residential | EE | 2011 Final; Released August 31, 2012 | | Appliances | 1 | 0.00 | 0 | 0.0790825 | 0.0790825 | 0.0790825 | 0.00 | 89.66231 | 89.66231 | 89.66231 | 38.000979 | |
| Tier 1 | Consumer | Appliance Retirement | Hearst Power Distribution Company Limited | Residential | EE | 2011 Final; Released August 31, 2012 | | Appliances | 14 | 0.00 | 12 | 0.8322176 | 0.8322176 | 0.8322176 | 0.00 | 6300.4453 | 6300.4453 | 6300.4453 | 6300.3107 | |
| Tier 1 | Consumer | Bi-Annual Retailer Event | Hearst Power Distribution Company Limited | Residential | EE | 2011 Final; Released August 31, 2012 | | Products | 581 | 0.00 | 18 | 1.1221359 | 1.1221359 | 1.1221359 | 0.00 | 19611.754 | 19611.754 | 19611.754 | 19611.754 | |
| Tier 1 | Consumer | Conservation Instant Coupon Booklet | Hearst Power Distribution Company Limited | Residential | EE | 2011 Final; Released August 31, 2012 | | Products | 333 | 0.00 | 11 | 0.7654435 | 0.7654435 | 0.7654435 | 0.00 | 12421.445 | 12421.445 | 12421.445 | 12421.445 | |
| Tier 1 | Consumer | HVAC Incentives | Hearst Power Distribution Company Limited | Residential | EE | 2011 Final; Released August 31, 2012 | | Installations | 1 | 0.00 | 1 | 0.2749094 | 0.2749094 | 0.2749094 | 0.00 | 514.73504 | 514.73504 | 514.73504 | 514.73504 | |
| Tier 1 | Consumer | Retailer Co-op | Hearst Power Distribution Company Limited | Residential | EE | 2011 Final; Released August 31, 2012 | Custom retail | Products | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | |
| Tier 1 | Business | Direct Install Lighting | Hearst Power Distribution Company Limited | Commercial & Institutional | EE | 2011 Final; Released August 31, 2012 | | Projects | 32 | 0.04 | 108 | 41.14234 | 41.14234 | 41.14234 | 0.04 | 100177.13 | 100177.13 | 100177.13 | 90092 | |
| Tier 1 | Pre-2011 Pr | High Performance New Construction | Hearst Power Distribution Company Limited | Commercial & Institutional | EE | 2011 Final; Released August 31, 2012 | Not evaluated | Projects | 0 | 0.00 | 0 | 0.0445992 | 0.0445992 | 0.0445992 | 0.00 | 229.06169 | 229.06169 | 229.06169 | 229.06169 | |

Table is at the End User Level

| Portfolio | Program | Initiative | LDC | Sector | Conservation Resource Type | (Implementation) Year | Status | Activity Unit Name | Activity/Participation (i.e. # of appliances) | Gross Summer Peak Demand Savings (MW) | Gross Energy Savings (MWh) | Net Annual Summer Peak Demand Savings (kW) | | | | Net Annual Energy Savings (kWh) | | | |
|---------------|----------|-------------------------------------|---|-------------|----------------------------|-----------------------|-----------------|--------------------|---|---------------------------------------|----------------------------|--|--------------|--------------|--------------|---------------------------------|-----------|-----------|-----------|
| | | | | | | | | | | | | 2011 | 2012 | 2013 | 2014 | 2011 | 2012 | 2013 | 2014 |
| Tier 1 | Business | Direct Install Lighting | Hearst Power Distribution Company Limited | C&I | EE | 2012 | Final; Released | Projects | 48 | 0.11478768 | 191.66024 | 0 | 51.47940535 | 51.47940535 | 51.47940535 | 0 | 192927.09 | 192927.09 | 192927.09 |
| Tier 1 | Consumer | Appliance Exchange | Hearst Power Distribution Company Limited | Residential | EE | 2012 | Final; Released | Appliances | 0.2562627 | 4.92168E-05 | 0.1255838 | 0 | 0.037005147 | 0.037005147 | 0.037005147 | 0 | 64.721494 | 64.721494 | 64.721494 |
| Tier 1 | Consumer | Appliance Retirement | Hearst Power Distribution Company Limited | Residential | EE | 2012 | Final; Released | Appliances | 10.220893 | 0.000728821 | 8.7480467 | 0 | 0.547985829 | 0.547985829 | 0.547985829 | 0 | 4123.5694 | 4123.5694 | 4123.5694 |
| Tier 1 | Consumer | Bi-Annual Retailer Event | Hearst Power Distribution Company Limited | Residential | EE | 2012 | Final; Released | Products | 707.99308 | 0.001313599 | 19.501376 | 0 | 0.987668245 | 0.987668245 | 0.987668245 | 0 | 17872.775 | 17872.775 | 17872.775 |
| Tier 1 | Consumer | Conservation Instant Coupon Booklet | Hearst Power Distribution Company Limited | Residential | EE | 2012 | Final; Released | Products | 20.615046 | 0.000204511 | 0.9330913 | 0 | 0.153768036 | 0.153768036 | 0.153768036 | 0 | 933.09127 | 933.09127 | 933.09127 |
| Tier 1 | Consumer | HVAC Incentives | Hearst Power Distribution Company Limited | Residential | EE | 2012 | Final; Released | Installations | 2.606622 | 0.000940713 | 3.2107854 | 0 | 0.707303341 | 0.707303341 | 0.707303341 | 0 | 1337.4431 | 1337.4431 | 1337.4431 |
| Tier 1 | Pre-2011 | High Performance New Construction | Hearst Power Distribution Company Limited | C&I | EE | 2012 | Final; Released | Projects | 0.0006674 | 0.000100296 | 0.1461212 | 0 | 0.075410652 | 0.075410652 | 0.075410652 | 0 | 73.060576 | 73.060576 | 73.060576 |
| Tier 1 - 2011 | Pre-2011 | High Performance New Construction | Hearst Power Distribution Company Limited | C&I | EE | 2011 | Final; Released | Buildings | 0 | 0.001154868 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tier 1 - 2011 | Consumer | HVAC Incentives | Hearst Power Distribution Company Limited | Residential | EE | 2011 | Final; Released | Installations | -0.222895 | -0.000149944 | -0.277804 | -0.062458855 | -0.062458855 | -0.062458855 | -0.062458855 | -115.7184 | -115.7184 | -115.7184 | -115.7184 |
| Tier 1 - 2011 | Consumer | Bi-Annual Retailer Event | Hearst Power Distribution Company Limited | Residential | EE | 2011 | Final; Released | Products | 54.600649 | 7.78194E-05 | 1.5840351 | 0.071983186 | 0.071983186 | 0.071983186 | 0.071983186 | 1457.0878 | 1457.0878 | 1457.0878 | 1457.0878 |
| Tier 1 - 2011 | Consumer | Conservation Instant Coupon Booklet | Hearst Power Distribution Company Limited | Residential | EE | 2011 | Final; Released | Products | 5.482955 | 1.07437E-05 | 0.1708254 | 0.010743677 | 0.010743677 | 0.010743677 | 0.010743677 | 183.9587 | 183.9587 | 183.9587 | 183.9587 |

METHODOLOGY

All results are at the end-user level (not including transmission and distribution losses)

EQUATIONS:

PRESCRIPTIVE MEASURES/PROJECTS:

Gross Savings = Activity * Per Unit Assumption

Net Savings = Gross Savings * Net-to-Gross Ratio

All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)

ENGINEERED/CUSTOM PROJECTS:

Gross Savings = Reported Savings * Realization Rate

Net Savings = Gross Savings * Net-to-Gross Ratio

All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)

DEMAND RESPONSE:

Peak Demand: Gross Savings = Net Savings = contracted MW at contributor level * Provincial contracted to ex ante ratio

Energy: Gross Savings = Net Savings = provincial ex post energy savings * LDC proportion of total provincial contracted MW

All savings are annualized (i.e. the savings are the same regardless of the time of year a participant began offering DR)

| # | Initiative | Attributing Savings to LDCs | Savings 'start' Date | Calculating Resource Savings |
|-------------------------|-------------------------------------|--|--|--|
| Consumer Program | | | | |
| 1 | Appliance Retirement | Includes both retail and home pickup stream; Retail stream allocated based on average of 2008 & 2009 residential throughput; Home pickup stream directly attributed by postal code or customer selection | Savings are considered to begin in the year the appliance is picked up. | Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level. |
| 2 | Appliance Exchange | When postal code information is provided by customer, results are directly attributed to the LDC. When postal code is not available, results allocated based on average of 2008 & 2009 residential throughput | Savings are considered to begin in the year that the exchange event occurred | |
| 3 | HVAC Incentives | Results directly attributed to LDC based on customer postal code | Savings are considered to begin in the year that the installation occurred | |
| 4 | Conservation Instant Coupon Booklet | LDC-coded coupons directly attributed to LDC; Otherwise results are allocated based on average of 2008 & 2009 residential throughput | Savings are considered to begin in the year in which the coupon was redeemed. | Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level. Initiative was not evaluated in 2011, reported results are presented with verified per unit assumptions and net-to-gross ratio from Bi-Annual Retailer Event and Conservation Instant Coupon Booklet initiatives. |
| 5 | Bi-Annual Retailer Event | Results are allocated based on average of 2008 & 2009 residential throughput | Savings are considered to begin in the year in which the event occurs. | |
| 6 | Retailer Co-op | When postal code information is provided by the customer, results are directly attributed. If postal code information is not available, results are allocated based on average of 2008 & 2009 residential throughput. | Savings are considered to begin in the year of the home visit and installation date. | Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level. Initiative was not evaluated in 2011, reported results are presented with verified per unit assumptions and net-to-gross ratio from Bi-Annual Retailer Event and Conservation Instant Coupon Booklet initiatives. |
| 7 | Residential Demand Response | Results are directly attributed to LDC based on data provided to OPA through project completion reports and continuing participant lists | Savings are considered to begin in the year the device was installed and/or when a customer signed a peaksaver PLUS™ participant agreement. | Peak demand savings are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. Energy savings are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year and accounts for any "snapback" in energy consumption experienced after the event. Savings are assumed to persist for only 1 year, reflecting that savings will only occur if the resource is activated. |
| 8 | Residential New Construction | Results are directly attributed to LDC based on LDC identified in application in the saveONenergy CRM system; Initiative was not evaluated in 2011, reported results are presented with forecast assumptions as per the business case. | Savings are considered to begin in the year of the project completion date. | Peak demand and energy savings are determined using a measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level. |

| # | Initiative | Attributing Savings to LDCs | Savings 'start' Date | Calculating Resource Savings |
|-------------------------|---|--|--|--|
| Business Program | | | | |
| 9 | Efficiency: Equipment Replacement | Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see "Reference Tables" tab for Building type to Sector mapping | Savings are considered to begin in the year of the actual project completion date on the iCON CRM system. | <p>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).</p> <p>Additional Note: project counts were derived by filtering out "Application Status" = "Post-Project Submission - Payment denied by LDC" and only including projects with an "Actual Project Completion Date" in 2011 and pulling both the "Application Name" field followed by the "Building Address 1" field from the Post Stage Retrofit Report and finally performing a count of the Building Addresses.</p> |
| 10 | Direct Installed Lighting | Results are directly attributed to LDC based on the LDC specified on the work order | Savings are considered to begin in the year of the actual project completion date. | <p>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).</p> |
| 11 | Existing Building Commissioning Incentive | Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, no completed projects in 2011. | Savings are considered to begin in the year of the actual project completion date. | <p>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).</p> |
| 12 | New Construction and Major Renovation Incentive | Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, reported results are presented with reported assumptions (as per evaluated results in 2010 and consultation with OPA-LDC Work Groups) | Savings are considered to begin in the year of the actual project completion date. | <p>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).</p> |
| 13 | Energy Audit | No resource savings results determined in 2011; Projects are directly attributed to LDC based on LDC identified in the application | Savings are considered to begin in the year of the audit date. | <p>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).</p> |
| 14 | Commercial Demand Response (part of the Residential program schedule) | Results are directly attributed to LDC based on data provided to OPA through project completion reports and continuing participant lists | Savings are considered to begin in the year the device was installed and/or when a customer signed a peaksaver PLUS™ participant agreement. | <p>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.</p> |
| 15 | Demand Response 3 (part of the Industrial program schedule) | Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level. | Savings are considered to begin in the year in which the contributor signed up to participate in demand response. | <p>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 result 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.</p> |

| # | Initiative | Attributing Savings to LDCs | Savings 'start' Date | Calculating Resource Savings |
|--------------------------------|--|--|--|--|
| Industrial Program | | | | |
| 16 | Process & System Upgrades | Results are directly attributed to LDC based on LDC identified in application in the saveONenergy CRM system; Initiative was not evaluated, no completed projects in 2011. | Savings are considered to begin in the year in which the incentive project was completed. | Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). |
| 17 | Monitoring & Targeting | Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, no completed projects in 2011. | Savings are considered to begin in the year in which the incentive project was completed. | Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). |
| 18 | Energy Manager | Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, no completed projects in 2011. | Savings are considered to begin in the year in which the project was completed by the energy manager. If no date is specified the savings will begin the year of the Quarterly Report submitted by the energy manager. | Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). |
| 19 | Efficiency: Equipment Replacement Incentive (part of the C&I program schedule) | Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see "Reference Tables" tab for Building type to Sector mapping | Savings are considered to begin in the year of the actual project completion date on the iCON CRM system. | Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track). |
| 20 | Demand Response 3 | Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level. | Savings are considered to begin in the year in which the contributor signed up to participate in demand response. | Peak demand savings are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. Energy savings are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource. |
| Home Assistance Program | | | | |
| 21 | Home Assistance Program | Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, reported results are presented with forecast assumptions as per the business case. | Savings are considered to begin in the year in which the measures were installed. | Peak demand and energy savings are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level. |



Ontario Power Authority Conservation & Demand Management Status Report Q3 2014 Preliminary Results Update Hearst Power Distribution Company Limited

Unverified OPA-Contracted Province-Wide CDM Program Progress at a Glance

| Unverified Progress to Targets | Incremental Q3 2014 | Program-to-Date Progress Towards OEB Target | | | | Rank (of 76) |
|--------------------------------|---------------------|---|-----|------------|-----|--------------|
| | | Scenario 1 | | Scenario 2 | | Scenario 2 |
| | | Savings | % | Savings | % | |
| Net Peak Demand Savings (MW) | 0.0 | 0.3 | 45% | 0.3 | 45% | 40 |
| Net Energy Savings (GWh) | 0.1 | 2.5 | 64% | 2.5 | 64% | 66 |

Program-to-Date Progress Towards Target: Combination of verified (2011-13) and unverified (2014) results. The 2014 Q3 report reflects the most up-to-date inputs from the 2013 program evaluations. To align with savings counted towards OEB targets, peak demand is represented by annual savings in 2014 and energy is represented by the cumulative savings from 2011-2014.

Scenario 1: Assumes that demand response resources have a persistence of 1 year. Official reporting policy for demand response resources.

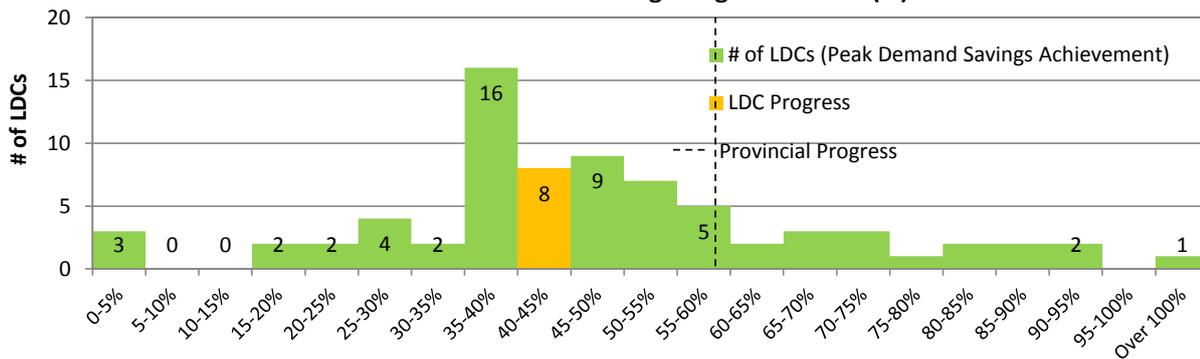
Scenario 2: Assumes that demand response resources remain in the LDC territory until 2014. Used to better assess progress towards demand targets.

Rank: Sorts each LDC by % of peak demand or energy target achieved as of the current reporting period using Scenario 2.

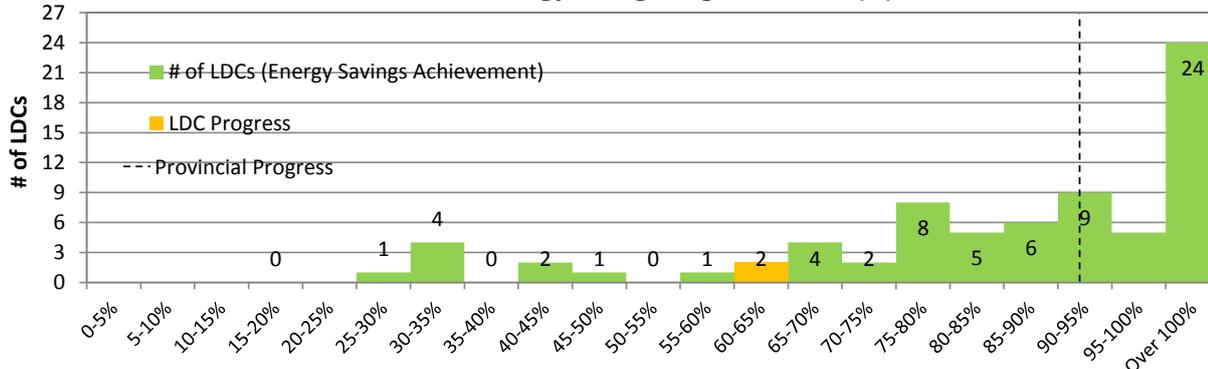
Comparison: LDC Achievement vs. LDC Community Achievement

The following graphs assume that demand response resources remain in the LDC territory until 2014 (aligns with Scenario 2)

2014 Annual Peak Demand Savings Target Achieved (%)



2011-2014 Cumulative Energy Savings Target Achieved (%)



Questions? Please check the "About this Report" Section on page 2, Table 5 on page 9 and "Reporting Methodology" on page 10. More Questions? Please contact LDC.Support@powerauthority.on.ca

1

Insert PDF of report

2

Insert PDF of OPA reports

Message from the Vice President

It is with great pleasure that we present the Q3 2014 LDC status update. This quarter, we have achieved 94% (5,632 GWh) of the full OEB energy savings target—surpassing the target of 91% for the province-wide programs by the end of 2014. Peak demand savings increased to 760 MW, representing 57% of the 1,330 MW peak demand target.

Highlights from Q3 2014:

- LDCs achieved 337 MW peak demand and 132 GWh in incremental energy savings in Q3 2014.
- SMALL BUSINESS LIGHTING energy savings increased 73% in Q3 2014 over the same period in 2013 and RETROFIT continues to trend well towards the annual forecast.
- Over 1,700 retail stores representing 37 participating retailers across the province are now accepting COUPONS
- The OPA is continuing efforts to support LDCs in preparation for the Conservation First Framework with in-person sessions, webinars, tools and technical training.

Looking ahead to our next and final quarter, we are making every effort to ensure final reporting for 2011-2014 accurately reflects all of the conservation and demand management activity throughout the period. We encourage you to provide your data for Q4 as soon as possible. I extend a sincere congratulations to all LDCs for their dedicated and collaborative efforts to build the culture of conservation and drive meaningful savings. We are poised for success for the next chapter, the Conservation First Framework 2015-2020.

Please contact the OPA at LDC.Support@powerauthority.on.ca with any questions or comments regarding this report.

Sincerely,

Andrew Pride

About this Report

This report contains:

- Peak demand and energy savings for OPA-Contracted Province-Wide programs (does not include Ontario Energy Board (OEB) approved CDM programs or other LDC conservation efforts)
- Progress as of the end of Q3 2014 using unverified quarterly results for 2014 and final verified results for 2011-2013
- Program activity data (i.e. projects completed, appliances picked up) completed on or before September 30th, 2014 and received and entered to the OPA processing systems per the dates specified in Table 5
- Updates to the previous quarters' participation with additional data received
- Information to assist the LDC in reconciling internal data sources with the data contained in this report. Table 5 contains:
 - 1 The date in which savings are considered to 'start';
 - 2 The point at which the data becomes available to the OPA;
 - 3 The expected probability and magnitude of updates to the data as more information becomes available.
- iCON CRM Post Stage Retrofit Report data queried on October 2nd, 2014
- Preliminary results for peaksaverPLUS® represent customers that have signed a Participant Agreement and have successfully uploaded information to the RDR settlement system
- ***peaksaver PLUS® device counts and corresponding savings for load control (Switch/Thermostat) and IHD are reported separately***

2011-2014 Summary: Net Peak Demand Savings Achieved (MW)

This section provides a portfolio level view of net peak demand savings procured to date through LDC programs.

Table 1 presents:

- Net peak demand savings results from 2011 to Q3 2014 listed by implementation period, status (i.e. final or reported) and summarized by resource type (i.e. energy efficiency or demand response)
- Net annual peak demand savings that are expected to persist through to 2014 from program activity completed as of Q3 2014 using both Scenarios 1 and 2
- A comparison between reported, unverified results and final, verified results
- Energy efficiency resources reported with persistence according to the effective useful life of the technology

Figure 1 presents:

- Net peak demand savings results from 2011 to date using Scenario 1 for demand response resources (persistence of 1 year)

Please note: Demand response resources are only presented in the final quarter of each year and the current reporting quarter (i.e. Q4 2011, Q4 2012, Q4 2013 and Q3 2014). Figures below and tables 3B and 4B present demand response in each quarter to display any changes that may have occurred quarter over quarter.

Table 1A: Net Peak Demand Savings at the End-User Level (MW)

| # | Implementation Period | Annual (MW) | | | | |
|---|-----------------------------|-------------|------|------|------------|------------|
| | | Scenario 1 | | | | Scenario 2 |
| | | 2011 | 2012 | 2013 | 2014 | 2014 |
| 1 | 2011 - Final | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 2 | 2012 - Final† | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 |
| 3 | 2013 - Final† | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 |
| 4 | 2014 - Reported - Quarter 1 | | | | 0.0 | 0.0 |
| 5 | 2014 - Reported - Quarter 2 | | | | 0.1 | 0.1 |
| 6 | 2014 - Reported - Quarter 3 | | | | 0.0 | 0.0 |
| 4 | 2014 - Reported - Quarter 4 | | | | 0.0 | 0.0 |
| Energy Efficiency | | 0.0 | 0.1 | 0.2 | 0.3 | 0.3 |
| Demand Response | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Annual Peak Demand Savings | | 0.0 | 0.1 | 0.2 | 0.3 | 0.3 |
| Unverified Net Annual Peak Demand Savings in 2014: | | | | | 0.3 | 0.3 |
| 2014 Annual Peak Demand Savings Target as per OEB: | | | | | 0.7 | 0.7 |
| Unverified 2014 Peak Demand Savings Target Achieved (%): | | | | | 45% | 45% |
| Incremental Reported (Unverified) | | 0.0 | 0.1 | 0.1 | 0.1 | |
| Incremental Final (Verified) | | 0.0 | 0.1 | 0.1 | n/a | |

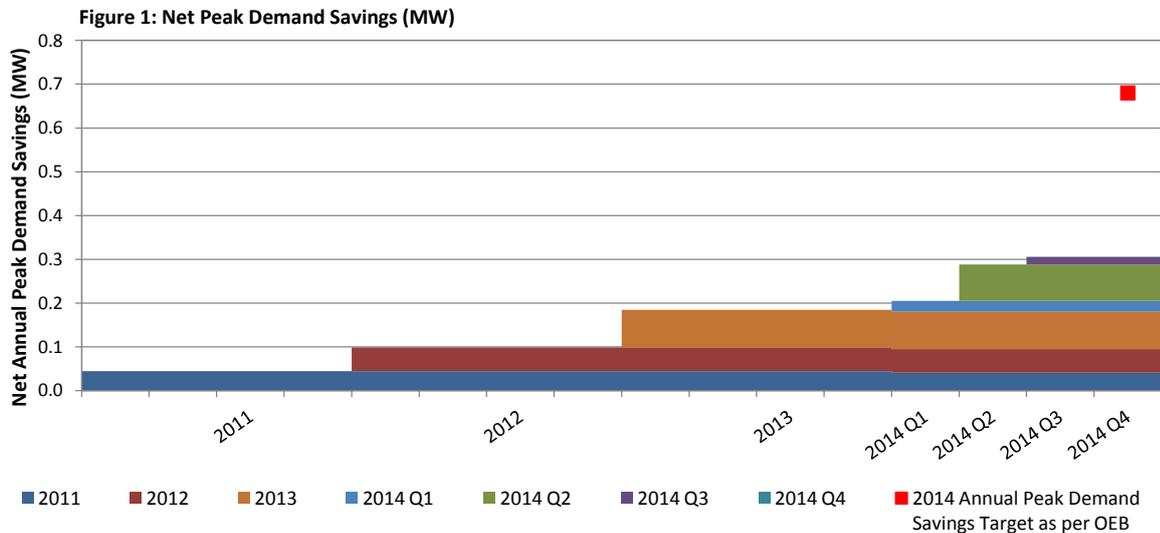
Decline in savings due to demand response persistence assumption (scenario 1) and energy efficiency persistence decline

† Includes adjustments to previous year's verified results

Sums may not be exact due to rounding

Table 1B: Peak Demand Savings from DR3 Resources

| | |
|------------------------------------|-----|
| Reported DR3 (Ex Ante) (MW) | 0.0 |
| Contracted DR3 (MW) | 0.0 |



2011-2014 Summary: Net Energy Savings Achieved (GWh)

This section provides a portfolio level view of net energy savings procured to date through LDC programs.

Table 2 presents net annual energy savings results from 2011 to date listed by implementation period, status (i.e. final or reported) and summarized by resource type. This table presents 2011-2014 net cumulative energy savings expected in 2014 from program activity completed to date. At the bottom of the table a comparison is made between reported results (unverified) and final results (verified) for 2011, 2012, and 2013.

Table 2: Net Energy Savings at the End-User Level (GWh)

| # | Implementation Period | Annual (GWh) | | | | Cumulative (GWh) |
|--|-----------------------------|--------------|------|------|------------|------------------|
| | | 2011 | 2012 | 2013 | 2014 | 2011-2014 |
| 1 | 2011 - Final | 0.1 | 0.1 | 0.1 | 0.1 | 0.5 |
| 2 | 2012 - Final† | 0.0 | 0.2 | 0.2 | 0.2 | 0.7 |
| 3 | 2013 - Final† | 0.0 | 0.0 | 0.4 | 0.4 | 0.7 |
| 4 | 2014 - Reported - Quarter 1 | | | | 0.1 | 0.1 |
| 5 | 2014 - Reported - Quarter 2 | | | | 0.4 | 0.4 |
| 6 | 2014 - Reported - Quarter 3 | | | | 0.1 | 0.1 |
| 7 | 2014 - Reported - Quarter 4 | | | | 0.0 | 0.0 |
| Energy Efficiency | | 0.1 | 0.4 | 0.7 | 1.3 | 2.5 |
| Demand Response | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Energy Savings | | 0.1 | 0.4 | 0.7 | 1.3 | 2.5 |
| Unverified Net Cumulative Energy Savings 2011-2014: | | | | | 2.5 | |
| 2011-2014 Cumulative Energy Savings Target as per OEB: | | | | | 3.9 | |
| Unverified 2011-2014 Cumulative Energy Target Achieved (%): | | | | | 64% | |
| Incremental Reported (Unverified) | | 0.2 | 0.3 | 0.4 | 0.6 | |
| Incremental Final (Verified) | | 0.1 | 0.2 | 0.4 | n/a | |

† Includes adjustments to previous year's verified results

Sums may not be exact due to rounding

Figure 2: Net Cumulative Energy Savings (GWh)

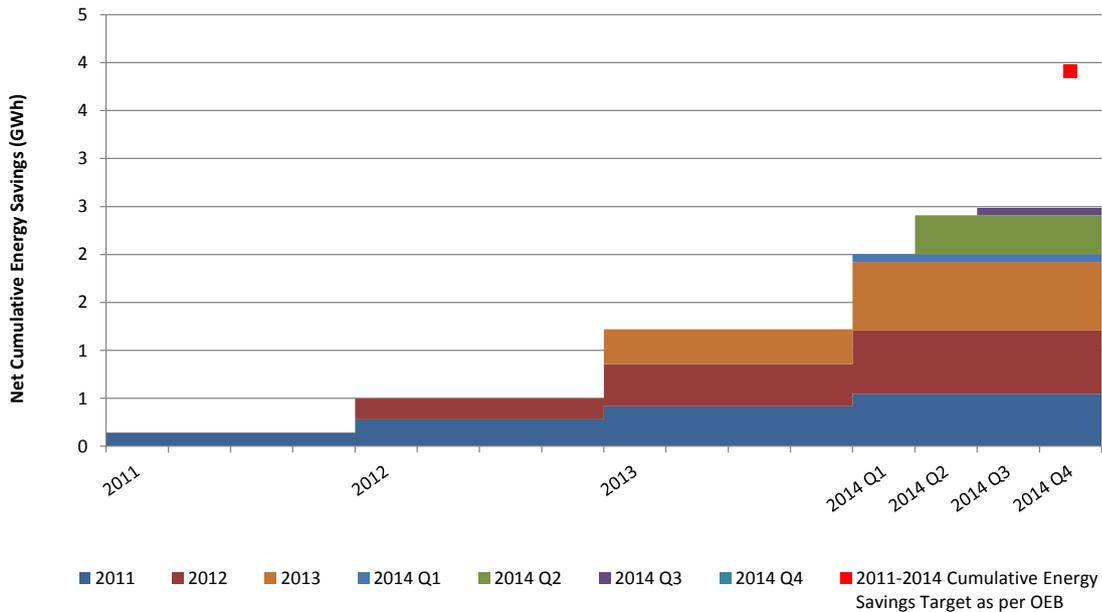


Table 3A: Hearst Power Distribution Company Limited Initiative and Program Level Savings by Year

| # | Initiative | Unit | Incremental Activity (new program activity occurring within the specified reporting period) | | | | Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period) | | | | Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period) | | | | Program-to-Date Unverified Progress to Target (excludes DR) | |
|--|--|------------|--|------------|------|------|---|-----------|-----------|------------|--|----------------|----------------|--|---|---|
| | | | 2011 Adj.* | 2012 Adj.* | 2013 | 2014 | 2011 | 2012 | 2013 | 2014 | 2011 | 2012 | 2013 | 2014 | 2014 Net Annual Peak Demand Savings (kW) | 2011-2014 Net Cumulative Energy Savings (kWh) |
| | | | | | | | | | | | | | | | | |
| Consumer Program | | | | | | | | | | | | | | | | |
| 1 | Appliance Retirement | Appliances | 14 | 10 | 1 | 3 | 1 | 1 | 0 | 0 | 6,300 | 4,124 | 417 | 1,419 | 2 | 39,825 |
| 2 | Appliance Exchange | Appliances | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 90 | 65 | 369 | 51 | 0 | 1,291 | |
| 3 | HVAC Incentives | Equipment | 1 | 3 | 14 | 7 | 0 | 1 | 4 | 2 | 515 | 1,337 | 6,713 | 3,483 | 6 | 22,980 |
| 4 | Conservation Instant Coupon Booklet | Measures | 338 | 21 | 232 | 261 | 1 | 0 | 0 | 0 | 12,421 | 933 | 5,144 | 5,991 | 2 | 68,763 |
| 5 | Bi-Annual Retailer Event | Measures | 635 | 708 | 630 | 901 | 1 | 1 | 1 | 1 | 19,612 | 17,873 | 11,465 | 18,004 | 4 | 173,000 |
| 6 | Retailer Co-op | Items | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | Residential Demand Response (switch/pstat)† | Devices | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Residential Demand Response (IHD)† | Devices | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | Residential New Construction | Homes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Consumer Program Total | | | | | | | 3 | 2 | 5 | 4 | 38,938 | 24,332 | 24,108 | 28,947 | 14 | 305,858 |
| Business Program | | | | | | | | | | | | | | | | |
| 10 | Retrofit | Projects | - | - | 5 | 5 | - | - | 4 | 59 | - | - | 19,655 | 326,886 | 63 | 366,195 |
| 11 | Direct Install Lighting | Projects | 32 | 48 | 56 | 64 | 41 | 51 | 74 | 63 | 100,177 | 192,927 | 243,305 | 206,723 | 226 | 1,662,737 |
| 12 | Building Commissioning | Buildings | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | New Construction | Buildings | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Energy Audit | Audits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | Small Commercial Demand Response (switch/pstat)† | Devices | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 | Small Commercial Demand Response (IHD)† | Devices | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | Demand Response 3† | Facilities | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Business Program Total | | | | | | | 41 | 51 | 78 | 122 | 100,177 | 192,927 | 262,959 | 533,608 | 289 | 2,028,932 |
| Industrial Program | | | | | | | | | | | | | | | | |
| 18 | Process & System Upgrades | Projects | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 | Monitoring & Targeting | Projects | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | Energy Manager | Projects | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | Retrofit | Projects | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 22 | Demand Response 3† | Facilities | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Industrial Program Total | | | | | | | | | | | | | | | | |
| Home Assistance Program | | | | | | | | | | | | | | | | |
| 23 | Home Assistance Program | Homes | - | - | 92 | - | - | - | 3 | - | - | - | 75,888 | - | 3 | 142,716 |
| Home Assistance Program Total | | | | | | | | | 3 | | | | 75,888 | | 3 | 142,716 |
| Aboriginal Program | | | | | | | | | | | | | | | | |
| 24 | Aboriginal Program | Homes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Aboriginal Program Total | | | | | | | | | | | | | | | | |
| Pre-2011 Programs completed in 2011 | | | | | | | | | | | | | | | | |
| 25 | Electricity Retrofit Incentive Program | Projects | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | High Performance New Construction | Projects | 0 | 0 | - | - | 0 | 0 | - | - | 229 | 73 | - | - | 0 | 1,135 |
| 27 | Toronto Comprehensive | Projects | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 28 | Multifamily Energy Efficiency Rebates | Projects | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 29 | LDC Custom Programs | Projects | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Pre-2011 Programs completed in 2011 Total | | | | | | | 0 | 0 | - | - | 229 | 73 | - | - | 0 | 1,135 |
| Other | | | | | | | | | | | | | | | | |
| 30 | Program Enabled Savings | Projects | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 31 | Time-of-Use Savings | Homes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Total | | | | | | | | | | | | | | | | |
| Adjustment to Previous Year's Verified Results | | | | | | | | | | | | | | | | |
| Energy Efficiency Total | | | | | | | 44 | 54 | 86 | 126 | 139,344 | 217,332 | 362,956 | 562,556 | 306 | 2,478,641 |
| Demand Response Total (Scenario 1) | | | | | | | | | | | | | | | | |
| OPA-Contracted LDC Portfolio Total | | | | | | | 44 | 54 | 86 | 126 | 139,344 | 218,857 | 362,961 | 562,555 | 306 | 2,484,759 |
| <p>*Activity and savings for Demand Response resources for each year and quarter represent the savings from all active facilities or devices contracted since January 1, 2011.</p> <p>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.</p> <p>*Includes adjustments after Final Reports were issued</p> | | | | | | | | | | | | | | <p>Full OEB Target:</p> <p>680 3,910,000</p> | | |
| <p>% of Full OEB Target Achieved to Date (Scenario 1):</p> | | | | | | | | | | | | | | <p>45% 64%</p> | | |

Table 3B: Hearst Power Distribution Company Limited Initiative and Program Level Savings by Quarter for current reporting year**

| # | Initiative | Unit | Incremental Activity (new program activity occurring within the specified reporting period) | | | | Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period) | | | | Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period) | | | |
|---|---|------------|--|---------|---------|-----------|---|-----------|---------------|----------------|--|----------|---------|---------|
| | | | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 |
| Consumer Program | | | | | | | | | | | | | | |
| 1 | Appliance Retirement | Appliances | - | 1 | 2 | - | 0 | 0 | 0 | 11 | 481 | 927 | - | |
| 2 | Appliance Exchange | Appliances | - | - | - | - | - | - | 0 | - | - | 51 | - | |
| 3 | HVAC Incentives | Equipment | 3 | 2 | 2 | 1 | 1 | 0 | 1,953 | 828 | 702 | - | | |
| 4 | Conservation Instant Coupon Booklet | Measures | 57 | 117 | 87 | 0 | 0 | 0 | 1,210 | 2,721 | 2,060 | - | | |
| 5 | Bi-Annual Retailer Event | Measures | 2 | 890 | 9 | 0 | 1 | 0 | 52 | 17,779 | 173 | - | | |
| 6 | Retailer Co-op | Items | - | - | - | - | - | - | - | - | - | - | | |
| 7 | Residential Demand Response (switch/pstat) † | Devices | - | - | - | - | - | - | - | - | - | - | | |
| 8 | Residential Demand Response (IHD) † | Devices | - | - | - | - | - | - | - | - | - | - | | |
| 9 | Residential New Construction | Homes | - | - | - | - | - | - | - | - | - | - | | |
| Consumer Program Total | | | | | | 1 | 2 | 1 | 3,226 | 21,808 | 3,913 | - | | |
| Business Program | | | | | | | | | | | | | | |
| 10 | Retrofit | Projects | - | 2 | 3 | - | 47 | 12 | - | 271,528 | 55,357 | - | | |
| 11 | Direct Install Lighting | Projects | 21 | 40 | 3 | 24 | 34 | 5 | 77,345 | 111,286 | 18,092 | - | | |
| 12 | Building Commissioning | Buildings | - | - | - | - | - | - | - | - | - | - | | |
| 13 | New Construction | Buildings | - | - | - | - | - | - | - | - | - | - | | |
| 14 | Energy Audit | Audits | - | - | - | - | - | - | - | - | - | - | | |
| 15 | Small Commercial Demand Response (switch/pstat) † | Devices | - | - | - | - | - | - | - | - | - | - | | |
| 16 | Small Commercial Demand Response (IHD) † | Devices | - | - | - | - | - | - | - | - | - | - | | |
| 17 | Demand Response 3† | Facilities | - | - | - | - | - | - | - | - | - | - | | |
| Business Program Total | | | | | | 24 | 81 | 17 | 77,345 | 382,815 | 73,449 | - | | |
| Industrial Program | | | | | | | | | | | | | | |
| 18 | Process & System Upgrades | Projects | - | - | - | - | - | - | - | - | - | - | | |
| 19 | Monitoring & Targeting | Projects | - | - | - | - | - | - | - | - | - | - | | |
| 20 | Energy Manager | Projects | - | - | - | - | - | - | - | - | - | - | | |
| 21 | Retrofit | Projects | - | - | - | - | - | - | - | - | - | - | | |
| 22 | Demand Response 3† | Facilities | - | - | - | - | - | - | - | - | - | - | | |
| Industrial Program Total | | | | | | | | | | | | | | |
| Home Assistance Program | | | | | | | | | | | | | | |
| 23 | Home Assistance Program | Homes | - | - | - | - | - | - | - | - | - | - | | |
| Home Assistance Program Total | | | | | | | | | | | | | | |
| Aboriginal Program | | | | | | | | | | | | | | |
| 24 | Aboriginal Program | Homes | - | - | - | - | - | - | - | - | - | - | | |
| Aboriginal Program Total | | | | | | | | | | | | | | |
| Pre-2011 Programs completed in 2011 | | | | | | | | | | | | | | |
| 25 | Electricity Retrofit Incentive Program | Projects | - | - | - | - | - | - | - | - | - | - | | |
| 26 | High Performance New Construction | Projects | - | - | - | - | - | - | - | - | - | - | | |
| 27 | Toronto Comprehensive | Projects | - | - | - | - | - | - | - | - | - | - | | |
| 28 | Multifamily Energy Efficiency Rebates | Projects | - | - | - | - | - | - | - | - | - | - | | |
| 29 | LDC Custom Programs | Projects | - | - | - | - | - | - | - | - | - | - | | |
| Pre-2011 Programs completed in 2011 Total | | | | | | | | | | | | | | |
| Other | | | | | | | | | | | | | | |
| 30 | Program Enabled Savings | Projects | - | - | - | - | - | - | - | - | - | - | | |
| 31 | Time-of-Use Savings | Homes | - | - | - | - | - | - | - | - | - | - | | |
| Other Total | | | | | | | | | | | | | | |
| Adjustment to Previous Year's Verified Results | | | | | | | | | | | | | | |
| Energy Efficiency Total | | | | | | 25 | 83 | 18 | 80,571 | 404,623 | 77,362 | - | | |
| Demand Response Total (Scenario 1) | | | | | | - | - | - | - | - | - | - | | |
| OPA-Contracted LDC Portfolio Total | | | | | | 25 | 83 | 18 | 80,571 | 404,623 | 77,362 | - | | |

†Activity and savings for Demand Response resources for each year and quarter represent the savings from all active facilities or devices contracted since January 1, 2011.

**Updates to the previous quarter's participation may occur as a result of further data received

Table 4A: Province-Wide Initiative and Program Level Savings by Year (Scenario 1)

| # | Initiative | Unit | Incremental Activity (new program activity occurring within the specified reporting period) | | | | Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period) | | | | Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period) | | | | Program-to-Date Unverified Progress to Target | |
|---|--|------------|--|------------|---------|-----------|---|----------------|----------------|----------------|--|--------------------|--------------------|--------------------|---|---|
| | | | 2011 Adj.* | 2012 Adj.* | 2013 | 2014 | 2011 | 2012 | 2013 | 2014 | 2011 | 2012 | 2013 | 2014 | 2014 Net Annual Peak Demand Savings (kW) | 2011-2014 Net Cumulative Energy Savings (kWh) |
| | | | | | | | | | | | | | | | 2014 | 2014 |
| Consumer Program | | | | | | | | | | | | | | | | |
| 1 | Appliance Retirement | Appliances | 56,110 | 34,146 | 20,952 | 15,115 | 3,299 | 2,011 | 1,433 | 1,051 | 23,005,812 | 13,424,518 | 8,713,107 | 6,231,429 | 7,655 | 155,834,501 |
| 2 | Appliance Exchange | Appliances | 3,688 | 3,836 | 5,337 | 1,586 | 371 | 556 | 1,106 | 329 | 450,187 | 974,621 | 1,971,701 | 585,932 | 2,124 | 9,041,858 |
| 3 | HVAC Incentives | Equipment | 92,743 | 87,427 | 91,581 | 58,486 | 32,037 | 19,060 | 19,552 | 13,141 | 59,437,670 | 32,841,283 | 33,923,592 | 22,713,210 | 83,790 | 426,834,923 |
| 4 | Conservation Instant Coupon Booklet | Measures | 567,678 | 30,891 | 346,896 | 391,360 | 1,344 | 230 | 517 | 587 | 21,211,537 | 1,398,202 | 7,707,573 | 8,976,647 | 2,679 | 113,432,546 |
| 5 | Bi-Annual Retailer Event | Measures | 952,149 | 1,060,901 | 944,772 | 1,350,677 | 1,681 | 1,480 | 1,184 | 1,770 | 29,387,468 | 26,781,674 | 17,179,841 | 26,978,896 | 6,115 | 259,233,474 |
| 6 | Retailer Co-op | Items | 152 | - | - | - | 0 | - | - | - | 2,652 | - | - | - | 0 | 10,607 |
| 7 | Residential Demand Response (switch/pstat)† | Devices | 19,550 | 98,388 | 171,733 | 199,532 | 10,947 | 49,038 | 93,076 | 107,996 | 24,870 | 359,408 | 390,303 | - | 107,996 | 774,582 |
| 8 | Residential Demand Response (IHD)† | Devices | - | 49,689 | 133,657 | 164,919 | - | - | - | - | - | - | - | - | - | - |
| 9 | Residential New Construction | Homes | 26 | 19 | 86 | 1,098 | 0 | 2 | 18 | 29 | 743 | 17,152 | 163,690 | 1,149,464 | 49 | 1,531,275 |
| Consumer Program Total | | | | | | | 49,681 | 72,377 | 116,886 | 124,902 | 133,520,941 | 75,796,859 | 70,049,807 | 66,635,577 | 210,408 | 966,693,766 |
| Business Program | | | | | | | | | | | | | | | | |
| 10 | Retrofit | Projects | 2,819 | 6,134 | 8,785 | 4,978 | 24,467 | 61,147 | 59,678 | 35,724 | 136,002,258 | 314,922,468 | 345,346,008 | 228,417,547 | 178,555 | 2,396,915,250 |
| 11 | Direct Install Lighting | Projects | 20,741 | 18,691 | 17,782 | 16,663 | 23,724 | 15,284 | 18,708 | 17,354 | 61,076,701 | 57,345,798 | 64,315,558 | 60,881,874 | 67,240 | 580,575,230 |
| 12 | Building Commissioning | Buildings | - | - | - | 1 | - | - | - | 8 | - | - | - | 55,441 | 8 | 55,441 |
| 13 | New Construction | Buildings | 22 | 69 | 87 | 59 | 123 | 764 | 1,584 | 619 | 411,717 | 1,814,721 | 4,959,266 | 1,645,447 | 3,091 | 18,655,011 |
| 14 | Energy Audit | Audits | 198 | 345 | 319 | 153 | - | 1,450 | 2,811 | 528 | - | 7,049,351 | 15,455,795 | 2,460,423 | 4,789 | 54,520,066 |
| 15 | Small Commercial Demand Response (switch/pstat)† | Devices | 132 | 294 | 1,211 | 1,604 | 84 | 187 | 773 | 1,023 | 157 | 1,068 | 373 | - | 1,023 | 1,597 |
| 16 | Small Commercial Demand Response (IHD)† | Devices | - | - | 378 | 519 | - | - | - | - | - | - | - | - | - | - |
| 17 | Demand Response 3† | Facilities | 145 | 151 | 175 | 178 | 16,218 | 19,389 | 23,706 | 24,037 | 633,421 | 281,823 | 346,659 | - | 24,037 | 1,261,903 |
| Business Program Total | | | | | | | 64,617 | 98,221 | 107,261 | 79,294 | 198,124,253 | 381,415,230 | 430,423,659 | 293,460,733 | 278,743 | 3,051,984,499 |
| Industrial Program | | | | | | | | | | | | | | | | |
| 18 | Process & System Upgrades | Projects | - | - | 3 | 4 | - | - | 294 | 11,335 | - | - | 2,603,764 | 80,659,778 | 11,629 | 85,867,305 |
| 19 | Monitoring & Targeting | Projects | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | Energy Manager | Projects | - | 42 | 205 | 266 | - | 1,086 | 3,558 | 6,832 | - | 7,372,108 | 21,994,263 | 41,358,497 | 10,026 | 96,247,067 |
| 21 | Retrofit | Projects | 433 | - | - | - | 4,615 | - | - | - | 28,866,840 | - | - | - | 4,613 | 115,462,282 |
| 22 | Demand Response 3† | Facilities | 124 | 185 | 281 | 335 | 52,484 | 74,056 | 162,543 | 177,630 | 3,080,737 | 1,784,712 | 4,309,160 | - | 177,630 | 9,174,609 |
| Industrial Program Total | | | | | | | 57,098 | 75,141 | 166,395 | 195,797 | 31,947,577 | 9,156,820 | 28,907,187 | 122,018,275 | 203,899 | 306,751,263 |
| Home Assistance Program | | | | | | | | | | | | | | | | |
| 23 | Home Assistance Program | Homes | 46 | 5,033 | 26,756 | 10,801 | 2 | 566 | 2,361 | 1,018 | 39,283 | 5,442,232 | 20,987,275 | 8,744,255 | 3,922 | 66,694,168 |
| Home Assistance Program Total | | | | | | | 2 | 566 | 2,361 | 1,018 | 39,283 | 5,442,232 | 20,987,275 | 8,744,255 | 3,922 | 66,694,168 |
| Aboriginal Program | | | | | | | | | | | | | | | | |
| 24 | Aboriginal Program | Homes | - | - | 584 | 591 | - | - | 267 | 220 | - | - | 1,609,393 | 1,685,659 | 487 | 4,904,444 |
| Aboriginal Program Total | | | | | | | - | - | 267 | 220 | - | - | 1,609,393 | 1,685,659 | 487 | 4,904,444 |
| Pre-2011 Programs completed in 2011 | | | | | | | | | | | | | | | | |
| 24 | Electricity Retrofit Incentive Program | Projects | 2,028 | - | - | - | 21,662 | - | - | - | 121,138,219 | - | - | - | 21,662 | 484,552,876 |
| 25 | 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 |
| 26 | Toronto Comprehensive | Projects | 577 | - | - | - | 15,805 | - | - | - | 86,964,886 | - | - | - | 15,805 | 347,859,545 |
| 27 | Multifamily Energy Efficiency Rebates | Projects | 110 | - | - | - | 1,981 | - | - | - | 7,595,683 | - | - | - | 1,981 | 30,382,733 |
| 28 | LDC Custom Programs | Projects | 8 | - | - | - | 399 | - | - | - | 1,367,170 | - | - | - | 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 | | | | | | | | | | | | | | | | |
| 29 | Program Enabled Savings | Projects | 14 | 56 | 13 | - | - | 2,304 | 3,692 | - | - | 1,188,362 | 4,075,382 | - | 5,996 | 11,715,850 |
| 30 | Time-of-Use Savings | Homes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Total | | | | | | | - | 2,304 | 3,692 | - | - | 1,188,362 | 4,075,382 | - | 5,996 | 11,715,850 |
| Adjustment to Previous Year's Verified Results | | | | | | | | | | | | | | | | |
| Energy Efficiency Total | | | | | | | 136,610 | 109,191 | 117,536 | 90,546 | 603,144,419 | 482,474,435 | 554,528,447 | 492,544,498 | 441,736 | 5,413,287,809 |
| Demand Response Total (Scenario 1) | | | | | | | 79,733 | 142,670 | 280,099 | 310,686 | 3,739,185 | 2,427,011 | 5,046,495 | - | 310,686 | 11,212,691 |
| OPA-Contracted LDC Portfolio Total | | | | | | | 216,343 | 253,267 | 404,536 | 401,232 | 606,883,604 | 503,590,526 | 603,259,163 | 492,544,498 | 760,398 | 5,631,652,478 |

*Activity and savings for Demand Response resources for each year and quarter represent the savings from all active facilities or devices contracted since January 1, 2011.

The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is made available.

*Includes adjustments after Final Reports were issued

Full OEB Target:

1,330,000 6,000,000,000

% of Full OEB Target Achieved to Date (Scenario 1):

57% 94%

Table 4B: Province-Wide Initiative and Program Level Savings by Quarter for Current Reporting Year**

| # | Initiative | Unit | Incremental Activity (new program activity occurring within the specified reporting period) | | | | Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period) | | | | Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period) | | | |
|---|--|------------|--|-----------|---------|---------|---|----------------|----------------|---------|--|--------------------|--------------------|---------|
| | | | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 |
| Consumer Program | | | | | | | | | | | | | | |
| 1 | Appliance Retirement | Appliances | 2,436 | 5,229 | 7,450 | | 161 | 367 | 523 | | 1,024,177 | 2,149,010 | 3,058,243 | |
| 2 | Appliance Exchange | Appliances | - | - | 1,586 | | - | - | 329 | | - | - | 585,932 | |
| 3 | HVAC Incentives | Equipment | 17,865 | 27,005 | 13,616 | | 4,822 | 5,494 | 2,824 | | 8,917,844 | 9,085,700 | 4,709,667 | |
| 4 | Conservation Instant Coupon Booklet | Measures | 85,204 | 175,546 | 130,610 | | 115 | 269 | 203 | | 1,812,974 | 4,076,740 | 3,086,932 | |
| 5 | Bi-Annual Retailer Event | Measures | 3,649 | 1,333,644 | 13,384 | | 5 | 1,744 | 21 | | 78,601 | 26,640,572 | 259,723 | |
| 6 | Retailer Co-op | Items | - | - | - | | - | - | - | | - | - | - | |
| 7 | Residential Demand Response (switch/pstat)† | Devices | 187,444 | 195,696 | 199,532 | | 101,524 | 105,928 | 107,996 | | - | - | - | |
| 8 | Residential Demand Response (IHD)† | Devices | 150,797 | 160,467 | 164,919 | | - | - | - | | - | - | - | |
| 9 | Residential New Construction | Homes | 28 | 823 | 247 | | 3 | 22 | 4 | | 35,350 | 646,271 | 467,843 | |
| Consumer Program Total | | | | | | | 106,630 | 113,824 | 111,899 | - | 11,868,946 | 42,598,292 | 12,168,339 | - |
| Business Program | | | | | | | | | | | | | | |
| 10 | Retrofit | Projects | 1,808 | 1,906 | 1,264 | | 13,601 | 13,507 | 8,615 | | 97,179,680 | 81,955,290 | 49,282,578 | |
| 11 | Direct Install Lighting | Projects | 5,470 | 6,141 | 5,052 | | 5,960 | 6,420 | 4,974 | | 20,846,139 | 22,526,011 | 17,509,723 | |
| 12 | Building Commissioning | Buildings | - | - | 1 | | - | - | 8 | | - | - | 55,441 | |
| 13 | New Construction | Buildings | 21 | 35 | 3 | | 467 | 130 | 22 | | 1,059,133 | 519,584 | 66,731 | |
| 14 | Energy Audit | Audits | 80 | 48 | 25 | | 276 | 166 | 86 | | 1,286,496 | 771,897 | 402,030 | |
| 15 | Small Commercial Demand Response (switch/pstat)† | Devices | 1,311 | 1,452 | 1,604 | | 837 | 926 | 1,023 | | - | - | - | |
| 16 | Small Commercial Demand Response (IHD)† | Devices | 423 | 465 | 519 | | - | - | - | | - | - | - | |
| 17 | Demand Response 3† | Facilities | 179 | 178 | 178 | | 25,609 | 25,387 | 24,037 | | - | - | - | |
| Business Program Total | | | | | | | 46,750 | 46,535 | 38,766 | - | 120,371,447 | 105,772,783 | 67,316,503 | - |
| Industrial Program | | | | | | | | | | | | | | |
| 18 | Process & System Upgrades | Projects | 1 | 2 | 1 | | 157 | 3,778 | 7,400 | | 1,370,778 | 31,209,000 | 48,080,000 | |
| 19 | Monitoring & Targeting | Projects | - | - | - | | - | - | - | | - | - | - | |
| 20 | Energy Manager | Projects | 114 | 117 | 35 | | 3,328 | 2,433 | 1,071 | | 22,742,390 | 16,011,355 | 2,604,752 | |
| 21 | Retrofit | Projects | - | - | - | | - | - | - | | - | - | - | |
| 22 | Demand Response 3† | Facilities | 301 | 324 | 335 | | 167,962 | 171,552 | 177,630 | | - | - | - | |
| Industrial Program Total | | | | | | | 171,447 | 177,763 | 186,101 | - | 24,113,168 | 47,220,355 | 50,684,752 | - |
| Home Assistance Program | | | | | | | | | | | | | | |
| 23 | Home Assistance Program | Homes | 5,317 | 3,659 | 1,825 | | 536 | 387 | 96 | | 4,254,890 | 3,308,733 | 1,180,632 | |
| Home Assistance Program Total | | | | | | | 536 | 387 | 96 | - | 4,254,890 | 3,308,733 | 1,180,632 | - |
| Aboriginal Program | | | | | | | | | | | | | | |
| 24 | Aboriginal Program | Homes | 50 | 93 | 448 | | 100 | 66 | 54 | | 299,921 | 620,605 | 765,132 | |
| Aboriginal Program Total | | | | | | | 100 | 66 | 54 | - | 299,921 | 620,605 | 765,132 | - |
| Pre-2011 Programs completed in 2011 | | | | | | | | | | | | | | |
| 24 | Electricity Retrofit Incentive Program | Projects | - | - | - | | - | - | - | | - | - | - | |
| 25 | High Performance New Construction | Projects | - | - | - | | - | - | - | | - | - | - | |
| 26 | Toronto Comprehensive | Projects | - | - | - | | - | - | - | | - | - | - | |
| 27 | Multifamily Energy Efficiency Rebates | Projects | - | - | - | | - | - | - | | - | - | - | |
| 28 | LDC Custom Programs | Projects | - | - | - | | - | - | - | | - | - | - | |
| Pre-2011 Programs completed in 2011 Total | | | | | | | - | - | - | - | - | - | - | - |
| Other | | | | | | | | | | | | | | |
| 29 | Program Enabled Savings | Projects | - | - | - | | - | - | - | | - | - | - | |
| 30 | Time-of-Use Savings | Homes | - | - | - | | - | - | - | | - | - | - | |
| Other Total | | | | | | | - | - | - | - | - | - | - | - |
| Adjustment to Previous Year's Verified Results | | | | | | | | | | | | | | |
| Energy Efficiency Total | | | | | | | 29,533 | 34,783 | 26,230 | - | 160,908,372 | 199,520,768 | 132,115,358 | - |
| Demand Response Total (Scenario 1) | | | | | | | 295,931 | 303,793 | 310,686 | - | - | - | - | - |
| OPA-Contracted LDC Portfolio Total | | | | | | | 325,463 | 338,576 | 336,916 | - | 160,908,372 | 199,520,768 | 132,115,358 | - |

*Activity and savings for Demand Response resources for each year and quarter represent the savings from all active facilities or devices contracted since January 1, 2011.

Updates to the previous quarter's participation may occur as a result of additional data received

Table 5: Data Qualifiers for Initiatives Currently In-Market & Likelihood of Additional Data

Data included in the Q3 2014 report includes all program activity completed (as per the savings 'start' date) on or before September 30th, 2014.

| Initiative | Savings 'start' Date | Data Available | Additional Data Likely |
|--|---|--|------------------------|
| Consumer Program | | | |
| Appliance Retirement | Pick-up date | When database is queried. Up to date information is available. | Moderate |
| Appliance Exchange | Exchange event date | Once data is submitted to the OPA by retailers and undergoes QA/QC by OPA staff. Typically 3 - 6 months to receive and process all data. | High |
| HVAC Incentives | Installation date | Rebate Status = Approved, Cheque Issued and Cheque Cashied; Typically 1 - 4 months delay. | High |
| Conservation Instant Coupon Booklet | Coupon redemption year | Once data is submitted to the OPA by retailers and undergoes QA/QC by OPA staff. Typically 3 - 6 months to receive and process all data. | High |
| Bi-Annual Retailer Event | Year and quarter of the event | 6 months to receive and process all data. | High |
| Retailer co-op activities | Will vary by specific project | Will vary by specific project | Low |
| Residential Demand Response | Device installation date | Data uploaded to RDR settlement system as of September 30th, 2014 | High |
| Residential New Construction | Project completion | Preliminary Billing Report submitted to OPA | Low |
| Business (Commercial & Institutional) Program | | | |
| Retrofit | Actual project completion date | In the "Post Project Submission" Stage (excluding "Payment Denied by LDC", "Returned for Edit(s) by Participant" and "Participant Incentive Not Approved by LDC") within iCON CRM as of Sept 30th, 2014 | Low |
| Direct Installed Lighting | Retrofit date | Work-order: invoiced, approved and paid to LDC. Typically 1.5 - 2 months delay. Any projects that are flagged as duplicates will not appear in reports until duplicates have been resolved. | High |
| Building Commissioning | Hand off date | Preliminary Billing Report submitted to OPA and reviewed | Moderate |
| New Construction | Actual project completion date | Preliminary Billing Report submitted to OPA and reviewed | Moderate |
| Energy Audit | Audit completion date | Preliminary Billing Report submitted to OPA and reviewed | Moderate |
| Small Commercial Demand Response | Device installation date | Data uploaded to RDR settlement system as of September 30th, 2014 | Moderate |
| Demand Response 3 | Facility is available under contract | Facility available under contract with aggregator | Low |
| Industrial Program | | | |
| Process & System Upgrades | In-service date | Preliminary Billing Report submitted to OPA and reviewed | Low |
| Monitoring & Targeting | Project completion date | Preliminary Billing Report submitted to OPA and reviewed | Low |
| Energy Manager (EEM or REM) | Project completion date | Completed, non-incented projects submitted quarterly by Energy Manager. | High |
| Retrofit | All Retrofit projects are now reported under the Business Program | | |
| Demand Response 3 | Facility is available under contract | Facility available under contract with aggregator. | Low |
| Home Assistance Program | | | |
| Home Assistance Program | Project completion date | Preliminary Billing Report submitted to OPA and reviewed | High |
| Pre-2011 Projects Completed in 2011 | | | |
| High Performance New Construction | Project completion date | Reviewed and processed from delivery agent, quarterly | Moderate |

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). Annual savings for Demand Response resources represent the savings from all active facilities contracted since January 1, 2011.

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.

Current Reporting Period: the calendar quarter specified on page 1 of this report.

Effective Useful Life: determines the persistence of savings for a given technology or initiative. Factors that may effect the useful life of a technology are typical use and operating hours, upcoming code changes, etc. Demand response resources are assumed to have a persistence of 1 year.

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). All savings presented in this report are at the end-user level.

Final or Verified Savings: savings achieved that have undergone annual Evaluation, Measurement & Verification (EM&V) and thus have had activity audited and savings assumptions measured and verified.

Implementation Period: the particular calendar quarter or calendar year that conservation activity is achieved based on when the savings are considered to 'start' (please see table 5).

Incremental: the new resource savings attributable to activity procured in a particular reporting period based on when the savings are considered to 'start' (please see table 5). Incremental savings for Demand Response resources represent the savings from all active facilities contracted since January 1, 2011 (i.e. Incremental = Annual for demand response only).

Initiative: a Conservation & Demand Management offering focusing on a particular opportunity or customer end-use (i.e. Retrofit, Fridge & Freezer Pickup).

Net Energy Savings (MWh): energy savings attributable to conservation and demand management activities net of free-riders, etc. Please refer to the webinars in the "Reporting Methodology" section for more information.

Net Peak Demand Savings (MW): peak demand savings attributable to conservation and demand management activities net of free-riders, etc. Please refer to the webinars in the "Reporting Methodology" section for more information.

Program-to-Date: the reporting period from January 1, 2011 until the end of the Current Reporting Period.

Program: a group of initiatives that target a particular market sector (i.e. Consumer, Industrial).

Reported or Unverified Savings: savings achieved that are based on reported activity and forecasted or best available savings assumptions. These savings are not verified, i.e. have not undergone the Evaluation, Measurement & Verification processes.

Unit: for a specific initiative, the relevant type of activity acquired in the market place (i.e. appliances picked up, projects completed, coupons redeemed).

Reporting Methodology (Quarterly, Unverified results):

There are several resources on reporting that are available to LDCs:

- Reporting Policy & FAQ Document found on the iCON Portal in the "Other Program Materials" under "Reporting Tools"
- LDC Consumer Program Tracking Tool found on the iCON Portal in "Other Program Materials" under "Reporting Tools"
- Webinars (available at the following link: http://www.snwebcastcenter.com/custom_events/opa-20111781/site/index.php)

| # | Initiative | Attributing Savings to LDCs | Savings 'start' Date | Calculating Resource Savings |
|--|--|---|---|---|
| Pre-2011 Programs completed in 2011 | | | | |
| 22 | Electricity Retrofit Incentive Program | Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, assumptions as per 2010 evaluation | Savings are considered to begin in the year in which a project was completed. | <p>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).</p> |
| 23 | High Performance New Construction | Results are directly attributed to LDC based on customer data provided to the OPA from Enbridge; Initiative was not evaluated in 2011, assumptions as per 2010 evaluation | Savings are considered to begin in the year in which a project was completed. | |
| 24 | Toronto Comprehensive | Program run exclusively in Toronto Hydro-Electric System Limited service territory; Initiative was not evaluated in 2011, assumptions as per 2010 evaluation | Savings are considered to begin in the year in which a project was completed. | <p>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).</p> |
| 25 | Multifamily Energy Efficiency Rebates | Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, assumptions as per 2010 evaluation | | |
| 26 | Data Centre Incentive Program | Program run exclusively in PowerStream Inc. service territory; Initiative was not evaluated in 2011, assumptions as per 2009 evaluation | | |
| 27 | EnWin Green Suites | Program run exclusively in ENWIN Utilities Ltd. service territory; Initiative was not evaluated in 2011, assumptions as per 2010 evaluation | | |



Ontario Power Authority Conservation & Demand Management Status Report Q3 2014 Preliminary Results Update Hearst Power Distribution Company Limited

Unverified OPA-Contracted Province-Wide CDM Program Progress at a Glance

| Unverified Progress to Targets | Incremental Q3 2014 | Program-to-Date Progress Towards OEB Target | | | | Rank (of 76) |
|--------------------------------|---------------------|---|-----|------------|-----|--------------|
| | | Scenario 1 | | Scenario 2 | | |
| | | Savings | % | Savings | % | Scenario 2 |
| Net Peak Demand Savings (MW) | 0.0 | 0.3 | 45% | 0.3 | 45% | 40 |
| Net Energy Savings (GWh) | 0.1 | 2.5 | 64% | 2.5 | 64% | 66 |

Program-to-Date Progress Towards Target: Combination of verified (2011-13) and unverified (2014) results. The 2014 Q3 report reflects the most up-to-date inputs from the 2013 program evaluations. To align with savings counted towards OEB targets, peak demand is represented by annual savings in 2014 and energy is represented by the cumulative savings from 2011-2014.

Scenario 1: Assumes that demand response resources have a persistence of 1 year. Official reporting policy for demand response resources.

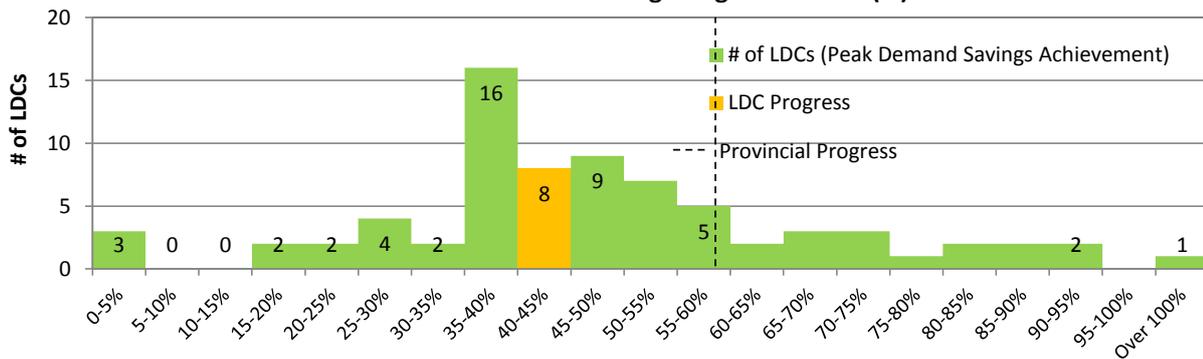
Scenario 2: Assumes that demand response resources remain in the LDC territory until 2014. Used to better assess progress towards demand targets.

Rank: Sorts each LDC by % of peak demand or energy target achieved as of the current reporting period using Scenario 2.

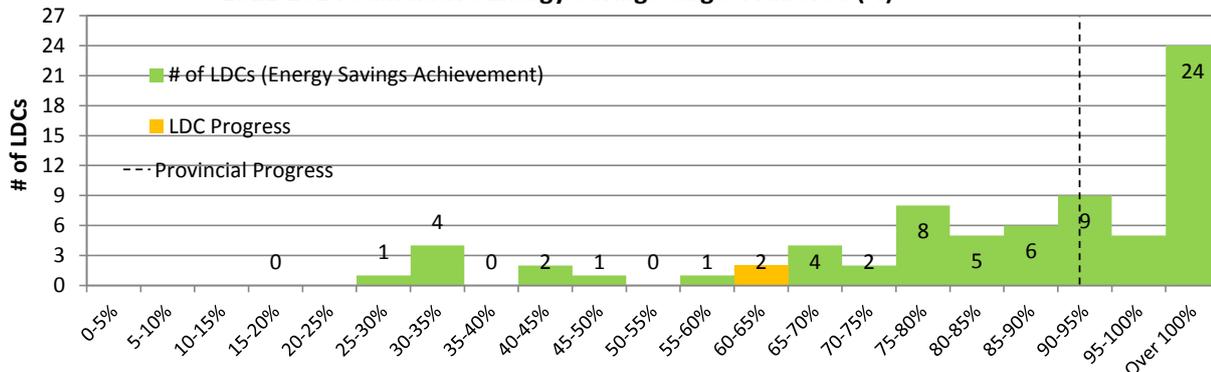
Comparison: LDC Achievement vs. LDC Community Achievement

The following graphs assume that demand response resources remain in the LDC territory until 2014 (aligns with Scenario 2)

2014 Annual Peak Demand Savings Target Achieved (%)



2011-2014 Cumulative Energy Savings Target Achieved (%)



Questions? Please check the "About this Report" Section on page 2, Table 5 on page 9 and "Reporting Methodology" on page 10. More Questions? Please contact LDC.Support@powerauthority.on.ca

Message from the Vice President

It is with great pleasure that we present the Q3 2014 LDC status update. This quarter, we have achieved 94% (5,632 GWh) of the full OEB energy savings target—surpassing the target of 91% for the province-wide programs by the end of 2014. Peak demand savings increased to 760 MW, representing 57% of the 1,330 MW peak demand target.

Highlights from Q3 2014:

- LDCs achieved 337 MW peak demand and 132 GWh in incremental energy savings in Q3 2014.
- SMALL BUSINESS LIGHTING energy savings increased 73% in Q3 2014 over the same period in 2013 and RETROFIT continues to trend well towards the annual forecast.
- Over 1,700 retail stores representing 37 participating retailers across the province are now accepting COUPONS
- The OPA is continuing efforts to support LDCs in preparation for the Conservation First Framework with in-person sessions, webinars, tools and technical training.

Looking ahead to our next and final quarter, we are making every effort to ensure final reporting for 2011-2014 accurately reflects all of the conservation and demand management activity throughout the period. We encourage you to provide your data for Q4 as soon as possible. I extend a sincere congratulations to all LDCs for their dedicated and collaborative efforts to build the culture of conservation and drive meaningful savings. We are poised for success for the next chapter, the Conservation First Framework 2015-2020.

Please contact the OPA at LDC.Support@powerauthority.on.ca with any questions or comments regarding this report.

Sincerely,

Andrew Pride

About this Report

This report contains:

- Peak demand and energy savings for OPA-Contracted Province-Wide programs (does not include Ontario Energy Board (OEB) approved CDM programs or other LDC conservation efforts)
- Progress as of the end of Q3 2014 using unverified quarterly results for 2014 and final verified results for 2011-2013
- Program activity data (i.e. projects completed, appliances picked up) completed on or before September 30th, 2014 and received and entered to the OPA processing systems per the dates specified in Table 5
- Updates to the previous quarters' participation with additional data received
- Information to assist the LDC in reconciling internal data sources with the data contained in this report. Table 5 contains:
 - 1 The date in which savings are considered to 'start';
 - 2 The point at which the data becomes available to the OPA;
 - 3 The expected probability and magnitude of updates to the data as more information becomes available.
- iCON CRM Post Stage Retrofit Report data queried on October 2nd, 2014
- Preliminary results for peaksaverPLUS® represent customers that have signed a Participant Agreement and have successfully uploaded information to the RDR settlement system
- ***peaksaver PLUS® device counts and corresponding savings for load control (Switch/Thermostat) and IHD are reported separately***

2011-2014 Summary: Net Peak Demand Savings Achieved (MW)

This section provides a portfolio level view of net peak demand savings procured to date through LDC programs.

Table 1 presents:

- Net peak demand savings results from 2011 to Q3 2014 listed by implementation period, status (i.e. final or reported) and summarized by resource type (i.e. energy efficiency or demand response)
- Net annual peak demand savings that are expected to persist through to 2014 from program activity completed as of Q3 2014 using both Scenarios 1 and 2
- A comparison between reported, unverified results and final, verified results
- Energy efficiency resources reported with persistence according to the effective useful life of the technology

Figure 1 presents:

- Net peak demand savings results from 2011 to date using Scenario 1 for demand response resources (persistence of 1 year)

Please note: Demand response resources are only presented in the final quarter of each year and the current reporting quarter (i.e. Q4 2011, Q4 2012, Q4 2013 and Q3 2014). Figures below and tables 3B and 4B present demand response in each quarter to display any changes that may have occurred quarter over quarter.

Table 1A: Net Peak Demand Savings at the End-User Level (MW)

| # | Implementation Period | Annual (MW) | | | | |
|---|-----------------------------|-------------|------|------|------------|------------|
| | | Scenario 1 | | | | Scenario 2 |
| | | 2011 | 2012 | 2013 | 2014 | 2014 |
| 1 | 2011 - Final | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 2 | 2012 - Final† | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 |
| 3 | 2013 - Final† | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 |
| 4 | 2014 - Reported - Quarter 1 | | | | 0.0 | 0.0 |
| 5 | 2014 - Reported - Quarter 2 | | | | 0.1 | 0.1 |
| 6 | 2014 - Reported - Quarter 3 | | | | 0.0 | 0.0 |
| 4 | 2014 - Reported - Quarter 4 | | | | 0.0 | 0.0 |
| Energy Efficiency | | 0.0 | 0.1 | 0.2 | 0.3 | 0.3 |
| Demand Response | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Annual Peak Demand Savings | | 0.0 | 0.1 | 0.2 | 0.3 | 0.3 |
| Unverified Net Annual Peak Demand Savings in 2014: | | | | | 0.3 | 0.3 |
| 2014 Annual Peak Demand Savings Target as per OEB: | | | | | 0.7 | 0.7 |
| Unverified 2014 Peak Demand Savings Target Achieved (%): | | | | | 45% | 45% |
| Incremental Reported (Unverified) | | 0.0 | 0.1 | 0.1 | 0.1 | |
| Incremental Final (Verified) | | 0.0 | 0.1 | 0.1 | n/a | |

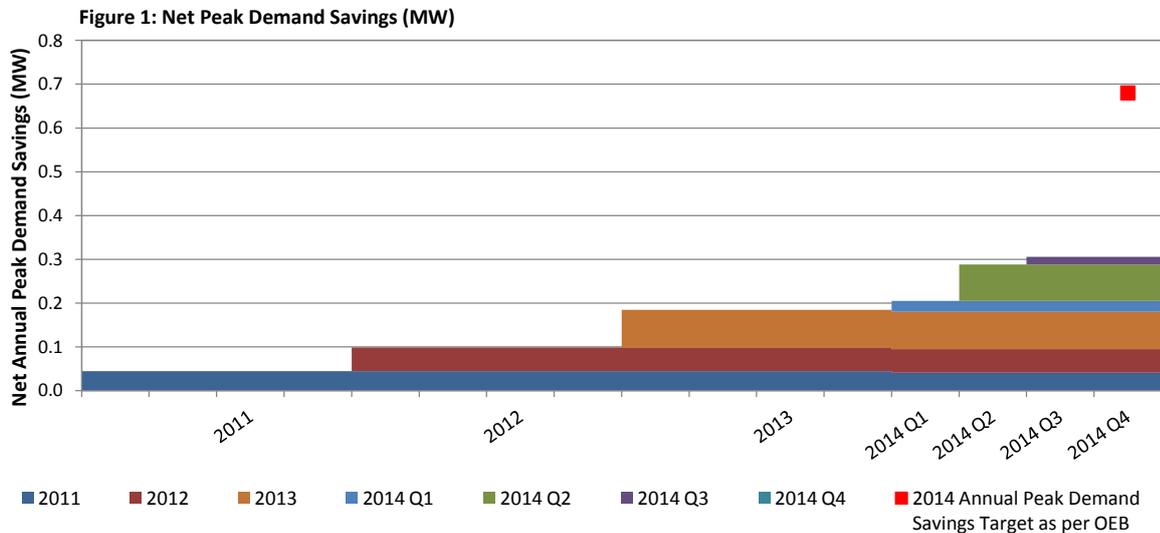
Decline in savings due to demand response persistence assumption (scenario 1) and energy efficiency persistence decline

† Includes adjustments to previous year's verified results

Sums may not be exact due to rounding

Table 1B: Peak Demand Savings from DR3 Resources

| | |
|------------------------------------|-----|
| Reported DR3 (Ex Ante) (MW) | 0.0 |
| Contracted DR3 (MW) | 0.0 |



2011-2014 Summary: Net Energy Savings Achieved (GWh)

This section provides a portfolio level view of net energy savings procured to date through LDC programs.

Table 2 presents net annual energy savings results from 2011 to date listed by implementation period, status (i.e. final or reported) and summarized by resource type. This table presents 2011-2014 net cumulative energy savings expected in 2014 from program activity completed to date. At the bottom of the table a comparison is made between reported results (unverified) and final results (verified) for 2011, 2012, and 2013.

Table 2: Net Energy Savings at the End-User Level (GWh)

| # | Implementation Period | Annual (GWh) | | | | Cumulative (GWh) |
|--|-----------------------------|--------------|------|------|------------|------------------|
| | | 2011 | 2012 | 2013 | 2014 | 2011-2014 |
| 1 | 2011 - Final | 0.1 | 0.1 | 0.1 | 0.1 | 0.5 |
| 2 | 2012 - Final† | 0.0 | 0.2 | 0.2 | 0.2 | 0.7 |
| 3 | 2013 - Final† | 0.0 | 0.0 | 0.4 | 0.4 | 0.7 |
| 4 | 2014 - Reported - Quarter 1 | | | | 0.1 | 0.1 |
| 5 | 2014 - Reported - Quarter 2 | | | | 0.4 | 0.4 |
| 6 | 2014 - Reported - Quarter 3 | | | | 0.1 | 0.1 |
| 7 | 2014 - Reported - Quarter 4 | | | | 0.0 | 0.0 |
| Energy Efficiency | | 0.1 | 0.4 | 0.7 | 1.3 | 2.5 |
| Demand Response | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Energy Savings | | 0.1 | 0.4 | 0.7 | 1.3 | 2.5 |
| Unverified Net Cumulative Energy Savings 2011-2014: | | | | | 2.5 | |
| 2011-2014 Cumulative Energy Savings Target as per OEB: | | | | | 3.9 | |
| Unverified 2011-2014 Cumulative Energy Target Achieved (%): | | | | | 64% | |
| Incremental Reported (Unverified) | | 0.2 | 0.3 | 0.4 | 0.6 | |
| Incremental Final (Verified) | | 0.1 | 0.2 | 0.4 | n/a | |

† Includes adjustments to previous year's verified results

Sums may not be exact due to rounding

Figure 2: Net Cumulative Energy Savings (GWh)

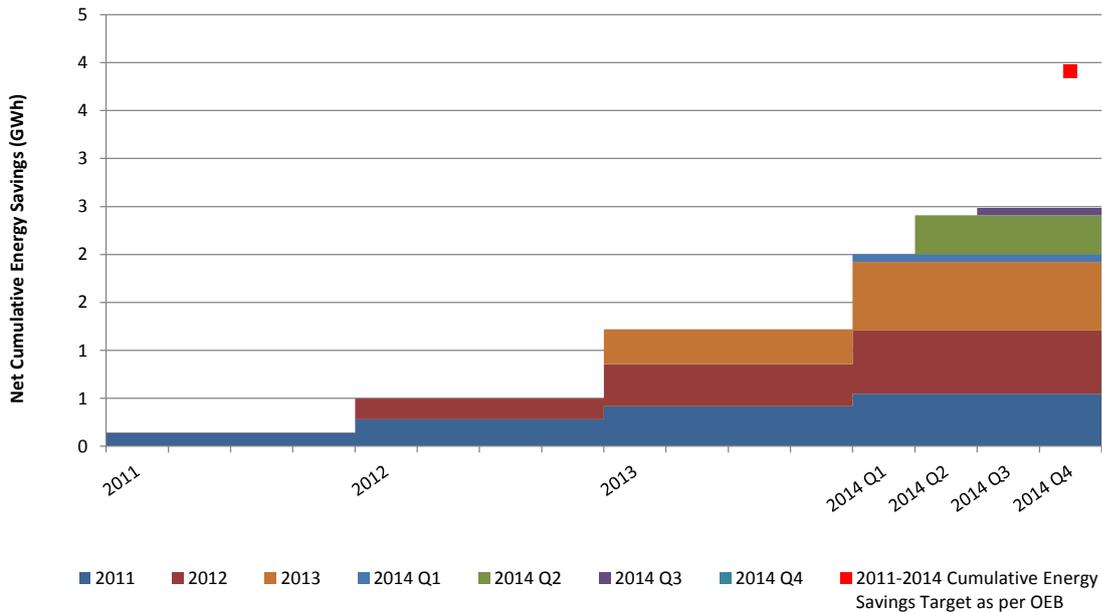


Table 3A: Hearst Power Distribution Company Limited Initiative and Program Level Savings by Year

| # | Initiative | Unit | Incremental Activity (new program activity occurring within the specified reporting period) | | | | Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period) | | | | Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period) | | | | Program-to-Date Unverified Progress to Target (excludes DR) | | |
|---|--|------------|--|------------|------|------|---|-----------|-----------|------------|--|----------------|----------------|--|---|---|------------------|
| | | | 2011 Adj.* | 2012 Adj.* | 2013 | 2014 | 2011 | 2012 | 2013 | 2014 | 2011 | 2012 | 2013 | 2014 | 2014 Net Annual Peak Demand Savings (kW) | 2011-2014 Net Cumulative Energy Savings (kWh) | |
| | | | | | | | | | | | | | | | | | |
| Consumer Program | | | | | | | | | | | | | | | | | |
| 1 | Appliance Retirement | Appliances | 14 | 10 | 1 | 3 | 1 | 1 | 0 | 0 | 6,300 | 4,124 | 417 | 1,419 | 2 | 39,825 | |
| 2 | Appliance Exchange | Appliances | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 90 | 65 | 369 | 51 | 0 | 1,291 | | |
| 3 | HVAC Incentives | Equipment | 1 | 3 | 14 | 7 | 0 | 1 | 4 | 2 | 515 | 1,337 | 6,713 | 3,483 | 6 | 22,980 | |
| 4 | Conservation Instant Coupon Booklet | Measures | 338 | 21 | 232 | 261 | 1 | 0 | 0 | 0 | 12,421 | 933 | 5,144 | 5,991 | 2 | 68,763 | |
| 5 | Bi-Annual Retailer Event | Measures | 635 | 708 | 630 | 901 | 1 | 1 | 1 | 1 | 19,612 | 17,873 | 11,465 | 18,004 | 4 | 173,000 | |
| 6 | Retailer Co-op | Items | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 7 | Residential Demand Response (switch/pstat)† | Devices | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 8 | Residential Demand Response (IHD)† | Devices | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 9 | Residential New Construction | Homes | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Consumer Program Total | | | | | | | 3 | 2 | 5 | 4 | 38,938 | 24,332 | 24,108 | 28,947 | 14 | 305,858 | |
| Business Program | | | | | | | | | | | | | | | | | |
| 10 | Retrofit | Projects | - | - | 5 | 5 | - | - | 4 | 59 | - | - | 19,655 | 326,886 | 63 | 366,195 | |
| 11 | Direct Install Lighting | Projects | 32 | 48 | 56 | 64 | 41 | 51 | 74 | 63 | 100,177 | 192,927 | 243,305 | 206,723 | 226 | 1,662,737 | |
| 12 | Building Commissioning | Buildings | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 13 | New Construction | Buildings | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 14 | Energy Audit | Audits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 15 | Small Commercial Demand Response (switch/pstat)† | Devices | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 16 | Small Commercial Demand Response (IHD)† | Devices | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 17 | Demand Response 3† | Facilities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Business Program Total | | | | | | | 41 | 51 | 78 | 122 | 100,177 | 192,927 | 262,959 | 533,608 | 289 | 2,028,932 | |
| Industrial Program | | | | | | | | | | | | | | | | | |
| 18 | Process & System Upgrades | Projects | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 19 | Monitoring & Targeting | Projects | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 20 | Energy Manager | Projects | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 21 | Retrofit | Projects | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 22 | Demand Response 3† | Facilities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Industrial Program Total | | | | | | | | | | | | | | | | | |
| Home Assistance Program | | | | | | | | | | | | | | | | | |
| 23 | Home Assistance Program | Homes | - | - | 92 | - | - | - | 3 | - | - | - | 75,888 | - | 3 | 142,716 | |
| Home Assistance Program Total | | | | | | | | | 3 | | | | 75,888 | | 3 | 142,716 | |
| Aboriginal Program | | | | | | | | | | | | | | | | | |
| 24 | Aboriginal Program | Homes | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Aboriginal Program Total | | | | | | | | | | | | | | | | | |
| Pre-2011 Programs completed in 2011 | | | | | | | | | | | | | | | | | |
| 25 | Electricity Retrofit Incentive Program | Projects | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 26 | High Performance New Construction | Projects | 0 | 0 | - | - | 0 | 0 | - | - | 229 | 73 | - | - | 0 | 1,135 | |
| 27 | Toronto Comprehensive | Projects | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 28 | Multifamily Energy Efficiency Rebates | Projects | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 29 | LDC Custom Programs | Projects | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Pre-2011 Programs completed in 2011 Total | | | | | | | 0 | 0 | - | - | 229 | 73 | - | - | 0 | 1,135 | |
| Other | | | | | | | | | | | | | | | | | |
| 30 | Program Enabled Savings | Projects | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 31 | Time-of-Use Savings | Homes | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Other Total | | | | | | | | | | | | | | | | | |
| Adjustment to Previous Year's Verified Results | | | | | | | | | | | | | | | | | |
| Energy Efficiency Total | | | | | | | 44 | 54 | 86 | 126 | 139,344 | 217,332 | 362,956 | 562,556 | 306 | 2,478,641 | |
| Demand Response Total (Scenario 1) | | | | | | | | | | | | | | | | | |
| OPA-Contracted LDC Portfolio Total | | | | | | | 44 | 54 | 86 | 126 | 139,344 | 218,857 | 362,961 | 562,555 | 306 | 2,484,759 | |
| | | | | | | | | | | | | | | Full OEB Target: | | 680 | 3,910,000 |
| | | | | | | | | | | | | | | % of Full OEB Target Achieved to Date (Scenario 1): | | 45% | 64% |

*Activity and savings for Demand Response resources for each year and quarter represent the savings from all active facilities or devices contracted since January 1, 2011.

†The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is made available.

*Includes adjustments after Final Reports were issued

Table 3B: Hearst Power Distribution Company Limited Initiative and Program Level Savings by Quarter for current reporting year**

| # | Initiative | Unit | Incremental Activity (new program activity occurring within the specified reporting period) | | | | Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period) | | | | Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period) | | | |
|---|---|------------|--|---------|---------|-----------|---|-----------|----------|---------------|--|---------------|----------|---------|
| | | | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 |
| Consumer Program | | | | | | | | | | | | | | |
| 1 | Appliance Retirement | Appliances | - | 1 | 2 | - | 0 | 0 | 0 | 11 | 481 | 927 | - | |
| 2 | Appliance Exchange | Appliances | - | - | - | - | - | - | 0 | - | - | 51 | - | |
| 3 | HVAC Incentives | Equipment | 3 | 2 | 2 | 1 | 1 | 0 | 0 | 1,953 | 828 | 702 | - | |
| 4 | Conservation Instant Coupon Booklet | Measures | 57 | 117 | 87 | 0 | 0 | 0 | 0 | 1,210 | 2,721 | 2,060 | - | |
| 5 | Bi-Annual Retailer Event | Measures | 2 | 890 | 9 | 0 | 1 | 0 | 0 | 52 | 17,779 | 173 | - | |
| 6 | Retailer Co-op | Items | - | - | - | - | - | - | - | - | - | - | - | |
| 7 | Residential Demand Response (switch/pstat) † | Devices | - | - | - | - | - | - | - | - | - | - | - | |
| 8 | Residential Demand Response (IHD) † | Devices | - | - | - | - | - | - | - | - | - | - | - | |
| 9 | Residential New Construction | Homes | - | - | - | - | - | - | - | - | - | - | - | |
| Consumer Program Total | | | | | | 1 | 2 | 1 | - | 3,226 | 21,808 | 3,913 | - | |
| Business Program | | | | | | | | | | | | | | |
| 10 | Retrofit | Projects | - | 2 | 3 | - | 47 | 12 | - | - | 271,528 | 55,357 | - | |
| 11 | Direct Install Lighting | Projects | 21 | 40 | 3 | 24 | 34 | 5 | - | 77,345 | 111,286 | 18,092 | - | |
| 12 | Building Commissioning | Buildings | - | - | - | - | - | - | - | - | - | - | - | |
| 13 | New Construction | Buildings | - | - | - | - | - | - | - | - | - | - | - | |
| 14 | Energy Audit | Audits | - | - | - | - | - | - | - | - | - | - | - | |
| 15 | Small Commercial Demand Response (switch/pstat) † | Devices | - | - | - | - | - | - | - | - | - | - | - | |
| 16 | Small Commercial Demand Response (IHD) † | Devices | - | - | - | - | - | - | - | - | - | - | - | |
| 17 | Demand Response 3† | Facilities | - | - | - | - | - | - | - | - | - | - | - | |
| Business Program Total | | | | | | 24 | 81 | 17 | - | 77,345 | 382,815 | 73,449 | - | |
| Industrial Program | | | | | | | | | | | | | | |
| 18 | Process & System Upgrades | Projects | - | - | - | - | - | - | - | - | - | - | - | |
| 19 | Monitoring & Targeting | Projects | - | - | - | - | - | - | - | - | - | - | - | |
| 20 | Energy Manager | Projects | - | - | - | - | - | - | - | - | - | - | - | |
| 21 | Retrofit | Projects | - | - | - | - | - | - | - | - | - | - | - | |
| 22 | Demand Response 3† | Facilities | - | - | - | - | - | - | - | - | - | - | - | |
| Industrial Program Total | | | | | | | | | | | | | | |
| Home Assistance Program | | | | | | | | | | | | | | |
| 23 | Home Assistance Program | Homes | - | - | - | - | - | - | - | - | - | - | - | |
| Home Assistance Program Total | | | | | | | | | | | | | | |
| Aboriginal Program | | | | | | | | | | | | | | |
| 24 | Aboriginal Program | Homes | - | - | - | - | - | - | - | - | - | - | - | |
| Aboriginal Program Total | | | | | | | | | | | | | | |
| Pre-2011 Programs completed in 2011 | | | | | | | | | | | | | | |
| 25 | Electricity Retrofit Incentive Program | Projects | - | - | - | - | - | - | - | - | - | - | - | |
| 26 | High Performance New Construction | Projects | - | - | - | - | - | - | - | - | - | - | - | |
| 27 | Toronto Comprehensive | Projects | - | - | - | - | - | - | - | - | - | - | - | |
| 28 | Multifamily Energy Efficiency Rebates | Projects | - | - | - | - | - | - | - | - | - | - | - | |
| 29 | LDC Custom Programs | Projects | - | - | - | - | - | - | - | - | - | - | - | |
| Pre-2011 Programs completed in 2011 Total | | | | | | | | | | | | | | |
| Other | | | | | | | | | | | | | | |
| 30 | Program Enabled Savings | Projects | - | - | - | - | - | - | - | - | - | - | - | |
| 31 | Time-of-Use Savings | Homes | - | - | - | - | - | - | - | - | - | - | - | |
| Other Total | | | | | | | | | | | | | | |
| Adjustment to Previous Year's Verified Results | | | | | | | | | | | | | | |
| Energy Efficiency Total | | | | | | 25 | 83 | 18 | - | 80,571 | 404,623 | 77,362 | - | |
| Demand Response Total (Scenario 1) | | | | | | - | - | - | - | - | - | - | - | |
| OPA-Contracted LDC Portfolio Total | | | | | | 25 | 83 | 18 | - | 80,571 | 404,623 | 77,362 | - | |

†Activity and savings for Demand Response resources for each year and quarter represent the savings from all active facilities or devices contracted since January 1, 2011.

**Updates to the previous quarter's participation may occur as a result of further data received

Table 4A: Province-Wide Initiative and Program Level Savings by Year (Scenario 1)

| # | Initiative | Unit | Incremental Activity (new program activity occurring within the specified reporting period) | | | | Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period) | | | | Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period) | | | | Program-to-Date Unverified Progress to Target | |
|---|--|------------|--|------------|---------|-----------|---|----------------|----------------|----------------|--|--------------------|--------------------|--------------------|---|---|
| | | | 2011 Adj.* | 2012 Adj.* | 2013 | 2014 | 2011 | 2012 | 2013 | 2014 | 2011 | 2012 | 2013 | 2014 | 2014 Net Annual Peak Demand Savings (kW) | 2011-2014 Net Cumulative Energy Savings (kWh) |
| | | | | | | | | | | | | | | | 2014 | 2014 |
| Consumer Program | | | | | | | | | | | | | | | | |
| 1 | Appliance Retirement | Appliances | 56,110 | 34,146 | 20,952 | 15,115 | 3,299 | 2,011 | 1,433 | 1,051 | 23,005,812 | 13,424,518 | 8,713,107 | 6,231,429 | 7,655 | 155,834,501 |
| 2 | Appliance Exchange | Appliances | 3,688 | 3,836 | 5,337 | 1,586 | 371 | 556 | 1,106 | 329 | 450,187 | 974,621 | 1,971,701 | 585,932 | 2,124 | 9,041,858 |
| 3 | HVAC Incentives | Equipment | 92,743 | 87,427 | 91,581 | 58,486 | 32,037 | 19,060 | 19,552 | 13,141 | 59,437,670 | 32,841,283 | 33,923,592 | 22,713,210 | 83,790 | 426,834,923 |
| 4 | Conservation Instant Coupon Booklet | Measures | 567,678 | 30,891 | 346,896 | 391,360 | 1,344 | 230 | 517 | 587 | 21,211,537 | 1,398,202 | 7,707,573 | 8,976,647 | 2,679 | 113,432,546 |
| 5 | Bi-Annual Retailer Event | Measures | 952,149 | 1,060,901 | 944,772 | 1,350,677 | 1,681 | 1,480 | 1,184 | 1,770 | 29,387,468 | 26,781,674 | 17,179,841 | 26,978,896 | 6,115 | 259,233,474 |
| 6 | Retailer Co-op | Items | 152 | - | - | - | 0 | - | - | - | 2,652 | - | - | - | 0 | 10,607 |
| 7 | Residential Demand Response (switch/pstat)† | Devices | 19,550 | 98,388 | 171,733 | 199,532 | 10,947 | 49,038 | 93,076 | 107,996 | 24,870 | 359,408 | 390,303 | - | 107,996 | 774,582 |
| 8 | Residential Demand Response (IHD)† | Devices | - | 49,689 | 133,657 | 164,919 | - | - | - | - | - | - | - | - | - | - |
| 9 | Residential New Construction | Homes | 26 | 19 | 86 | 1,098 | 0 | 2 | 18 | 29 | 743 | 17,152 | 163,690 | 1,149,464 | 49 | 1,531,275 |
| Consumer Program Total | | | | | | | 49,681 | 72,377 | 116,886 | 124,902 | 133,520,941 | 75,796,859 | 70,049,807 | 66,635,577 | 210,408 | 966,693,766 |
| Business Program | | | | | | | | | | | | | | | | |
| 10 | Retrofit | Projects | 2,819 | 6,134 | 8,785 | 4,978 | 24,467 | 61,147 | 59,678 | 35,724 | 136,002,258 | 314,922,468 | 345,346,008 | 228,417,547 | 178,555 | 2,396,915,250 |
| 11 | Direct Install Lighting | Projects | 20,741 | 18,691 | 17,782 | 16,663 | 23,724 | 15,284 | 18,708 | 17,354 | 61,076,701 | 57,345,798 | 64,315,558 | 60,881,874 | 67,240 | 580,575,230 |
| 12 | Building Commissioning | Buildings | - | - | - | 1 | - | - | - | - | - | - | - | 55,441 | 8 | 55,441 |
| 13 | New Construction | Buildings | 22 | 69 | 87 | 59 | 123 | 764 | 1,584 | 619 | 411,717 | 1,814,721 | 4,959,266 | 1,645,447 | 3,091 | 18,655,011 |
| 14 | Energy Audit | Audits | 198 | 345 | 319 | 153 | - | 1,450 | 2,811 | 528 | - | 7,049,351 | 15,455,795 | 2,460,423 | 4,789 | 54,520,066 |
| 15 | Small Commercial Demand Response (switch/pstat)† | Devices | 132 | 294 | 1,211 | 1,604 | 84 | 187 | 773 | 1,023 | 157 | 1,068 | 373 | - | 1,023 | 1,597 |
| 16 | Small Commercial Demand Response (IHD)† | Devices | - | - | 378 | 519 | - | - | - | - | - | - | - | - | - | - |
| 17 | Demand Response 3† | Facilities | 145 | 151 | 175 | 178 | 16,218 | 19,389 | 23,706 | 24,037 | 633,421 | 281,823 | 346,659 | - | 24,037 | 1,261,903 |
| Business Program Total | | | | | | | 64,617 | 98,221 | 107,261 | 79,294 | 198,124,253 | 381,415,230 | 430,423,659 | 293,460,733 | 278,743 | 3,051,984,499 |
| Industrial Program | | | | | | | | | | | | | | | | |
| 18 | Process & System Upgrades | Projects | - | - | 3 | 4 | - | - | 294 | 11,335 | - | - | 2,603,764 | 80,659,778 | 11,629 | 85,867,305 |
| 19 | Monitoring & Targeting | Projects | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | Energy Manager | Projects | - | 42 | 205 | 266 | - | 1,086 | 3,558 | 6,832 | - | 7,372,108 | 21,994,263 | 41,358,497 | 10,026 | 96,247,067 |
| 21 | Retrofit | Projects | 433 | - | - | - | 4,615 | - | - | - | 28,866,840 | - | - | - | 4,613 | 115,462,282 |
| 22 | Demand Response 3† | Facilities | 124 | 185 | 281 | 335 | 52,484 | 74,056 | 162,543 | 177,630 | 3,080,737 | 1,784,712 | 4,309,160 | - | 177,630 | 9,174,609 |
| Industrial Program Total | | | | | | | 57,098 | 75,141 | 166,395 | 195,797 | 31,947,577 | 9,156,820 | 28,907,187 | 122,018,275 | 203,899 | 306,751,263 |
| Home Assistance Program | | | | | | | | | | | | | | | | |
| 23 | Home Assistance Program | Homes | 46 | 5,033 | 26,756 | 10,801 | 2 | 566 | 2,361 | 1,018 | 39,283 | 5,442,232 | 20,987,275 | 8,744,255 | 3,922 | 66,694,168 |
| Home Assistance Program Total | | | | | | | 2 | 566 | 2,361 | 1,018 | 39,283 | 5,442,232 | 20,987,275 | 8,744,255 | 3,922 | 66,694,168 |
| Aboriginal Program | | | | | | | | | | | | | | | | |
| 24 | Aboriginal Program | Homes | - | - | 584 | 591 | - | - | 267 | 220 | - | - | 1,609,393 | 1,685,659 | 487 | 4,904,444 |
| Aboriginal Program Total | | | | | | | - | - | 267 | 220 | - | - | 1,609,393 | 1,685,659 | 487 | 4,904,444 |
| Pre-2011 Programs completed in 2011 | | | | | | | | | | | | | | | | |
| 24 | Electricity Retrofit Incentive Program | Projects | 2,028 | - | - | - | 21,662 | - | - | - | 121,138,219 | - | - | - | 21,662 | 484,552,876 |
| 25 | 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 |
| 26 | Toronto Comprehensive | Projects | 577 | - | - | - | 15,805 | - | - | - | 86,964,886 | - | - | - | 15,805 | 347,859,545 |
| 27 | Multifamily Energy Efficiency Rebates | Projects | 110 | - | - | - | 1,981 | - | - | - | 7,595,683 | - | - | - | 1,981 | 30,382,733 |
| 28 | LDC Custom Programs | Projects | 8 | - | - | - | 399 | - | - | - | 1,367,170 | - | - | - | 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 | | | | | | | | | | | | | | | | |
| 29 | Program Enabled Savings | Projects | 14 | 56 | 13 | - | - | 2,304 | 3,692 | - | - | 1,188,362 | 4,075,382 | - | 5,996 | 11,715,850 |
| 30 | Time-of-Use Savings | Homes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Total | | | | | | | - | 2,304 | 3,692 | - | - | 1,188,362 | 4,075,382 | - | 5,996 | 11,715,850 |
| Adjustment to Previous Year's Verified Results | | | | | | | | | | | | | | | | |
| Energy Efficiency Total | | | | | | | 136,610 | 109,191 | 117,536 | 90,546 | 603,144,419 | 482,474,435 | 554,528,447 | 492,544,498 | 441,736 | 5,413,287,809 |
| Demand Response Total (Scenario 1) | | | | | | | 79,733 | 142,670 | 280,099 | 310,686 | 3,739,185 | 2,427,011 | 5,046,495 | - | 310,686 | 11,212,691 |
| OPA-Contracted LDC Portfolio Total | | | | | | | 216,343 | 253,267 | 404,536 | 401,232 | 606,883,604 | 503,590,526 | 603,259,163 | 492,544,498 | 760,398 | 5,631,652,478 |

*Activity and savings for Demand Response resources for each year and quarter represent the savings from all active facilities or devices contracted since January 1, 2011.

The IHD line item on the 2013 annual report has been left blank pending a results update from evaluations; results will be updated once sufficient information is made available.

*Includes adjustments after Final Reports were issued

Full OEB Target:

1,330,000 6,000,000,000

% of Full OEB Target Achieved to Date (Scenario 1):

57% 94%

Table 4B: Province-Wide Initiative and Program Level Savings by Quarter for Current Reporting Year**

| # | Initiative | Unit | Incremental Activity (new program activity occurring within the specified reporting period) | | | | Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period) | | | | Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period) | | | |
|---|--|------------|--|-----------|---------|---------|---|----------------|----------------|---------|--|--------------------|--------------------|---------|
| | | | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 |
| Consumer Program | | | | | | | | | | | | | | |
| 1 | Appliance Retirement | Appliances | 2,436 | 5,229 | 7,450 | | 161 | 367 | 523 | | 1,024,177 | 2,149,010 | 3,058,243 | |
| 2 | Appliance Exchange | Appliances | - | - | 1,586 | | - | - | 329 | | - | - | 585,932 | |
| 3 | HVAC Incentives | Equipment | 17,865 | 27,005 | 13,616 | | 4,822 | 5,494 | 2,824 | | 8,917,844 | 9,085,700 | 4,709,667 | |
| 4 | Conservation Instant Coupon Booklet | Measures | 85,204 | 175,546 | 130,610 | | 115 | 269 | 203 | | 1,812,974 | 4,076,740 | 3,086,932 | |
| 5 | Bi-Annual Retailer Event | Measures | 3,649 | 1,333,644 | 13,384 | | 5 | 1,744 | 21 | | 78,601 | 26,640,572 | 259,723 | |
| 6 | Retailer Co-op | Items | - | - | - | | - | - | - | | - | - | - | |
| 7 | Residential Demand Response (switch/pstat)† | Devices | 187,444 | 195,696 | 199,532 | | 101,524 | 105,928 | 107,996 | | - | - | - | |
| 8 | Residential Demand Response (IHD)† | Devices | 150,797 | 160,467 | 164,919 | | - | - | - | | - | - | - | |
| 9 | Residential New Construction | Homes | 28 | 823 | 247 | | 3 | 22 | 4 | | 35,350 | 646,271 | 467,843 | |
| Consumer Program Total | | | | | | | 106,630 | 113,824 | 111,899 | | 11,868,946 | 42,598,292 | 12,168,339 | |
| Business Program | | | | | | | | | | | | | | |
| 10 | Retrofit | Projects | 1,808 | 1,906 | 1,264 | | 13,601 | 13,507 | 8,615 | | 97,179,680 | 81,955,290 | 49,282,578 | |
| 11 | Direct Install Lighting | Projects | 5,470 | 6,141 | 5,052 | | 5,960 | 6,420 | 4,974 | | 20,846,139 | 22,526,011 | 17,509,723 | |
| 12 | Building Commissioning | Buildings | - | - | 1 | | - | - | 8 | | - | - | 55,441 | |
| 13 | New Construction | Buildings | 21 | 35 | 3 | | 467 | 130 | 22 | | 1,059,133 | 519,584 | 66,731 | |
| 14 | Energy Audit | Audits | 80 | 48 | 25 | | 276 | 166 | 86 | | 1,286,496 | 771,897 | 402,030 | |
| 15 | Small Commercial Demand Response (switch/pstat)† | Devices | 1,311 | 1,452 | 1,604 | | 837 | 926 | 1,023 | | - | - | - | |
| 16 | Small Commercial Demand Response (IHD)† | Devices | 423 | 465 | 519 | | - | - | - | | - | - | - | |
| 17 | Demand Response 3† | Facilities | 179 | 178 | 178 | | 25,609 | 25,387 | 24,037 | | - | - | - | |
| Business Program Total | | | | | | | 46,750 | 46,535 | 38,766 | | 120,371,447 | 105,772,783 | 67,316,503 | |
| Industrial Program | | | | | | | | | | | | | | |
| 18 | Process & System Upgrades | Projects | 1 | 2 | 1 | | 157 | 3,778 | 7,400 | | 1,370,778 | 31,209,000 | 48,080,000 | |
| 19 | Monitoring & Targeting | Projects | - | - | - | | - | - | - | | - | - | - | |
| 20 | Energy Manager | Projects | 114 | 117 | 35 | | 3,328 | 2,433 | 1,071 | | 22,742,390 | 16,011,355 | 2,604,752 | |
| 21 | Retrofit | Projects | - | - | - | | - | - | - | | - | - | - | |
| 22 | Demand Response 3† | Facilities | 301 | 324 | 335 | | 167,962 | 171,552 | 177,630 | | - | - | - | |
| Industrial Program Total | | | | | | | 171,447 | 177,763 | 186,101 | | 24,113,168 | 47,220,355 | 50,684,752 | |
| Home Assistance Program | | | | | | | | | | | | | | |
| 23 | Home Assistance Program | Homes | 5,317 | 3,659 | 1,825 | | 536 | 387 | 96 | | 4,254,890 | 3,308,733 | 1,180,632 | |
| Home Assistance Program Total | | | | | | | 536 | 387 | 96 | | 4,254,890 | 3,308,733 | 1,180,632 | |
| Aboriginal Program | | | | | | | | | | | | | | |
| 24 | Aboriginal Program | Homes | 50 | 93 | 448 | | 100 | 66 | 54 | | 299,921 | 620,605 | 765,132 | |
| Aboriginal Program Total | | | | | | | 100 | 66 | 54 | | 299,921 | 620,605 | 765,132 | |
| Pre-2011 Programs completed in 2011 | | | | | | | | | | | | | | |
| 24 | Electricity Retrofit Incentive Program | Projects | - | - | - | | - | - | - | | - | - | - | |
| 25 | High Performance New Construction | Projects | - | - | - | | - | - | - | | - | - | - | |
| 26 | Toronto Comprehensive | Projects | - | - | - | | - | - | - | | - | - | - | |
| 27 | Multifamily Energy Efficiency Rebates | Projects | - | - | - | | - | - | - | | - | - | - | |
| 28 | LDC Custom Programs | Projects | - | - | - | | - | - | - | | - | - | - | |
| Pre-2011 Programs completed in 2011 Total | | | | | | | - | - | - | | - | - | - | |
| Other | | | | | | | | | | | | | | |
| 29 | Program Enabled Savings | Projects | - | - | - | | - | - | - | | - | - | - | |
| 30 | Time-of-Use Savings | Homes | - | - | - | | - | - | - | | - | - | - | |
| Other Total | | | | | | | - | - | - | | - | - | - | |
| Adjustment to Previous Year's Verified Results | | | | | | | | | | | | | | |
| Energy Efficiency Total | | | | | | | 29,533 | 34,783 | 26,230 | | 160,908,372 | 199,520,768 | 132,115,358 | |
| Demand Response Total (Scenario 1) | | | | | | | 295,931 | 303,793 | 310,686 | | - | - | - | |
| OPA-Contracted LDC Portfolio Total | | | | | | | 325,463 | 338,576 | 336,916 | | 160,908,372 | 199,520,768 | 132,115,358 | |

*Activity and savings for Demand Response resources for each year and quarter represent the savings from all active facilities or devices contracted since January 1, 2011.

Updates to the previous quarter's participation may occur as a result of additional data received

Table 5: Data Qualifiers for Initiatives Currently In-Market & Likelihood of Additional Data

Data included in the Q3 2014 report includes all program activity completed (as per the savings 'start' date) on or before September 30th, 2014.

| Initiative | Savings 'start' Date | Data Available | Additional Data Likely |
|--|---|--|------------------------|
| Consumer Program | | | |
| Appliance Retirement | Pick-up date | When database is queried. Up to date information is available. | Moderate |
| Appliance Exchange | Exchange event date | Once data is submitted to the OPA by retailers and undergoes QA/QC by OPA staff. Typically 3 - 6 months to receive and process all data. | High |
| HVAC Incentives | Installation date | Rebate Status = Approved, Cheque Issued and Cheque Cashed; Typically 1 - 4 months delay. | High |
| Conservation Instant Coupon Booklet | Coupon redemption year | Once data is submitted to the OPA by retailers and undergoes QA/QC by OPA staff. Typically 3 - 6 months to receive and process all data. | High |
| Bi-Annual Retailer Event | Year and quarter of the event | 6 months to receive and process all data. | High |
| Retailer co-op activities | Will vary by specific project | Will vary by specific project | Low |
| Residential Demand Response | Device installation date | Data uploaded to RDR settlement system as of September 30th, 2014 | High |
| Residential New Construction | Project completion | Preliminary Billing Report submitted to OPA | Low |
| Business (Commercial & Institutional) Program | | | |
| Retrofit | Actual project completion date | In the "Post Project Submission" Stage (excluding "Payment Denied by LDC", "Returned for Edit(s) by Participant" and "Participant Incentive Not Approved by LDC") within iCON CRM as of Sept 30th, 2014 | Low |
| Direct Installed Lighting | Retrofit date | Work-order: invoiced, approved and paid to LDC. Typically 1.5 - 2 months delay. Any projects that are flagged as duplicates will not appear in reports until duplicates have been resolved. | High |
| Building Commissioning | Hand off date | Preliminary Billing Report submitted to OPA and reviewed | Moderate |
| New Construction | Actual project completion date | Preliminary Billing Report submitted to OPA and reviewed | Moderate |
| Energy Audit | Audit completion date | Preliminary Billing Report submitted to OPA and reviewed | Moderate |
| Small Commercial Demand Response | Device installation date | Data uploaded to RDR settlement system as of September 30th, 2014 | Moderate |
| Demand Response 3 | Facility is available under contract | Facility available under contract with aggregator | Low |
| Industrial Program | | | |
| Process & System Upgrades | In-service date | Preliminary Billing Report submitted to OPA and reviewed | Low |
| Monitoring & Targeting | Project completion date | Preliminary Billing Report submitted to OPA and reviewed | Low |
| Energy Manager (EEM or REM) | Project completion date | Completed, non-incented projects submitted quarterly by Energy Manager. | High |
| Retrofit | All Retrofit projects are now reported under the Business Program | | |
| Demand Response 3 | Facility is available under contract | Facility available under contract with aggregator. | Low |
| Home Assistance Program | | | |
| Home Assistance Program | Project completion date | Preliminary Billing Report submitted to OPA and reviewed | High |
| Pre-2011 Projects Completed in 2011 | | | |
| High Performance New Construction | Project completion date | Reviewed and processed from delivery agent, quarterly | Moderate |

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). Annual savings for Demand Response resources represent the savings from all active facilities contracted since January 1, 2011.

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.

Current Reporting Period: the calendar quarter specified on page 1 of this report.

Effective Useful Life: determines the persistence of savings for a given technology or initiative. Factors that may effect the useful life of a technology are typical use and operating hours, upcoming code changes, etc. Demand response resources are assumed to have a persistence of 1 year.

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). All savings presented in this report are at the end-user level.

Final or Verified Savings: savings achieved that have undergone annual Evaluation, Measurement & Verification (EM&V) and thus have had activity audited and savings assumptions measured and verified.

Implementation Period: the particular calendar quarter or calendar year that conservation activity is achieved based on when the savings are considered to 'start' (please see table 5).

Incremental: the new resource savings attributable to activity procured in a particular reporting period based on when the savings are considered to 'start' (please see table 5). Incremental savings for Demand Response resources represent the savings from all active facilities contracted since January 1, 2011 (i.e. Incremental = Annual for demand response only).

Initiative: a Conservation & Demand Management offering focusing on a particular opportunity or customer end-use (i.e. Retrofit, Fridge & Freezer Pickup).

Net Energy Savings (MWh): energy savings attributable to conservation and demand management activities net of free-riders, etc. Please refer to the webinars in the "Reporting Methodology" section for more information.

Net Peak Demand Savings (MW): peak demand savings attributable to conservation and demand management activities net of free-riders, etc. Please refer to the webinars in the "Reporting Methodology" section for more information.

Program-to-Date: the reporting period from January 1, 2011 until the end of the Current Reporting Period.

Program: a group of initiatives that target a particular market sector (i.e. Consumer, Industrial).

Reported or Unverified Savings: savings achieved that are based on reported activity and forecasted or best available savings assumptions. These savings are not verified, i.e. have not undergone the Evaluation, Measurement & Verification processes.

Unit: for a specific initiative, the relevant type of activity acquired in the market place (i.e. appliances picked up, projects completed, coupons redeemed).

Reporting Methodology (Quarterly, Unverified results):

There are several resources on reporting that are available to LDCs:

- Reporting Policy & FAQ Document found on the iCON Portal in the "Other Program Materials" under "Reporting Tools"
- LDC Consumer Program Tracking Tool found on the iCON Portal in "Other Program Materials" under "Reporting Tools"
- Webinars (available at the following link: http://www.snwebcastcenter.com/custom_events/opa-20111781/site/index.php)