

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	7
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.....	12
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	43
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.....	56

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	61
10	Ex.4/Tab 6/Sch.1 - Overview of CDM	
11	Ex.4/Tab 6/Sch.2 - LRAM	

Overview of Cost Trends

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

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

As shown in Table 4.0 below, Hearst Power’s increase in OM&A spending from its 2010 Cost of Service to the 2015 Test Year amounts to \$163,610 or 17.7% over the last 5 years.

The majority of the increase can be attributed to the operating (approx. \$49K) and maintenance (approx. \$124K) of the distribution system. Operation and Maintenance costs, which include activities such as repairs, inspection, testing, cleaning, and verification activities, are for the most part aimed at an increase in maintenance on overhead and underground assets. Billing in Collecting shows an increase of \$49K and Administrative costs show a reduction of \$61K. The major contributor to the increase in Billing and Collecting costs is the hiring of a new billing clerk. Details of this new position are presented at Ex.4/Tab 3/Sch.3. The reduction in administrative cost is due to the redistribution of employee pension and benefits account to its related labor accounts as per actual labor cost distribution at year end. The Regulatory Costs have also decreased since the last cost of service. Regulatory Costs are discussed at Ex.4/Tab 3/Sch.8

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

Table 4.0 – 2015 vs. 2010 Board Approved

	2010 Board Approved	2015	Variance from Board Approved
Operations	\$95,218	\$143,864	\$48,646
Maintenance	\$284,565	\$408,504	\$123,939
Billing and Collecting	\$230,079	\$279,492	\$49,413
Community Relations	\$5,000	\$8,000	\$3,000
Administrative and General	\$308,815	\$247,428	-\$61,387
Total OM&A Expenses	\$923,677	\$1,087,287	\$163,610
Percent change (year over year)			17.71%

- 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**

Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	NEWGAAP	NEWGAAP	NEWGAAP
	Board Approved	2010	2011	2012	2013	2014	2015
Operations	\$95,218	\$91,992	\$109,685	\$123,187	\$125,808	\$133,456	\$143,864
Maintenance	\$284,565	\$292,585	\$308,339	\$356,254	\$347,220	\$382,010	\$408,504
SubTotal	\$379,783	\$384,577	\$418,025	\$479,441	\$473,027	\$515,466	\$552,368
%Change (year over year)		1.3%	8.7%	14.7%	-1.3%	9.0%	7.2%
%Change (Test Year vs Last Rebasing Year - Actual)							45.4%
Billing and Collecting	\$230,079	\$181,256	\$192,856	\$179,762	\$202,970	\$235,636	\$279,492
Community Relations	\$5,000	\$3,479	\$6,070	\$673	\$505	\$4,500	\$8,000
Administrative and General+LEAP	\$308,815	\$250,244	\$247,846	\$159,178	\$177,637	\$239,292	\$247,428
SubTotal	\$543,894	\$439,979	\$446,773	\$339,614	\$381,112	\$479,428	\$534,919
%Change (year over year)		-20.0%	-7.7%	-24.0%	12.2%	25.8%	11.6%
%Change (Test Year vs Last Rebasing Year - Actual)							-1.7%
Total	\$923,677	\$819,556	\$864,798	\$819,055	\$854,139	\$994,894	\$1,087,287
%Change (year over year)		-11.3%	-0.4%	-5.3%	4.3%	16.5%	9.3%
%Change (Test Year vs Last Rebasing Year - Actual)							17.7%

	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%

	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	\$247,846	-\$2,398
Total OM&A Expenses	\$819,556	\$864,798	\$47,242
Percent change (year over year)			5.76%

	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	\$247,846	\$159,178	-\$88,668
Total OM&A Expenses	\$864,798	\$819,055	-\$45,743
Percent change (year over year)			-5.29%

	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	\$159,178	\$177,637	\$18,459

Total OM&A Expenses	\$819,055	\$854,139	\$35,084
Percent change (year over year)			4.28%

	2013	2014	Variance
Operations	\$125,808	\$133,456	\$7,648
Maintenance	\$347,220	\$382,010	\$34,790
Billing and Collecting	\$202,970	\$235,636	\$32,666
Community Relations	\$505	\$4,500	\$3,995
Administrative and General	\$177,637	\$239,292	\$61,655
Total OM&A Expenses	\$854,139	\$994,894	\$140,755
Percent change (year over year)			16.48%

	2014	2015	Variance
Operations	\$133,456	\$143,864	\$10,408
Maintenance	\$382,010	\$408,504	\$26,494
Billing and Collecting	\$235,636	\$279,492	\$43,856
Community Relations	\$4,500	\$8,000	\$3,500
Administrative and General	\$239,292	\$247,428	\$8,136
Total OM&A Expenses	\$994,894	\$1,087,287	\$92,393
Percent change (year over year)			9.29%

Summary and Cost Driver Tables

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

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

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

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

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

1

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

OM&A	2010	2011	2012	2013	2014	2015
Reporting Basis						
Opening Balance	\$923,667.00	\$819,546.35	\$864,787.88	\$819,044.63	\$854,128.96	\$994,883.82
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			
5125-Maintenance of Overhead Conductors and Devices	\$18,228.49		\$36,527.62	-\$25,449.60	\$21,915.61	\$11,684.00
5155-Maintenance of Underground Services	\$10,148.31					
5160-Maintenance of Line Transformers	-\$10,554.18				\$10,507.43	
5310-Meter Reading Expense	-\$52,316.82					
5315-Customer Billing		\$11,059.01	\$14,721.33		\$34,279.29	\$41,195.00
5335-Bad Debt Expense			-\$14,551.67	\$22,697.41		
5615-General Administrative Salaries and Expenses		\$29,890.43	-\$29,741.70		\$21,054.93	
5630-Outside Services Employed	-\$49,305.52	-\$10,534.93				
5645-Employee Pensions and Benefits	-\$90,500.00					
5655-Regulatory Expenses	\$70,261.85	-\$34,109.34	-\$29,933.61		\$28,682.87	
5665-Miscellaneous General Expenses	\$14,048.69		-\$14,235.46			
5681-Special Purpose Charge Expense	\$15,738.87		-\$23,465.13			
Combined Expenses less than 10K	-\$34,641.01	\$48,936.36	-\$12,028.83	\$37,836.52	\$24,314.73	\$39,524.49
Year over year variance	\$104,121	\$45,242	\$45,743	\$35,084	\$140,755	\$92,393
Closing Balance	\$819,546.35	\$864,787.88	\$819,044.63	\$854,128.96	\$994,883.82	\$1,087,287.31

2

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

2 Table 4.1 below shows the year over year variances of OM&A expenses for 2010 Board
3 Approved to 2015. A variance analysis of expenses exceeding the materiality threshold follows
4 the table.

5 **Table 4.1 - Summary of Recoverable OM&A Expenses**

Reporting Basis			CGAAP		CGAAP		CGAAP		CGAAP		MIFRS		MIFRS	
		Board Approved	2010	BA Versus Actual	2011	2011 Versus 2010	2012	2012 Versus 2011	2013	2013 Versus 2012	2014	2014 Versus 2013	2015	2015 Versus 2014
				Var (\$)		Var (\$)		Var (\$)		Var (\$)		Var (\$)		Var (\$)
Operations														
	5012-Station Buildings and Fixtures Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$574	\$574	\$0	-\$574	\$0	\$0
	5020-Overhead Distribution Lines and Feeders - Operation Labour	\$5,000	\$3,172	-\$1,828	\$1,988	-\$1,184	\$5,296	\$3,308	\$3,084	-\$2,211	\$3,897	\$813	\$4,209	\$312
	5025-Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	\$48,480	\$60,980	\$12,500	\$68,346	\$7,366	\$85,199	\$16,853	\$88,781	\$3,582	\$91,113	\$2,332	\$98,419	\$7,306
	5035-Overhead Distribution Transformers- Operation	\$210	\$0	-\$210	\$0	\$0	\$98	\$98	\$0	-\$98	\$0	\$0	\$0	\$0
	5040-Underground Distribution Lines and Feeders - Operation Labour	\$200	\$0	-\$200	\$0	\$0	\$98	\$98	\$0	-\$98	\$0	\$0	\$0	\$0
	5045-Underground Distribution Lines and Feeders - Operation Supplies and Expenses	\$1,000	\$1,316	\$316	\$336	-\$980	\$512	\$176	\$373	-\$139	\$504	\$131	\$544	\$40
	5055-Underground Distribution Transformers - Operation	\$100	\$75	-\$25	\$43	-\$32	\$0	-\$43	\$0	\$0	\$0	\$0	\$0	\$0
	5065-Meter Expense	\$5,000	\$146	-\$4,854	\$5,894	\$5,748	\$3,354	-\$2,540	\$2,351	-\$1,003	\$4,398	\$2,047	\$4,748	\$350
	5085-Miscellaneous Distribution Expense	\$24,478	\$17,786	-\$6,692	\$26,015	\$8,229	\$24,375	-\$1,641	\$26,246	\$1,872	\$29,058	\$2,812	\$31,368	\$2,310
	5095-Overhead Distribution Lines and Feeders - Rental Paid	\$0	\$5,368	\$5,368	\$4,113	-\$1,255	\$1,305	-\$2,808	\$1,448	\$143	\$1,477	\$29	\$1,507	\$30
	5096-Other Rent	\$10,750	\$3,150	-\$7,600	\$2,950	-\$200	\$2,950	\$0	\$2,950	\$0	\$3,009	\$59	\$3,069	\$60
Total - Operations		\$95,218	\$91,992	-\$3,226	\$109,685	\$17,693	\$123,187	\$13,501	\$125,808	\$2,621	\$133,456	\$7,648	\$143,864	\$10,408

Reporting Basis			CGAAP		CGAAP		CGAAP		CGAAP		MIFRS		MIFRS	
		Board Approved	2010	BA Versus Actual	2011	2011 Versus 2010	2012	2012 Versus 2011	2013	2013 Versus 2012	2014	2014 Versus 2013	2015	2015 Versus 2014
				Var (\$)		Var (\$)		Var (\$)		Var (\$)		Var (\$)		Var (\$)
Account Description														
Maintenance														
	5105-Maintenance Supervision and Engineering	\$30,000	\$6,135	-\$23,865	\$6,469	\$334	\$6,352	-\$117	\$6,206	-\$147	\$7,215	\$1,009	\$7,788	\$573
	5120-Maintenance of Poles, Towers and Fixtures	\$60,190	\$76,326	\$16,136	\$83,714	\$7,388	\$93,826	\$10,111	\$102,724	\$8,899	\$105,801	\$3,077	\$110,248	\$4,447
	5125-Maintenance of Overhead Conductors and Devices	\$89,475	\$107,703	\$18,228	\$113,362	\$5,659	\$149,890	\$36,528	\$124,440	-\$25,450	\$146,356	\$21,916	\$158,040	\$11,684
	5130-Maintenance of Overhead Services	\$6,100	\$10,312	\$4,212	\$15,836	\$5,524	\$22,263	\$6,427	\$24,425	\$2,163	\$23,603	-\$822	\$25,487	\$1,884
	5135-Overhead Distribution Lines and Feeders - Right of Way	\$50	\$0	-\$50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	5145-Maintenance of Underground Conduit	\$2,000	\$2,019	\$19	\$419	-\$1,600	\$304	-\$115	\$651	\$348	\$521	-\$130	\$562	\$41
	5150-Maintenance of Underground Conductors and Devices	\$2,000	\$5,061	\$3,061	\$1,122	-\$3,940	\$2,079	\$958	\$3,477	\$1,398	\$2,532	-\$945	\$2,733	\$201
	5155-Maintenance of Underground Services	\$11,000	\$21,148	\$10,148	\$20,129	-\$1,019	\$16,657	-\$3,472	\$23,817	\$7,161	\$22,878	-\$939	\$24,705	\$1,827
	5160-Maintenance of Line Transformers	\$68,750	\$58,196	-\$10,554	\$56,009	-\$2,187	\$60,012	\$4,003	\$53,480	-\$6,532	\$63,987	\$10,507	\$69,096	\$5,109
	5175-Maintenance of Meters	\$15,000	\$5,684	-\$9,316	\$11,279	\$5,596	\$4,872	-\$6,407	\$7,999	\$3,127	\$9,117	\$1,118	\$9,845	\$728
Total - Maintenance		\$284,565	\$292,585	\$8,020	\$308,339	\$15,755	\$356,254	\$47,915	\$347,220	-\$9,035	\$382,010	\$34,790	\$408,504	\$26,494

		Board Approved	2010	BA Versus Actual	2011	2011 Versus 2010	2012	2012 Versus 2011	2013	2013 Versus 2012	2014	2014 Versus 2013	2015	2015 Versus 2014
				Var (\$)		Var (\$)		Var (\$)		Var (\$)		Var (\$)		
Account Description														
Billing and Collecting														
5310-Meter Reading Expense	\$85,079	\$32,762	-\$52,317	\$25,381	-\$7,381	\$16,169	-\$9,212	\$13,896	-\$2,274	\$20,931	\$7,035	\$22,602	\$1,671	
5315-Customer Billing	\$95,000	\$101,834	\$6,834	\$112,893	\$11,059	\$127,614	\$14,721	\$130,947	\$3,332	\$165,226	\$34,279	\$206,421	\$41,195	
5320-Collecting	\$20,000	\$21,031	\$1,031	\$24,085	\$3,054	\$21,527	-\$2,558	\$20,348	-\$1,179	\$20,755	\$407	\$21,170	\$415	
5330-Collection Charges	\$5,000	\$3,277	-\$1,723	\$1,846	-\$1,431	\$109	-\$1,737	\$593	\$484	\$605	\$12	\$617	\$12	
5335-Bad Debt Expense	\$15,000	\$11,336	-\$3,664	\$18,515	\$7,179	\$3,963	-\$14,552	\$26,661	\$22,697	\$17,383	-\$9,278	\$17,731	\$348	
5340-Miscellaneous Customer Accounts Expenses	\$10,000	\$11,016	\$1,016	\$10,137	-\$879	\$10,379	\$242	\$10,526	\$147	\$10,736	\$211	\$10,951	\$215	
Total - Billing and Collecting	\$230,079	\$181,256	-\$48,823	\$192,856	\$11,601	\$179,762	-\$13,094	\$202,970	\$23,208	\$235,636	\$32,666	\$279,492	\$43,856	

Reporting Basis			CGAAP		CGAAP		CGAAP		CGAAP		MIFRS		MIFRS	
		Board Approved	2010	BA Versus Actual	2011	2011 Versus 2010	2012	2012 Versus 2011	2013	2013 Versus 2012	2014	2014 Versus 2013	2015	2015 Versus 2014
				Var (\$)		Var (\$)		Var (\$)		Var (\$)		Var (\$)		Var (\$)
Account Description														
Community Relations														
5415-Energy Conservation		\$0	\$25	\$25	\$193	\$167	\$0	-\$193	\$0	\$0	\$0	\$0	\$0	\$0
5515-Advertising Expense		\$5,000	\$3,454	-\$1,546	\$5,878	\$2,424	\$673	-\$5,205	\$505	-\$168	\$4,500	\$3,995	\$8,000	\$3,500
Total - Community Relations		\$5,000	\$3,479	-\$1,521	\$6,070	\$2,591	\$673	-\$5,397	\$505	-\$168	\$4,500	\$3,995	\$8,000	\$3,500

Hearst Power Distribution Company Ltd.
EB-2014-0080
Exhibit 4 – Operating Expenses
Filed: March 5, 2015

Reporting Basis			CGAAP		CGAAP		CGAAP		CGAAP		MIFRS		MIFRS	
	Board Approved	2010	BA Versus Actual	2011	2011 Versus 2010	2012	2012 Versus 2011	2013	2013 Versus 2012	2014	2014 Versus 2013	2015	2015 Versus 2014	
			Var (\$)		Var (\$)		Var (\$)		Var (\$)		Var (\$)		Var (\$)	
Account Description														
Administrative and General Expenses														
5605-Executive Salaries and Expenses	\$12,000	\$8,314	-\$3,686	\$8,078	-\$237	\$8,517	\$439	\$11,454	\$2,937	\$12,000	\$546	\$12,500	\$500	
5610-Management Salaries and Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
5615-General Administrative Salaries and Expenses	\$78,000	\$70,103	-\$7,897	\$99,994	\$29,890	\$70,252	-\$29,742	\$78,945	\$8,693	\$100,000	\$21,055	\$101,250	\$1,251	
5620-Office Supplies and Expenses	\$2,500	\$1,758	-\$742	\$3,173	\$1,415	\$768	-\$2,405	\$5,535	\$4,767	\$5,000	-\$535	\$6,500	\$1,500	
5625-Administrative Expense Transferred/Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
5630-Outside Services Employed	\$76,516	\$27,210	-\$49,306	\$16,676	-\$10,535	\$24,812	\$8,137	\$23,252	-\$1,561	\$26,000	\$2,748	\$22,000	-\$4,000	
5635-Property Insurance	\$566	\$537	-\$29	\$596	\$58	\$758	\$162	\$6,868	\$6,110	\$7,142	\$275	\$7,428	\$286	
5640-Injuries and Damages	\$9,000	\$2,281	-\$6,719	\$4,710	\$2,429	\$3,572	-\$1,138	\$0	-\$3,572	\$0	\$0	\$0	\$0	
5645-Employee Pensions and Benefits	\$90,500	\$0	-\$90,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
5655-Regulatory Expenses	\$7,095	\$77,357	\$70,262	\$43,248	-\$34,109	\$13,314	-\$29,934	\$18,617	\$5,303	\$47,300	\$28,683	\$51,300	\$4,000	
5660-General Advertising Expenses	\$0	\$0	\$0	\$4,399	\$4,399	\$1,940	-\$2,459	\$275	-\$1,665	\$0	-\$275	\$0	\$0	
5665-Miscellaneous General Expenses	\$22,000	\$36,049	\$14,049	\$32,605	-\$3,444	\$18,369	-\$14,235	\$21,099	\$2,730	\$28,000	\$6,901	\$29,000	\$1,000	
5670-Rent	\$8,838	\$8,917	\$79	\$9,139	\$223	\$14,298	\$5,158	\$9,397	-\$4,901	\$10,000	\$603	\$13,600	\$3,600	
5675-Maintenance of General Plant	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
5680-Electrical Safety Authority Fees	\$1,800	\$1,979	\$179	\$1,765	-\$215	\$2,579	\$814	\$2,196	-\$383	\$2,500	\$304	\$2,500	\$0	
5681-Special Purpose Charge Expense	\$0	\$15,739	\$15,739	\$23,465	\$7,726	\$0	-\$23,465	\$0	\$0	\$0	\$0	\$0	\$0	
6205-Sub-account LEAP Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,350	\$1,350	\$1,350	\$0	
Total - Administrative and General Expenses	\$308,815	\$250,244	-\$58,571	\$247,846	-\$2,398	\$159,178	-\$88,668	\$177,637	\$18,459	\$239,292	\$61,655	\$247,428	\$8,136	
Total OM&A	\$923,677	\$819,556	-\$104,121	\$864,798	\$45,242	\$819,055	-\$45,743	\$854,139	\$35,084	\$994,894	\$140,755	\$1,087,287	\$92,393	

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

3 There were no variances in excess of the materiality threshold between the years of 2010 to
4 2015.

5 **2010-2010BA Variances, Increases above the materiality threshold**

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

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

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

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

	Last Rebasing	2010	2011	2012	2013	2014	2015
Reporting Basis							
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	864,798	819,055	854,139	999,894	1,092,287
OM&A cost per customer	335	296	314	295	307	360	393
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	144,133	136,509	142,356	142,842	156,041

As shown in the Table above, the OM&A costs per customer in the Test Year has marginally increased since 2010 Board Approved costs. The problem which the utility is faced with is that despite that fact that the number of customers in Hearst not growing, investments in its customer service and investments in its infrastructure (repairs and maintenance) are still required.

On the up side, according to the OEB's published "total cost per customer", HPDC at \$414 in 2013 was still well below the provincial average of \$614 per customer.

Program Delivery Costs with Variance Analysis

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

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

Customer Focus

360° Communication

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

Customer Service, Mailing Costs, Billing and Collections

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

Locates

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

Operational Effectiveness

Meters

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

Overhead and Underground Lines

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

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

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

Poles Towers & Fixtures

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

Warehouse and Garage Building costs

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

Legal, Accounting and Professional Services

The program includes costs such as legal and administrative costs incurred annually as part of the utility's business operations. These costs also include general accounting and audit costs. This program covers preparation of statutory, management and financial reporting; accounts payable and general accounting; treasury functions, including borrowing and cash management; financial risk management; accounting systems and internal control processes; preparation of consolidated budgets and forecasts; and tax 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 • Identifying, reacting to, and mitigating risk in the workplace
- 9 • Acting within compliance and safety work practice codes
- 10 • Developing preventable measures and objectives tied to performance
- 11 • 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.

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

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

Appendix 2-JC – OM&A Programs Table

	Last Rebasin g	2010	2011	2012	2013	2014	2015	Variance (Test Year vs. 2013 Actuals)	Variance (Test Year vs. Last Rebasin g Year (2010 Board- Approve d)
Programs									
Reporting Basis									
Customer Focus									
360 Communication	5,000	3,479	10,470	2,614	780	4,500	8,000	7,220	3,000
Customer Service, Mailing Costs, Billing and Collections ²	217,579	171,677	177,514	176,567	181,844	223,253	268,261	86,416	50,682
Bad Debts	15,000	11,336	18,515	3,963	26,661	17,383	17,731	-8,930	2,731
Locates	11,000	21,148	20,129	16,657	23,817	22,878	24,705	888	13,705
Sub-Total	248,579	207,641	226,628	199,800	233,102	268,014	318,697	85,594	70,118
Operational Effectiveness									
Meters	25,430	5,829	17,173	8,226	10,350	13,515	14,593	4,243	-10,837
Overhead lines	201,695	190,685	206,595	267,001	245,130	269,455	290,731	45,601	89,036
Underground Lines	7,110	8,471	1,919	2,993	4,501	3,557	3,839	-662	-3,271
Operations & engineering , Inspection drafting & design construction services	38,145	6,135	6,469	6,352	6,206	7,215	7,788	1,582	-30,357
Distribution Transformers	86,850	58,196	56,009	60,012	53,480	63,987	69,096	15,616	-17,754
Poles Towers & Fixtures	75,575	76,326	83,714	93,826	102,724	105,801	114,248	11,524	38,673
Warehouse and garage building costs	33,316	26,703	35,155	38,672	36,217	39,058	44,968	8,751	11,652
Legal, Professional and Insurance Services ¹	101,366	110,426	131,818	110,489	122,713	147,642	145,678	22,964	44,312
Misc Gen Expenses									
- Health & Safety and training costs	0	17,985	0	0	0	10,000	10,000	10,000	10,000
- Late payment class action settlement			14,889						
- Other (Misc. Gen. Expenses)	22,000	18,064	17,715	18,369	21,099	18,000	19,000	-2,099	-3,000
Sub-Total	591,487	518,820	571,457	605,941	602,419	678,230	719,941	117,521	128,454
Public & Regulatory Responsiveness									
Regulatory & Compliance ¹	83,611	77,357	43,248	13,314	18,617	47,300	47,300	28,683	-36,311
Sub-Total	83,611	77,357	43,248	13,314	18,617	47,300	47,300	28,683	-36,311
Miscellaneous									
Special Purpose Charge as per OEB	0	15,739	23,465	0	0	0	0	0	0
Donations - LEAP Funding	0	0	0	0	0	1,350	1,350	1,350	1,350
Sub-Total	0	15,739	23,465	0	0	1,350	1,350	1,350	1,350
Total	923,677	819,556	864,798	819,055	854,139	994,894	1,087,287	233,148	163,610

1

Table 4.2 - OM&A Programs Variances

Programs	Last Rebasings	2010 vs 2010 BA	2011 vs 2010	2012 vs 2011	2013 vs 2012	2014 vs 2013	2015 vs 2014
Reporting Basis							
Customer Focus							
360 Communication		-1,521	6,990	-7,856	-1,834	3,720	3,500
Customer Service, Mailing Costs, Billing and Collections ²		-45,902	5,837	-947	5,278	41,408	45,008
Bad Debts		-3,664	7,179	-14,552	22,697	-9,278	348
Locates		10,148	-1,019	-3,472	7,161	-939	1,827
Sub-Total		-40,938	18,987	-26,828	33,302	34,911	50,683
Operational Effectiveness		0	0	0	0	0	0
Meters		-19,601	11,344	-8,948	2,124	3,165	1,078
Overhead lines		-11,010	15,910	60,406	-21,871	24,326	21,276
Underground Lines		1,361	-6,552	1,074	1,508	-944	282
Operations & engineering, inspection drafting & design construction services		-32,010	334	-117	-147	1,009	573
Distribution Transformers		-28,654	-2,187	4,003	-6,532	10,507	5,109
Poles Towers & Fixtures		751	7,388	10,111	8,899	3,077	8,447
Warehouse and garage building costs		-6,613	8,452	3,518	-2,455	2,841	5,910
Legal, Professional and Insurance Services ¹		9,060	21,392	-21,328	12,224	24,928	-1,964
Misc Gen Expenses		0	0	0	0	0	0
- Health & Safety and training costs		17,985	-17,985	0	0	10,000	0
- Late payment class action settlement		0	14,889	-14,889	0	0	0
- Other (Misc. Gen. Expenses)		-3,936	-349	654	2,730	-3,099	1,000
Sub-Total		-72,667	52,638	34,483	-3,521	75,811	41,711
Public & Regulatory Responsiveness		0	0	0	0	0	0
Regulatory & Compliance ¹		-6,254	-34,109	-29,934	5,303	28,683	0
Sub-Total		-6,254	-34,109	-29,934	5,303	28,683	0
Miscellaneous		0	0	0	0	0	0
Special Purpose Charge as per OEB		15,739	7,726	-23,465	0	0	0
Donations - LEAP Funding		0	0	0	0	1,350	0
Sub-Total		15,739	7,726	-23,465	0	1,350	0
Total		819,556	864,798	819,055	854,139	994,894	1,087,287

2

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

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

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

8

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

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

Compensation - Union

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

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

Table 4.3 - Cost for Charge-out Rates Calculations

Costs Description	Max. Costs (2014)	%	Empl1	Empl2	Empl3	Empl4
Yearly Salary						
Hourly Salary			\$37.15	\$34.50	\$34.50	\$30.35
C.P.P. employer	\$2,425.50	4.95%	\$1.17	\$1.17	\$1.17	\$1.17
E.I. employer (rate x 1.4)	\$1,279.15	1.92%	\$0.61	\$0.61	\$0.61	\$0.61
OMERS at 9% (> 52,500\$)		9.00%	\$2.27	\$2.27	\$2.27	\$2.27
OMERS at 14.6% (< 52,500\$)		14.60%	\$1.74	\$1.35	\$1.35	\$0.75
WSIB		1.02%	\$0.38	\$0.35	\$0.35	\$0.31
Clothing allocation	\$475.00		\$0.23	\$0.23	\$0.23	\$0.23
Safety footwear allocation	\$200.00		\$0.10	\$0.10	\$0.10	\$0.10
Vacation pay at		12.00%	\$4.46	\$4.14		
Vacation pay at		10.00%			\$3.45	
Vacation pay at		8.00%				
Vacation pay at		6.00%				
Vacation pay at		4.00%				\$1.21
Statutory Holidays (13 days) = rate x 13 days x 8 hrs / 2080 hrs			\$1.86	\$1.73	\$1.73	\$1.52
Union (CUPE)		1.25%	\$0.46	\$0.43	\$0.43	\$0.38
Benefits & Life insurance	409.13\$ single or 637.45\$ family per mth		\$2.36	\$3.68	\$3.68	\$3.68
Employer Health Tax		1.95%	\$0.72	\$0.67	\$0.67	\$0.59
On-Call costs	one 285\$ paid per week		\$2.38	\$2.38	\$2.38	
	Cost / hr		\$55.88	\$53.60	\$52.91	\$43.16
	Overhead rate		50.43%	55.37%	53.37%	42.22%
<i>Based on 260 work days per year, 2,080 hrs worked</i>						

Compensation – Non-Union

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

Pension:

The employees of all LDCs are required to participate in the OMERS retirement plan. Therefore, the pension benefits provided to the employees of HPDC are consistent with the pension benefits provided to employees of other LDCs.

Benefit:

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

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

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

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

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

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

2010-2015 Variances, Increases above the materiality threshold

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

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 - Jocelyne Bolduc	12	12	12	12	12	12	12
Billing Clerk - Annie Lemieux						2	12
Field superintendent - Veikko Koivisto	12	12	12	12	12	12	9
Powerline Tech #1 - Denis Samson	12	12	12	12	12	12	12
Powerline Tech #2 - Marc Vaillencourt	12	12	12	12	12	12	12
Powerline Tech #3 - Dany Fillion (02/03/2009 to 30/06/2013)	12	10	12	12	6		
Powerline Tech #4 - Stephane Neron						7	12
Total Headcount	6	6	6	6	6	7	7

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

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

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

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

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

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

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

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

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

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

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%	\$75,000

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)	\$19,222	\$19,222
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)	\$12,835	\$12,835
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)	\$18,656	\$18,656
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	\$5,500	\$5,500
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%	\$70,446

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%	\$64,552

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%	\$66,611

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%	\$51,574

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)	\$16,200	\$16,200
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)	\$9,501	\$9,501
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	\$6,391	\$6,391
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%	\$47,504

2

3

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.

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

Table 4.5 - Summary of Recoverable OM&A Expenses

			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			
Hearst Power Distribution Co. Ltd. (HPDC)	PUC Water (Town of Hearst)	Water meter maintenance - reading	\$22,450	\$6,000	-\$16,450	-73.27%
Hearst Power Distribution Co. Ltd. (HPDC)	PUC Water (Town of Hearst)	Billing Supplies and expenses	\$0	\$75,000	\$75,000	

The reason for the significant variance between 2010 Board Approved and the 2015 Test Year is because under the previous manager, revenues related to water billing were netted against the costs of providing the service. The actual costs should have been shown in this table back in 2010.

1

Table 4.6 - Summary of Recoverable OM&A Expenses

			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	\$19,222	\$5,000	-\$14,222	-73.99%
Hearst Power Distribution Co. Ltd. (HPDC)	PUC Water (Town of Hearst)	Billing Clerk - Water billing clerk charge	\$12,835	\$15,000	\$2,165	16.86%
Hearst Power Distribution Co. Ltd. (HPDC)	PUC Water (Town of Hearst)	Salaries - Town Receptionist /Cashier & summer student	\$18,656	\$10,000	-\$8,656	-46.40%
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				
Hearst Power Distribution Co. Ltd. (HPDC)	PUC Water (Town of Hearst)	Water meter maintenance - reading	\$5,500	\$6,000	\$500	9.09%
Hearst Power Distribution Co. Ltd. (HPDC)	PUC Water (Town of Hearst)	Billing Supplies and expenses	\$70,446	\$75,000	\$4,554	6.46%

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

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

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

HPDC methods of procurement policy reads as follows:

Procurement of Goods and/or Services

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

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

a) \$0 to \$99

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

b) \$100 to \$1,999

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

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

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

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

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

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

e) \$50,000 and over

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

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

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

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

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

The only costs in excess of the materiality threshold is for Burman Energy Consultant Group – a cost which is covered by IESO/OPA funding.

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

<u>Name</u>	<u>Purchases 2014 YTD</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	14,185.23
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

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

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

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

Table 4.7 below shows HPDC's regulatory costs for the 3 historical years, bridge and test year. Note that the historical costs for regulatory matters shown at line 6 of the table reflect actual costs as opposed to the 2010 approved regulatory costs of \$306,064 (amortized over 4 years) in regulatory costs. In other words, the regulatory costs were booked in the year they were incurred.

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

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

The Applicant has reduced its overall regulatory cost by entering into a fixed yearly contract agreement with Tandem Energy Services Inc. ("TESI") to assist the utility with its regulatory needs. The fixed fee include regulatory services such as; Preparing various documentation and submissions required to meet the regulatory requirements of the utility; Provide advice so that the utility operates in continuous compliance with OEB regulations; Preparation and defense of rate applications; Assist in creating a work environment that facilitates the utility's understanding the regulatory requirements. In its 2010 Cost of Service, the OEB approved \$306,064 / 4 or \$76,516 per year. Regulatory Costs for 2015 are estimated at 52,300/year for the next 5 years. This amounts to a reduction of \$120k over the next 5 years. The regulatory costs include OEB assessment, OEB Section 30 Costs, yearly fees to TESI, costs association with the DSP and intervenor costs. HPDC notes that the costs of the DSP (\$35,000) were also amortized over 5 years.

HPDC notes that it did not include any costs related to Settlement Conference and/or Oral Hearing. As an effort to keep OM&A costs to a minimum, and as noted at Exhibit 1, the utility 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 Bridge Year	Annual % Change	2014 Test Year	Annual % Change
(A)		(B)	(C)	(D)	(E)	(F)	(G)	(H) = [(G)-(F)]/(F)	(I)	(J) = [(I)-(G)]/(G)
1	OEB Annual Assessment	\$6,118.00		On-Going	\$7,095.00	\$5,522.00	\$6,118.00	11%	\$7,000.00	14%
2	OEB Section 30 Costs (Applicant-originated)								\$0.00	
3	OEB Section 30 Costs (OEB-initiated)	\$495.29		On-Going		\$839.38	\$495.29	-41%	\$800.00	62%
4	Expert Witness costs for regulatory matters									
5	Legal costs for regulatory matters									
6	Consultants' costs for regulatory matters	\$12,681.00		On-Going	\$76,516.00	\$0.00	\$12,681.00		\$37,000.00	192%
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	\$2,196.00		On-Going	\$1,800.00	\$1,765.00	\$2,196.00	24%	\$2,500.00	14%
10	Any other costs for regulatory matters (please define)	\$800.00		On-Going		\$800.00	\$800.00	0%	\$800.00	0%
11	Intervenor costs								\$5,000.00	
12	Sub-total - Ongoing Costs ³		\$0.00		\$0.00	\$0.00	\$0.00		\$0.00	
13	Sub-total - One-time Costs ⁴		\$0.00		\$85,411.00	\$8,087.00	\$21,795.00		\$52,300.00	140%
14	Total		\$0.00		\$85,411.00	\$8,087.00	\$21,795.00	170%	\$52,300.00	140%

2

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

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

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

In compliance with OEB policy, HPDC:

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

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

HPDC attests that the test year revenue requirement does not includes legacy low income 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.

Depreciation, Amortization & Depletion

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

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

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

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

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

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

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)	(i)	(m) = (h) - (i)
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	Additions	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							
		(a)	(b)	(c)	(d)	(e) = (c) + ½ 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	\$ 176,808.00	\$ 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) + ½ 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						
		(a)	(b)	(c)	(d)	(e) = (c) + ½ x (d) ¹	(f)	(g) = 1 / (f)	(h) = (e) / (f)		(m) = (h) - (l)
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			\$ -		\$ -	25.00	4.00%	\$ -		\$ -
1808	Buildings			\$ -		\$ -			\$ -		\$ -
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	Revised CGAAP													
Account	Description	Opening NBV as at Jan 1, 2013 ¹	Additions	Average Remaining Life of Opening NBV ²	Years (new additions only) ³	Depreciation Rate on New Additions	Depreciation Expense on Opening NBV	Depreciation Expense on Additions ⁴	2013 Depreciation Expense	2013 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (f)	Variance ⁵	Depreciation Expense on 2013 Full Year Additions	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2013 Full Year Depreciation ⁶		
		(a)	(d)	(i)	(f)	(g) = 1 / (f)	(j) = (a) / (f)	(h) = (d)*0.5/(f)	(k) = (j) + (h)		(m) = (k) - (l)	(n) = (d)/(f)		(p) = (j) + (n) - (o)		
1611	Computer Software (Formally known as Account 1925)	\$ 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 - Brick 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						\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		
1835	Overhead Conductors & Devices				60.00	1.67%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		
1835	Overhead Conductors & Devices	\$ 181,815	\$ 6,608	9.74	45.00	2.22%	\$ 18,661	\$ 73	\$ 18,735	\$ 18,735	\$ 0	\$ 147		\$ 18,808		
1835	Overhead Conductors & Devices				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	\$ 7,800				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	\$ 26,201	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		

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.

2014 MIFRS

Account	Description	Additions (d)	Years (new additions only) (f)	Depreciation Rate on New Additions (g) = 1 / (f)	2014 Depreciation Expense ¹ (h) = 2013 Full Year Depreciation + ((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 Depreciation + (n) - (o)
1611	Computer Software (Formally known as Account 1925)	\$ 11,500	5.00	20.00%	\$ 2,309	\$ 2,309	\$ 0	\$ 2,300		\$ 3,459
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	\$ 12,464	45.00	2.22%	\$ 3,842	\$ 3,842	\$ 0	\$ 277		\$ 3,981
1835	Overhead Conductors & Devices			0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1835	Overhead Conductors & Devices			0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1835	Overhead Conductors & Devices	\$ 13,750	45.00	2.22%	\$ 18,961	\$ 18,961	\$ 0	\$ 306		\$ 19,113
1835	Overhead Conductors & Devices			0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1840	Underground Conduit			0.00%	\$ 285	\$ 285	\$ 0	\$ -		\$ 285
1840	Underground Conduit			0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1845	Underground Conductors & Devices	\$ 10,161	40.00	2.50%	\$ 2,312	\$ 2,311	\$ 1	\$ 254		\$ 2,439
1845	Underground Conductors & Devices			0.00%	\$ -	\$ -	\$ -	\$ -		\$ 278
1850	Line Transformers	\$ 11,120	40.00	2.50%	\$ 2,654	\$ 2,654	\$ 0	\$ 278		\$ 2,793
1850	Line Transformers			0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1855	Services (Overhead & Underground)			0.00%	\$ 539	\$ 539	\$ 0	\$ -		\$ 539
1855	Services (Overhead & Underground)			0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1855	Services (Overhead & Underground)			0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1860	Meters			0.00%	\$ 9,333	\$ 9,333	\$ 0	\$ -		\$ 9,333
1860	Meters			0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1860	Meters (Smart Meters)			0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1905	Land			0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1908	Buildings & Fixtures	\$ 70,000	70.00	1.43%	\$ 6,032	\$ 6,032	\$ 0	\$ 1,000		\$ 6,532
1910	Leasehold Improvements			0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1915	Office Furniture & Equipment (10 years)	\$ 2,500	10.00	10.00%	\$ 440	\$ 440	\$ 1	\$ 250		\$ 565
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)	\$ 11,250	5.00	20.00%	\$ 3,765	\$ 3,765	\$ 0	\$ 2,250	\$ 1,136	\$ 3,754
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	\$ 8,450	10.00	10.00%	\$ 2,653	\$ 2,653	\$ 0	\$ 845	\$ 1,597	\$ 1,478
1945	Measurement & Testing Equipment			0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1950	Power Operated Equipment			0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1955	Communications 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	Contributions & Grants			0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
4245	Other Operating Revenues			0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
	Total	\$ 151,195			\$ 84,146	\$ 84,146	\$ 0	\$ 7,760	\$ 3,087	\$ 85,397
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets)				\$ -					
	Total Depreciation Expense				\$ 84,146					

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.

2015 MIFRS

Account	Description	Additions (d)	Years (new additions only) (f)	Depreciation Rate on New Additions (g) = 1 / (f)	2015 Depreciation Expense ¹ (h)=2014 Full Year Depreciation + ((d)*0.5)/(f)	2015 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (i)	Variance ² (m) = (h) - (i)
1611	Computer Software (Formally known as Account 1925)	\$ 5,000	5.00	20.00%	\$ 3,959	\$ 3,959	\$ 0
1612	Land Rights (Formally known as Account 1805)			0.00%	\$ -	\$ -	\$ -
1805	Land			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%	\$ 4,758	\$ 4,758	\$ 0
1835	Overhead Conductors & Devices			0.00%	\$ -	\$ -	\$ -
1836	Overhead Conductors & Devices		60.00	1.67%	\$ -	\$ -	\$ -
1837	Overhead Conductors & Devices	\$ 21,000	45.00	2.22%	\$ 19,347	\$ 19,347	\$ 0
1838	Overhead Conductors & Devices		40.00	2.50%	\$ -	\$ -	\$ -
1840	Underground Conduit		50.00	2.00%	\$ 285	\$ 285	\$ 0
1840	Underground Conduit			0.00%	\$ -	\$ -	\$ -
1845	Underground Conductors & Devices	\$ 5,431	40.00	2.50%	\$ 2,506	\$ 2,506	\$ 0
1845	Underground Conductors & Devices		40.00	2.50%	\$ -	\$ -	\$ -
1850	Line Transformers	\$ 6,017	40.00	2.50%	\$ 2,869	\$ 2,868	\$ 1
1850	Line Transformers		40.00	2.50%	\$ -	\$ -	\$ -
1855	Services (Overhead & Underground)			0.00%	\$ 539	\$ 539	\$ 0
1855	Services (Overhead & Underground)		60.00	1.67%	\$ -	\$ -	\$ -
1855	Services (Overhead & Underground)		40.00	2.50%	\$ -	\$ -	\$ -
1860	Meters			0.00%	\$ 9,333	\$ 9,333	\$ 0
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%	\$ 6,698	\$ 6,698	\$ 0
1910	Leasehold Improvements			0.00%	\$ -	\$ -	\$ -
1915	Office Furniture & Equipment (10 years)	\$ 2,500	10.00	10.00%	\$ 690	\$ 690	\$ 1
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%	\$ 4,754	\$ 4,754	\$ 0
1930	Transportation Equipment		8.00	12.50%	\$ -	\$ -	\$ -
1930	Transportation Equipment	\$ 28,000	5.00	20.00%	\$ 33,468	\$ 33,468	\$ 0
1930	Transportation Equipment		8.00	12.50%	\$ -	\$ -	\$ -
1935	Stores Equipment			0.00%	\$ -	\$ -	\$ -
1940	Tools, Shop & Garage Equipment	\$ 7,000	10.00	10.00%	\$ 1,828	\$ 1,828	\$ 0
1945	Measurement & Testing Equipment		10.00	10.00%	\$ -	\$ -	\$ -
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	\$ 165,073			\$ 136,510	\$ 136,508	\$ 2
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					\$ 136,510		

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 Steel	20	40	55								
					30	70	95								
	2	Fully Dressed Concrete Poles	Overall		50	60	80								
			Cross Arm	Wood Steel	20	40	55								
					30	70	95								
	3	Fully Dressed Steel Poles	Overall		60	60	80								
			Cross Arm	Wood Steel	20	40	55								
					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								
TS & MS	6	OH Line Switch RTU			15	20	20								
	7	OH Integral Switches			35	45	60								
	8	OH Conductors			50	60	75								
	9	OH Transformers & Voltage Regulators			30	40	60	1850	Line Transformers	25	4%	40	3%	No	No
	10	OH Shunt Capacitor Banks			25	30	40								
	11	Reclosers			25	40	55								
	12	Power Transformers	Overall		30	45	60			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	Overall		30	40	60			40	3%				
			Removable Breaker		25	40	60								
	17	Station Independent Breakers			35	45	65								
	18	Station Switch			30	50	60								
	19	Electromechanical Relays			25	35	50			30	3%				
	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								
	25	Primary Ethylene-Propylene Rubber (EPR) Cables			20	25	25	1845	UG conductor and devices	25	4%	25	4%	No	No
	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								
			Protector		20	35	40								
	34	Pad-Mounted Transformers			25	40	45			40	3%				
	35	Submersible/Vault Transformers			25	35	45								
	36	UG Foundation			35	55	70	1840	UG Conduit and Foundations	25	4%	50	2%	No	No
	37	UG Vaults	Overall		40	60	80								
			Roof		20	30	45								
	38	UG Vault Switches			20	35	50								
	39	Pad-Mounted Switchgear			20	30	45								
	40	Ducts			30	50	85								
	41	Concrete Encased Duct Banks			35	55	80								
\$	42	Cable Chambers			50	60	80								
	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			5	10	1930	Pick up	5	20%	5	20%	No	No
4	Leasehold Improvements			50	75			50	2%	50	2%	No	No
				Lease dependent				25	4%				
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
		Measurement & Testing Equipment		5	10			10	10%				
8	Communication	Towers		60	70								
		Wireless		2	10	1955	Communication Equipmeent	10	10%	10	10%	No	No
9	Residential Energy Meters			25	35								
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%				

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

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

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

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

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

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

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

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

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

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

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

Table 4.8 on the following page summarizes HPDC’s taxes for the 2012 Historical Year, 2013 Bridge Year and 2014 Test Year. Under the new accounting policies, HPDC’s PILs amount to \$3,329.

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

Table 4.8 - Tax Provision for the Test Year

<u>Determination of Taxable Income</u>	
Utility net income before taxes	\$102,818

Adjustments required to arrive at taxable utility income	(\$7,250)
Taxable income	<u>\$95,568</u>
<u>Calculation of Utility income Taxes</u>	
Income taxes	\$2,813
Capital taxes	<u>\$ -</u>
Total taxes	<u>\$2,813</u>
Gross-up of Income Taxes	<u>\$516</u>
Grossed-up Income Taxes	<u>\$3,329</u>
PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$3,329</u>
Other tax Credits	\$ -
<u>Tax Rates</u>	
Federal tax (%)	11.00%
Provincial tax (%)	<u>4.50%</u>
Total tax rate (%)	15.50%

1

2

3

- 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

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

HPDC is not claiming any tax credit in this application.

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

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

HPDC does not incur property taxes as it rents its offices from its Shareholder.

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

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

- the depreciation and amortization added back in the application's PILs model agree with the numbers disclosed in the rate base section of the application;
- the capital additions and deductions in the UCC/ CCA Schedule 8 agree with the rate base section for historic, bridge and test years;
- Schedule 8 of the most recent federal T2 tax return filed with the application has a closing December 31st historic year UCC that agrees with the opening bridge year UCC at January 1st.
- The CCA deductions in the application's PILs tax model for historic, bridge and test years agree with the numbers in the UCC schedules for the same years filed in the application;
- Loss carry-forwards, if any, from the tax returns (Schedule 4) agree with those disclosed in the application;
- CCA is maximized even if there are tax loss carry-forwards;
- No losses were and will be fully utilized.



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

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

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

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

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 ☐ 2 No ☒(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

Mailing address (if different from head office address)

Has this address changed since the last time we were notified?

020 1 Yes ☐ 2 No ☒(If **yes**, complete lines 021 to 028)

021 c/o

022 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

Location of books and records

Has the location of books and records changed since the last time we were notified?

030 1 Yes ☐ 2 No ☒(If **yes**, complete lines 031 to 038)

031 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

040 Type of corporation at the end of the tax year1 ☐ Canadian-controlled private corporation (CCPC)4 ☐ Corporation controlled by a public corporation2 ☐ Other private corporation5 ☒ Other corporation (specify, below)3 ☐ Public corporation

Hydro successor, Municipal elec

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

043

To which tax year does this return apply?

Tax year start

Tax year-end

060 2013/01/01

061 2013/12/31

Has there been an acquisition of control to which subsection 249(4) applies since the previous tax year?

063 1 Yes ☐ 2 No ☒If **yes**, provide the date control was acquired

065

Is the date on line 061 a deemed tax year-end according to:

subparagraph 88(2)(a)(iv)?

064 1 Yes ☐ 2 No ☒

subsection 249(3.1)?

066 1 Yes ☐ 2 No ☒**Is the corporation a professional corporation that is a member of a partnership?**067 1 Yes ☐ 2 No ☒**Is this the first year of filing after:**

Incorporation?

070 1 Yes ☐ 2 No ☒

Amalgamation?

071 1 Yes ☐ 2 No ☒If **yes**, complete lines 030 to 038 and attach Schedule 24.**Has there been a wind-up of a subsidiary under section 88 during the current tax year?**072 1 Yes ☐ 2 No ☒If **yes**, complete and attach Schedule 24.**Is this the final tax year before amalgamation?**076 1 Yes ☐ 2 No ☒**Is this the final return up to dissolution?**078 1 Yes ☐ 2 No ☒**If an election was made under section 261, state the functional currency used**

079

Is the corporation a resident of Canada?080 1 Yes ☒ 2 No ☐If **no**, give the country of residence on line 081 and complete and attach Schedule 97.

081

Is the non-resident corporation claiming an exemption under an income tax treaty?082 1 Yes ☐ 2 No ☒If **yes**, complete and attach Schedule 91.**If the corporation is exempt from tax under section 149, tick one of the following boxes:**

- 085 1 ☐ Exempt under paragraph 149(1)(e) or (l)
2 ☐ Exempt under paragraph 149(1)(j)
3 ☐ Exempt under paragraph 149(1)(t)
4 ☐ Exempt under other paragraphs of section 149

Do not use this area

095

096

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

	Yes	Schedule
Is the corporation related to any other corporations?	150 <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 acquired after August 31, 1989?	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 have any foreign affiliates during the year?	169 <input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal <i>Income Tax Regulations</i> ?	170 <input type="checkbox"/>	29
Has the corporation had any non-arm's length transactions with a non-resident?	171 <input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173 <input type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172 <input type="checkbox"/>	----
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 <input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; gifts of cultural or ecological property; or gifts of medicine?	202 <input type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 <input type="checkbox"/>	3
Is the corporation claiming any type of losses?	204 <input checked="" type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205 <input checked="" type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206 <input type="checkbox"/>	6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or		
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 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"/>	----
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 that are not controlled foreign affiliates?	256 <input type="checkbox"/>	T1134
Did the corporation have any controlled foreign affiliates?	258 <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 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 GIFL	300	122,504	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	35,355	
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	35,355	35,355	B
Subtotal (amount A minus amount B) (if negative, enter "0")		87,149	C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C plus amount D)	360	87,149	
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	122,504	A
--	------------	---------	---

Taxable income from line 360 on page 3, minus 100/28* of the amount on line 632** on page 7, minus 1/(0.38 - X***) 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	87,149	B
--	------------	--------	---

Business limit (see notes 1 and 2 below)	410	450,000	C
--	------------	---------	---

Notes: 1. For CCPCs that are not associated, enter \$500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year divided by 365, and enter the result on line 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C	450,000	X	415 *****	D	=		E
						11,250	

Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	450,000	F
--	------------	---------	---

Small business deduction

Amount A, B, C, or F, whichever is the least	87,149	x 17% =	430	14,815	G
--	--------	---------	------------	--------	---

Enter amount G on line 1 on page 7.

* 10/3 for tax years ending before November 1, 2011. The result of the multiplication by line 632 has to be pro-rated based on the number of days in the tax year that are in each period: before November 1, 2011, and after October 31, 2011.

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

*** General rate reduction percentage for the tax year. It has to be pro-rated based on the number of days in the tax year that are in each calendar year. See page 5.

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

******* Large corporations**

- If the corporation is not associated with any corporations in both the current and 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.

Refundable portion of Part I tax**Canadian-controlled private corporations throughout the tax year**

Aggregate investment income
from Schedule 7 440 X 26 2/3 % = A

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

Deduct:

Foreign investment income
from Schedule 7 445 X 9 1/3 % = B
(if negative, enter "0")

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

Taxable income from line 360 on page 3 87,149

Deduct:

Amount on line 400, 405, 410, or 425 on page
4, whichever is the least 87,149

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

 x 25/9* =

Foreign business income
tax credit from line 636
of page 7 [1/(0.38 -
X**)]

 x 4.00000 =

87,149 ▶ 87,149

87,149 X 26 2/3% = D

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 8) 9,587 E

Refundable portion of Part I tax – Amount C, D, or E, whichever is the least 450 0 F

* 100/35 for tax years beginning after October 31, 2011.

** General rate reduction percentage for the tax year. It has to be pro-rated based on the number of days in the tax year that are in each calendar year. See page 5.

Refundable dividend tax on hand

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

Deduct: Dividend refund for the previous tax year 465

 ▶ G

Add the total of:

Refundable portion of Part I tax from line 450 above

Total Part IV tax payable from Schedule 3

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

 ▶ H

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

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

Dividend refund – Amount I or J, whichever is less (enter this amount on line 784 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	33,117	A
--	-----	--------	---

Recapture of investment tax credit from Schedule 31	602		B
--	-----	--	---

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

Aggregate investment income from line 440 on page 6		i
---	--	---

Taxable income from line 360 on page 3	87,149	
--	--------	--

Deduct:

Amount on line 400, 405, 410, or 425 of page 4, whichever is the least	87,149	
---	--------	--

Net amount		ii
------------	--	----

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

Subtotal (add lines A to C)		33,117	D
-----------------------------	--	--------	---

Deduct:

Small business deduction from line 430 on page 4	14,815	1
--	--------	---

Federal tax abatement	608	8,715
-----------------------	-----	-------

Manufacturing and processing profits deduction from Schedule 27	616	
---	-----	--

Investment corporation deduction	620	
----------------------------------	-----	--

(taxed capital gains 624)	
----------------------------	--

Additional deduction – credit unions from Schedule 17	628	
---	-----	--

Federal foreign non-business income tax credit from Schedule 21	632	
---	-----	--

Federal foreign business income tax credit from Schedule 21	636	
---	-----	--

General tax reduction for CCPCs from amount M on page 5	638	
---	-----	--

General tax reduction from amount X on page 5	639	
---	-----	--

Federal logging tax credit from Schedule 21	640	
---	-----	--

Federal qualifying environmental trust tax credit	648	
---	-----	--

Investment tax credit from Schedule 31	652	
--	-----	--

Subtotal	23,530	E
----------	--------	---

Part I tax payable – Amount D minus amount E		9,587	F
---	--	-------	---

Enter amount F on line 700 of page 8.

Summary of tax and credits**Federal tax**

Part I tax payable from page 7	700	9,587
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		9,587

Add provincial or territorial tax:

Provincial or territorial jurisdiction	750 ON	
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)		
Net provincial or territorial tax payable (except Ontario [for tax years ending before 2009], Quebec, and Alberta)	760	3,367
Provincial tax on large corporations (Nova Scotia Schedule 342)	765	
(The Nova Scotia tax on large corporations is eliminated effective July 2012.)		
		3,367
Total tax payable	770	12,954 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from page 6	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	
Total credits	890	
Refund Code	894	
Overpayment		
Balance (line A minus line B)		12,954 B

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 **12,954**

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** Leduc **951** Nicole **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 further 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 2015/02/25 _____ **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.
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français.

990 ☐ 1 ☐

Canada Revenue
AgencyAgence 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** 125,783 **A****Add:**

Provision for income taxes - current	101	12,734	
Provision for income taxes - deferred	102	4,350	
Interest and penalties on taxes	103	277	
Amortization of tangible assets	104	116,852	
Amortization of intangible assets	106	1,274	
Total of lines 201 to 294	199	25,265	
Total of lines 101 to 199	500	160,752	B

Amount A **plus** amount B 286,535**Deduct:**

Capital cost allowance from Schedule 8	403	163,387	
Cumulative eligible capital deduction from Schedule 10	405	644	
Total of lines 401 to 499	510	164,031	B

Net income (loss) for income tax purposes - enter on line 300 on page 3 of the T2 return 122,504**Add:****Other additions:**

604 restatement of financial statement		25,265	
Other additions		25,265	294
Total of lines 201 to 294 (enter this amount at line 199)		25,265	

Canada Revenue
AgencyAgence du revenu
du Canada**SCHEDULE 4**

Code 1301

Protected B

when completed

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	122,504	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

(amount E plus amount F; if positive, enter "0") If amount G is negative, enter it on line 110 as a positive.	G
--	---

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year	35,355	e
--	--------	---

Deduct: Non-capital loss expired *	100	f
------------------------------------	-----	---

Non-capital losses at the beginning of the tax year (amount e minus amount f)	102	35,355	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)	35,355	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	35,355	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)		35,355	▶ 35,355 K
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)			▶ M
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	▶ 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)			▶ B
Subtotal (amount A minus amount B)		18,199	C

Add: Current-year capital loss (from the calculation on Schedule 6, *Summary of Dispositions of Capital Property*) 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)		18,199	H
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	18,199	J

*** 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, <i>Net Income (Loss) for Income Tax Purposes</i> .	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 5 – Listed personal property losses**Continuity of listed personal property loss and request for a carryback**

Listed personal property losses at the end of the previous tax year	_____	a	
Deduct: Listed personal property loss expired after seven tax years	500	b	
Listed personal property losses at the beginning of the tax year (amount a minus amount b)	502	▶	A
Add: Current-year listed personal property loss (from Schedule 6)	510		B
Subtotal (amount A plus amount B)	_____		C
Deduct:			
Previous year personal property losses applied in the current tax year against listed personal property gains. Enter amount c on line 655 of Schedule 6.	530	c	
Other adjustments	550	d	
Subtotal (amount c plus amount d)	_____	▶	D
Listed personal property losses remaining before any request for a carryback (amount C minus amount D)	_____		E
Deduct – Request to carry back listed personal property loss to:			
First previous tax year to reduce listed personal property gains	961	e	
Second previous tax year to reduce listed personal property gains	962	f	
Third previous tax year to reduce listed personal property gains	963	g	
Subtotal (total of amounts e to g)	_____	▶	F
Closing balance of listed personal property losses to be carried forward to future tax years (amount E minus amount F)	580		G

Part 6 – Analysis of balance of losses by year of origin

Year of origin	Non-capital losses *	Farm losses	Restricted farm losses	Listed personal property losses
2000/12/31				
2001/12/31				
2002/12/31				
2003/12/31				
2004/12/31				
2005/12/31				
2006/12/31	35,355			
2007/12/31				
2008/12/31				
2009/12/31				
2010/12/31				
2011/12/31				
2012/12/31				
2013/12/31				
Total	35,355			

* 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 after 10 tax years if it arose in a tax year ending after March 22, 2004.

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.

Canada Revenue
AgencyAgence 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	9,198	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	9,198	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 =	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)		9,198	K
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business	249		
amount K	9,198		
less amount from line 249			
Current year deduction	9,198	x 7% =	250 644 *
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)		644	644 L
Cumulative eligible capital - Closing balance (amount K minus amount L) (if negative, enter "0")	300	8,554	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** _____ 2013

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

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		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
	Start	End		350	400	
1	2013/01/01	2013/12/31	500,000	90.000	450,000	
2	2013/01/01	2013/12/31	500,000	10.000	50,000	
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.

\$ 450,000

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.

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

HPDC is not claiming any tax credit in this application.

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

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

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

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

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

- the depreciation and amortization added back in the application's PILs model agree with the numbers disclosed in the rate base section of the application;
- the capital additions and deductions in the UCC/ CCA Schedule 8 agree with the rate base section for historic, bridge and test years;
- Schedule 8 of the most recent federal T2 tax return filed with the application has a closing December 31st historic year UCC that agrees with the opening bridge year UCC at January 1st.
- The CCA deductions in the application's PILs tax model for historic, bridge and test years agree with the numbers in the UCC schedules for the same years filed in the application;
- Loss carry-forwards, if any, from the tax returns (Schedule 4) agree with those disclosed in the application;
- CCA is maximized even if there are tax loss carry-forwards;
- No losses were and will be fully utilized.

Canada Revenue
AgencyAgence 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** 125,783 **A****Add:**

Provision for income taxes - current	101	12,734	
Provision for income taxes - deferred	102	4,350	
Interest and penalties on taxes	103	277	
Amortization of tangible assets	104	116,852	
Amortization of intangible assets	106	1,274	
Total of lines 201 to 294	199	25,265	
Total of lines 101 to 199	500	160,752	B

Amount A **plus** amount B 286,535**Deduct:**

Capital cost allowance from Schedule 8	403	163,387	
Cumulative eligible capital deduction from Schedule 10	405	644	
Total of lines 401 to 499	510	164,031	B

Net income (loss) for income tax purposes - enter on line 300 on page 3 of the T2 return 122,504**Add:****Other additions:**

604 restatement of financial statement		25,265	
Other additions		25,265	294
Total of lines 201 to 294 (enter this amount at line 199)		25,265	

Conservation and Demand Side Management

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

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

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

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

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

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

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

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

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

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

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

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

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

HPDC is not currently requesting recovery of lost revenue resulting from Board-approved programs. The OPA-Contracted Province-Wide CDM Programs Final 2013 Results are provided 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 IN 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 Januray 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				0.0097	0.0066	0.0067	0.0067	\$	1.75	\$	0.49	\$	-	
2011 Persistence								229						0.0097	0.0066	0.0067	0.0067	\$	-	\$	1.53	\$	1.53	
2012 Persistence	2011	Final											73		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

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
Conservation Instant Coupon Booklet	2011	Final	0.77	-116	0.68	-194	0.77	12,421			0.77	12,421			0.0102	0.0156	0.0159	0.0160	-\$	1.60	\$	-	\$	-
				184		171									0.0102	0.0156	0.0159	0.0160	\$	171.42	\$	196.26	\$	198.33
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
				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	100177.13			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			
2012 Adjustments	Appliance Retirement	2012	Final	0.55	4,124	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	0.04	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			0.0156	0.0159	0.0160	\$	21.13	\$	21.35
					6		11					0.0156	0.0159	0.0160	\$	0.09	\$	-
	Conservation Instant Coupon Booklet	2012	Final	0.15	933	0.15	885	0.15	933			0.0156	0.0159	0.0160	\$	14.74	\$	14.90
	Bi-Annual Retailer Event	2012	Final	0.99	17,873	1.08	19,501	0.99	17,873			0.0156	0.0159	0.0160	\$	282.39	\$	285.37
RESIDENTIAL TOTAL				2.43	24,337	3.28	27,343	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				\$	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				\$	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	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	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	1.07	2,948	1.49	4,107							\$	29.68
TOTAL LRAMVA - 2013 OPA PROGRAM RESULTS							86.15	362,956	96.39	392,487	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)
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						325				38,938				10276,911	
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						415178				100,177192,927262,959				1671,495,324	
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						000				000				000	
Home Assistance Program															
Home Assistance Program	Homes	0	0	92		0	0	3		0	0	75,888		3	142,716
Home Assistance Program Total						003				0075,888				3142,716	
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						000				000				000	
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						000				229730				01,135	
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						000				000				000	
Adjustments to 2011 Verified Results															
Adjustments to 2012 Verified Results															
Energy Efficiency Total						445486				139,344217,332362,956				1801,916,086	
Demand Response Total (Scenario 1)						000				000				000	
Adjustments to Previous Years' Verified Results Total						000				01,5256				06,118	
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						445486				139,344218,857362,961				1801,922,204	
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: % of Full OEB Target Achieved to Date (Scenario 1):				6803,910,000	
														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 Program	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	Conservati on Resource Type	(Implemen tation) Year	Status	Activity Unit Name	Activity/ Participatio n (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 Projects	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 Projects	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

All Savings at the End User Level

Portfolio	Program	Initiative	LDC	Sector	Conservation Resource Type	Tx (Transmission) or Dx (Distribution) connected	(Implementation) Year	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
LDC	Business	Retrofit	Hearst Power Distribution Company Limited	Commercial & Institutional	EE	Dx	2013	N/A	Projects	5	0.006	27.378			0.004	0.004		0.000	0.000	19.655	19.655
LDC	Business	Small Business Lighting	Hearst Power Distribution Company Limited	Commercial & Institutional	EE	Dx	2013	N/A	Projects	56	0.078	257.773			0.074	0.074				243.305	243.305
LDC	Consumer	Annual Coupons	Hearst Power Distribution Company Limited	Residential	EE	Dx	2013	Custom loac measures		232	0.000	4.566	0.000	0.000	0.000	0.000		0.000	0.000	5.144	5.144
LDC	Consumer	Appliance Exchange	Hearst Power Distribution Company Limited	Residential	EE	Dx	2013	Dehumidifie Appliances		1	0.000	0.702			0.000	0.000				0.369	0.369
LDC	Consumer	Appliance Retirement	Hearst Power Distribution Company Limited	Residential	EE	Dx	2013	N/A	Appliances	1	0.000	0.887			0.000	0.000				0.413	0.413
LDC	Consumer	Bi-Annual Retailer Events	Hearst Power Distribution Company Limited	Residential	EE	Dx	2013	Custom loac measures		630	0.001	10.972	0.000	0.000	0.001	0.001		0.000	0.000	11.465	11.465
LDC	Consumer	Home Assistance Program	Hearst Power Distribution Company Limited	Residential	EE	Dx	2013	N/A	Projects Cor	92	0.003	75.888	0.000	0.000	0.003	0.003		0.000	0.000	75.888	66.827
LDC	Consumer	HVAC	Hearst Power Distribution Company Limited	Residential	EE	Dx	2013	Blended Loa Equipment		14	0.007	14.311			0.004	0.004				6.713	6.713
LDC	Consumer	Appliance Retirement	Hearst Power Distribution Company Limited	Residential	EE	Dx	2013	N/A	Appliances	0	0	0	0	0	0	0		0	0	0	0
LDC	Consumer	HVAC	Hearst Power Distribution Company Limited	Residential	EE	Dx	2012	Blended Loa Equipment		0	0	0	0	0	0	0		0	0	0	0

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.	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).
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.	
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.	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).
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.	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.
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.	Peak demand savings are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. Energy savings are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.

#	Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
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.

#	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.	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).
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		
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	Savings are considered to begin in the year in which a project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). If energy savings are not available , an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports).
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		



Message from the Vice President:

The OPA is pleased to provide you with the enclosed Final 2012 Results Report. We have seen a 39% increase in energy savings for our new province-wide 2011-2014 suite of saveONenergy initiatives. Overall progress to targets is moving up with 29% of demand and 65% of energy savings achieved. Many LDCs, both large and small, continue to stay on track to meet or exceed their OEB targets. Conservation programs continue to be a valuable and cost effective resource for customers across the province, over the past two years the program cost to consumers remains within 3 cents per kWh.

Further to programmatic savings, capability building efforts launched in 2011 are yielding healthy enabled savings through Embedded Energy Managers and Audit initiative projects. The strong momentum continues in 2013.

We remain committed to ensuring LDCs are successful in meeting their objectives and our collective efforts to date have improved the current program suite by offering more local program opportunities, implementing a new expedited change management process, and enhancing incentives to make it easier for customers to participate in programs. We invite you to continue to provide your feedback to us and to celebrate our successes as we move forward.

The format of this report was developed in collaboration with the OPA-LDC Reporting and Evaluation Working Group and is designed to help populate LDC annual report templates that will be submitted to the OEB in late September. All results are now considered final for 2012. Any additional 2012 program activity not captured will be reported in the Final 2013 Results Report.

Please continue to monitor saveONenergy E-blasts for any further updates and should you have any other questions or comments please contact LDC.Support@powerauthority.on.ca.

We appreciate your ongoing collaboration and cooperation throughout the reporting and evaluation process. We look forward to another successful year.

Sincerely,

Andrew Pride

Table of Contents		
1.0 Summary	Provides a "snapshot" of your LDC's OPA-Contracted Province-Wide Program performance to date: progress to target using 2 scenarios, sector breakdown and progress against the LDC community.	4
2.0 LDC-Specific Data	Table formats, section references and table numbers align with the OEB Reporting Template.	5
2.1 LDC - Results	Provides LDC-specific initiative-level results (activity, net and gross peak demand and energy savings, and how each initiative contributes to target).	5
2.2 LDC - Adjustments to Previous Year	Provides LDC specific initiative level true-up results from previous year (activity, net and gross peak demand and energy savings, and how each initiative contributes to target).	6
2.3 LDC - NTGs	Provides LDC-specific initiative-level realization rates and net-to-gross ratios.	7
2.4 LDC - Summary	Provides a portfolio level view of achievement towards your OEB targets to date. Contains space to input LDC-specific progress to milestones set out in your CDM Strategy.	8
3.0 Province-Wide Data	LDC performance in aggregate (province-wide results)	9
3.1 Provincial - Results	Provides province-wide initiative level results (activity, net and gross peak demand and energy savings, and how each initiative contributes to target).	9
3.2 Provincial - True-up	Provides province-wide initiative level true-up results from previous year (activity, net and gross peak demand and energy savings, and how each initiative contributes to target).	10
3.3 Provincial NTGs	Provides provincial realization rates and net-to-gross ratios.	11
3.4 Provincial - Summary	Provides a portfolio level view of provincial achievement towards province-wide OEB targets to date.	12
4.0 Methodology	Provides key equations, notes and an initiative-level breakdown of: how savings are attributed to LDCs, when the savings are considered to 'start' (i.e. what period the savings are attributed to) and how the savings are calculated.	13
5.0 Reference Tables	Provides the sector mapping used for Retrofit and the allocation methodology table used in the consumer program when customer specific information is unavailable.	22
6.0 Glossary	Contains definitions for terms used throughout the report.	26

OPA-Contracted Province-Wide CDM Programs FINAL 2012 Results

LDC: Hearst Power Distribution Company Limited

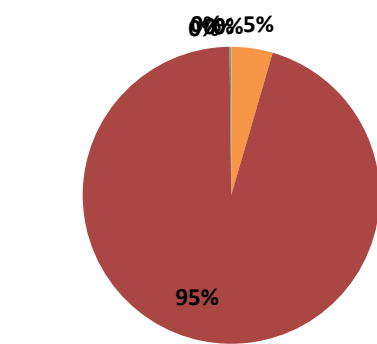
FINAL 2012 Progress to Targets	2012 Incremental	Program-to-Date Progress to Target (Scenario 1)	Scenario 1: % of Target Achieved	Scenario 2: % of Target Achieved
Net Annual Peak Demand Savings (MW)	0.1	0.1	13.9%	13.9%
Net Energy Savings (GWh)	0.2	1.2	30.8%	30.8%

Scenario 1 = Assumes that demand resource resources have a persistence of 1 year

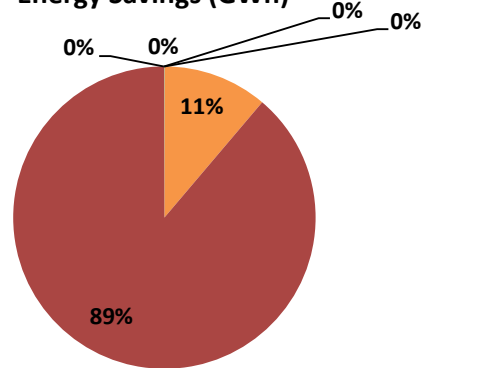
Scenario 2 = Assumes that demand response resources remain in your territory until 2014

Achievement by Sector

2012 Incremental Peak Demand Savings (MW)



2012 Incremental Energy Savings (GWh)

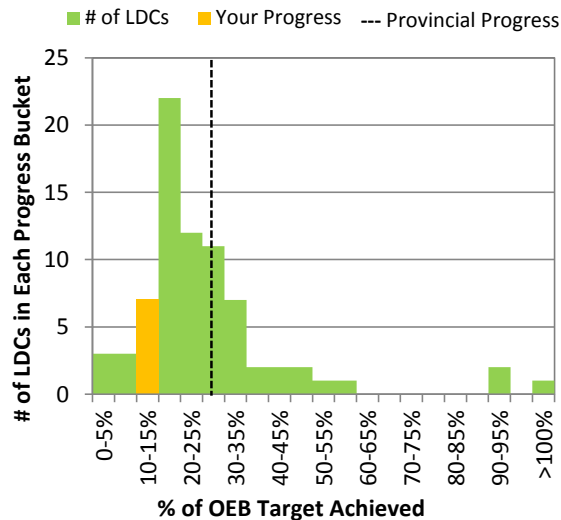


Consumer Business Industrial HAP Pre-2011 True-up

Comparison: Your Achievement vs. LDC Community Achievement (Progress to Target)

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

% of OEB Peak Demand Savings Target Achieved



% of OEB Energy Savings Target Achieved

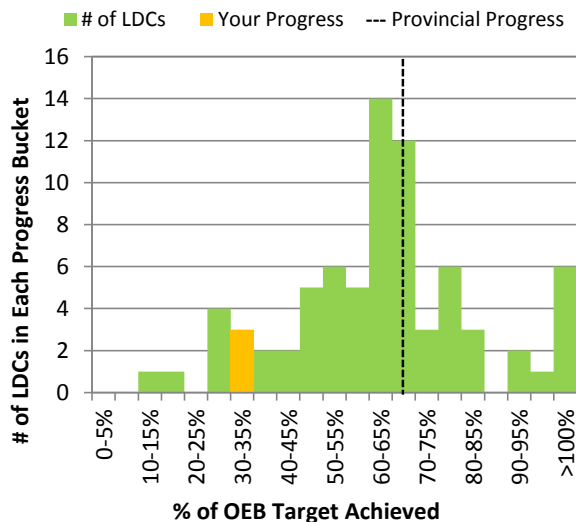


Table 1: **Hearst Power Distribution Company Limited** Initiative and Program Level Savings by Year (Scenario 1)

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 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			6,300	4,124			1	37,572
Appliance Exchange	Appliances	1	0			0	0			90	65			0	501
HVAC Incentives	Equipment	1	3			0	1			515	1,337			1	6,071
Conservation Instant Coupon Booklet	Items	333	21			1	0			12,421	933			1	52,485
Bi-Annual Retailer Event	Items	581	708			1	1			19,612	17,873			2	132,065
Retailer Co-op	Items	0	0			0	0			0	0			0	0
Residential Demand Response (switch/pstat)	Devices	0	0			0	0			0	0			0	0
Residential Demand Response (IHD)	Devices	0	0			0				0					
Residential New Construction	Homes	0	0			0	0			0	0			0	0
Consumer Program Total						3	2			38,938	24,332			5	228,695
Business Program															
Retrofit	Projects	0	0			0	0			0	0			0	0
Direct Install Lighting	Projects	32	48			41	51			100,177	192,927			89	969,405
Building Commissioning	Buildings	0	0			0	0			0	0			0	0
New Construction	Buildings	0	0			0	0			0	0			0	0
Energy Audit	Audits	0	0			0	0			0	0			0	0
Small Commercial Demand Response	Devices	0	0			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			0	0
Business Program Total						41	51			100,177	192,927			89	969,405
Industrial Program															
Process & System Upgrades	Projects	0	0			0	0			0	0			0	0
Monitoring & Targeting	Projects	0	0			0	0			0	0			0	0
Energy Manager	Projects	0	0			0	0			0	0			0	0
Retrofit	Projects	0				0				0				0	0
Demand Response 3	Facilities	0	0			0	0			0	0			0	0
Industrial Program Total						0	0			0	0			0	0
Home Assistance Program															
Home Assistance Program	Homes	0	0			0	0			0	0			0	0
Home Assistance 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			0	0
High Performance New Construction	Projects	0	0			0	0			229	73			0	1,135
Toronto Comprehensive	Projects	0	0			0	0			0	0			0	0
Multifamily Energy Efficiency Rebates	Projects	0	0			0	0			0	0			0	0
LDC Custom Programs	Projects	0	0			0	0			0	0			0	0
Pre-2011 Programs completed in 2011 Total						0	0			229	73			0	1,135
Other															
Program Enabled Savings	Projects	0	0			0	0			0	0			0	0
Time-of-Use Savings	Homes														
Other Total															
Adjustments to Previous Year's Verified Results															
Energy Efficiency Total						44	54			139,344	217,332			94	1,199,235
Demand Response Total (Scenario 1)						0	0			0	0			0	0
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						44	54			139,344	218,857			94	1,205,337
Activity & savings for Demand Response resources for each year and quarter represent the savings from all active facilities or devices contracted since January 1, 2011.		Due to the limited timeframe of data, which didn't include the summer months, 2012 IHD results have been deemed inconclusive. The IHD line item on the 2012 annual report will be left blank. Once a full year of data is available (2013 evaluation), and the savings are quantified, 2012 results will be updated to reflect the quantified savings.								Full OEB Target:				680	3,910,000
										% of Full OEB Target Achieved to Date (Scenario 1):				13.9%	30.8%

Due to the limited timeframe of data, which didn't include the summer months, 2012 IHD results have been deemed inconclusive. The IHD line item on the 2012 annual report will be left blank. Once a full year of data is available (2013 evaluation), and the savings are quantified, 2012 results will be updated to reflect the quantified savings.

Table 2: Adjustments to **Hearst Power Distribution Company Limited** Verified Results due to Errors or Omissions (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)
Consumer Program															
Appliance Retirement	Appliances	0				0				0				0	0
Appliance Exchange	Appliances	0				0				0				0	0
HVAC Incentives	Equipment	0				0				-116				0	-463
Conservation Instant Coupon Booklet	Items	5				0				184				0	736
Bi-Annual Retailer Event	Items	55				0				1,457				0	5,828
Retailer Co-op	Items	0				0				0				0	0
Residential Demand Response (switch/pstat)*	Devices	0				0				0				0	0
Residential Demand Response (IHD)	Devices	0				0				0				0	0
Residential New Construction	Homes	0				0				0				0	0
Consumer Program Total						0				1,525				0	6,101
Business Program															
Retrofit	Projects	0				0				0				0	0
Direct Install Lighting	Projects	0				0				0				0	0
Building Commissioning	Buildings	0				0				0				0	0
New Construction	Buildings	0				0				0				0	0
Energy Audit	Audits	0				0				0				0	0
Small Commercial Demand Response (switch/pstat)*	Devices	0				0				0				0	0
Small Commercial Demand Response (IHD)	Devices	0				0				0				0	0
Demand Response 3*	Facilities	0				0				0				0	0
Business Program Total						0				0				0	0
Industrial Program															
Process & System Upgrades	Projects	0				0				0				0	0
Monitoring & Targeting	Projects	0				0				0				0	0
Energy Manager	Projects	0				0				0				0	0
Retrofit	Projects	0				0				0				0	0
Demand Response 3*	Facilities	0				0				0				0	0
Industrial Program Total						0				0				0	0
Home Assistance Program															
Home Assistance Program	Homes	0				0				0				0	0
Home Assistance Program Total						0				0				0	0
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	0				0				0				0	0
High Performance New Construction	Projects	0				0				0				0	0
Toronto Comprehensive	Projects	0				0				0				0	0
Multifamily Energy Efficiency Rebates	Projects	0				0				0				0	0
LDC Custom Programs	Projects	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
Time-of-Use Savings	Homes														
Other Total						0				0				0	0
Adjustments to Previous Year's Verified Results						0				1,525				0	6,101

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

Table 3: Hearst Power Distribution Company Limited Realization Rate & NTG

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement		1.00				0.47				1.00				0.47		
Appliance Exchange		1.00				0.52				1.00				0.52		
HVAC Incentives		1.00				0.49				1.00				0.49		
Conservation Instant Coupon Booklet		1.00				1.00				1.00				1.05		
Bi-Annual Retailer Event		1.00				0.91				1.00				0.92		
Retailer Co-op		n/a				n/a				n/a				n/a		
Residential Demand Response (switch/pstat)*		n/a				n/a				n/a				n/a		
Residential Demand Response (IHD)		n/a				n/a				n/a				n/a		
Residential New Construction		n/a				n/a				n/a				n/a		
Business Program																
Retrofit		n/a				n/a				n/a				n/a		
Direct Install Lighting		0.68				0.94				0.85				0.94		
Building Commissioning		n/a				n/a				n/a				n/a		
New Construction		n/a				n/a				n/a				n/a		
Energy Audit		n/a				n/a				n/a				n/a		
Small Commercial Demand Response (switch/pstat)*		n/a				n/a				n/a				n/a		
Small Commercial Demand Response (IHD)		n/a				n/a				n/a				n/a		
Demand Response 3*		n/a				n/a				n/a				n/a		
Industrial Program																
Process & System Upgrades		n/a				n/a				n/a				n/a		
Monitoring & Targeting		n/a				n/a				n/a				n/a		
Energy Manager		n/a				n/a				n/a				n/a		
Retrofit																
Demand Response 3*		n/a				n/a				n/a				n/a		
Home Assistance Program																
Home Assistance Program		n/a				n/a				n/a				n/a		
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program		n/a				n/a				n/a				n/a		
High Performance New Construction		1.00				0.50				1.00				0.50		
Toronto Comprehensive		n/a				n/a				n/a				n/a		
Multifamily Energy Efficiency Rebates		n/a				n/a				n/a				n/a		
LDC Custom Programs		n/a				n/a				n/a				n/a		
Other																
Program Enabled Savings		n/a				n/a				n/a				n/a		
Time-of-Use Savings		n/a				n/a				n/a				n/a		

Progress Towards CDM Targets

Results are attributed to target using current OPA reporting policies. Energy efficiency resources persist for the duration of the effective useful life. Any upcoming code changes are taken into account. Demand response resources persist for 1 year. Please see methodology tab for more detailed information.

Table 4: Net Peak Demand Savings at the End User Level (MW)

Implementation Period	Annual			
	2011	2012	2013	2014
2011 - Verified	0.0	0.0	0.0	0.0
2012 - Verified		0.1	0.1	0.1
2013				
2014				
Verified Net Annual Peak Demand Savings Persisting in 2014:				0.1
Hearst Power Distribution Company Limited 2014 Annual CDM Capacity Target				0.7
Verified Portion of Peak Demand Savings Target Achieved in 2014(%):				13.9%

Table 5: Net Energy Savings at the End User Level (GWh)

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011 - Verified	0.1	0.1	0.1	0.1	0.5
2012 - Verified		0.2	0.2	0.2	0.7
2013					
2014					
Verified Net Cumulative Energy Savings 2011-2014:					1.2
Hearst Power Distribution Company Limited 2011-2014 Annual CDM Energy Target					3.9
Verified Portion of Cumulative Energy Target Achieved (%):					30.8%

*2011 energy adjustments included in cumulative energy savings.

Table 6: Province-Wide Initiatives 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 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	56,110	34,146			3,299	2,011			23,005,812	13,424,518			5,171	132,176,857
Appliance Exchange	Appliances	3,688	3,836			371	556			450,187	974,621			689	4,512,525
HVAC Incentives	Equipment	111,587	85,221			32,037	19,060			59,437,670	32,841,283			51,097	336,274,530
Conservation Instant Coupon Booklet	Items	559,462	30,891			1,344	230			21,211,537	1,398,202			1,575	89,040,754
Bi-Annual Retailer Event	Items	870,332	1,060,901			1,681	1,480			29,387,468	26,781,674			3,161	197,894,897
Retailer Co-op	Items	152	0			0	0			2,652	0			0	10,607
Residential Demand Response (switch/pstat)*	Devices	19,550	98,388			10,947	49,038			24,870	359,408			0	384,279
Residential Demand Response (IHD)	Devices	0	49,689			0				0					
Residential New Construction	Homes	7	19			0	2			743	17,152			2	54,430
Consumer Program Total						49,681	72,377			133,520,941	75,796,859			61,696	760,348,879
Business Program															
Retrofit	Projects	2,516	5,605			24,467	61,147			136,002,258	314,922,468			84,018	1,480,647,459
Direct Install Lighting	Projects	20,297	18,494			23,724	15,284			61,076,701	57,345,798			31,181	391,072,869
Building Commissioning	Buildings	0	0			0	0			0	0			0	0
New Construction	Buildings	10	69			123	764			411,717	1,814,721			888	7,091,031
Energy Audit	Audits	103	280			0	1,450			0	7,049,351			1,450	21,148,054
Small Commercial Demand Response	Devices	132	294			84	187			157	1,068			0	1,224
Small Commercial Demand Response (IHD)	Devices	0	0			0				0				0	0
Demand Response 3*	Facilities	145	151			16,218	19,389			633,421	281,823			0	915,244
Business Program Total						64,617	98,221			198,124,253	381,415,230			117,535	1,900,875,881
Industrial Program															
Process & System Upgrades	Projects	0	0			0	0			0	0			0	0
Monitoring & Targeting	Projects	0	0			0	0			0	0			0	0
Energy Manager	Projects	0	39			0	1,086			0	7,372,108			1,086	22,116,324
Retrofit	Projects	433				4,615				28,866,840				4,613	115,462,282
Demand Response 3*	Facilities	124	185			52,484	74,056			3,080,737	1,784,712			0	4,865,449
Industrial Program Total						57,098	75,141			31,947,577	9,156,820			5,699	142,444,054
Home Assistance Program															
Home Assistance Program	Homes	46	5,033			2	566			39,283	5,442,232			569	16,483,831
Home Assistance Program Total						2	566			39,283	5,442,232			569	16,483,831
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	2,016	0			21,662	0			121,138,219	0			21,662	484,552,876
High Performance New Construction	Projects	145	69			5,098	3,251			26,185,591	11,901,944			8,349	140,448,197
Toronto Comprehensive	Projects	577	0			15,805	0			86,964,886	0			15,805	347,859,545
Multifamily Energy Efficiency Rebates	Projects	110	0			1,981	0			7,595,683	0			1,981	30,382,733
LDC Custom Programs	Projects	8	0			399	0			1,367,170	0			399	5,468,679
Pre-2011 Programs completed in 2011 Total						44,945	3,251			243,251,550	11,901,944			48,195	1,008,712,030
Other															
Program Enabled Savings	Projects	0	16			0	2,304			0	1,188,362			2,304	3,565,086
Time-of-Use Savings	Homes														
Other Total							2,304				1,188,362			2,304	3,565,086
Adjustments to Previous Year's Verified Results							1,406				18,689,081			1,156	73,918,598
Energy Efficiency Total						136,610	109,191			603,144,419	482,474,435			235,998	3,826,263,564
Demand Response Total (Scenario 1)						79,733	142,670			3,739,185	2,427,011			0	6,166,196
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						216,343	253,267			606,883,604	503,590,526			237,154	3,906,348,358
* Activity & savings for Demand Response resources for each year and quarter represent the savings from all active facilities or devices contracted since January 1, 2011.		Due to the limited timeframe of data, which didn't include the summer months, 2012 IHD results have been deemed inconclusive. The IHD line item on the 2012 annual report will be left blank. Once a full year of data is available (2013 evaluation), and the savings are quantified, 2012 results will be updated to reflect the quantified savings.								Full OEB Target:				1,330,000	6,000,000,000
										% of Full OEB Target Achieved to Date (Scenario 1):				17.8%	65.1%

Table 7: Adjustments to Province-Wide Verified Results due to Errors & Omissions (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) 2014	2011-2014 Net Cumulative Energy Savings (kWh) 2014
Consumer Program															
Appliance Retirement	Appliances	0				0				0				0	0
Appliance Exchange	Appliances	0				0				0				0	0
HVAC Incentives	Equipment	-18,866				-5,278				-9,721,817				-5,278	-38,887,267
Conservation Instant Coupon Booklet	Items	8,216				16				275,655				16	1,102,621
Bi-Annual Retailer Event	Items	81,817				108				2,183,391				108	8,733,563
Retailer Co-op	Items	0				0				0				0	0
Residential Demand Response (switch/pstat)*	Devices	0				0				0				0	0
Residential Demand Response (IHD)	Devices	0				0				0				0	0
Residential New Construction	Homes	19				1				13,767				1	55,069
Consumer Program Total						-5,153				-7,249,004				-5,153	-28,996,015
Business Program															
Retrofit	Projects	303				3,204				16,216,165				3,083	64,398,674
Direct Install Lighting	Projects	444				501				1,250,388				372	4,624,945
Building Commissioning	Buildings	0				0				0				0	0
New Construction	Buildings	12				828				3,520,620				828	14,082,482
Energy Audit	Audits	93				481				2,341,392				481	9,365,567
Small Commercial Demand Response (switch/pstat)*	Devices	0				0				0				0	0
Small Commercial Demand Response (IHD)	Devices	0				0				0				0	0
Demand Response 3*	Facilities	0				0				0				0	0
Business Program Total						5,014				23,328,565				4,764	92,471,668
Industrial Program															
Process & System Upgrades	Projects	0				0				0				0	0
Monitoring & Targeting	Projects	0				0				0				0	0
Energy Manager	Projects	0				0				0				0	0
Retrofit	Projects	0				0				0				0	0
Demand Response 3*	Facilities	0				0				0				0	0
Industrial Program Total						0				0				0	0
Home Assistance Program															
Home Assistance Program	Homes	0				0				0				0	0
Home Assistance Program Total						0				0				0	0
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	12				138				545,536				138	2,182,145
High Performance New Construction	Projects	34				1,407				2,065,200				1,407	8,260,800
Toronto Comprehensive	Projects	0				0				0				0	0
Multifamily Energy Efficiency Rebates	Projects	0				0				0				0	0
LDC Custom Programs	Projects	0				0				0				0	0
Pre-2011 Programs completed in 2011 Total						1,545				2,610,736				1,545	10,442,945
Other															
Program Enabled Savings	Projects	0				0				0				0	0
Time-of-Use Savings	Homes														
Other Total						0				0				0	0
Adjustments to Previous Year's Verified Results						1,406				18,690,297				1,156	73,918,598

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

Table 8: Province-Wide Realization Rate & NTG

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement		1.00				0.46				1.00				0.47		
Appliance Exchange		1.00				0.52				1.00				0.52		
HVAC Incentives		1.00				0.50				1.00				0.49		
Conservation Instant Coupon Booklet		1.00				1.00				1.00				1.05		
Bi-Annual Retailer Event		1.00				0.91				1.00				0.92		
Retailer Co-op		n/a				n/a				n/a				n/a		
Residential Demand Response (switch/pstat)*		n/a				n/a				n/a				n/a		
Residential Demand Response (IHD)		n/a				n/a				n/a				n/a		
Residential New Construction		3.65				0.49				7.17				0.49		
Business Program																
Retrofit		0.93				0.75				1.05				0.76		
Direct Install Lighting		0.69				0.94				0.85				0.94		
Building Commissioning		n/a				n/a				n/a				n/a		
New Construction		0.98				0.49				0.99				0.49		
Energy Audit		n/a				n/a				n/a				n/a		
Small Commercial Demand Response (switch/pstat)*		n/a				n/a				n/a				n/a		
Small Commercial Demand Response (IHD)		n/a				n/a				n/a				n/a		
Demand Response 3*		n/a				n/a				n/a				n/a		
Industrial Program																
Process & System Upgrades		n/a				n/a				n/a				n/a		
Monitoring & Targeting		n/a				n/a				n/a				n/a		
Energy Manager		1.16				0.90				1.16				0.90		
Retrofit																
Demand Response 3*		n/a				n/a				n/a				n/a		
Home Assistance Program																
Home Assistance Program		0.32				1.00				0.99				1.00		
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program		n/a				n/a				n/a				n/a		
High Performance New Construction		1.00				0.50				1.00				0.50		
Toronto Comprehensive		n/a				n/a				n/a				n/a		
Multifamily Energy Efficiency Rebates		n/a				n/a				n/a				n/a		
LDC Custom Programs		n/a				n/a				n/a				n/a		
Other																
Program Enabled Savings		1.06				1.00				2.26				1.00		
Time-of-Use Savings		n/a				n/a				n/a				n/a		

Summary - Provincial Progress

Table 9: Province-Wide Net Peak Demand Savings at the End User Level (MW)

Implementation Period	Annual			
	2011	2012	2013	2014
2011	216.3	136.6	135.8	129.0
2012		253.3	109.8	108.2
2013				
2014				
Verified Net Annual Peak Demand Savings in 2014:				237.2
2014 Annual CDM Capacity Target				1,330
Verified Peak Demand Savings Target Achieved - 2011 (%):				17.8%

Table 10: Province-Wide Net Energy Savings at the End-User Level (GWh)

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011	606.9	603.0	601.0	582.3	2,393
2012		503.6	498.4	492.6	1,513
2013					
2014					
Verified Net Cumulative Energy Savings 2011-2014:					3,906
2011-2014 Cumulative CDM Energy Target:					6,000
Verified Portion of Energy Target Achieved - 2011 (%):					65.1%

*2011 energy adjustments included in cumulative energy savings.

METHODOLOGY

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

EQUATIONS

Prescriptive Measures and Projects	Gross Savings = Activity * Per Unit Assumption Net Savings = Gross Savings * Net-to-Gross Ratio All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)
Engineered and Custom Projects	Gross Savings = Reported Savings * Realization Rate Net Savings = Gross Savings * Net-to-Gross Ratio All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)
Demand Response	Peak Demand: Gross Savings = Net Savings = contracted MW at contributor level * Provincial contracted to ex ante ratio Energy: Gross Savings = Net Savings = provincial ex post energy savings * LDC proportion of total provincial contracted MW All savings are annualized (i.e. the savings are the same regardless of the time of year a participant began offering DR)
Adjustments to Previous Year's Verified Results	All errors and omissions from the prior years Final Annual Results report will be adjusted within this report. Any errors and omissions with regards to projects counts, data lag, and calculations etc., will be made within this report. Considers the cumulative effect of energy savings.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Consumer Program			
Appliance Retirement	Includes both retail and home pickup stream; Retail stream allocated based on average of 2008 & 2009 residential throughput; Home pickup stream directly attributed by postal code or customer selection	Savings are considered to begin in the year the appliance is picked up.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Appliance Exchange	When postal code information is provided by customer, results are directly attributed to the LDC. When postal code is not available, results allocated based on average of 2008 & 2009 residential throughput	Savings are considered to begin in the year that the exchange event occurred	
HVAC Incentives	Results directly attributed to LDC based on customer postal code	Savings are considered to begin in the year that the installation occurred	

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Conservation Instant Coupon Booklet	LDC-coded coupons directly attributed to LDC; Otherwise results are allocated based on average of 2008 & 2009 residential throughput	Savings are considered to begin in the year in which the coupon was redeemed.	<p>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.</p>
Bi-Annual Retailer Event	Results are allocated based on average of 2008 & 2009 residential throughput	Savings are considered to begin in the year in which the event occurs.	
Retailer Co-op	When postal code information is provided by the customer, results are directly attributed. If postal code information is not available, results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year of the home visit and installation date.	<p>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.</p>
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 <i>peaksaver</i> 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 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.</p>

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Residential New Construction	Results are directly attributed to LDC based on LDC identified in application in the saveONenergy CRM system; Initiative was not evaluated in 2011, reported results are presented with forecast assumptions as per the business case.	Savings are considered to begin in the year of the project completion date.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Business Program			
Efficiency: Equipment Replacement	Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see "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).
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 2012 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.			

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Direct Installed Lighting	Results are directly attributed to LDC based on the LDC specified on the work order	Savings are considered to begin in the year of the actual project completion date.	Peak demand and energy savings are determined using the verified measure level per unit assumptions multiplied by the uptake of each measure accounting for the realization rate for both peak demand and energy to reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings take into account net-to-gross factors such as free-ridership and spillover for both peak demand and energy savings at the program level (net).
Existing Building Commissioning Incentive	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, no completed projects in 2011 or 2012.	Savings are considered to begin in the year of the actual project completion date.	Peak demand and energy savings are determined by the total savings for a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
New Construction and Major Renovation Incentive	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the actual project completion date.	
Energy Audit	Projects are directly attributed to LDC based on LDC identified in the application	Savings are considered to begin in the year of the audit date.	Peak demand and energy savings are determined by the total savings resulting from an audit as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Commercial Demand Response (part of the Residential program schedule)	Results are directly attributed to LDC based on data provided to OPA through project completion reports and continuing participant lists	Savings are considered to begin in the year the device was installed and/or when a customer signed a peaksaver PLUS™ participant agreement.	Peak demand savings are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. Energy savings are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year. Savings are assumed to persist for only 1 year, reflecting that savings will only occur if the resource is activated.
Demand Response 3 (part of the Industrial program schedule)	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	Peak demand savings are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. Energy savings are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.
Industrial Program			
Process & System Upgrades	Results are directly attributed to LDC based on LDC identified in application in the saveONenergy CRM system; Initiative was not evaluated, no completed projects in 2011 or 2012.	Savings are considered to begin in the year in which the incentive project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Monitoring & Targeting	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, no completed projects in 2011 or 2012.	Savings are considered to begin in the year in which the incentive project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
Energy Manager	Results are directly attributed to LDC based on LDC identified in the application; No completed projects in 2011 or 2012.	Savings are considered to begin in the year in which the project was completed by the energy manager. If no date is specified the savings will begin the year of the Quarterly Report submitted by the energy manager.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see "Reference Tables" tab for Building type to Sector mapping	Savings are considered to begin in the year of the actual project completion date on the iCON CRM system.	Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
Demand Response 3	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	Peak demand savings are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. Energy savings are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.
Home Assistance Program			

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Home Assistance Program	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the measures were installed.	Peak demand and energy savings are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Pre-2011 Programs completed in 2011			
Electricity Retrofit Incentive Program	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011 or 2012, assumptions as per 2010 evaluation	Savings are considered to begin in the year in which a project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). If energy savings are not available , an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports).
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 or 2012, assumptions as per 2010 evaluation	Savings are considered to begin in the year in which a project was completed.	
Toronto Comprehensive	Program run exclusively in Toronto Hydro-Electric System Limited service territory; Initiative was not evaluated in 2011 or 2012, assumptions as per 2010 evaluation		

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Multifamily Energy Efficiency Rebates	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011 or 2012, 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>
Data Centre Incentive Program	Program run exclusively in PowerStream Inc. service territory; Initiative was not evaluated in 2011, assumptions as per 2009 evaluation		
EnWin Green Suites	Program run exclusively in ENWIN Utilities Ltd. service territory; Initiative was not evaluated in 2011 or 2012, assumptions as per 2010 evaluation		

ERII Sector (C&I vs. Industrial Mapping)

Building Type	Sector
Agribusiness - Cattle Farm	C&I
Agribusiness - Dairy Farm	C&I
Agribusiness - Greenhouse	C&I
Agribusiness - Other	C&I
Agribusiness - Other,Mixed-Use - Office/Retail	C&I
Agribusiness - Other,Office,Retail,Warehouse	C&I
Agribusiness - Other,Office,Warehouse	C&I
Agribusiness - Poultry	C&I
Agribusiness - Poultry,Hospitality - Motel	C&I
Agribusiness - Swine	C&I
Convenience Store	C&I
Education - College / Trade School	C&I
Education - College / Trade School,Multi-Residential - Condominium	C&I
Education - College / Trade School,Multi-Residential - Rental Apartment	C&I
Education - College / Trade School,Retail	C&I
Education - Primary School	C&I
Education - Primary School,Education - Secondary School	C&I
Education - Primary School,Multi-Residential - Rental Apartment	C&I
Education - Primary School,Not-for-Profit	C&I
Education - Secondary School	C&I
Education - University	C&I
Education - University,Office	C&I
Hospital/Healthcare - Clinic	C&I
Hospital/Healthcare - Clinic,Hospital/Healthcare - Long-term Care,Hospital/Healthcare - Medical Building	C&I
Hospital/Healthcare - Clinic,Industrial	C&I
Hospital/Healthcare - Clinic,Retail	C&I
Hospital/Healthcare - Long-term Care	C&I
Hospital/Healthcare - Long-term Care,Hospital/Healthcare - Medical Building	C&I
Hospital/Healthcare - Medical Building	C&I
Hospital/Healthcare - Medical Building,Mixed-Use - Office/Retail	C&I
Hospital/Healthcare - Medical Building,Mixed-Use - Office/Retail,Office	C&I
Hospitality - Hotel	C&I
Hospitality - Hotel,Restaurant - Dining	C&I
Hospitality - Motel	C&I
Industrial	Industrial
Mixed-Use - Office/Retail	C&I
Mixed-Use - Office/Retail,Industrial	Industrial
Mixed-Use - Office/Retail,Mixed-Use - Other	C&I
Mixed-Use - Office/Retail,Mixed-Use - Other,Not-for-Profit,Warehouse	C&I
Mixed-Use - Office/Retail,Mixed-Use - Residential/Retail	C&I
Mixed-Use - Office/Retail,Office,Restaurant - Dining,Restaurant - Quick Serve,Retail,Warehouse	C&I

Mixed-Use - Office/Retail,Office,Warehouse	C&I
Mixed-Use - Office/Retail,Retail	C&I
Mixed-Use - Office/Retail,Warehouse	C&I
Mixed-Use - Office/Retail,Warehouse,Industrial	Industrial
Mixed-Use - Other	C&I
Mixed-Use - Other,Industrial	Industrial
Mixed-Use - Other,Not-for-Profit,Office	C&I
Mixed-Use - Other,Office	C&I
Mixed-Use - Other,Other: Please specify	C&I
Mixed-Use - Other,Retail,Warehouse	C&I
Mixed-Use - Other,Warehouse	C&I
Mixed-Use - Residential/Retail	C&I
Mixed-Use - Residential/Retail,Multi-Residential - Condominium	C&I
Mixed-Use - Residential/Retail,Multi-Residential - Rental Apartment	C&I
Mixed-Use - Residential/Retail,Retail	C&I
Multi-Residential - Condominium	C&I
Multi-Residential - Condominium,Multi-Residential - Rental Apartment	C&I
Multi-Residential - Condominium,Other: Please specify	C&I
Multi-Residential - Rental Apartment	C&I
Multi-Residential - Rental Apartment,Multi-Residential - Social Housing Provider,Not-for-Profit	C&I
Multi-Residential - Rental Apartment,Not-for-Profit	C&I
Multi-Residential - Rental Apartment,Warehouse	C&I
Multi-Residential - Social Housing Provider	C&I
Multi-Residential - Social Housing Provider,Industrial	C&I
Multi-Residential - Social Housing Provider,Not-for-Profit	C&I
Not-for-Profit	C&I
Not-for-Profit,Office	C&I
Not-for-Profit,Other: Please specify	C&I
Not-for-Profit,Warehouse	C&I
Office	C&I
Office,Industrial	Industrial
Office,Other: Please specify	C&I
Office,Other: Please specify,Warehouse	C&I
Office,Restaurant - Dining	C&I
Office,Restaurant - Dining,Industrial	Industrial
Office,Retail	C&I
Office,Retail,Industrial	C&I
Office,Retail,Warehouse	C&I
Office,Warehouse	C&I
Office,Warehouse,Industrial	Industrial
Other: Please specify	C&I
Other: Please specify,Industrial	Industrial
Other: Please specify,Retail	C&I
Other: Please specify,Warehouse	C&I
Restaurant - Dining	C&I
Restaurant - Dining,Retail	C&I

Restaurant - Quick Serve	C&I
Restaurant - Quick Serve,Retail	C&I
Retail	C&I
Retail,Industrial	Industrial
Retail,Warehouse	C&I
Warehouse	C&I
Warehouse,Industrial	Industrial

Consumer Program Allocation Methodology

Results can be allocated based on average of 2008 & 2009 residential throughput for each LDC (below) when additional information is not available. Source: OEB Yearbook Data 2008 & 2009

Local Distribution Company	Allocation
Algoma Power Inc.	0.2%
Atikokan Hydro Inc.	0.0%
Attawapiskat Power Corporation	0.0%
Bluewater Power Distribution Corporation	0.6%
Brant County Power Inc.	0.2%
Brantford Power Inc.	0.7%
Burlington Hydro Inc.	1.4%
Cambridge and North Dumfries Hydro Inc.	1.0%
Canadian Niagara Power Inc.	0.5%
Centre Wellington Hydro Ltd.	0.1%
Chapleau Public Utilities Corporation	0.0%
COLLUS Power Corporation	0.3%
Cooperative Hydro Embrun Inc.	0.0%
E.L.K. Energy Inc.	0.2%
Enersource Hydro Mississauga Inc.	3.9%
ENTEGRUS	0.6%
ENWIN Utilities Ltd.	1.6%
Erie Thames Powerlines Corporation	0.4%
Espanola Regional Hydro Distribution Corporation	0.1%
Essex Powerlines Corporation	0.7%
Festival Hydro Inc.	0.3%
Fort Albany Power Corporation	0.0%
Fort Frances Power Corporation	0.1%
Greater Sudbury Hydro Inc.	1.0%
Grimsby Power Inc.	0.2%
Guelph Hydro Electric Systems Inc.	0.9%
Haldimand County Hydro Inc.	0.4%
Halton Hills Hydro Inc.	0.5%
Hearst Power Distribution Company Limited	0.1%
Horizon Utilities Corporation	4.0%
Hydro 2000 Inc.	0.0%
Hydro Hawkesbury Inc.	0.1%
Hydro One Brampton Networks Inc.	2.8%
Hydro One Networks Inc.	30.0%

Hydro Ottawa Limited	5.6%
Innisfil Hydro Distribution Systems Limited	0.4%
Kashechewan Power Corporation	0.0%
Kenora Hydro Electric Corporation Ltd.	0.1%
Kingston Hydro Corporation	0.5%
Kitchener-Wilmot Hydro Inc.	1.6%
Lakefront Utilities Inc.	0.2%
Lakeland Power Distribution Ltd.	0.2%
London Hydro Inc.	2.7%
Middlesex Power Distribution Corporation	0.1%
Midland Power Utility Corporation	0.1%
Milton Hydro Distribution Inc.	0.6%
Newmarket - Tay Power Distribution Ltd.	0.7%
Niagara Peninsula Energy Inc.	1.0%
Niagara-on-the-Lake Hydro Inc.	0.2%
Norfolk Power Distribution Inc.	0.3%
North Bay Hydro Distribution Limited	0.5%
Northern Ontario Wires Inc.	0.1%
Oakville Hydro Electricity Distribution Inc.	1.5%
Orangeville Hydro Limited	0.2%
Orillia Power Distribution Corporation	0.3%
Oshawa PUC Networks Inc.	1.2%
Ottawa River Power Corporation	0.2%
Parry Sound Power Corporation	0.1%
Peterborough Distribution Incorporated	0.7%
PowerStream Inc.	6.6%
PUC Distribution Inc.	0.9%
Renfrew Hydro Inc.	0.1%
Rideau St. Lawrence Distribution Inc.	0.1%
Sioux Lookout Hydro Inc.	0.1%
St. Thomas Energy Inc.	0.3%
Thunder Bay Hydro Electricity Distribution Inc.	0.9%
Tillsonburg Hydro Inc.	0.1%
Toronto Hydro-Electric System Limited	12.8%
Veridian Connections Inc.	2.4%
Wasaga Distribution Inc.	0.2%
Waterloo North Hydro Inc.	1.0%
Welland Hydro-Electric System Corp.	0.4%
Wellington North Power Inc.	0.1%
West Coast Huron Energy Inc.	0.1%
Westario Power Inc.	0.5%
Whitby Hydro Electric Corporation	0.9%
Woodstock Hydro Services Inc.	0.3%

Reporting Glossary

Annual: the peak demand or energy savings that occur in a given year (includes resource savings from new program activity in a given year and resource savings persisting from previous years).

Cumulative Energy Savings: represents the sum of the annual energy savings that accrue over a defined period (in the context of this report the defined period is 2011 - 2014). This concept does not apply to peak demand savings.

End-User Level: resource savings in this report are measured at the customer level as opposed to the generator level (the difference being line losses).

Free-ridership: the percentage of participants who would have implemented the program measure or practice in the absence of the program.

Incremental: the new resource savings attributable to activity procured in a particular reporting period based on when the savings are considered to 'start' (please see table 5).

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

Net-to-Gross Ratio: The ratio of net savings to gross savings, which takes into account factors such as free-ridership and spillover

Net Energy Savings (MWh): energy savings attributable to conservation and demand management activities net of free-riders, etc.

Net Peak Demand Savings (MW): peak demand savings attributable to conservation and demand management activities net of free-riders, etc.

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

Realization Rate: A comparison of observed or measured (evaluated) information to original reported savings which is used to adjust the gross savings estimates.

Settlement Account: the grouping of demand response facilities (contributors) into one contractual agreement

Spillover: Reductions in energy consumption and/or demand caused by the presence of the energy efficiency program, beyond the program-related gross savings of the participants. There can be participant and/or non-participant spillover.

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



saveONenergy™

Message from the Vice President:

The OPA is pleased to provide you with the enclosed Final 2013 Verified Results Report.

2013 Report highlights:

- We have achieved 86% of our cumulative energy savings target and 48% of our annual peak demand savings target to date (Scenario 2).
By the end of 2013, 42 LDCs have exceeded 80% of their energy target and 19 LDCs have met or exceeded their 2011-14 energy target.
- In 2013, LDCs have achieved over 600 GWh in savings, representing an increase of 20% over the 2012 net incremental energy savings results.
- The BUSINESS PROGRAM continues to generate strong interest and participation amongst business customers with significant savings results. 71% of total energy savings in 2013 came from the BUSINESS PROGRAM and its momentum continues. Also, as the program matures, we are seeing more and more studies in the PROCESS AND SYSTEMS pipeline converting to completed projects.
- Within 4 cents per kWh, Conservation programs continue to be a valuable and cost effective resource for customers across the province.

2013 has been a year of significant operational advancements centered around creating a better customer and LDC experience:

- A number of operational changes were made in 2013 to enhance processes, such as payment of LDC invoices streamlined to an average of 20 days, enhanced reporting and iCon updates to improve users' experience.
- Proactive updates to measures incentivized through saveONenergy have allowed programs to stay ahead of changing market conditions. Specifically in 2013, LEDs became popular measures in both the Consumer and Business programs.
- Technical tools also played a significant role in 2013, which included an updated Measure and Assumptions List as well as new and improved engineering worksheets for RETROFIT which allow customers to more easily access programs by building strong business cases based on latest estimates of savings potential.
- The Conservation Fund introduced the LDC Fast Track stream to support LDCs with innovative program ideas. 2013 LDC pilots included Oshawa PUC Networks Inc.'s retro-commissioning program, Toronto Hydro-Electric System Limited multi-unit demand response, and Niagara-on-the-Lake Hydro Inc.'s electric vehicles load shifting program.
- Key market sectors were also engaged in 2013 through Capability Building programs targeted at Home Builders and HVAC Installers to build conservation knowledge with these partners. Energy Efficiency Services Programs (EESPs) also provided valuable support to a variety of sectors.

The format of this report was developed in collaboration with the Reporting Working Group and is designed to help LDCs populate their 2013 Annual Reports that will be submitted to the OEB by September 30th. Any additional 2013 program activity not captured here will be reported in your Final 2014 Verified Results Report.

Please continue to monitor saveONenergy E-blasts for any further updates and should you have any other questions or comments please contact LDC.Support@powerauthority.on.ca.

We appreciate your ongoing collaboration and cooperation throughout the reporting and evaluation process. We look forward to another successful year in 2014.

Sincerely,

Andrew Pride

Table of Contents			
Summary		Provides a "snapshot" of the LDC specific OPA-Contracted Province-Wide Program performance to date: progress to target using 2 scenarios, sector breakdown and progress to target for the LDC community	3
LDC-Specific Performance (LDC Level Results)			
Table 1	LDC Initiative and Program Level Net Savings	Provides LDC-specific initiative-level results (activity, net peak demand and energy savings, and how each initiative contributes to targets).	4
Table 2	LDC Adjustments to Net Verified Results	Provides LDC-specific initiative level adjustments from previous years (activity, net peak demand and energy savings).	5
Table 3	LDC Realization Rates & NTGs	Provides LDC-specific initiative-level realization rates and net-to-gross ratios.	6
Table 4	LDC Net Peak Demand Savings (MW)	Provides a portfolio level view of LDC achievement of net peak demand savings towards OEB target to date.	7
Table 5	LDC Net Energy Savings (GWh)	Provides a portfolio level view of LDC achievement of net energy savings towards OEB target to date.	7
Province-Wide Data - (LDC Performance in Aggregate)			
Table 6	Provincial Initiative and Program Level Net Savings	Provides province-wide initiative-level results (activity, net peak demand and energy savings, and how each initiative contributes to targets).	8
Table 7	Provincial Adjustments to Net Verified Results	Provides province-wide initiative level adjustments from previous years (activity, net peak demand and energy savings).	9
Table 8	Provincial Realization Rates & NTGs	Provides province-wide initiative-level realization rates and net-to-gross ratios.	10
Table 9	Provincial Net Peak Demand Savings (MW)	Provides a portfolio level view of provincial achievement of net peak demand savings towards the OEB target to date.	11
Table 10	Provincial Net Energy Savings (GWh)	Provides a portfolio level view of achievement of provincial net energy savings towards the OEB target to date.	11
Appendix			
-	Methodology	Detailed descriptions of methods used for results.	12 to 21
-	Reference Tables	To map C&I and Industrial customer data and Consumer Program allocation methodology.	22 to 25
-	Glossary	Definitions for terms used throughout the report.	26
Table 11	LDC Initiative and Program Level Gross Savings	Provides LDC-specific initiative-level results (gross peak demand and energy savings).	27
Table 12	LDC Adjustments to Gross Verified Results	Provides LDC-specific initiative level adjustments from previous years (gross peak demand and energy savings).	28
Table 13	Provincial Initiative and Program Level Gross Savings	Provides province-wide initiative-level results (gross peak demand and energy savings).	29
Table 14	Provincial Adjustments to Gross Verified Results	Provides province-wide initiative level adjustments from previous years (gross peak demand and energy savings).	30

OPA-Contracted Province-Wide CDM Programs Final Verified 2013 Results

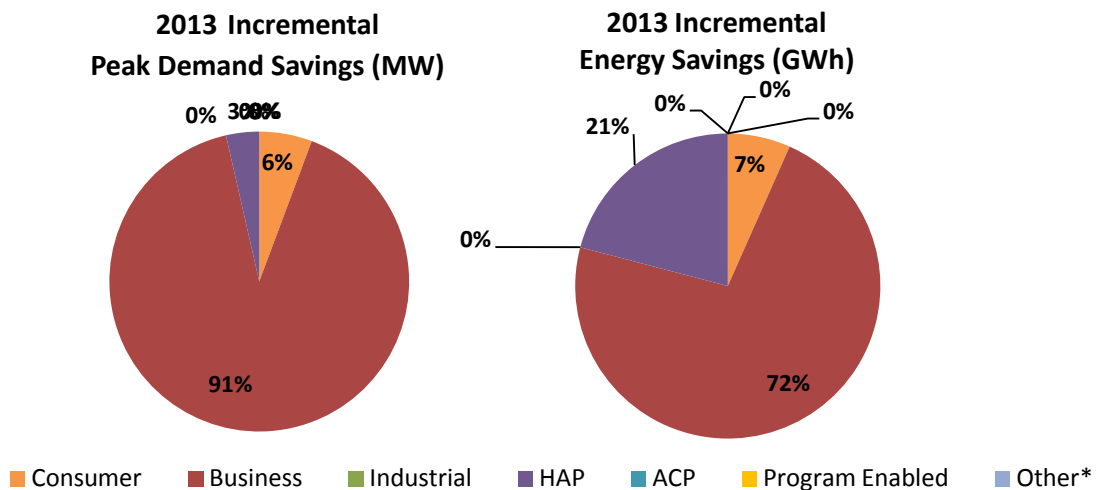
LDC: Hearst Power Distribution Company Limited

FINAL 2013 Progress to Targets	2013 Incremental	Program-to-Date Progress to Target (Scenario 1)	Scenario 1: % of Target Achieved	Scenario 2: % of Target Achieved
Net Annual Peak Demand Savings (MW)	0.1	0.2	26.5%	26.5%
Net Energy Savings (GWh)	0.4	1.9	49.2%	49.2%

Scenario 1 = Assumes that demand response resources have a persistence of 1 year

Scenario 2 = Assumes that demand response resources remain in the LDC service territory until 2014

Achievement by Sector



*Other includes adjustments to previous years' results and savings from pre-2011 initiatives

Comparison: LDC Achievement vs. LDC Community Achievement (Progress to Target)

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

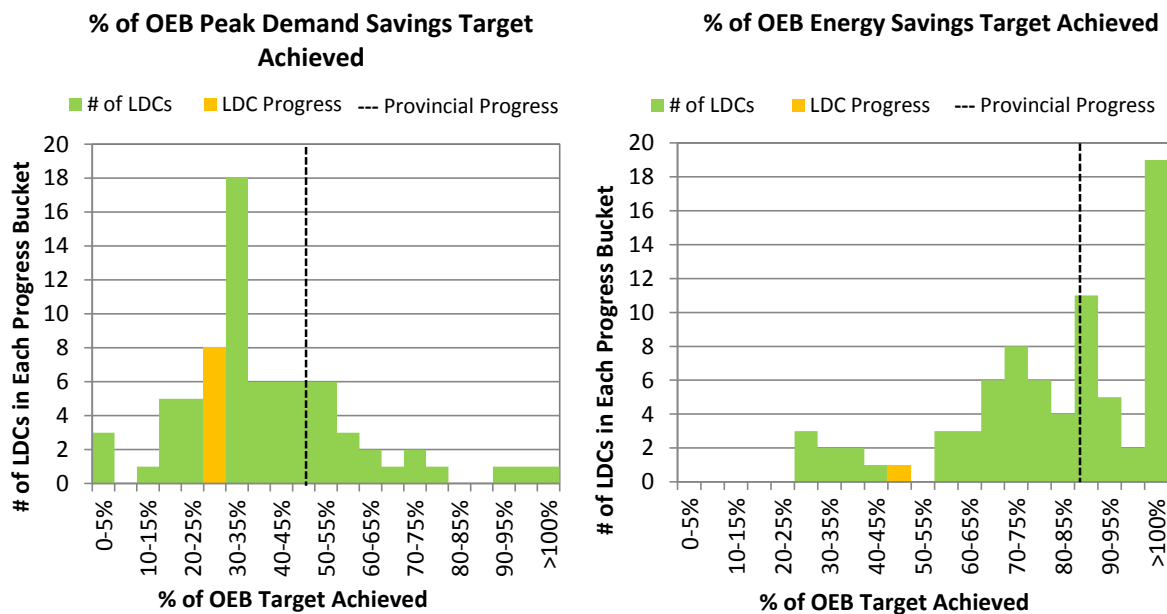


Table 1: Hearst Power Distribution Company Limited Initiative and Program Level Net Savings by Year (Scenario 1)

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				1,525				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
										% 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 3: Hearst Power Distribution Company Limited Realization Rate & NTG

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement	1.00	1.00	n/a		0.52	0.47	0.42		1.00	1.00	n/a		0.52	0.47	0.44	
Appliance Exchange	1.00	1.00	1.00		0.52	0.52	0.53		1.00	1.00	1.00		0.52	0.52	0.53	
HVAC Incentives	1.00	1.00	n/a		0.60	0.49	0.48		1.00	1.00	n/a		0.60	0.49	0.48	
Conservation Instant Coupon Booklet	1.00	1.00	1.00		1.14	1.00	1.11		1.00	1.00	1.00		1.11	1.05	1.13	
Bi-Annual Retailer Event	1.00	1.00	1.00		1.13	0.91	1.04		1.00	1.00	1.00		1.10	0.92	1.04	
Retailer Co-op	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential Demand Response	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential Demand Response (IHD)	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential New Construction	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Business Program																
Retrofit	n/a	n/a	0.95		n/a	n/a	0.72		n/a	n/a	1.04		n/a	n/a	0.72	
Direct Install Lighting	1.08	0.68	0.81		0.93	0.94	0.94		0.90	0.85	0.84		0.93	0.94	0.94	
Building Commissioning	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
New Construction	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Energy Audit	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Small Commercial Demand Response	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Small Commercial Demand Response (IHD)	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Demand Response 3	0.76	n/a	n/a		n/a	n/a	n/a		1.00	n/a	n/a		n/a	n/a	n/a	
Industrial Program																
Process & System Upgrades	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Monitoring & Targeting	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Energy Manager	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Retrofit																
Demand Response 3	0.84	n/a	n/a		n/a	n/a	n/a		1.00	n/a	n/a		n/a	n/a	n/a	
Home Assistance Program																
Home Assistance Program	n/a	n/a	1.24		n/a	n/a	1.00		n/a	n/a	0.83		n/a	n/a	1.00	
Aboriginal Program																
Home Assistance Program	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Direct Install Lighting	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
High Performance New Construction	1.00	1.00	1.00		0.50	0.50	0.50		1.00	1.00	1.00		0.50	0.50	0.50	
Toronto Comprehensive	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Multifamily Energy Efficiency Rebates	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
LDC Custom Programs	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Other																
Program Enabled Savings	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Time-of-Use Savings	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	

Energy Manager, Aboriginal Program and Program Enabled Savings were not independently evaluated

Summary Progress Towards CDM Targets

Results are attributed to target using current OPA reporting policies. Energy efficiency resources persist for the duration of the effective useful life. Any upcoming code changes are taken into account. Demand response resources persist for 1 year (Scenario 1). Please see methodology tab for more detailed information.

Table 4: Net Peak Demand Savings at the End User Level (MW) (Scenario 1)

Implementation Period	Annual			
	2011	2012	2013	2014
2011 - Verified	0.0	0.0	0.0	0.0
2012 - Verified†	0.0	0.1	0.1	0.1
2013 - Verified†	0.0	0.0	0.1	0.1
2014				
Verified Net Annual Peak Demand Savings Persisting in 2014:				0.2
Hearst Power Distribution Company Limited 2014 Annual CDM Capacity Target:				0.7
Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):				26.5%

Table 5: Net Energy Savings at the End User Level (GWh)

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011 - Verified	0.1	0.1	0.1	0.1	0.5
2012 - Verified†	0.0	0.2	0.2	0.2	0.7
2013 - Verified†	0.0	0.0	0.4	0.4	0.7
2014					
Verified Net Cumulative Energy Savings 2011-2014:					1.9
Hearst Power Distribution Company Limited 2011-2014 Annual CDM Energy Target:					3.9
Verified Portion of Cumulative Energy Target Achieved in 2014 (%):					49.2%

†Includes adjustments to previous Years' verified results

Table 6: Province-Wide Initiatives and Program Level Net Savings by Year (Scenario 1)

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)		
		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
Consumer Program																
Appliance Retirement	Appliances	56,110	34,146	20,952		3,299	2,011	1,433		23,005,812	13,424,518	8,713,107		6,605	149,603,072	
Appliance Exchange	Appliances	3,688	3,836	5,337		371	556	1,106		450,187	974,621	1,971,701		1,795	8,455,927	
HVAC Incentives	Equipment	92,743	87,427	91,581		32,037	19,060	19,552		59,437,670	32,841,283	33,923,592		70,650	404,121,713	
Conservation Instant Coupon Booklet	Items	567,678	30,891	346,896		1,344	230	517		21,211,537	1,398,202	7,707,573		2,091	104,455,900	
Bi-Annual Retailer Event	Items	952,149	1,060,901	944,772		1,681	1,480	1,184		29,387,468	26,781,674	17,179,841		4,345	232,254,579	
Retailer Co-op	Items	152	0	0		0	0	0		2,652	0	0		0	10,607	
Residential Demand Response	Devices	19,550	98,388	171,733		10,947	49,038	93,076		24,870	359,408	390,303		0	774,582	
Residential Demand Response (IHD)	Devices	0	49,689	133,657		0	0	0		0	0	0		0	0	
Residential New Construction	Homes	26	19	86		0	2	18		743	17,152	163,690		20	381,811	
Consumer Program Total						49,681	72,377	116,886		133,520,941	75,796,859	70,049,807		85,506	900,058,189	
Business Program																
Retrofit	Projects	2,819	6,134	8,785		24,467	61,147	59,678		136,002,258	314,922,468	345,346,008		142,831	2,168,497,702	
Direct Install Lighting	Projects	20,741	18,691	17,782		23,724	15,284	18,708		61,076,701	57,345,798	64,315,558		49,886	519,693,356	
Building Commissioning	Buildings	0	0	0		0	0	0		0	0	0		0	0	
New Construction	Buildings	22	69	86		123	764	1,584		411,717	1,814,721	4,959,266		2,472	17,009,564	
Energy Audit	Audits	198	345	319		0	1,450	2,811		0	7,049,351	15,455,795		4,261	52,059,644	
Small Commercial Demand Response	Devices	132	294	1,211		84	187	773		157	1,068	373		0	1,597	
Small Commercial Demand Response (IHD)	Devices	0	0	378		0	0	0		0	0	0		0	0	
Demand Response 3	Facilities	145	151	175		16,218	19,389	23,706		633,421	281,823	346,659		0	1,261,903	
Business Program Total						64,617	98,221	107,261		198,124,253	381,415,230	430,423,659		199,449	2,758,523,766	
Industrial Program																
Process & System Upgrades	Projects	0	0	3		0	0	294		0	0	2,603,764		294	5,207,528	
Monitoring & Targeting	Projects	0	0	0		0	0	0		0	0	0		0	0	
Energy Manager	Projects	0	42	205		0	1,086	3,558		0	7,372,108	21,994,263		3,194	54,888,570	
Retrofit	Projects	433	0	0		4,615	0	0		28,866,840	0	0		4,613	115,462,282	
Demand Response 3	Facilities	124	185	281		52,484	74,056	162,543		3,080,737	1,784,712	4,309,160		0	9,174,609	
Industrial Program Total						57,098	75,141	166,395		31,947,577	9,156,820	28,907,187		8,101	184,732,989	
Home Assistance Program																
Home Assistance Program	Homes	46	5,033	26,756		2	566	2,361		39,283	5,442,232	20,987,275		2,904	57,949,913	
Home Assistance Program Total						2	566	2,361		39,283	5,442,232	20,987,275		2,904	57,949,913	
Aboriginal Program																
Home Assistance Program	Homes	0	0	584		0	0	267		0	0	1,609,393		267	3,218,786	
Direct Install Lighting	Projects	0	0	0		0	0	0		0	0	0		0	0	
Aboriginal Program Total						0	0	267		0	0	1,609,393		267	3,218,786	
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program	Projects	2,028	0	0		21,662	0	0		121,138,219	0	0		21,662	484,552,876	
High Performance New Construction	Projects	179	69	4		5,098	3,251	772		26,185,591	11,901,944	3,522,240		9,121	147,492,677	
Toronto Comprehensive	Projects	577	0	0		15,805	0	0		86,964,886	0	0		15,805	347,859,545	
Multifamily Energy Efficiency Rebates	Projects	110	0	0		1,981	0	0		7,595,683	0	0		1,981	30,382,733	
LDC Custom Programs	Projects	8	0	0		399	0	0		1,367,170	0	0		399	5,468,679	
Pre-2011 Programs completed in 2011 Total						44,945	3,251	772		243,251,550	11,901,944	3,522,240		48,967	1,015,756,510	
Other																
Program Enabled Savings	Projects	14	56	13		0	2,304	3,692		0	1,188,362	4,075,382		5,996	11,715,850	
Time-of-Use Savings	Homes	0	0	0		0	0	0		0	0	0		0	0	
Other Total						0	2,304	3,692		0	1,188,362	4,075,382		5,996	11,715,850	
Adjustments to 2011 Verified Results																
Adjustments to 2012 Verified Results																
Energy Efficiency Total						136,610	109,191	117,536		603,144,419	482,474,435	554,528,447		351,190	4,920,743,312	
Demand Response Total (Scenario 1)						79,733	142,670	280,099		3,739,185	2,427,011	5,046,495		0	11,212,691	
Adjustments to Previous Years' Verified Results Total						0	1,406	6,901		0	18,689,081	43,684,221		7,976	207,151,978	
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						216,343	253,267	404,536		606,883,604	503,590,526	603,259,163		359,166	5,139,107,980	
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).						Full OEB Target:									1,330,000	6,000,000,000
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.						% of Full OEB Target Achieved to Date (Scenario 1):									27.0%	85.7%

Table 7: Adjustments to Province-Wide Net Verified Results due to Variances

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011*	2012*	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program													
Appliance Retirement	Appliances	0	0			0	0			0	0		
Appliance Exchange	Appliances	0	0			0	0			0	0		
HVAC Incentives	Equipment	-18,844	2,206			-5,271	452			-9,709,500	907,735		
Conservation Instant Coupon Booklet	Items	8,216	0			16	0			275,655	0		
Bi-Annual Retailer Event	Items	81,817	0			108	0			2,183,391	0		
Retailer Co-op	Items	0	0			0	0			0	0		
Residential Demand Response	Devices	0	0			0	0			0	0		
Residential Demand Response (IHD)	Devices	0	0			0	0			0	0		
Residential New Construction	Homes	19	0			1	0			13,767	0		
Consumer Program Total						-5,146	452			-7,236,687	907,735		
Business Program													
Retrofit	Projects	303	529			3,204	4,443			16,216,165	28,739,635		
Direct Install Lighting	Projects	444	197			501	204			1,250,388	736,541		
Building Commissioning	Buildings	0	0			0	0			0	0		
New Construction	Buildings	12	0			828	0			3,520,620	0		
Energy Audit	Audits	95	65			492	337			2,391,744	1,636,457		
Small Commercial Demand Response	Devices	0	0			0	0			0	0		
Small Commercial Demand Response (IHD)	Devices	0	0			0	0			0	0		
Demand Response 3	Facilities	0	0			0	0			0	0		
Business Program Total						5,025	4,984			23,378,917	31,112,632		
Industrial Program													
Process & System Upgrades	Projects	0	0			0	0			0	0		
Monitoring & Targeting	Projects	0	0			0	0			0	0		
Energy Manager	Projects	0	3			0	68			0	719,235		
Retrofit	Projects	0	0			0	0			0	0		
Demand Response 3	Facilities	0	0			0	0			0	0		
Industrial Program Total						0	68			0	719,235		
Home Assistance Program													
Home Assistance Program	Homes	0	0			0	0			0	0		
Home Assistance Program Total						0	0			0	0		
Aboriginal Program													
Home Assistance Program	Homes	0	0			0	0			0	0		
Direct Install Lighting	Projects	0	0			0	0			0	0		
Aboriginal Program Total						0	0			0	0		
Pre-2011 Programs completed in 2011													
Electricity Retrofit Incentive Program	Projects	12	0			138	0			545,536	0		
High Performance New Construction	Projects	34	0			1,407	0			2,065,200	0		
Toronto Comprehensive	Projects	0	0			0	0			0	0		
Multifamily Energy Efficiency Rebates	Projects	0	0			0	0			0	0		
LDC Custom Programs	Projects	0	0			0	0			0	0		
Pre-2011 Programs completed in 2011 Total						1,545	0			2,610,736	0		
Other													
Program Enabled Savings	Projects	14	40			624	824			1,673,712	9,927,473		
Time-of-Use Savings	Homes	0	0			0	0			0	0		
Other Total						624	824			1,673,712	9,927,473		
Adjustments to 2011 Verified Results						2,047				20,426,678			
Adjustments to 2012 Verified Results							6,328				42,667,076		
Adjustments to Previous Years' Verified Results Total						2,047	6,328			20,426,678	42,667,076		

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

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

Adjustments to previous years' results shown in this table will not align to adjustments shown in Table 1 as the information presented above does not consider persistence of savings

Table 8: Province-Wide Realization Rate & NTG

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement	1.00	1.00	1.00		0.51	0.46	0.42		1.00	1.00	1.00		0.46	0.47	0.44	
Appliance Exchange	1.00	1.00	1.00		0.51	0.52	0.53		1.00	1.00	1.00		0.52	0.52	0.53	
HVAC Incentives	1.00	1.00	1.00		0.60	0.50	0.48		1.00	1.00	1.00		0.50	0.49	0.48	
Conservation Instant Coupon Booklet	1.00	1.00	1.00		1.14	1.00	1.11		1.00	1.00	1.00		1.00	1.05	1.13	
Bi-Annual Retailer Event	1.00	1.00	1.00		1.12	0.91	1.04		1.00	1.00	1.00		0.91	0.92	1.04	
Retailer Co-op	1.00	n/a	n/a		0.68	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential Demand Response	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential Demand Response (IHD)	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential New Construction	1.00	3.65	0.78		0.41	0.49	0.63		3.65	7.17	3.09		0.49	0.49	0.63	
Business Program																
Retrofit	1.06	0.93	0.92		0.72	0.75	0.73		0.93	1.05	1.01		0.75	0.76	0.73	
Direct Install Lighting	1.08	0.69	0.82		1.08	0.94	0.94		0.69	0.85	0.84		0.94	0.94	0.94	
Building Commissioning	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
New Construction	0.50	0.98	0.68		0.50	0.49	0.54		0.98	0.99	0.76		0.49	0.49	0.54	
Energy Audit	n/a	n/a	1.02		n/a	n/a	0.66		n/a	n/a	0.97		n/a	n/a	0.66	
Small Commercial Demand Response	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Small Commercial Demand Response (IHD)	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Demand Response 3	0.76	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Industrial Program																
Process & System Upgrades	n/a	n/a	0.85		n/a	n/a	0.94		n/a	n/a	0.87		n/a	n/a	0.93	
Monitoring & Targeting	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Energy Manager	n/a	1.16	0.90		n/a	0.90	0.90		1.16	1.16	0.90		0.90	0.90	0.90	
Retrofit	1.11	n/a	n/a		0.72	n/a	n/a		0.91	n/a	n/a		0.75	n/a	n/a	
Demand Response 3	0.84	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Home Assistance Program																
Home Assistance Program	1.00	0.32	0.26		0.70	1.00	1.00		0.32	0.99	0.88		1.00	1.00	1.00	
Aboriginal Program																
Home Assistance Program	n/a	n/a	0.05		n/a	n/a	1.00		n/a	n/a	0.95		n/a	n/a	1.00	
Direct Install Lighting	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program	0.80	n/a	n/a		0.54	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
High Performance New Construction	1.00	1.00	1.00		0.49	0.50	0.50		1.00	1.00	1.00		0.50	0.50	0.50	
Toronto Comprehensive	1.13	n/a	n/a		0.50	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Multifamily Energy Efficiency Rebates	0.93	n/a	n/a		0.78	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
LDC Custom Programs	1.00	n/a	n/a		1.00	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Other																
Program Enabled Savings	n/a	1.06	1.00		n/a	1.00	1.00		1.06	2.26	1.00		1.00	1.00	1.00	
Time-of-Use Savings	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	

Energy Manager, Aboriginal Program and Program Enabled Savings were not independently evaluated

Summary Provincial Progress Towards CDM Targets

Table 9: Province-Wide Net Peak Demand Savings at the End User Level (MW)

Implementation Period	Annual			
	2011	2012	2013	2014
2011	216.3	136.6	135.8	129.0
2012†	1.4	253.3	109.8	108.2
2013†	0.6	7.0	404.5	122.0
2014				
Verified Net Annual Peak Demand Savings in 2014:				359.2
2014 Annual CDM Capacity Target:				1,330
Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):				27.0%

Table 10: Province-Wide Net Energy Savings at the End-User Level (GWh)

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011	606.9	603.0	601.0	582.3	2,393.1
2012†	18.7	503.6	498.4	492.6	1,513.3
2013†	1.7	44.4	603.3	583.4	1,232.8
2014					
Verified Net Cumulative Energy Savings 2011-2014:					5,139.1
2011-2014 Cumulative CDM Energy Target:					6,000
Verified Portion of Cumulative Energy Target Achieved in 2014 (%):					85.7%

†Includes adjustments to previous Years' verified results

METHODOLOGY

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

EQUATIONS	
Prescriptive Measures and Projects	Gross Savings = Activity * Per Unit Assumption Net Savings = Gross Savings * Net-to-Gross Ratio All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)
Engineered and Custom Projects	Gross Savings = Reported Savings * Realization Rate Net Savings = Gross Savings * Net-to-Gross Ratio All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)
Demand Response	Peak Demand: Gross Savings = Net Savings = contracted MW at contributor level * Provincial contracted to ex ante ratio Energy: Gross Savings = Net Savings = provincial ex post energy savings * LDC proportion of total provincial contracted MW All savings are annualized (i.e. the savings are the same regardless of the time of year a participant began offering DR)
Adjustments to Previous Years' Verified Results	All variances from the Final Annual Results Reports from prior years will be adjusted within this report. Any variances with regards to projects counts, data lag, and calculations etc., will be made within this report. Considers the cumulative effect of energy savings.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Consumer Program			
Appliance Retirement	Includes both retail and home pickup stream; Retail stream allocated based on average of 2008 & 2009 residential throughput; Home pickup stream directly attributed by postal code or customer selection.	Savings are considered to begin in the year the appliance is picked up.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Appliance Exchange	When postal code information is provided by customer, results are directly attributed to the LDC. When postal code is not available, results allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year that the exchange event occurred.	
HVAC Incentives	Results directly attributed to LDC based on customer postal code.	Savings are considered to begin in the year that the installation occurred.	

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Conservation Instant Coupon Booklet	LDC-coded coupons directly attributed to LDC; Otherwise results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year in which the coupon was redeemed.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Bi-Annual Retailer Event	Results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year in which the event occurs.	
Retailer Co-op	When postal code information is provided by the customer, results are directly attributed. If postal code information is not available, results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year of the home visit and installation date.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Residential Demand Response	Results are directly attributed to LDC based on data provided to OPA through project completion reports and continuing participant lists.	Savings are considered to begin in the year the device was installed and/or when a customer signed a peaksaver PLUS™ participant agreement.	Peak demand savings are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. Energy savings are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year and accounts for any "snapback" in energy consumption experienced after the event. Savings are assumed to persist for only 1 year, reflecting that savings will only occur if the resource is activated.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Residential New Construction	Results are directly attributed to LDC based on LDC identified in application in the saveONenergy CRM system; Initiative was not evaluated in 2011, reported results are presented with forecast assumptions as per the business case.	Savings are considered to begin in the year of the project completion date.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Business Program			
Efficiency: Equipment Replacement	Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see page for Building type to Sector mapping.	Savings are considered to begin in the year of the actual project completion date on the iCON CRM system.	Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
	Additional Note: project counts were derived by filtering out invalid statuses (e.g. Post-Project Submission - Payment denied by LDC) and only including projects with an "Actual Project Completion Date" in 2013)		

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Direct Installed Lighting	Results are directly attributed to LDC based on the LDC specified on the work order.	Savings are considered to begin in the year of the actual project completion date.	Peak demand and energy savings are determined using the verified measure level per unit assumptions multiplied by the uptake of each measure accounting for the realization rate for both peak demand and energy to reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings take into account net-to-gross factors such as free-ridership and spillover for both peak demand and energy savings at the program level (net).
Existing Building Commissioning Incentive	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, no completed projects in 2011 or 2012.	Savings are considered to begin in the year of the actual project completion date.	Peak demand and energy savings are determined by the total savings for a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
New Construction and Major Renovation Incentive	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the actual project completion date.	
Energy Audit	Projects are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the audit date.	Peak demand and energy savings are determined by the total savings resulting from an audit as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Commercial Demand Response (part of the Residential program schedule)	Results are directly attributed to LDC based on data provided to OPA through project completion reports and continuing participant lists	Savings are considered to begin in the year the device was installed and/or when a customer signed a peaksaver PLUS™ participant agreement.	Peak demand savings are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. Energy savings are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year. Savings are assumed to persist for only 1 year, reflecting that savings will only occur if the resource is activated.
Demand Response 3 (part of the Industrial program schedule)	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	Peak demand savings are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. Energy savings are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.
Industrial Program			
Process & System Upgrades	Results are directly attributed to LDC based on LDC identified in application.	Savings are considered to begin in the year in which the incentive project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Monitoring & Targeting	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, no completed projects in 2011, 2012 or 2013.	Savings are considered to begin in the year in which the incentive project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
Energy Manager	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the project was completed by the energy manager. If no date is specified the savings will begin the year of the Quarterly Report submitted by the energy manager.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see "Reference Tables" tab for Building type to Sector mapping.	Savings are considered to begin in the year of the actual project completion date on the iCON CRM system.	Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
Demand Response 3	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	Peak demand savings are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. Energy savings are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Home Assistance Program			
Home Assistance Program	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the measures were installed.	Peak demand and energy savings are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross), taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Aboriginal Program			
Aboriginal Program	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the measures were installed.	Peak demand and energy savings are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross), taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Pre-2011 Programs completed in 2011			
Electricity Retrofit Incentive Program	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, 2012 or 2013 assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported. A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). If energy savings are not available, an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports).
High Performance New Construction	Results are directly attributed to LDC based on customer data provided to the OPA from Enbridge; Initiative was not evaluated in 2011, 2012 or 2013, assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	
Toronto Comprehensive	Program run exclusively in Toronto Hydro-Electric System Limited service territory; Initiative was not evaluated in 2011, 2012 or 2013, assumptions as per 2010 evaluation.		

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Multifamily Energy Efficiency Rebates	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, 2012 or 2013, assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). If energy savings are not available, an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports).
Data Centre Incentive Program	Program run exclusively in PowerStream Inc. service territory; Initiative was not evaluated in 2011, assumptions as per 2009 evaluation.		
EnWin Green Suites	Program run exclusively in ENWIN Utilities Ltd. service territory; Initiative was not evaluated in 2011 or 2012, assumptions as per 2010 evaluation.		

Retrofit Sector (C&I vs. Industrial Mapping)

Building Type	Sector
Agribusiness - Cattle Farm	C&I
Agribusiness - Dairy Farm	C&I
Agribusiness - Greenhouse	C&I
Agribusiness - Other	C&I
Agribusiness - Other,Mixed-Use - Office/Retail	C&I
Agribusiness - Other,Office,Retail,Warehouse	C&I
Agribusiness - Other,Office,Warehouse	C&I
Agribusiness - Poultry	C&I
Agribusiness - Poultry,Hospitality - Motel	C&I
Agribusiness - Swine	C&I
Convenience Store	C&I
Education - College / Trade School	C&I
Education - College / Trade School,Multi-Residential - Condominium	C&I
Education - College / Trade School,Multi-Residential - Rental Apartment	C&I
Education - College / Trade School,Retail	C&I
Education - Primary School	C&I
Education - Primary School,Education - Secondary School	C&I
Education - Primary School,Multi-Residential - Rental Apartment	C&I
Education - Primary School,Not-for-Profit	C&I
Education - Secondary School	C&I
Education - University	C&I
Education - University,Office	C&I
Hospital/Healthcare - Clinic	C&I
Hospital/Healthcare - Clinic,Hospital/Healthcare - Long-term Care,Hospital/Healthcare - Medical Building	C&I
Hospital/Healthcare - Clinic,Industrial	C&I
Hospital/Healthcare - Clinic,Retail	C&I
Hospital/Healthcare - Long-term Care	C&I
Hospital/Healthcare - Long-term Care,Hospital/Healthcare - Medical Building	C&I
Hospital/Healthcare - Medical Building	C&I
Hospital/Healthcare - Medical Building,Mixed-Use - Office/Retail	C&I
Hospital/Healthcare - Medical Building,Mixed-Use - Office/Retail,Office	C&I
Hospitality - Hotel	C&I
Hospitality - Hotel,Restaurant - Dining	C&I
Hospitality - Motel	C&I
Industrial	Industrial
Mixed-Use - Office/Retail	C&I
Mixed-Use - Office/Retail,Industrial	Industrial
Mixed-Use - Office/Retail,Mixed-Use - Other	C&I
Mixed-Use - Office/Retail,Mixed-Use - Other,Not-for-Profit,Warehouse	C&I
Mixed-Use - Office/Retail,Mixed-Use - Residential/Retail	C&I
Mixed-Use - Office/Retail,Office,Restaurant - Dining,Restaurant - Quick Serve,Retail,Warehouse	C&I

Mixed-Use - Office/Retail,Office,Warehouse	C&I
Mixed-Use - Office/Retail,Retail	C&I
Mixed-Use - Office/Retail,Warehouse	C&I
Mixed-Use - Office/Retail,Warehouse,Industrial	Industrial
Mixed-Use - Other	C&I
Mixed-Use - Other,Industrial	Industrial
Mixed-Use - Other,Not-for-Profit,Office	C&I
Mixed-Use - Other,Office	C&I
Mixed-Use - Other,Other: Please specify	C&I
Mixed-Use - Other,Retail,Warehouse	C&I
Mixed-Use - Other,Warehouse	C&I
Mixed-Use - Residential/Retail	C&I
Mixed-Use - Residential/Retail,Multi-Residential - Condominium	C&I
Mixed-Use - Residential/Retail,Multi-Residential - Rental Apartment	C&I
Mixed-Use - Residential/Retail,Retail	C&I
Multi-Residential - Condominium	C&I
Multi-Residential - Condominium,Multi-Residential - Rental Apartment	C&I
Multi-Residential - Condominium,Other: Please specify	C&I
Multi-Residential - Rental Apartment	C&I
Multi-Residential - Rental Apartment,Multi-Residential - Social Housing Provider,Not-for-Profit	C&I
Multi-Residential - Rental Apartment,Not-for-Profit	C&I
Multi-Residential - Rental Apartment,Warehouse	C&I
Multi-Residential - Social Housing Provider	C&I
Multi-Residential - Social Housing Provider,Industrial	C&I
Multi-Residential - Social Housing Provider,Not-for-Profit	C&I
Not-for-Profit	C&I
Not-for-Profit,Office	C&I
Not-for-Profit,Other: Please specify	C&I
Not-for-Profit,Warehouse	C&I
Office	C&I
Office,Industrial	Industrial
Office,Other: Please specify	C&I
Office,Other: Please specify,Warehouse	C&I
Office,Restaurant - Dining	C&I
Office,Restaurant - Dining,Industrial	Industrial
Office,Retail	C&I
Office,Retail,Industrial	C&I
Office,Retail,Warehouse	C&I
Office,Warehouse	C&I
Office,Warehouse,Industrial	Industrial
Other: Please specify	C&I
Other: Please specify,Industrial	Industrial
Other: Please specify,Retail	C&I
Other: Please specify,Warehouse	C&I
Restaurant - Dining	C&I
Restaurant - Dining,Retail	C&I

Restaurant - Quick Serve	C&I
Restaurant - Quick Serve,Retail	C&I
Retail	C&I
Retail,Industrial	Industrial
Retail,Warehouse	C&I
Warehouse	C&I
Warehouse,Industrial	Industrial

Consumer Program Allocation Methodology

Results can be allocated based on average of 2008 & 2009 residential throughput for each LDC (below) when additional information is not available. Source: OEB Yearbook Data 2008 & 2009

Local Distribution Company	Allocation
Algoma Power Inc.	0.2%
Atikokan Hydro Inc.	0.0%
Attawapiskat Power Corporation	0.0%
Bluewater Power Distribution Corporation	0.6%
Brant County Power Inc.	0.2%
Brantford Power Inc.	0.7%
Burlington Hydro Inc.	1.4%
Cambridge and North Dumfries Hydro Inc.	1.0%
Canadian Niagara Power Inc.	0.5%
Centre Wellington Hydro Ltd.	0.1%
Chapleau Public Utilities Corporation	0.0%
COLLUS Power Corporation	0.3%
Cooperative Hydro Embrun Inc.	0.0%
E.L.K. Energy Inc.	0.2%
Enersource Hydro Mississauga Inc.	3.9%
ENTEGRUS	0.6%
ENWIN Utilities Ltd.	1.6%
Erie Thames Powerlines Corporation	0.4%
Espanola Regional Hydro Distribution Corporation	0.1%
Essex Powerlines Corporation	0.7%
Festival Hydro Inc.	0.3%
Fort Albany Power Corporation	0.0%
Fort Frances Power Corporation	0.1%
Greater Sudbury Hydro Inc.	1.0%
Grimsby Power Inc.	0.2%
Guelph Hydro Electric Systems Inc.	0.9%
Haldimand County Hydro Inc.	0.4%
Halton Hills Hydro Inc.	0.5%
Hearst Power Distribution Company Limited	0.1%
Horizon Utilities Corporation	4.0%
Hydro 2000 Inc.	0.0%
Hydro Hawkesbury Inc.	0.1%
Hydro One Brampton Networks Inc.	2.8%
Hydro One Networks Inc.	30.0%

Hydro Ottawa Limited	5.6%
Innisfil Hydro Distribution Systems Limited	0.4%
Kashechewan Power Corporation	0.0%
Kenora Hydro Electric Corporation Ltd.	0.1%
Kingston Hydro Corporation	0.5%
Kitchener-Wilmot Hydro Inc.	1.6%
Lakefront Utilities Inc.	0.2%
Lakeland Power Distribution Ltd.	0.2%
London Hydro Inc.	2.7%
Middlesex Power Distribution Corporation	0.1%
Midland Power Utility Corporation	0.1%
Milton Hydro Distribution Inc.	0.6%
Newmarket - Tay Power Distribution Ltd.	0.7%
Niagara Peninsula Energy Inc.	1.0%
Niagara-on-the-Lake Hydro Inc.	0.2%
Norfolk Power Distribution Inc.	0.3%
North Bay Hydro Distribution Limited	0.5%
Northern Ontario Wires Inc.	0.1%
Oakville Hydro Electricity Distribution Inc.	1.5%
Orangeville Hydro Limited	0.2%
Orillia Power Distribution Corporation	0.3%
Oshawa PUC Networks Inc.	1.2%
Ottawa River Power Corporation	0.2%
Parry Sound Power Corporation	0.1%
Peterborough Distribution Incorporated	0.7%
PowerStream Inc.	6.6%
PUC Distribution Inc.	0.9%
Renfrew Hydro Inc.	0.1%
Rideau St. Lawrence Distribution Inc.	0.1%
Sioux Lookout Hydro Inc.	0.1%
St. Thomas Energy Inc.	0.3%
Thunder Bay Hydro Electricity Distribution Inc.	0.9%
Tillsonburg Hydro Inc.	0.1%
Toronto Hydro-Electric System Limited	12.8%
Veridian Connections Inc.	2.4%
Wasaga Distribution Inc.	0.2%
Waterloo North Hydro Inc.	1.0%
Welland Hydro-Electric System Corp.	0.4%
Wellington North Power Inc.	0.1%
West Coast Huron Energy Inc.	0.1%
Westario Power Inc.	0.5%
Whitby Hydro Electric Corporation	0.9%
Woodstock Hydro Services Inc.	0.3%

Reporting Glossary

Annual: the peak demand or energy savings that occur in a given year (includes resource savings from new program activity in a given year and resource savings persisting from previous years).

Cumulative Energy Savings: represents the sum of the annual energy savings that accrue over a defined period (in the context of this report the defined period is 2011 - 2014). This concept does not apply to peak demand savings.

End-User Level: resource savings in this report are measured at the customer level as opposed to the generator level (the difference being line losses).

Free-ridership: the percentage of participants who would have implemented the program measure or practice in the absence of the program.

Incremental: the new resource savings attributable to activity procured in a particular reporting period based on when the savings are considered to 'start'.

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

Net-to-Gross Ratio: The ratio of net savings to gross savings, which takes into account factors such as free-ridership and spillover

Net Energy Savings (MWh): energy savings attributable to conservation and demand management activities net of free-riders, etc.

Net Peak Demand Savings (MW): peak demand savings attributable to conservation and demand management activities net of free-riders, etc.

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

Realization Rate: A comparison of observed or measured (evaluated) information to original reported savings which is used to adjust the gross savings estimates.

Settlement Account: the grouping of demand response facilities (contributors) into one contractual agreement

Spillover: Reductions in energy consumption and/or demand caused by the presence of the energy efficiency program, beyond the program-related gross savings of the participants. There can be participant and/or non-participant spillover.

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

Table 11: 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 13: Province-Wide Initiatives and Program Level Gross Savings by Year

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement**	Appliances	6,750	2,011	3,151		45,971,627	13,424,518	18,616,239	
Appliance Exchange**	Appliances	719	556	2,101		873,531	974,621	3,746,106	
HVAC Incentives	Equipment	53,209	38,346	40,418		99,413,430	66,929,213	71,225,037	
Conservation Instant Coupon Booklet	Items	1,184	231	464		19,192,453	1,325,898	6,842,244	
Bi-Annual Retailer Event	Items	1,504	1,622	1,142		26,899,265	29,222,072	16,441,329	
Retailer Co-op	Items	0	0	0		3,917	0	0	
Residential Demand Response	Devices	10,390	49,038	93,076		23,597	359,408	390,303	
Residential Demand Response (IHD)	Devices	0	0	0		0	0	0	
Residential New Construction	Homes	0	1	29		1,813	4,884	259,826	
Consumer Program Total		73,757	91,805	140,380		192,379,633	112,240,615	117,521,084	
Business Program									
Retrofit	Projects	34,201	78,965	82,896		184,070,265	387,817,248	478,410,896	
Direct Install Lighting	Projects	22,155	20,469	19,807		65,777,197	68,896,046	68,140,249	
Building Commissioning	Buildings	0	0	0		0	0	0	
New Construction	Buildings	247	1,596	2,934		823,434	3,755,869	9,183,826	
Energy Audit	Audits	0	1,450	4,283		0	7,049,351	23,386,108	
Small Commercial Demand Response	Devices	55	187	773		131	1,068	373	
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0	
Demand Response 3	Facilities	21,390	19,389	23,706		633,421	281,823	346,659	
Business Program Total		78,048	122,056	134,399		251,304,448	467,801,406	579,468,111	
Industrial Program									
Process & System Upgrades	Projects	0	0	313		0	0	2,799,746	
Monitoring & Targeting	Projects	0	0	0		0	0	0	
Energy Manager	Projects	0	1,034	3,953		0	7,067,535	24,438,070	
Retrofit	Projects	6,372	0	0		38,412,408	0	0	
Demand Response 3	Facilities	176,180	74,056	162,543		4,243,958	1,784,712	4,309,160	
Industrial Program Total		182,552	75,090	166,809		42,656,366	8,852,247	31,546,976	
Home Assistance Program									
Home Assistance Program	Homes	4	1,777	2,361		56,119	5,524,230	20,987,275	
Home Assistance Program Total		4	1,777	2,361		56,119	5,524,230	20,987,275	
Aboriginal Program									
Home Assistance Program	Homes	0	0	267		0	0	1,609,393	
Direct Install Lighting	Projects	0	0	0		0	0	0	
Aboriginal Program Total		0	0	267		0	0	1,609,393	
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	40,418	0	0		223,956,390	0	0	
High Performance New Construction	Projects	10,197	6,501	772		52,371,183	23,803,888	3,522,240	
Toronto Comprehensive	Projects	33,467	0	0		174,070,574	0	0	
Multifamily Energy Efficiency Rebates	Projects	2,553	0	0		9,774,792	0	0	
LDC Custom Programs	Projects	534	0	0		649,140	0	0	
Pre-2011 Programs completed in 2011 Total		87,169	6,501	772		460,822,079	23,803,888	3,522,240	
Other									
Program Enabled Savings	Projects	0	2,177	3,692		0	525,011	4,075,382	
Time-of-Use Savings	Homes	0	0	0		0	0	0	
Other Total		0	2,177	3,692		0	525,011	4,075,382	
Adjustments to 2011 Verified Results			13,266	645			48,705,294	1,744,645	
Adjustments to 2012 Verified Results				8,707				55,101,043	
Energy Efficiency Total		213,515	156,735	168,583		942,317,539	616,320,385	753,683,966	
Demand Response Total		208,015	142,670	280,099		4,901,107	2,427,011	5,046,495	
Adjustments to Previous Years' Verified Results Total		0	13,266	9,352		0	48,705,294	56,845,688	
OPA-Contracted LDC Portfolio Total (inc. Adjustments)		421,530	312,671	458,033		947,218,646	667,452,690	815,576,149	

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

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

Adjustments to previous years' results shown in this table will not align to adjustments shown in Table 1 as the information presented above does not consider persistence of savings

Gross results are presented for informational purposes only and are not considered official 2013 Final Verified Results
**Net results substituted for gross results due to unavailability of data

Table 14: Adjustments to Province-Wide Gross Verified Results due to Variances

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement	Appliances	0	0			0	0		
Appliance Exchange	Appliances	0	0			0	0		
HVAC Incentives	Equipment	-8,762	1,036			-16,245,279	1,854,833		
Conservation Instant Coupon Booklet	Items	15	0			255,975	0		
Bi-Annual Retailer Event	Items	117	0			2,373,616	0		
Retailer Co-op	Items	0	0			0	0		
Residential Demand Response	Devices	0	0			0	0		
Residential Demand Response (IHD)	Devices	0	0			0	0		
Residential New Construction	Homes	0	0			328,256	0		
Consumer Program Total		-8,630	1,036			-13,287,430	1,854,833		
Business Program									
Retrofit	Projects	4,504	6,218			22,046,931	40,101,273		
Direct Install Lighting	Projects	541	217			1,346,618	781,858		
Building Commissioning	Buildings	0	0			0	0		
New Construction	Buildings	3,243	0			11,323,593	0		
Energy Audit	Audits	492	337			2,391,744	1,636,457		
Small Commercial Demand Response	Devices	0	0			0	0		
Small Commercial Demand Response (IHD)	Devices	0	0			0	0		
Demand Response 3	Facilities	0	0			0	0		
Business Program Total		8,780	6,771			37,108,886	42,519,588		
Industrial Program									
Process & System Upgrades	Projects	0	0			0	0		
Monitoring & Targeting	Projects	0	0			0	0		
Energy Manager	Projects	0	75			0	799,151		
Retrofit	Projects	0	0			0	0		
Demand Response 3	Facilities	0	0			0	0		
Industrial Program Total		0	75			0	799,151		
Home Assistance Program									
Home Assistance Program	Homes	0	0			0	0		
Home Assistance Program Total		0	0			0	0		
Aboriginal Program									
Home Assistance Program	Homes	0	0			0	0		
Direct Install Lighting	Projects	0	0			0	0		
Aboriginal Program Total		0	0			0	0		
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	266	0			1,049,108	0		
High Performance New Construction	Projects	12,872	0			23,905,663	0		
Toronto Comprehensive	Projects	0	0			0	0		
Multifamily Energy Efficiency Rebates	Projects	0	0			0	0		
LDC Custom Programs	Projects	0	0			0	0		
Pre-2011 Programs completed in 2011 Total		13,137	0			24,954,771	0		
Other									
Program Enabled Savings	Projects	624	824			1,673,712	9,927,473		
Time-of-Use Savings	Homes	0	0			0	0		
Other Total		624	824			1,673,712	9,927,473		
Adjustments to 2011 Verified Results		13,911				50,449,939			
Adjustments to 2012 Verified Results			8,707				55,101,043		
Adjustments to Previous Years' Verified Results Total		13,911	8,707			50,449,939	55,101,043		

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

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

Gross results are presented for informational purposes only and are not considered official 2013 Final Verified Results