Exhibit 4:

Operating Expense

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4.1 OVERVIEW

4.1.1 BACKGROUND

In this Exhibit, the operating costs consist of the required expenditures necessary to maintain and operate EPI's distribution system assets; the costs associated with metering, billing and collecting from its customers; the expenditures associated with ensuring the safety of all stakeholders (public, employees, etc.); and the costs to maintain the distribution business service quality and reliability standards in compliance with the Distribution System Code and other regulatory bodies (e.g., IESO, Ministry of Energy, ESA, etc.). In summary, these are the on-going costs associated with providing distribution services in alignment with customers' expectations.

4.1.2 2010 BOARD-APPROVED RECOVERABLE OM&A EXPENSES

On April 30, 2009, the former MPDC acquired all of the shares of the former Dutton Hydro Limited ("Dutton") and the former Newbury Power Inc. ("Newbury") and amalgamated the entities into MPDC. The last Board-Approved Operating, Maintenance and Administration ("OM&A") figures were established for each of these entities in the following 2006 EDR applications:

- MPDC – EB-2005-0351
- Dutton – EB-2009-0177
- Newbury – EB-2005-0392

On January 1, 2012, CKH merged with the former MPDC and changed its name from CKH to EPI. Since CKH and MPDC operated separately until 2012, the MPDC, Dutton and Newbury Board-Approved OM&A figures were not included in CKH's 2010 Cost of Service Application (EB-2009-0261).

As a result of the mergers and acquisitions described above, for the purposes of this Application, EPI has developed 2010 Board-Approved Proxy figures. The 2010 Board-Approved Proxy Figures were calculated as the aggregate of the following components:

- The CKH 2010 Board-Approved OM&A amounts, as approved in EB-2009-0261, adjusted to remove depreciation and amortization expense that was previously included in Operations, Maintenance and Administrative & General Expenses;
- The MPDC 2006 EDR (EB-2005-0351) OM&A amounts, as inflated for the 2007, 2008, 2009 and 2010 utilizing the Board IRM inflation factors for each of those years;
- The Dutton 2006 EDR (EB-2009-0177) OM&A amounts, as inflated for the 2007, 2008, 2009 and 2010 utilizing the Board IRM inflation factors for each of those years; and,
- The Newbury 2006 EDR (EB-2005-0392) OM&A amounts, as inflated for the 2007, 2008, 2009 and 2010 utilizing the Board IRM inflation factors for each of those years.

As it has been made clear in other parts of this Application, EPI wishes to stress that the use of Proxy 2010 Board-Approved figures does not represent an attempt to revisit or deviate from the CKH (EB-2009-0261) OM&A figures previously approved by the Board. Rather, it is an attempt to facilitate an "apples to apples" comparison of OM&A amounts in a manner consistent with the current EPI corporate structure and Board Filing Requirements. The approach recognizes that EB-2009-0261 reflected only CKH's OM&A amounts in the LDC, whereas today's corporate structure also includes the OM&A amounts from the former MPDC, Dutton and Newbury.

Table 4-1 below shows the calculation of the 2010 Board-Approved Proxy Figures using the above-described methodology.

TABLE 4-1: DERIVATION OF 2010 BOARD-APPROVED OM&A FIGURES

Description	CKH	MPDC	Dutton	Newbury	TOTAL
	2010 BA[1] (EB-2009-0261)	2006 BA Escalated (EB-2005-0351)	2006 BA Escalated (EB-2009-0177)	2006 BA Escalated (EB-2005-0392)	2010 Board-Approved Proxy
	A	B	C	D	E = A + B + C + D
Operations	$946,626	$84,283	$0	$0	$1,030,910
Maintenance	$978,891	$342,176	$19,993	$9,268	$1,350,328
SubTotal	**$1,925,518**	**$426,459**	**$19,993**	**$9,268**	**$2,381,238**
Billing and Collecting	$1,826,797	$377,083	$60,181	$27,697	$2,291,758
Community Relations	$56,529	$12,682	$0	$0	$69,211
Administrative and General	$2,503,212	$567,163	$62,409	$21,259	$3,154,043
SubTotal	**$4,386,538**	**$956,929**	**$122,591**	**$48,955**	**$5,515,013**
Total OM&A	**$6,312,056**	**$1,383,388**	**$142,583**	**$58,223**	**$7,896,250**

1 - Adjusted to remove depreciation and amortization expense

4.1.3 2016 TEST YEAR OM&A EXPENSE SUMMARY

EPI's 2016 Test Year OM&A expenses are $9,495,813 excluding expenditures relating to the Low Income Energy Assistance Program ("LEAP") and property taxes. A summary of OM&A expenses from the 2010 Board-Approved Proxy to the 2016 Test Year is found in Table 4-2 below.

EPI adopted the accounting changes for depreciation and capitalization policies in accordance with the Board's letter dated July 17, 2012. In Table 4-2 below, EPI has shown the impact of the expensing of overheads that were previously capitalized in order to present a normalized comparison between the years.

TABLE 4-2: SUMMARY OF OM&A EXPENSES - 2010 BOARD-APPROVED PROXY TO 2016 TEST YEAR

Expenses	Last Rebasing Year (2010 Board-Approved Proxy)	Last Rebasing Year (2010 Actuals)	2011 Actuals	2012 Actuals	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
Operations	$1,030,910	$1,250,882	$757,446	$839,162	$861,704	$1,124,883	$1,185,693	$1,253,984
Maintenance	$1,350,328	$1,093,271	$1,186,294	$1,295,691	$1,548,905	$1,553,373	$1,798,467	$1,801,456
Billing and Collecting	$2,291,758	$2,277,442	$2,479,445	$2,350,234	$2,374,599	$2,395,319	$2,396,273	$2,476,279
Community Relations	$69,211	$78,441	$82,205	$94,393	$129,444	$194,133	$192,812	$237,844
Administrative and General	$3,154,043	$3,179,487	$3,384,982	$3,501,901	$3,533,725	$3,691,657	$3,498,700	$3,726,251
Total	**$7,896,250**	**$7,879,523**	**$7,890,372**	**$8,081,382**	**$8,448,377**	**$8,959,365**	**$9,071,945**	**$9,495,813**
Overhead Change Impact to OM&A	$0	$0	$0	$0	$510,541	$534,982	$616,441	$625,688
Total before MIFRS Overhead Impact	**$7,896,250**	**$7,879,523**	**$7,890,372**	**$8,081,382**	**$7,937,836**	**$8,424,383**	**$8,455,504**	**$8,870,126**

EPI followed Canadian Generally Accepted Accounting Principles ("CGAAP") in 2011, 2012 and 2013. In 2013, the basis for accounting continued to be CGAAP, but with the inclusion of capitalization and depreciation policies that are compliant with International Financial Reporting Standards ("IFRS") in accordance with the Board's letter dated July 17, 2012. For 2014, the 2015 Bridge Year and the 2016 Test Year, EPI is reporting under Modified IFRS ("MIFRS").

Table 4-3 below provides details on changes to OM&A from EPI's last Board-Approved Cost of Service Application in 2010 to the 2016 Test Year. For purposes of this table, the operating portion of labour related costs have been accumulated in one line and have been excluded from the functional activities. The final column in Table 4-3 provides, for information purposes, a cross-reference to the EPI Core Value(s) associated with each OM&A cost category. The EPI Core Values are outlined in Exhibit 1. Table 4-3 is intended to present significant changes only; minor changes have been included in the Other Changes heading.

Table 4-3: 2016 Test Year OM&A Expenditures

Item	Amount	Core Value Reference
2010 Board-Approved Proxy OM&A	$7,896,250	
Increase in Operating Portion of Salaries, Wages and Benefits	$290,002	All
Community Relations - Website, Social Media, Literacy Videos	$55,020	CC
Customer Service - My Account Upgrades, Outage Management System, First Call Resolution	$144,870	CC, IE
Impact of IFRS Capitalization Changes on OM&A	$625,688	All
Power Quality	$102,381	OE
Smart Meter Maintenance and Re-Verification	$126,831	OE
Additional Engineering Software Licensing to Support DSP Updates	$100,000	SF, OE
Inflation on Non-Labour Items	$472,410	All
Other Immaterial Items	($317,639)	All
2016 Test Year OM&A	**$9,495,813**	

Core Value Legend:

SF - Safety
CC - Customer and Community Focus
OE - Operational Excellence
SG - Sustainable Growth
IE - Inspired and Empowered People

The OM&A costs in the 2016 Test Year reflect the resourcing mix and investments required to meet customer and broader public policy requirements. Without this resourcing and investment, EPI will struggle to meet 2016 and future workloads.

SALARIES, WAGES AND BENEFITS

Between 2010 and 2016, EPI has experienced a significant increase in its OM&A workload as a result of increased demand by its customers for services. New provincial policy initiatives have been introduced over this timeframe as well, resulting in increased OM&A workloads. Some of these initiatives include new service rules for low income customers, LEAP, the new Renewed Regulatory Framework for Electricity Distributors ("RRFE") with its increased regulatory requirements, the introduction of Smart Meters, the conversion to Time-of-Use ("TOU") rates, renewable generator connection and settlement obligations, increased customer engagement requirements on local and provincial industry issues and the introduction of Regional Planning. EPI has willingly embraced these initiatives and worked hard to implement them at minimal cost, without adversely impacting customer service.

Despite this increase in workload, EPI has experienced a net decrease of 3.6 Full-Time Equivalent ("FTE") positions between its 2010 Board-Approved Proxy of 80.1 FTEs and the 2016 Test Year forecast FTEs of 76.5. The decrease from the Board-Approved Proxy includes merger savings associated with two MPDC FTE positions included in the 2010 Board-Approved Proxy that became redundant with the sharing of services between the former CKH and MPDC organizations. The derivation of the 2010 Board-Approved Proxy in terms of FTEs and employee costs is further described in Section 4.4.2 below.

EPI continues to face the issue of a "greying" workforce, particularly amongst its skilled trades departments. Overall, 21% of the EPI workforce is 56 years of age or older and over 35% of the workforce is eligible to retire in the next five years, including 50% of the Lines Department. As of 2014, all previous EPI Lines Apprentices had "graduated" to journeyman status, and accordingly EPI hired two new Lines Apprentices in 2014 anticipation of upcoming retirements. Now that these apprentices are in the second year of their training, EPI plans to hire two additional Lines Apprentices in 2015.

EPI's staffing levels declined modestly from 2012 to 2014 and are forecasted to increase to 73.5 FTEs in 2015 and 76.5 FTEs in 2016, while remaining lower than the 2010 Board-Approved Proxy level of 80.1 FTEs. The increase in 2015 and 2016 is due to the planned hiring of the Lines Apprentices, as well as additional hires to both add qualified engineering resources and free up EPI's existing two qualified engineering resources, as described in Section 4.4.4 below. These engineering resources are required for EPI to remain technologically relevant and to continually update and execute its DSP, as further described in Section 4.4.2.

While overall employee numbers have remained stable, wage and benefit increases have been a contributing factor to increased costs. As shown in Table 4-16 below, EPI's unionized and non-unionized staff has received an average 2.29% increase over the 2010-2016 period. The union staff increases are within industry norms. Compensation for non-union staff is typically increased annually at a percentage that is lesser than, or equal to, the most recent union collective agreement rate increase. Subsequently, based on the annual performance evaluations, a subset of higher performers typically receive the job rate increase plus 0.5%, while a subset of lower performers typically receive the job rate increase less 0.5%. The success of the business and operating a safe, efficient and reliable distribution system is based on the quality, expertise and dedication of staff. Staff must be fairly compensated for the work they perform recognizing the industry EPI works in. The majority of the change in benefit costs over this period is a result of increased OMERS contribution costs. Total OMERS contributions costs have increased $198,416 or 55% from the 2010 Actual amount of $362,935 to the 2016 Tear Year amount of $561,351.

All of the above changes contribute to the increase of $290,002 in OM&A for the 2016 Test Year versus the 2010 Board-Approved Proxy relating to salaries, wages and benefits charged to OM&A programs.

COMMUNITY RELATIONS

EPI has recently undertaken a number of Customer Engagement initiatives, which have included a redesign of the Entegrus website; the launch of social media channels on Facebook, Twitter and YouTube; and the development of a series of customer safety and education videos. The importance of electrical distributors having a strong presence both online and on social media was highlighted to EPI after the industry's experiences during the Greater Toronto Area ice storm of 2013. In addition, EPI will launch a marketing plan in 2016 to drive additional customer awareness of the company's various digital offerings. These changes have resulted in a $55,020 increase in OM&A for the 2016 Test Year versus the 2010 Board-Approved Proxy.

Customer Service

Since 2010, EPI has taken on additional customer service responsibilities due to TOU billing and LEAP requirements. In addition, EPI has made improvements to its "My Account" self-service portal and will be enhancing its Outage Management System ("OMS") in late 2015. Lastly, in 2014, EPI received a First Contact Resolution ("FCR") result of 76%. EPI has continued to engage a consultant to assist with ongoing FCR measurement and improvement strategies. The increase in OM&A for the 2016 Test Year versus the 2010 Board-Approved Proxy as a result of these changes is $144,870.

Impact of IFRS Capitalization Changes on OM&A

The inclusion of IFRS-compliant capitalization and depreciation policies in accordance with the Board's letter dated July 17, 2012 has resulted in increased OM&A expenses. EPI adopted the changes effective 2013.

The overhead and depreciation changes are detailed in Exhibit 9. Overheads previously capitalized are now required to be expensed, thus, OM&A costs have increased. The OM&A increase for the 2016 Test Year versus the 2010 Board-Approved Proxy relating to these changes is $625,688.

Power Quality

EPI will be acquiring additional power quality resources and tools in 2016. This is in response to commercial and industrial customer feedback with respect to power quality, which confirmed that increasingly complex industrial production machinery has very low tolerances for voltage variations. Momentary outages or minute voltage variations (within traditional specification levels) can result in time consuming stoppages to the manufacturing process for EPI's customers. Power quality-related expenses have resulted in an OM&A increase of $102,381 for the 2016 Test Year versus the 2010 Board-Approved Proxy.

Smart Meter Maintenance and Re-Verification

Smart Meters are more complex than traditional meters and require more specialized troubleshooting. EPI was one of the first electrical distributors in Ontario to pilot and install Smart Meters, with many of its Smart Meters installed in 2006 and 2007. In the 2010 Board-Approved Proxy, there was little to no meter re-verification cost due to the relatively young age of the Smart Meters at that point in time. In 2014, EPI commenced a staggered re-verification process due to the age of these meters and as a result, is now incurring higher maintenance costs. These re-verification costs will continue throughout 2015 and beyond. The increase in OM&A for the 2016 Test Year versus the 2010 Board-Approved Proxy as a result of these factors is $126,831.

Engineering Software Licensing

In 2016, EPI will incur expenses for additional engineering software licensing in order to transfer the EPI Distribution System Plan ("DSP") from the current spreadsheet model to an engineering software platform that can be continuously updated more efficiently and will include the ability to perform "what if" scenario planning. This will allow EPI's engineers to spend more of their time on more value-added scenario planning activities, as opposed to spending more time on updating and flowing through changes on the current spreadsheet model. The increase in OM&A for the 2016 Test Year versus the 2010 Board-Approved Proxy as a result of this initiative is $100,000.

Inflation on Non-Labour Items

EPI has calculated the inflation on non-labour items based on the Board-Approved Inflation Factor for 2010-2015 as reflected in Table 4-4 below. EPI used an inflation rate of 1.6% (representing the most recent Board-Approved inflation factor issued on October 30, 2014) to forecast inflationary increases in 2016.

Table 4-4: Inflation Factors

Year	IPI/Estimate
2010	1.3%
2011	1.3%
2012	2.0%
2013	1.6%
2014	1.7%
2015	1.6%
2016	1.6%

4.2 Summary and Cost Driver

4.2.1 OM&A Budgeting Process

EPI normally begins to prepare its annual budget plan in the third quarter for the following year and receives final approval from its Board of Directors in November. However, the budgetary portion of the EPI 2016 Business Plan was completed in the summer of 2015 in support of this Application. Developing the budget is a key process as it identifies past successes and future initiatives and establishes projections for capital and operating costs. Care is taken to ensure that the capital and operating budgets support EPI's core business objectives as well as being prudent, financially sustainable and considerate of rate impacts to EPI's customers.

EPI employs the following process with respect to its budgeting:

1. The Management Team works collectively to look at higher level issues including changes in revenue, strategic initiatives either from within EPI or the industry, cost pressure from specific areas or performance concerns that must be considered by each department. This step sets high level expectations for each department on cost control and efficiency improvement. Senior management is always mindful of the costs of supplying services vs. the rate impact to EPI's customers.

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

    - External expenses for all department budgets are built using previous year actual, current year forecast and current year budget as a base. Each third party expense is reviewed to determine whether the service is required and whether there are opportunities for cost minimization or service level improvement;

    - Significant variances in spending from prior years must be explained and documented;

    - Review of department headcount based requirement for staff and need for change;

- Each department works with Finance to prepare a labour budget using projected wage and benefit costs. Overtime is based on projected need and historical comparisons with an expectation that it is closely managed to reduce costs where possible. Salaries, overtime and payroll burden are distributed over accounts based on historical and forecasted allocations;
- Vehicle costs are forecasted and an hourly rate is determined based on the estimated run time per truck per working day in the fiscal year. Costs are then distributed over operations, recoverable and capital based on total labour hours budgeted.
- Overhead rates are calculated for the Stores department and applied to the applicable departments in both operating and capital. Overhead rates for Stores are based on material issued, items purchased and contracted services for each functional area.

3. The Finance department then completes an initial consolidation of all departments to develop a draft budget. Finance works with each department to identify variances and issues for consideration.
4. Senior management reviews the draft budget and makes changes to balance cost control with achieving core objectives. In an effort to contain costs and explore efficiencies and still provide an acceptable level of reliability and customer service, the team looks in detail for discretionary costs and identifies cost areas that can be delayed or addressed with alternative approaches. This process results in OM&A costs with a high degree of assurance that EPI will be able to continue to serve its customers in a safe and reliable manner.
5. Senior management makes a submission to the Board of Directors on the proposed budget and formal approval is requested.

4.2.2 Summary of Recoverable OM&A Expenses

EPI follows the OEB's Accounting Procedures Handbook ("APH") in distinguishing work performed between operations and maintenance. A summary of EPI's OM&A expenses, excluding property taxes and LEAP, for the 2010 Board-Approved Proxy, 2010 Actual, 2011 Actual, 2012 Actual, 2013 Actual, 2014

Actual, 2015 Bridge Year and 2016 Test Year is provided in Table 4-5 below, which is consistent with the Board's Appendix 2-JA. A copy of the Board's Appendix 2-JA is also included Attachment 4-A of this Exhibit. EPI is proposing to recover the 2016 Test Year costs through distribution rates for the 2016 Test Year.

TABLE 4-5: SUMMARY OF RECOVERABLE OM&A EXPENSES

	Last Rebasing Year (2010 Board-Approved Proxy)	Last Rebasing Year (2010 Actuals)	2011 Actuals	2012 Actuals	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	Revised CGAAP	MIFRS	MIFRS	MIFRS
Operations	$1,030,910	$1,250,882	$757,446	$839,162	$861,704	$1,124,883	$1,185,693	$1,253,984
Maintenance	$1,350,328	$1,093,271	$1,186,294	$1,295,691	$1,548,905	$1,553,373	$1,798,467	$1,801,456
SubTotal	**$2,381,238**	**$2,344,153**	**$1,943,740**	**$2,134,854**	**$2,410,609**	**$2,678,256**	**$2,984,160**	**$3,055,440**
%Change (year over year)			-17.1%	9.8%	12.9%	11.1%	11.4%	2.4%
%Change (Test Year vs Last Rebasing Year - Actual)								30.3%
Billing and Collecting	$2,291,758	$2,277,442	$2,479,445	$2,350,234	$2,374,599	$2,395,319	$2,396,273	$2,476,279
Community Relations	$69,211	$78,441	$82,205	$94,393	$129,444	$194,133	$192,812	$237,844
Administrative and General	$3,154,043	$3,179,487	$3,384,982	$3,501,901	$3,533,725	$3,691,657	$3,498,700	$3,726,251
SubTotal	**$5,515,013**	**$5,535,370**	**$5,946,632**	**$5,946,528**	**$6,037,768**	**$6,281,109**	**$6,087,785**	**$6,440,373**
%Change (year over year)			7.4%	0.0%	1.5%	4.0%	-3.1%	5.8%
%Change (Test Year vs Last Rebasing Year - Actual)								16.3%
Total OM&A	**$7,896,250**	**$7,879,523**	**$7,890,372**	**$8,081,382**	**$8,448,377**	**$8,959,365**	**$9,071,945**	**$9,495,813**
%Change (year over year)			0.1%	2.4%	4.5%	6.0%	1.3%	4.7%

	Last Rebasing Year (2010 Board-Approved Proxy)	Last Rebasing Year (2010 Actuals)	2011 Actuals	2012 Actuals	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
Operations	$1,030,910	$1,250,882	$757,446	$839,162	$861,704	$1,124,883	$1,185,693	$1,253,984
Maintenance	$1,350,328	$1,093,271	$1,186,294	$1,295,691	$1,548,905	$1,553,373	$1,798,467	$1,801,456
Billing and Collecting	$2,291,758	$2,277,442	$2,479,445	$2,350,234	$2,374,599	$2,395,319	$2,396,273	$2,476,279
Community Relations	$69,211	$78,441	$82,205	$94,393	$129,444	$194,133	$192,812	$237,844
Administrative and General	$3,154,043	$3,179,487	$3,384,982	$3,501,901	$3,533,725	$3,691,657	$3,498,700	$3,726,251
Total	**$7,896,250**	**$7,879,523**	**$7,890,372**	**$8,081,382**	**$8,448,377**	**$8,959,365**	**$9,071,945**	**$9,495,813**
%Change (year over year)			0.1%	2.4%	4.5%	6.0%	1.3%	4.7%

	Last Rebasing Year (2010 Board-Approved)	Last Rebasing Year (2010 Actuals)	Variance 2010 BA – 2010 Actuals	2011 Actuals	Variance 2011 Actuals vs. 2010 Actuals	2012 Actuals	Variance 2012 Actuals vs. 2011 Actuals	2013 Actuals	Variance 2013 Actuals vs. 2012 Actuals	2014 Actuals	Variance 2014 Actuals vs. 2013 Actuals	2015 Bridge Year	Variance 2015 Bridge vs. 2014 Actuals	2016 Test Year	Variance 2016 Test vs. 2015 Bridge
Operations	$1,030,910	$1,250,882	($219,972)	$757,446	($493,436)	$839,162	$81,716	$861,704	$22,542	$1,124,883	$263,179	$1,185,693	$60,810	$1,253,984	$68,291
Maintenance	$1,350,328	$1,093,271	$257,056	$1,186,294	$93,023	$1,295,691	$109,398	$1,548,905	$253,214	$1,553,373	$4,468	$1,798,467	$245,094	$1,801,456	$2,990
Billing and Collecting	$2,291,758	$2,277,442	$14,317	$2,479,445	$202,004	$2,350,234	($129,211)	$2,374,599	$24,365	$2,395,319	$20,720	$2,396,273	$954	$2,476,279	$80,005
Community Relations	$69,211	$78,441	($9,230)	$82,205	$3,763	$94,393	$12,188	$129,444	$35,051	$194,133	$64,689	$192,812	($1,320)	$237,844	$45,032
Administrative and General	$3,154,043	$3,179,487	($25,444)	$3,384,982	$205,495	$3,501,901	$116,919	$3,533,725	$31,824	$3,691,657	$157,932	$3,498,700	($192,957)	$3,726,251	$227,551
Total OM&A Expenses	$7,896,250	$7,879,523	$16,727	$7,890,372	$10,849	$8,081,382	$191,010	$8,448,377	$366,995	$8,959,365	$510,988	$9,071,945	$112,580	$9,495,813	$423,868
Adjustments for Total non-recoverable items (from Appendices 2-JA and 2-JB)															
Total Recoverable OM&A Expenses	$7,896,250	$7,879,523	$16,727	$7,890,372	$10,849	$8,081,382	$191,010	$8,448,377	$366,995	$8,959,365	$510,988	$9,071,945	$112,580	$9,495,813	$423,868
Variance from previous year				$10,849		$191,010		$366,995		$510,988		$112,580		$423,868	
Percent change (year over year)				0.1%		2.4%		4.5%		6.0%		1.3%		4.7%	
Percent Change: Test year vs. Most Current Actual										5.99%					
Simple average of %variance for all years										20.51%					3.2%
Compound Annual Growth Rate for all years															3.2%
Compound Growth Rate (2014 Actuals vs. 2010 Actuals)										3.26%					

4.2.3 COST DRIVER TABLES

Table 4-6 below, which is consistent with the Board's Appendix 2-JB, provides a list of the cost drivers that affected year over year OM&A spending or, where the cost driver is common or recurring, expenditures that have impacted multiple years. A copy of the Board's Appendix 2-JB can also be found in Attachment 4-B to this Exhibit.

TABLE 4-6: COST DRIVER TABLE

OM&A	Last Rebasing Year (2010 Actuals) to Board Approved Proxy	2011 Actuals	2012 Actuals	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
Reporting Basis	CGAAP	CGAAP	CGAAP	Revised CGAAP	MIFRS	MIFRS	MIFRS
Opening Balance	$7,896,250	$7,879,523	$7,890,372	$8,081,382	$8,448,377	$8,959,365	$9,071,945
Salaries, Wages and Benefits							
Change in Operating Portion of Salaries, Wages and Benefits	($429,081)	$353,312	$221,402	$153,375	($34,748)	$101,152	$171,115
Change in Operating Portion of Employee Future Benefits	($49,354)	$2,824	($417)	($62,341)	$35,647	$25,134	($1,073)
Customer Focus							
Community Relations - Website, Social Media				$14,246	$55,225	($73,975)	$39,523
Customer Service - My Account Upgrades, Outage Management System							$90,000
Industry Focus							
Smart Meter Disposition - 2010	$423,820	($423,820)					
Final Smart Meter Disposition - 2012			$107,662	($107,662)			
Impact of IFRS Capitalization Changes on OM&A (net of salary changes included above)				$197,658	$181,504		
Preventative Maintenance				$37,089	($6,075)	$79,583	
Smart Meter Maintenance and Re-Verification					$114,942	$11,890	
Operational Effectiveness & Power Quality							
Change in Preventative Vegetation Management		$41,412	($58,309)	$42,586	$65,836	$7,135	($10,635)
Additional Engineering Software Licensing to Support DSP Updates							$100,000
Miscellaneous							
Change in Bad Debt Expense	$10,061	($89,034)	$13,550	($30,048)	$90,878	$95	($993)
Inflation on Non-Labour Items	$55,601	$51,149	$78,083	$61,353	$76,955	$72,612	$76,656
Decreases in License Fees and Software Licensing			($43,330)				
Decrease in Administrative Costs			($38,905)			($79,450)	
Other immaterial items	($27,774)	$75,006	($88,726)	$60,740	($69,176)	($31,594)	($40,725)
Closing Balance	$7,879,523	$7,890,372	$8,081,382	$8,448,377	$8,959,365	$9,071,945	$9,495,813

The following are descriptions of the primary drivers that have influenced the increase in EPI's OM&A expenditures since 2010, the date of the last Cost of Service Application, up to and including the 2016 Test Year. Each driver is summarized by its net change year over year. EPI has provided comments on those variances greater than its materiality level of $90,000.

CHANGE IN OPERATING PORTION OF SALARIES, WAGES AND BENEFITS

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

These changes are discussed in detail below in Section 4.4. Please refer to that section for discussion of specific changes year over year.

EPI calculated the change in the operating portion of salaries, wages and benefits by applying the Operating Percentage of Total Labour in each year to the Total Compensation. The Total Compensation agrees to Table 4-13 below, which is consistent with the Board's Appendix 2-K. EPI then compared the Operating Salaries, Wages and Benefits of each year to the previous year in order to determine the change.

Smart Meter Disposition – 2010

EPI's legacy distributors, CKH and MPDC, were among the first electrical distributors in Ontario to pilot and install Smart Meters. As a result of its pioneering role in the Smart Meter initiative, EPI disposed of Smart Meter costs in four separate regulatory proceedings: EB-2007-0063 (CKH and MPDC costs up to April 30, 2007), EB-2008-0155 (CKH and MPDC costs up to December 31, 2007), EB-2009-0261 (CKH costs up to December 31, 2009) and EB-2012-0289 (EPI remaining costs).

EPI received approval in 2010 (EB-2009-0261) for the disposition and recovery of its 2008 and 2009 operating costs related to Smart Meter implementation. The APH required that all Smart Meter operating costs for 2008-2009, which were recorded in a deferral account, be recorded in 2010. This created a variance in 2010. Smart Meter operating costs incurred in 2010 and 2011 were also recorded in a deferral account. Therefore, in 2011, this variance shows as reversing.

Final Smart Meter Disposition – 2012

In 2012, EPI received approval (EB-2012-0289) for final disposition and recovery of remaining costs related to the Smart Meter implementation for Capital and OM&A costs effective November 1, 2012. The APH required that all Smart Meter operating costs for the period 2010-2011, which were recorded in a deferral account, be recorded in 2012. This created a variance in 2012. In 2013-2016, Smart Meter costs were recorded in their functional areas/departments. Therefore, in 2013, this variance shows as reversing and material Smart Meter-related costs incurred going forward will be shown separately.

Impact of IFRS Capitalization Changes

The adoption of accounting changes in accordance with the Board's letter dated July 17, 2012, which specifically relate to IFRS-compliant capitalization and depreciation policies, has resulted in increased OM&A expenses. EPI adopted the changes effective January 1, 2013.

The capitalization and depreciation changes are detailed in Exhibit 9, Deferral and Variance Accounts. EPI removed the salary, wage and benefit portion of the capitalization changes that are included in the Change in Operating Portion of Salaries, Wages and Benefits (see details above). The remaining impacts on OM&A of the IFRS capitalization changes were $197,658 and $181,504 in 2013 and 2014, respectively.

SMART METER MAINTENANCE AND RE-VERIFICATION

Smart Meters are more complex than traditional meters and require more specialized troubleshooting. As noted above, EPI was one of the first electrical distributors in Ontario to pilot and install Smart Meters, and installed many of its Smart Meters in 2006 and 2007. In the 2010 Board-Approved Proxy, there was little to no meter re-verification cost due to the relatively young age of the Smart Meters at that point in time. In 2014, EPI commenced a staggered re-verification process due to the age of these meters and as a result, is now incurring higher maintenance costs. These re-verification costs will continue throughout 2015 and beyond. These factors caused variances in 2014 compared to 2013 and in 2015 versus 2014 of $114,942 and $11,890, respectively.

BAD DEBTS

In 2014, the variance was primarily driven by a longer and harsher winter early in the year. Winter weather that lasted through April significantly limited EPI's ability to disconnect customers to encourage payment of overdue balances. Frigid winter temperatures also led to higher consumption and, in turn, higher than usual overdue balances. This resulted in an increase in bad debt write-offs compared to 2013.

CUSTOMER SERVICE

As a result of the feedback received during the Customer Engagement process, EPI will be making changes to its "My Account" self-service portal in late 2015 to allow customers in all rate classes access and to provide more timely (hourly) energy consumption data (currently, these reports are only for low volume classes) and demand data for high volume classes. In addition, EPI will be enhancing its Outage Management System ("OMS"), such that it will update EPI's website and social media interfaces with user-friendly mapping and restoration communications on a timely basis. These initiatives will cause a variance of $90,000 in 2016 versus 2015.

ENGINEERING SOFTWARE LICENSING

In 2016, EPI will incur expenses for additional engineering software licensing in order to transfer the EPI Distribution System Plan ("DSP") from the current spreadsheet model to an engineering software platform that can be continuously updated more efficiently and will include the ability to perform "what if" scenario planning. This will allow EPI's engineers to spend more of their time on more value-added scenario planning activities, as opposed to spending more time on updating and flowing through changes on the current spreadsheet model. This initiative will cause a variance of $100,000 in 2016 versus 2015.

4.2.4 OM&A COST PER CUSTOMER AND FULL-TIME EQUIVALENT

Provided below in Table 4-7 is a summary of the OM&A cost per customer and per full-time equivalent ("FTE"). This table is consistent with the Board's Appendix 2-L, which is included at Attachment 4-C to this Exhibit. The FTE figures agree to those shown in Table 4-13. The number of customers is based on an annual average for each rate class.

TABLE 4-7: RECOVERABLE OM&A COST PER CUSTOMER AND PER FTE

	Last Rebasing Year - 2010- Board Approved	Last Rebasing Year - 2010- Actual	2011 Actuals	2012 Actuals	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	Revised CGAAP	MIFRS	MIFRS	MIFRS
Number of Customers	40,612	40,589	40,759	40,871	41,135	41,242	41,401	41,558
Total Recoverable OM&A	$ 7,896,250	$ 7,879,523	$ 7,890,372	$ 8,081,382	$ 8,448,377	$ 8,959,365	$ 9,071,945	$ 9,495,813
OM&A cost per customer	$ 194.43	$ 194.13	$ 193.59	$ 197.73	$ 205.38	$ 217.24	$ 219.12	$ 228.50
Number of FTEs	80.1	73.3	77.2	74.0	71.2	72.0	74.1	77.1
Customers/FTEs	507.02	553.74	527.97	552.31	577.74	572.81	558.72	539.01
OM&A Cost per FTE	$ 98,579.90	$ 107,496.91	$ 102,206.89	$ 109,207.87	$ 118,656.98	$ 124,435.63	$ 122,428.41	$ 123,162.30

4.3 Program Delivery Costs and Variance Analysis

4.3.1 Program Delivery Costs

Overview

EPI has a variety of programs, activities and initiatives that are imperative to continue to provide safe, reliable and affordable service to customers. In Table 4-8 below, which is consistent with the Board's Appendix 2-JC, EPI has identified its programs and major functions on a comparative basis from 2010 Board-Approved Proxy to the 2016 Test Year. A copy of the Board's Appendix 2-JC can also be found in Attachment 4-D to this Exhibit. These programs contribute to achieving the new Renewed Regulatory Framework performance outcomes of Customer Focus, Operational Effectiveness, and Public Policy Responsiveness. This shows the alignment of EPI's direct costs and the management of the costs associated with the outcomes. An analysis is provided below on all material variances that exceed the materiality threshold for the 2016 Test Year versus 2014 Actuals and 2016 Test Year versus 2010 Board-Approved Proxy amounts.

TABLE 4-8: OM&A PROGRAMS TABLE

Programs	Last Rebasing Year (2010 Board-Approved Proxy)	Last Rebasing Year (2010 Actuals)	2011 Actuals	2012 Actuals	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year	Variance (Test Year vs. 2014 Actuals)	Variance (Test Year vs. Last Rebasing Year (2010 Board-Approved Proxy)
Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	Revised CGAAP	MIFRS	MIFRS	MIFRS		
Administration										
General Building Expenses	446,018	465,598	505,323	512,057	532,718	575,205	528,470	529,559	(45,646)	83,541
Insurance	146,965	73,247	100,946	125,857	95,721	98,652	96,641	98,723	71	(48,242)
Office Supplies	170,205	119,024	101,385	87,986	133,397	160,569	154,642	161,658	1,088	(8,548)
Audit, Legal and Consulting	244,669	318,084	333,704	391,977	272,769	291,747	230,233	252,373	(39,373)	7,704
Regulatory Affairs	250,845	226,500	263,857	248,098	221,607	216,308	285,146	276,505	60,197	25,660
Administrative & Human Resource Expenses	1,893,223	1,975,552	2,029,767	2,010,757	2,182,809	2,172,620	2,101,569	2,305,432	132,812	412,209
Sub-Total	3,151,925	3,178,006	3,334,982	3,376,732	3,439,022	3,515,101	3,396,700	3,624,251	109,149	472,326
Community Relations										
Community Relations	57,362	72,696	82,205	94,393	129,444	194,133	192,812	237,844	43,711	180,482
Sub-Total	57,362	72,696	82,205	94,393	129,444	194,133	192,812	237,844	43,711	180,482
Customer Service										
Bad Debt	242,602	252,663	163,629	177,179	147,130	238,008	238,103	237,110	(898)	(5,493)
Customer Service & Billings	1,403,469	1,412,063	1,644,961	1,663,780	1,753,832	1,746,852	1,745,498	1,828,643	81,791	425,174
Customer Collections	659,654	619,942	722,073	593,391	575,445	589,023	514,672	512,525	(76,498)	(147,129)
Sub-Total	2,305,726	2,284,668	2,530,663	2,434,350	2,476,407	2,573,883	2,498,273	2,578,279	4,395	272,553
									-	-
Maintenance										
Emergency Response	132,954	106,080	125,138	146,439	79,291	129,037	148,869	120,621	(8,416)	(12,333)
Field Service Maintenance	92,478	87,721	87,944	89,824	53,959	70,962	93,937	67,931	(3,031)	(24,547)
Meter Maintenance	33,649	102,466	161,135	222,788	143,502	295,018	370,293	290,840	(4,178)	257,191
Minor System Repairs	139,344	90,163	95,519	102,724	59,916	98,777	129,096	155,710	56,933	16,366
Overhead / Underground Maintenance	389,264	332,028	275,152	331,908	401,627	407,641	449,950	532,175	124,534	142,911
Station Maintenance	181,611	120,559	120,948	153,682	124,298	116,063	115,270	116,655	592	(64,957)
Vegetation Control	191,234	225,666	244,159	173,776	196,485	301,545	326,958	316,075	14,530	124,841
Transformer Maintenance	189,794	28,588	75,081	70,510	175,802	132,322	139,043	201,450	69,129	11,657
Sub-Total	1,350,328	1,093,271	1,185,076	1,291,651	1,234,879	1,551,365	1,773,417	1,801,456	250,092	451,129
									-	-
Operations									-	-
Cable Locates	135,446	124,281	158,762	159,145	129,614	154,195	144,816	123,200	(30,996)	(12,247)
Power Quality	41,194	15,011	15,029	21,376	9,940	25,600	9,267	143,576	117,976	102,381
Meter Operations	373,166	592,140	139,776	253,556	211,417	235,465	244,952	287,846	52,381	(85,320)
Operations Management	105,021	181,052	152,260	233,700	611,850	430,258	460,256	362,842	(67,416)	257,822
Overhead Operations	164,288	124,328	113,326	76,255	57,761	70,510	154,198	156,500	85,989	(7,789)
Station Operations	117,687	97,785	66,341	74,750	92,948	67,778	48,161	55,075	(12,702)	(62,612)
Transformer Operations	59,597	39,814	31,207	2,252	890	6,590	2,717	2,706	(3,884)	(56,891)
Underground Operations	34,511	76,470	80,747	63,225	54,205	134,488	146,375	122,239	(12,249)	87,729
Sub-Total	1,030,910	1,250,882	757,446	884,257	1,168,625	1,124,883	1,210,743	1,253,984	129,100	223,074
									-	-
Total	**7,896,250**	**7,879,523**	**7,890,372**	**8,081,382**	**8,448,377**	**8,959,365**	**9,071,945**	**9,495,813**	**536,448**	**1,599,563**

MATERIALITY THRESHOLD

In accordance with Chapter 2 Filing Requirements, an applicant must provide justification for changes from year to year to its rate base, capital expenditures and OM&A spending above a materiality threshold. EPI's materiality threshold is calculated as .5% of proposed distribution revenue requirements for distributors with a revenue requirement of greater than $10 million and less than or equal to $200 million. As such, EPI has selected a threshold of $90,000 for variance analysis.

4.3.2 PROGRAM DELIVERY VARIANCE ANALYSIS

ADMINISTRATIVE & HUMAN RESOURCES EXPENSES

Variances of $132,812 and $412,209 are forecasted between the 2016 Test Year and 2014 Actuals and between the 2016 Test Year and the 2010 Board-Approved Proxy amount, respectively. These variances are the result of staffing and compensation changes. Further details can be found below in Section 4.4.

COMMUNITY RELATIONS

A variance of $180,482 is forecasted between the 2016 Test Year and the 2010 Board-Approved Proxy amount. This increase is primarily the result of EPI's recent and planned Customer Engagement initiatives, which have included a redesign of the Entegrus website; the launch of social media channels on Facebook, Twitter and YouTube; and the development of a series of customer safety and education videos. The importance of electrical distributors having a strong presence both online and on social media was highlighted to EPI after the industry's experiences during the Greater Toronto Area ice storm of 2013. In addition, EPI will launch a marketing plan in 2016 to drive additional customer awareness of the company's various digital offerings.

CUSTOMER SERVICE & BILLINGS

The variance of $425,174 between the 2016 Test Year and the 2010 Board-Approved Proxy amount is primarily the result of additional activity due to TOU billing and LEAP requirements, as well as enhancements to the customer ("My Account") self-service portal, wage and benefit increases and upcoming enhancements to the EPI Outage Management System ("OMS"). Further details can be found below in Section 4.4. In addition, EPI will be making improvements to its "My Account" self-service portal and enhancing its OMS in 2016. Lastly, in 2014, EPI received a First Contact Resolution ("FCR") result of 76%. EPI continues to engage a consultant to assist with ongoing FCR measurement and improvement strategies.

Customer Collections

A variance of ($147,129) is forecasted between the 2016 Test Year and the 2010 Board-Approved Proxy amount. This decrease is the result of a reallocation of Customer Service resources to the Human Resources, Communications and IT departments in 2012. Further details can be found below in Section 4.4.

Meter Maintenance

The variance of $257,191 between the 2016 Test Year and the 2010 Board-Approved Proxy amount is primarily the result of additional maintenance and re-verification costs relating to Smart Meters. As noted previously, Smart Meters are more complex than traditional meters and require more specialized troubleshooting. EPI was one of the first electrical distributors in Ontario to pilot and install Smart Meters, and installed many of its Smart Meters in 2006 and 2007. In the 2010 Board-Approved Proxy, there was little to no meter re-verification cost due to the relatively young age of the Smart Meters at that point in time. In 2014, EPI commenced a staggered re-verification process due to the age of these meters and as a result, is now incurring higher maintenance costs. These re-verification costs will continue throughout 2015 and beyond.

Overhead / Underground Maintenance

This program includes costs relating to various engineering and operations support activities. Variances of $124,534 and $142,911 are forecasted between the 2016 Test Year and 2014 Actuals and between the 2016 Test Year and the 2010 Board-Approved Proxy amount, respectively. These variances are due to increased software licensing costs that are expected to be incurred beginning in 2016. As noted above, in 2016, EPI will incur expenses for additional engineering software licensing in order to transfer the EPI DSP from the current spreadsheet model to an engineering software platform that can be continuously updated more efficiently and will include the ability to perform “what if” scenario planning.

VEGETATION CONTROL

The variance of $124,841 between the 2016 Test Year and the 2010 Board-Approved Proxy amount is the result of a decision by EPI management to make vegetation management a key focus area. Vegetation in proximity to power lines can cause outages and power quality issues. After EPI's experience assisting another distributor with system repair after the Greater Toronto Area ice storm of 2013, EPI began focusing on a more aggressive approach to preventative vegetation management in 2014. This approach did not involve modifying the frequency of EPI's vegetation clearing activities, but it increased the volume of vegetation that was removed in order to minimize future operational issues. Increased vegetation management costs to maintain this aggressive approach are forecasted in 2015 and 2016.

POWER QUALITY

Variances of $117,976 and $102,381 are forecasted between the 2016 Test Year and 2014 Actuals and between the 2016 Test Year and the 2010 Board-Approved Proxy amount, respectively. These variances are due to additional power quality resources and tools to be purchased in 2016. This is in response to commercial and industrial customer feedback with respect to power quality, which confirmed that increasingly complex industrial production machinery has very low tolerances for voltage variations. Momentary outages or minute voltage variations (within traditional specification levels) can result in time consuming stoppages to the manufacturing process for EPI's customers.

OPERATIONS MANAGEMENT

A variance of $257,822 is forecasted between the 2016 Test Year and the 2010 Board-Approved Proxy amount. This variance is primarily the result of the adoption of IFRS-compliant capitalization policies in 2013.

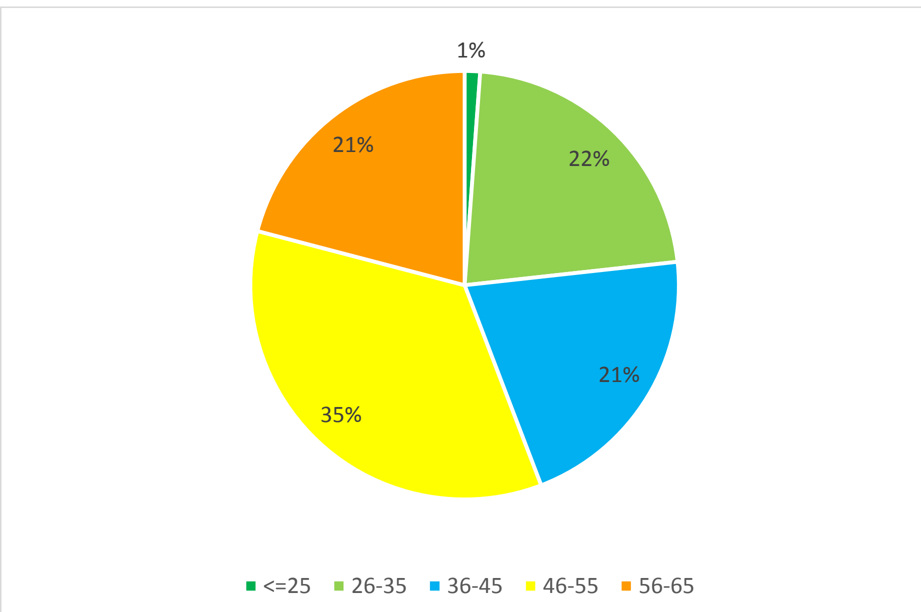
4.4 Employee Compensation

4.4.1 Overview

The EPI employee compensation system is designed to be competitive and equitable in order to attract and retain qualified personnel in an industry that is confronted by an impending scarcity of skilled resources. The EPI compensation package includes a base wage and benefits package, along with incentive compensation for non-union staff.

EPI continues to face the issue of a "greying" workforce, particularly amongst its skilled trades departments. Many key skilled trades personnel are already eligible to retire, or are simultaneously reaching retirement eligibility. The average age of EPI's employees is approximately 47, and is shown in Chart 4-1 below in terms of age distribution.

Chart 4-1: EPI Employee Age Distribution



The continuing challenge for EPI is to bridge the gap in maintaining sufficient talent to meet the current needs of the business while, at the same time, conducting sufficient succession planning for the future. The two EPI operations centres are based in smaller cities that are predominantly rural in nature, and which are geographically situated between two larger, urban population centres (Windsor/Detroit and

London) which are home to universities. When hiring skilled trades – and particularly when hiring professionals such as engineers – EPI must compete with these larger job markets.

Accordingly, EPI's key human resources vulnerability is the ability to replace highly specialized and experienced skilled trades and professional resources as turnover occurs.

UNIONIZED EMPLOYEES

Approximately 74% of EPI's workforce is unionized. The compensation for unionized employees is negotiated through the collective bargaining process and includes both office and trade workers.

Unionized employees are represented by three separate bargaining units:

- Chatham Operations Centre Outside Workers: The International Brotherhood of Electrical Workers' ("IBEW"), Local 636, Unit 46 ("IBEW Outside")
- Chatham Operations Centre Inside Workers & Strathroy Operations Centre Inside Workers: The International Brotherhood of Electrical Workers' ("IBEW"), Local 636, Unit 34 ("IBEW Inside")
- Strathroy Operations Centre Outside Workers: Power Workers' Union ("PWU"), CUPE Local 1000

The IBEW represents approximately 725,000 members in the construction, utilities, manufacturing, telecommunications, broadcasting, railroads and government sectors. The PWU represents over 15,000 members working in Ontario's electrical generating stations, transmission and distribution lines and system control facilities.

EPI's collective agreements provide for annual payroll increases and employee step progressions. Labour rates and benefits are adjusted based on negotiated percentages as per the collective agreement. The commencement and expiry dates of EPI's current collective agreements are shown in Table 4-9 below:

TABLE 4-9: THE EPI COLLECTIVE AGREEMENTS

Bargaining Unit	Contract Period	Date of Ratification	Wage Increase
IBEW Outside	Jan1/15 – Dec31/18	December 15, 2014	Jan 1: 1.00%, Jul 1: 1.25%
PWU Outside	Jan1/15 – Dec31/18	January 8, 2015	Jan 1: 1.00%, Jul 1: 1.25%
IBEW Inside	Jan1/15 – Dec31/18	April 30, 2015	Jan 1: 1.00%, Jul 1: 1.25%

The wage increases shown in the table above for each bargaining unit are applicable to each year of the contract. Each job classification in the EPI collective bargaining agreements has a basic job description and wage rate progression scale that increases from a base rate to a maximum rate.

In preparing for the negotiation of the collective bargaining agreements described above, EPI studied available information on Southwestern Ontario electrical distribution contracts from the 2012-2014 period. Based on this information, the EPI wage increases (as shown above) continue to align EPI union wage rates with other like-sized LDCs in the Southwestern Ontario region.

EXECUTIVES

Executives receive a base salary and incentive pay calculated as a percentage of base salary, as approved by the Board of Directors Compensation Committee. Incentive target goal plans for each executive are established and approved by the Board of Directors at the beginning of each year.

MANAGEMENT & NON-UNION EMPLOYEES

Prior to 2011, EPI utilized a "lockstep" system for management and non-union compensation. Under this system, management and non-union staff were grouped into eight grades and received annual increases that were normally equivalent to the negotiated union contract percentage. Each grade had a four or five step progression system, similar to the union collective agreements.

In 2010, EPI engaged an external human resources consultant, Levack Management Consulting, to assist with the implementation of the Hay Evaluation Plan for job evaluation. A committee of management and non-union employees was tasked with the update and evaluation of job descriptions based on the Hay Plan. EPI utilized the Hay Plan to place jobs in eight separate pay bands, in order to ensure internal equity and pay equity. Industry pay market data known to the consultant was used to establish the job rate for each band. The new system was implemented commencing in 2011.

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

Since EPI's implementation of the Hay Plan, the duties of some management and non-union positions have evolved and changed. Accordingly, EPI Human Resources oversees the periodic update of job descriptions, after which the job descriptions are re-evaluated by the external consultant using the Hay Plan. Pay bands, job rates and employee compensation ratios are also reviewed on an annual basis.

Typically, the management and non-union job rate by pay band is increased annually at a percentage that is lesser than, or equal to, the most recent union collective agreement rate increase. Subsequently, based on the annual performance evaluations, a subset of higher performers typically receive the job rate increase plus 0.5%, while a subset of lower performers typically receive the job rate increase less 0.5%. Pay progression may also be withheld as needed to reflect performance that is below acceptable levels.

No additional costs have been added to this Application with regard to internal equity.

Management and non-union staff receive merit progressions and performance bonuses in January. Merit progressions and bonuses are discretionary and based on EPI performance and the individual employee's annual performance evaluation results. Total management and non-union bonuses paid in January 2015 equated to approximately 4.75% of 2014 total management and non-union salaries.

PAY EQUITY

EPI is required by law to comply with the Ontario Pay Equity Act. The EPI Pay Equity Plan was initially established in 2001 (by the former CKH), and was further updated in 2006 subsequent to the acquisition of MPDC.

Most recently, the EPI Pay Equity Plan was updated again in December 2014. Based on this update, and anticipated ongoing plan maintenance, no pay equity issues are anticipated in 2015 or 2016. Accordingly, no additional costs for pay equity have been added in this Application.

BENEFITS

The employee benefit plans are designed to address the health and welfare of EPI's employees. There are separate benefit plans for the IBEW Inside employees, IBEW Outside employees, PWU Outside employees and Non-Union employees. The IBEW and PWU benefit plans are subject to change during the collective bargaining process, and the Non-Union plan typically follows suit. While none of the benefit packages amongst these four groups is identical, they are very similar with only minor differences.

The components of the benefit packages include: medical insurance, a company sponsored retirement plan, post-retirement benefits to age 65, employer's portion of government taxes, leave policies and health and safety protection. Further, certain retirees who retired prior to 1999 have lifetime benefits. Refer to Section 4.4.5 below for additional details on benefits.

Copies of EPI's employee benefit programs are included as Attachment 4-E to this Exhibit.

EMPLOYEE DEMOGRAPHICS

As noted above, EPI's employee demographics are consistent with the industry trend of a "greying workforce", particularly in the skilled trade personnel in the Lines and Engineering departments.

Table 4-10 below shows EPI's employee compliment by department and average age, along with the projected OMERS full retirement eligibility timing over the 2015-2020 horizon.

TABLE 4-10: EMPLOYEE DEMOGRAPHICS & RETIREMENT ELIGIBILITY

Line No.	Department	March 2015	2015 Bridge Year	2016 Test Year	2017	2018	2019	2020	Total
		Avg Age	Eligible Retirements						
		A	B	C	D	E	F	G	H =SUM(B to G)
1	Administration	46						1	1
2	Cust Serv	46	1	1	1	1	1		5
3	Engineering & Substa	50		1	1	1			3
4	Finance & Regulatory	44					1		1
5	IT	37							-
6	Lines	48	6		1	1	1	1	10
7	Lines Apprentices	26							-
8	Metering	51	1			1	1	2	5
9	Ops Support	52	1	1	1				3
10	**TOTAL**	**47**	**9**	**3**	**4**	**4**	**4**	**4**	**28**

It is readily apparent that approximately one third of the existing staff complement is eligible to retire by 2020, with the retirements primarily coming from the skilled trade ranks. These retirements will cause further ripple effects within the organization as many of the retirements will be in the supervisory and management ranks, particularly in the Lines Department and Engineering Department.

EMPLOYEE TURNOVER

Table 4-11 below shows EPI's employee turnover statistics by department since 2010, actual and forecasted turnover in 2015 and forecasted turnover in 2016. Turnover occurs when employees retire or leave the organization. This can create a ripple effect within the organization in cases where existing employees are promoted to fill a vacancy. The turnover trend during the 2010 thru 2015 period has been the result of a mix of retirements and departures.

TABLE 4-11: EMPLOYEE TURNOVER

Line No.	DEPARTMENT	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge Year	2016 Test Year
		A	B	C	D	E	F	G
1	Administration		1					
2	Cust Serv		1	0	2	1	1	
3	Engineering & Substations							
4	Finance & Regulatory				1		1	
5	IT				1			
6	Lines				2		2	1
7	Lines Apprentices							
8	Metering							
9	Ops Support							1
10	**TOTAL**	**-**	**2**	**0**	**5**	**1**	**4**	**2**

A notable trend is that some senior skilled trades employees continue to make the personal choice to work past their OMERS eligibility date. EPI management respects the fact that the decision to retire is a private and personal matter for each individual. Some employees elect to share their retirement plans in advance with management. Other employees prefer to keep their retirement plans private, or have not yet made their final determination. In determining the Bridge Year and Test Year forecasted retirements, EPI has taken into account both known and anticipated retirement information. Once retirements occur, it can take years for a new employee to reach the same level of efficiency, given the industry's highly specialized and complex job functions.

4.4.2 SUCCESSION PLANNING

EPI implemented succession planning prior to the 2010 CKH Cost of Service Application and continues to monitor key employee retirement eligibility and employee intentions where known, in order to plan for the necessary employee succession. As noted, key vulnerabilities exist within the skilled trades, particularly in the Lines and Engineering departments. Further, EPI has a limited number of qualified professional engineers and is exposed to risk around their potential turnover.

The following discussion summarizes management's plans for the two key areas of succession vulnerability.

LINES STAFF

EPI currently has a cadre of particularly talented and experienced veteran journeymen linemen. However, EPI is at risk because 10 Lines Department staff – virtually all of the veteran cadre at the Chatham Operations Centre and half of the Strathroy contingent – are eligible to retire within the next 5 years; this represents 50% of the EPI Lines Department. Hence, the development of apprentices is paramount.

The Chatham Operations Centre dynamic was previously articulated by CKH in its 2010 Cost of Service Application (EB-2009-0261), where a focus on succession planning and the need for the hiring of apprentices was described:

> *"… prior to the mass retirement of the employees in the trades areas to manage attrition of trades staff and to maintain the ability to provide service to [CK Hydro's] customers."*

The apprentice strategy proved successful for EPI, in terms of replacing the turnover that occurred between 2010 and 2015. However, as of 2015, EPI has now exhausted the contingent of apprentices hired by CKH in 2009 and 2010, by way of their successful progression to journeyman status and replacement of the turnover of former Lines staff. As discussed later in this section, two new apprentices were hired in 2014, and an additional two new apprentices are required by the end of 2015. It is critical to train these new apprentices while the majority of above-described veteran cadre is still with the organization.

To complement the apprentice training process and identify the best recruits, EPI has taken a lead role in working with the St. Clair College (Thames campus) on its development of the Powerline Technician program. EPI provides a senior management representative on the board of this program, and multiple EPI employees and retirees act as instructors. Starting in 2013, EPI began hiring co-op students from the program, and a diploma from this program is now a prerequiste for candidates for EPI apprecentice positions. Further, in 2014 EPI partnered with the Infrastructure Health & Safety Association ("IHSA") to build a training centre on the EPI Chatham Operational Centre yard. This facility enables on-site IHSA training for both new and existing EPI employees, as well as other utility employees in the region. The two apprentices hired full-time by EPI in 2014 were both graduates of the St. Clair College program with previous co-op experience with EPI.

The two St. Clair College lines students hired to work as co-op students with EPI in the summer of 2015 will be candidates for future full-time apprentice positions.

ENGINEERING STAFF

One third of the EPI engineering staff is eligible to retire within the next 3 years. These staff membes are primarily engineering technologists.

Further, the EPI Engineering Department has traditionally operated with two qualified professional engineers. However, the pace and complexity of electrical distribution engineering has increased significantly in recent years. This became notable after the implementation of smart meters and the resulting influx of communication technology and operational data. More recently, the formalization of implementation of the EPI Distribution System Plan has become a key focus. This plan will involve continued 27 kV conversion as well as smart grid investment. EPI has concluded that its traditional model of two qualified professional engineers is no longer suitable for a utility of its scope and activity level. Simply put, to remain technologically relevant for its customers and continually update and execute its DSP, EPI requires more internal "engineering science". Further to the pending engineering technologist retirements, one of EPI's qualified professional engineers is eligible to retire within the next 5 years.

As previously noted, the EPI operations centres are based in two smaller urban centres that are predominantly rural in nature, and which are geographically situated mid-way between two larger metropolises (Windsor/Detroit and London), both of which have universities. Chatham-Kent does not have a university, save for an agricultural satellite university campus located in the town Ridgetown. This dynamic, combined with an industry-wide scarcity of qualified electrical engineers, proved to make the recent search process for the Engineering Services Manager both lengthy and challenging. The experience reiterated to management that any future turnover amongst EPI's two qualified engineers will be challenging to backfill, and will likely result in the risk of a significant period of position vacancy. To mitigate this risk, EPI plans to embark on a "grow our own" strategy. This will involve hiring an Engineer-in-Training in 2016, as further described below. Subsequently, EPI will commence pursuing local engineering student co-op placements from the universities in Windsor and London. This pursuit will commence in 2016, after such time as the engineering departmental workflow (i.e. from recent hires) has stabilized. The strategy will create a "pipeline" of potential qualified engineer candidates, similar to what EPI has started to build with its Lines Department co-ops and apprentices.

2010 BOARD-APPROVED EMPLOYEE COSTS

EPI's last Cost of Service (EB-2009-0261) was filed by the former CKH. At that time, the CKH employee base was comprised of primarily operational employees. Additional services were provided to CKH by its unregulated affiliated, Chatham-Kent Utility Services Inc. ("CKUS"). In CKH's 2010 Cost of Service Application (EB-2009-0261), CKH described the affiliate services arrangement as follows:

> *"Chatham-Kent Hydro has a service level agreement with Chatham-Kent Utility Services, an affiliate, to provide all customer care, administration, regulatory and finance activities."*[1]

On January 1, 2012, CKH merged with the former MPDC and changed its name from CKH to EPI. The last MPDC Board-Approved FTE figures were established in MPDC's 2006 EDR Application (EB-2005-0351). Since CKH and MPDC operated separately until 2012, the MPDC Board-Approved FTEs were not included in CKH's 2010 Cost of Service Application (EB-2009-0261).

On January 1, 2015, the employees of Entegrus Services Inc. ("ESI") (the former CKUS) were transferred to EPI. As described above, ESI was previously an unregulated affiliate providing Customer Service and Administrative support to EPI, and this transfer is further detailed in Exhibit 1, Section 1.2.1. In the CKH 2010 Cost of Service Application (EB-2009-0261), consistent with the Board Filing Requirements at that time, CKUS/ESI FTEs were not included in CKH's employee complement and compensation figures, given that CKUS was an unregulated affiliate. However, all applicable affiliate costs from CKUS to CKH (excluding CKUS costs related to non-rate regulated activities such as CDM, and water) were included in the total costs approved in th CKH 2010 Cost of Service Appplication (EB-2009-0261).

As a result of the staffing evolution described above, for the purposes of this Application, EPI has developed 2010 Board-Approved Proxy Figures. The 2010 Board-Approved Proxy Figures were calculated as the aggregate of the following components:

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[1] CK Hydro EB-2009-0261, Exhibit 4, Tab 1, Schedule 1, page 1, lines 18-20

- The CKH 2010 Board-Approved salary and wage dollar amounts and FTEs, as approved in EB-2009-0261
- The MPDC 2006 EDR (EB-2005-0351) salary and wage dollar amounts, as inflated for the 2007, 2008, 2009 and 2010 utilizing the Board IRM inflation factors as applicable to EPI's legacy companies for each of those years. The MPDC FTE figures from EB-2005-0351 were not inflated or otherwise adjusted.
- The portion of CKUS 2010 actual salary and wage dollar amounts and FTEs that were allocated to CKH and MPDC. For the sake of clarity, the CKUS employee costs and FTEs included in the 2010 Board-Approved Proxy Figures exclude costs related to non-rate regulated activities such as CDM and water.

EPI wishes to stress that the use of Proxy 2010 Board-Approved figures does not represent an attempt to revisit or deviate from the CKH EB-2009-0261 figures previously approved by the Board. Rather, it is an attempt to facilitate an "apples to apples" comparison of employee costs and FTEs in a manner consistent with the current EPI employee structure and Board Filing Requirements. The approach recognizes that in the CKH 2010 Cost of Service application (EB-2009-0261), only a segment of EPI's current employee base were employed directly by CKH. Other segments of EPI's current employee base were directly employed by MPDC and CKUS.

It should be further noted that the former Dutton Hydro Inc. and Newbury Power Inc. (which were both acquired by MPDC in 2009), did not have any salary and wage dollar amounts included in their 2006 EDR applications (EB-2009-0177 and EB-2005-0392, respectively). Accordingly, there are no inclusions in the 2010 Board-Approved Proxy Figures for Dutton Hydro or Newbury Power.

Table 4-12 below shows the calculation of the 2010 Board-Approved Proxy Figures, including employee complement, compensation and benefits, using the above-described methodology:

TABLE 4-12: DERIVATION OF 2010 BOARD-APPROVED FTE & COMPENSATION PROXY FIGURES

Line No.	Description	CKH 2010 BA (EB-2009-0261) A	MPDC 2006 BA Escalated (EB-2005-0351) B	CKUS 2010 Actual C	TOTAL 2010 Board Approved Proxy D = A + B + C
1	**Number of FTEs**				
2	Management (including executive)	9.0	2.0	3.9	14.9
3	Non-Management (union and non-union)	35.0	9.5	20.8	65.3
4	**Total**	**44.0**	**11.5**	**24.6**	**80.1**
5	**Total Salary and Wages including overtime and incentive pay**				
6	Management (including executive)	$904,964	$68,645	$569,443	$1,543,052
7	Non-Management (union and non-union)	$2,363,442	$606,595	$1,033,857	$4,003,894
8	**Total**	**$3,268,406**	**$675,241**	**$1,603,300**	**$5,546,947**
9	**Total Benefits (current and accrued)**				
10	Management (including executive)	$200,749	$17,487	$134,867	$353,103
11	Non-Management (union and non-union)	$537,069	$151,210	$244,859	$933,138
12	**Total**	**$737,818**	**$168,697**	**$379,726**	**$1,286,242**
13	**Total Compensation (Salary, Wages and Benefits)**				
14	Management (including executive)	$1,105,713	$86,132	$704,310	$1,896,155
15	Non-Management (union and non-union)	$2,900,511	$757,806	$1,278,716	$4,937,033
16	**Grand Total**	**$4,006,224**	**$843,938**	**$1,983,026**	**$6,833,188**

THE EVOLUTION OF THE EPI ORGANIZATIONAL STAFFING STRUCTURE

In addition to the above-described changes to the EPI corporate structure, since 2011 the organization has undergone a significant evolution in terms of its organizational staffing structure.

Previous to 2011, EPI's predecessor companies were structured in terms of four primary groups: Operations / Engineering (CKH and MPDC), Metering (CKH and MPDC), Customer Service (CKUS) and Finance / Regulatory (CKUS). This structure served the organization well since the time of market opening.

In the period leading up to the 2012 merger that created EPI, a strategic focus was put on the migration to a more modern organizational structure. This new structure involved the creation, or "spin out", of five additional departments: Human Resources, Information Technology, Regulatory, Communications and the Project Management Office ("PMO"). As discussed below, the development of this new structure required internal re-allocation of resources, as well as the hiring of certain new resources with specific skill sets (often from the private sector).

HUMAN RESOURCES

Historically, Human Resources (and Information Technology) services were provided to EPI by ESI. ESI received assistance in providing these services to EPI from the Municipality of Chatham-Kent (the "Municipality"), via Service Level Agreement between the ESI and the Municipality. In late 2011, a re-organization was undertaken to internalize Human Resources (and Information Technology) and build utility industry-specific experience in the skills required for those areas.

Coordination with the Municipality on Human Resources matters was traditionally handled by the executive assistant, or by the administrative assistant for the department where the particular matter was rooted. As provincial regulations governing Human Resources practices expanded, it was noted by senior management that the organization's Human Resources structure resulted in a lack of specialization and sometimes led to delays in resolving more complex situations.

In 2011, a dedicated internal Human Resources function was established under the recently hired Director of Regulatory & Human Resources, as further described below. An FTE was transferred from Customer Service to serve as a full time Human Resources Analyst. With periodic assistance from an external consultant with industry HR experience, the department now handles essentially all significant HR matters for EPI. The Municipality of Chatham-Kent continues to provide periodic assistance in the specific areas of WSIB, the employee assistance program, driver's abstract verification and training, as well as collective bargaining negotiation. These services are billed to EPI by way of a Service Level Agreement with the Municipality of Chatham-Kent.

INFORMATION TECHNOLOGY

Concurrently, a dedicated internal Information Technology function was established. The Municipality of Chatham-Kent had provided the organization with strong Information Technology assistance for many years. Historically, some Customer Service personnel also performed basic Information Technology functions, particularly around the CIS system. However, the increasing complexity of EPI's business demanded a specialized internal Information Technology department. These complexities included implementation of smart meters and TOU billing, as well as the need for the migration off the Municipality's financial system to a stand-alone financial system that could provide real time financial information[2]. Accordingly, in 2011 the Director of Metering assumed the dual portfolio role of Director of Technical Services. The Desk-Side Support and CIS Database Support positions were moved out of Customer Service to the new Information Technology department. Subsequently, a Network Administrator was hired to start the planning process for the migration from the Municipal network and servers. The Municipality continued to provide IT hardware and network support until 2014 when EPI migrated to its own stand-alone network, servers and phone system.

The Municipality continues to provide EPI with specific support in the areas of software licensing and GIS. These services are billed to EPI by way of a Service Level Agreement with the Municipality of Chatham-Kent.

REGULATORY

Historically, the organization's Regulatory function was a subcomponent of Finance. In 2011, given the increasing importance of this function within the industry, Regulatory was recognized as a distinct department in order to provide more dedicated focus. The Regulatory department is responsible for all regulatory reporting and compliance with applicable codes and legislation. Regulatory reporting includes development and preparation of rate filings, performance reporting, and compliance. Regulatory continues to work closely with the Finance department on rate-setting and reporting matters.

COMMUNICATIONS

A dedicated Communications function was established in early 2012. Previously, activities involving customer engagement, public relations and employee engagement were conducted by Customer Service, or alternatively by the executive assistant or administrative assistants. The establishment of a Communications function involved replacing the departure of a non-union Customer Service support resource with the hire of a dedicated Communications Specialist with a university degree in this area of study, along with related experience.

[2] See CK Hydro EB-2009-0261, Exhibit 6, Tab 1, Schedule 1, page 4, lines 2-9

PROJECT MANAGEMENT OFFICE

Lastly, the EPI Project Management office ("PMO") was established in 2012. The purpose of the PMO is to track and monitor the status of all ongoing operational and administrative projects of significance. The PMO was initially launched under the direction of a part-time, contract resource with experience in PMO start up. Subsequently, the PMO lead has been used as a development opportunity for other non-union staff members, who have undertaken this responsibility in addition to their regular duties.

TRANSFER OF ENTEGRUS SERVICES EMPLOYEES TO ENTEGRUS POWERLINES

As stated above, on January 1, 2015, the employees of ESI (the former CKUS) were transferred to EPI. This represented the culmination of EPI's migration to a comprehensive modern utility organizational structure, which now includes the following departments:

- Administration (some positions formerly CKUS/ESI)
- Communications (formerly CKUS/ESI, included in Administration in Table 4-14 below)
- Control (included in Operations Support in Table 4-14 below)
- Customer Service (formerly CKUS/ESI)
- Engineering & Substations
- Finance (formerly CKUS/ESI, included in Finance & Regulatory in Table 4-14 below)
- Human Resources (formerly CKUS/ESI, included in Administration in Table 4-14 below)
- Information Technology (formerly CKUS/ESI)
- Lines
- Metering
- Operations Support (including Health & Safety)
- Regulatory (formerly CKUS/ESI, included in Finance & Regulatory in Table 4-14 below)
- Stores/Purchasing (including in Operations Support in Table 4-14 below)

4.4.3 FTE AND EMPLOYEE COSTS

The EPI employee complement by FTE, compensation and benefits are set out in Table 4-13 (Board Appendix 2-K) below. A copy of Board Appendix 2-K can also be found in Attachment 4-F to this Exhibit. This table includes the 2010 Board-Approved Proxy figures previously detailed in Table 4-12 above. Table 4-13 also shows the actual number of FTEs and compensation figures for 2010-2014, plus the forecasted FTEs and compensation figures for 2015-2016.

As described above, the current EPI employee structure evolved between 2010 and 2015. Consistent with EPI's interpretation of the 2016 Filing Requirements, this table (Appendix 2-K) has been prepared on the hypothetical basis that the current 2015 EPI structure had been in place since 2010, using actual data. Appendix 2-K is also shown as Attachment 4-F.

TABLE 4-13: FTE & EMPLOYEE COSTS, BOARD APPENDIX 2-K

Line No.	Description	2010 BA	2010 Actuals	2011 Actuals	2012 Actuals	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
1	**Number of FTEs**								
2	Management (including executive)	14.9	13.9	14.4	15.2	14.7	14.9	16.3	18.1
3	Non-Management (union and non-union)	65.3	59.4	61.5	58.5	56.6	56.5	57.2	58.4
4	**Total**	**80.1**	**73.3**	**75.9**	**73.7**	**71.3**	**71.4**	**73.5**	**76.5**
5	**Total Salary and Wages including overtime and incentive pay**								
6	Management (including executive)	$1,543,052	$1,346,303	$1,535,243	$1,577,034	$1,623,780	$1,610,857	$1,770,723	$2,018,879
7	Non-Management (union and non-union)	$4,003,894	$3,590,415	$3,947,924	$4,181,664	$4,302,204	$4,292,665	$4,325,633	$4,285,063
8	**Total**	**$5,546,947**	**$4,936,718**	**$5,483,166**	**$5,758,698**	**$5,925,984**	**$5,903,522**	**$6,096,356**	**$6,303,943**
9	**Total Benefits (current and accrued)**								
10	Management (including executive)	$353,103	$318,859	$342,038	$361,848	$382,927	$371,911	$388,580	$451,213
11	Non-Management (union and non-union)	$933,138	$850,356	$879,561	$959,478	$1,014,565	$991,080	$947,400	$957,698
12	**Total**	**$1,286,242**	**$1,169,215**	**$1,221,599**	**$1,321,326**	**$1,397,493**	**$1,362,991**	**$1,335,980**	**$1,408,911**
13	**Total Compensation (Salary, Wages and Benefits)**								
14	Management (including executive)	$1,896,155	$1,665,162	$1,877,281	$1,938,882	$2,006,707	$1,982,768	$2,159,303	$2,470,092
15	Non-Management (union and non-union)	$4,937,033	$4,440,771	$4,827,485	$5,141,142	$5,316,770	$5,283,745	$5,273,033	$5,242,761
16	**Grand Total**	**$6,833,188**	**$6,105,933**	**$6,704,766**	**$7,080,024**	**$7,323,477**	**$7,266,513**	**$7,432,336**	**$7,712,853**

The number of employees shown above in Table 4-13 is based on the computation of the number of full-time equivalent (FTE) positions throughout each of the fiscal years. Staff members hired by EPI are pro-rated in that year as a portion of an FTE based on the start date month. Similarly, staff members that left the organization are pro-rated as a portion of an FTE based on the month of departure. FTEs exclude Board of Directors, co-op students and employees dedicated to non-rate regulated activities, including CDM, water and EPI's unregulated affiliates. Contract employees are included as FTEs, except in cases where the contractor is a replacement for an employee on a temporary leave of absence (LOA). In such case, only the LOA employee is included as an FTE (although the compensation costs for both individuals are included).

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

The benefits amounts comprise the employer's portion of statutory benefits, including CPP, EI, EHT and WSIB. In addition, benefit amounts comprise the company's cost for providing: OMERS, LTD insurance, life insurance, health benefits (including clothing allowance and wellness program) and other miscellaneous items.

4.4.4 FTE BY DEPARTMENT

Table 4-14 summarizes the number of FTEs by department at year end since 2010. The table also shows the derivation of the 2010 Board-Approved Proxy figures at the departmental level, using the same methodology described above for Table 4-13.

TABLE 4-14: FTE BY DEPARTMENT

Line No.	Department	2010 BAP	2006 BAP	2010	2010	2010	2011	2012	2013	2014	2015	2016
		CK Hydro	MPDC	CKUS Act	BAP Proxy	Actual	Actual	Actual	Actual	Actual	Bridge Year	Test Year
		A	B	C	D=A+B+C	E	F	G	H	I	J	K
1	Administration	1.0	-	-	1.0	1.9	2.3	3.5	3.5	3.5	3.5	3.5
2	Cust Serv	-	4.5	19.1	23.6	22.3	21.7	17.1	15.5	14.6	15.0	15.6
3	Engineering & Substations	9.0	-	-	9.0	7.0	7.8	7.0	7.0	7.0	8.0	9.0
4	Finance & Regulatory	-	-	5.5	5.5	4.8	5.8	6.2	6.4	5.8	6.1	6.4
5	IT	-	-	-	-	-	0.3	2.0	1.9	2.0	2.0	2.0
6	Lines	16.0	5.0	-	21.0	19.3	20.0	19.0	18.1	21.5	21.0	20.4
7	Lines Apprentices	4.0	-	-	4.0	4.0	4.0	4.0	4.0	2.0	2.2	4.0
8	Metering	6.0	2.0	-	8.0	7.0	7.0	7.0	7.0	7.0	6.9	6.8
9	Ops Support	8.0	-	-	8.0	7.0	7.0	7.9	8.0	8.0	8.8	8.8
10	**TOTAL**	**44.0**	**11.5**	**24.6**	**80.1**	**73.3**	**75.9**	**73.7**	**71.3**	**71.4**	**73.5**	**76.5**

Table 4-13 and Table 4-14 above include five new positions hired since 2010 which were not included in EB-2009-0261. These new positions have been more than offset by employee retirements and departures. The five new positions are described as follows:

- Director of Regulatory & Human Resources (hired July 2010): In EB-2009-0261, CKH received approval to hire a Manager of Connections, and to recover the costs related to a new CKUS regulatory resource. These positions proved to be challenging to fill. Simultaneously, as described above, EPI enhanced its organizational structure and had the opportunity to hire a seasoned director with both private sector and utility experience, possessing a CPA, MBA and regulatory, finance and human resources experience. It was determined that rather than hiring the Manager of Connections and regulatory resource, EPI would hire this one individual in the role of Director of Regulatory & Human Resources. The position also provided a senior resource to commence planning and key systems implementation for the establishment and ultimately day-to-day management of a dedicated internal Human Resources department.

- Network Administrator (hired Nov 2011): This position was hired to assist in the facilitation of the internalization of the IT department (from the Municipality) and establish and maintain EPI's stand-alone network, servers and phone system. The role also assists with information security and management of EPI's increasing volume of operational system data.

- Director of Finance (hired Jan 2012): This position was required due to the need for specialized accounting expertise for IFRS requirements, and as a result of the separation of the EPI accounting system from the Municipality's accounting system in 2011, which gave EPI access to real-time reporting. This system transition has allowed for an overall organizational focus on enhanced financial reporting, particularly at a capital and operational job level, led by the Director of Finance. Previously, the CFO handled much of this role. However, additional finance capacity was required subsequent to dual appointment of the CFO to also oversee the Customer Service function. The Director of Finance is a CPA with utility public accounting experience. He also brought prior experience as an IFRS project implementation lead from his role with a large private international company subject to Canadian regulation.

- Manager of Engineering Services & Operational Projects (hired August 2015): In recognition of the above-described need for more focus on asset management and smart grid / system modernization, in January 2015 EPI re-assigned its senior qualified professional engineer to the new portfolio title of VP of Engineering & Asset Management. Simultaneously, EPI re-assigned its former Manager of Engineering & Metering to a sole focus on metering (under the new title of "Manager of Metering"). Subsequently, EPI focused on filling the Manager of Engineering position with a manager with a professional engineer designation, electrical engineering education and industry experience. The job search for a manager with these qualifications was very challenging and ultimately unsuccessful. Subsequently, management redefined the job description to the new title of "Manager of Engineering Services & Operational Projects". More focus was placed on finding an industry veteran with significant management experience, and as such, the new job description opened the position qualifications to include qualified power line maintainers with significant LDC management experience. The hiring process ultimately took 6 months and was successfully completed in June 2015, with an August 2015 start date.

- Senior Financial Projects Specialist (hired September 2013, vacant as of May 2015 and expected to be replaced in September 2015): This position was initially hired in 2013 to cover a maternity leave in the Regulatory department and subsequently was retained to assist with increased financial and regulatory requirements, as well as IFRS accounting and the administration of the EPI Project Management Office. This position is critical to assist in meeting departmental workload. The original Senior Financial Projects Specialist was a CPA who resigned to pursue an external opportunity in May 2015. EPI is currently pursuing candidates with similar experience.

Further, Table 4-13 and Table 4-14 include the following new position to be hired in 2016:

- Engineer-in-Training: As discussed above, in light of scarcity of qualified engineers available to EPI, the organization plans to embark on a strategy to "grow its own" qualified professional electrical engineer. Beyond succession planning, the Engineer-in-Training will assist with key engineering tasks, including asset management and distribution operational engineering. As discussed in Section 4.1.3 above, power quality is of particular focus for EPI based on recent customer feedback. This is another area that the new position can assist with, including electrical design and protection measures to ensure that EPI's industrial customers can draw consistent power quality as needed.

All other new hires since 2010 have been like-for-like replacements for employees who retired or left the company. Table 4-13 and Table 4-14 above include the following like-for-like replacements impacting the 2015 Bridge Year and the 2016 Test Year, which are described because the timing of these hires impacts the variance analysis shown in Section 4.4.5 below:

- VP of Operations: The position has been vacant since August 2014, and since that time, the Lines Supervisor has reported directly to the VP of Engineering & Asset Management. The Lines Supervisor is a former line maintainer who was promoted to the role in May 2013. As noted above, the VP of Engineering & Asset Management is a professional engineer, and as a result of this vacancy, assumed 7 direct reports and 38 indirect reports. This double duty left the VP of Engineering & Asset Management with less time for engineering design and supervision and implementation of the EPI Distribution System Plan. Accordingly, the VP of Operations was hired in August 2015. The VP of Operations brings extensive operational, labour relations and health & safety experience from managing large Ontario industrial production facilities for multiple Fortune 500 companies. With this replacement, the VP of Engineering & Asset Management now has 3 direct reports and 14 indirect reports and is able to focus on engineering and asset management requirements, as well as the task of recruiting and developing the new Engineer-in-Training (see above).

- Lines Apprentice – Chatham-Kent: The 4 Chatham-Kent lines apprentices hired as approved in EB-2009-0261 have since achieved journeyman status, and have replaced the departure of 4 lines personnel. Subsequently, EPI hired 2 new apprentices in 2014 and plans to hire an additional Chatham-Kent apprentice by the end of 2015.

- Lines Apprentice – Strathroy: The Strathroy Operations Centre operates with a four person line crew. The average age of the crew is 48 years old. Since the time of the EPI acquisition of the former MPDC in 2005, Strathroy has never had a lines apprentice. It is imperative to start the transfer of distribution system operational knowledge prior to the retirement of the existing line crew members. Accordingly, EPI plans to hire a lines apprentice for Strathroy by the end of 2015.

When the 2010 Combined figures (Column D in Table 4-14) are utilized as a proxy for Board-Approved FTEs, it is noted that FTEs have declined from 80.1 in the 2010 Combined to 76.5 in the 2016 Test Year (Column K in Table 4-14). The bulk of this decrease appears to be attributable to the Customer Service department, which has decreased by 8 FTEs. However, as noted above, prior to 2012 the Customer Service department also handled Information Technology, Communications and some of Human Resources. Accordingly, a portion of the decrease in Customer Service FTEs is attributable to the creation of new departments. Further, in 2011 the Chatham Operational Centre walk-in bill payment and customer inquiry services function was phased out. The Strathroy Operational Centre similarly ceased this function in 2014.

4.4.5 FTEs, Wages & Benefits Variance Analysis

EPI completed the Board's Appendix 2-K, which is included above as Table 4-13. Table 4-15 below details employee costs from 2010 Board-Approved (using proxy values as discussed above) through to the 2016 Test Year. All FTEs as defined above, with their corresponding wages and benefits are included in the variance analysis below, with material variances highlighted in yellow.

Table 4-15: FTEs and Employee Cost Variances

Line No.	Description	2010 Board Approved Proxy	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge Year	2016 Test Year
		A	C	B	D	E	F	G	H
1	**Number of FTEs**								
2	Management (including executive)	14.9	13.9	14.4	15.2	14.7	14.9	16.3	18.1
3	Non-Management (union and non-union)	65.3	59.4	61.5	58.5	56.6	56.5	57.2	58.4
4	**Total**	**80.1**	**73.3**	**75.9**	**73.7**	**71.3**	**71.4**	**73.5**	**76.5**
5	**Total Salary and Wages including overtime and incentive pay**								
6	Management (including executive)	$1,543,052	$1,346,303	$1,535,243	$1,577,034	$1,623,780	$1,610,857	$1,770,723	$2,018,879
7	Non-Management (union and non-union)	$4,003,894	$3,590,415	$3,947,924	$4,181,664	$4,302,204	$4,292,665	$4,325,633	$4,285,063
8	**Total**	**$5,546,947**	**$4,936,718**	**$5,483,166**	**$5,758,698**	**$5,925,984**	**$5,903,522**	**$6,096,356**	**$6,303,943**
9	**Total Benefits (current and accrued)**								
10	Management (including executive)	$353,103	$318,859	$342,038	$361,848	$382,927	$371,911	$388,580	$451,213
11	Non-Management (union and non-union)	$933,138	$850,356	$879,561	$959,478	$1,014,565	$991,080	$947,400	$957,698
12	**Total**	**$1,286,242**	**$1,169,215**	**$1,221,599**	**$1,321,326**	**$1,397,493**	**$1,362,991**	**$1,335,980**	**$1,408,911**
13	**Total Compensation (Salary, Wages and Benefits)**								
14	Management (including executive)	$1,896,155	$1,665,162	$1,877,281	$1,938,882	$2,006,707	$1,982,768	$2,159,303	$2,470,092
15	Non-Management (union and non-union)	$4,937,033	$4,440,771	$4,827,485	$5,141,142	$5,316,770	$5,283,745	$5,273,033	$5,242,761
16	**Grand Total**	**$6,833,188**	**$6,105,933**	**$6,704,766**	**$7,080,024**	**$7,323,477**	**$7,266,513**	**$7,432,336**	**$7,712,853**
17	**Description**		**2010 BAP vs. 2010 Act**	**2010 Act vs. 2011 Act**	**2011 Act vs. 2012 Act**	**2012 Act vs. 2013 Act**	**2013 Act vs. 2014 Act**	**2014 Act vs. 2015 BY**	**2015 BY vs. 2016 TY**
18	**Number of FTEs**								
19	Management (including executive)		(1.0)	0.5	0.8	(0.5)	0.2	1.4	1.8
20	Non-Management (union and non-union)		(5.9)	2.1	(3.0)	(1.9)	(0.1)	0.7	1.2
21	**Total**		**(6.9)**	**2.6**	**(2.2)**	**(2.4)**	**0.1**	**2.1**	**3.0**
22	**Total Salary and Wages including overtime and incentive pay**								
23	Management (including executive)		-$196,749	$188,940	$41,791	$46,746	-$12,923	$159,866	$248,156
24	Non-Management (union and non-union)		-$413,480	$357,509	$233,740	$120,540	-$9,539	$32,968	-$40,570
25	**Total**		**-$610,229**	**$546,449**	**$275,531**	**$167,286**	**-$22,462**	**$192,834**	**$207,587**
26	**Total Benefits (current and accrued)**								
27	Management (including executive)		-$34,244	$23,179	$19,810	$21,079	-$11,016	$16,670	$62,633
28	Non-Management (union and non-union)		-$82,783	$29,206	$79,917	$55,088	-$23,486	-$43,680	$10,298
29	**Total**		**-$117,027**	**$52,385**	**$99,727**	**$76,166**	**-$34,502**	**-$27,011**	**$72,931**
30	**Total Compensation (Salary, Wages and Benefits)**								
31	Management (including executive)		-$230,993	$212,119	$61,601	$67,825	-$23,939	$176,535	$310,789
32	Non-Management (union and non-union)		-$496,262	$386,714	$313,657	$175,628	-$33,025	-$10,712	-$30,272
33	**Grand Total**		**-$727,256**	**$598,833**	**$375,258**	**$243,453**	**-$56,964**	**$165,823**	**$280,517**

2010 ACTUAL VS. 2010 BOARD-APPROVED PROXY

MANAGEMENT SALARY AND WAGES CATEGORY

The decrease in 2010 Actual versus Board-Approved was primarily the result of hiring lags experienced in filling the Operations Supervisor and Manager of Connections positions (as approved in EB-2009-0261).

Further, it was determined that rather than hiring a Manager of Connections, there would be greater value in hiring a Director of Regulatory & Human Resources. This new dual portfolio position was hired in Jul/10 and is further described above. The Operations Supervisor position was ultimately filled in Nov/10 (as approved in EB-2009-0261).

NON-MANAGEMENT SALARY AND WAGES CATEGORY

The decrease in 2010 Actual versus the Board-Approved Proxy includes merger savings associated with two MPDC FTE positions included in the 2010 Board-Approved Proxy that were no longer required after CKH and MPDC began sharing services.

Further, hiring lags were experienced in filling the new non-management heads approved in the CKH 2010 Cost of Service Application (EB-2009-0261). Specifically, the two Lines Apprentices positions were not filled until Nov/10, and the Meter Technician and Engineering / Operations Assistant positions were not filled until 2011. Further, two (2) of the MPDC non-management FTEs (included in the Board Approved Proxy by way of the 2006 MPDC EDR figures) were not needed subsequent to EPI assuming operational control of MPDC.

2011 ACTUAL VS. 2010 ACTUAL

MANAGEMENT SALARY AND WAGES CATEGORY

The increase in 2011 Actual versus 2010 Actual is primarily due to the following factors:

- The full year impact of the hiring of the Operations Supervisor in Nov/10 (as described above)

- The full year impact of the promotion of the Operations Manager to Director of Operations in Nov/10 (as described above)
- The full year impact of the hiring of the Director of Regulatory & Human Resources in Jul/10 (as described above)

NON-MANAGEMENT SALARY AND WAGES CATEGORY

The increase is primarily the result of hiring delays, as explained above under 2010 Actual vs. 2010 Board-Approved (please see above). The following other factors also contributed to the increase:

- The hiring of the new Engineering Technician position in Nov/11 (as described above).
- The hiring of the Network & Systems Administrator in Nov/11 to assist in the establishment of a dedicated internal IT department (as described above).
- Regular annual raises (see Table 4-16 below)

2012 ACTUAL VS. 2011 ACTUAL

NON-MANAGEMENT SALARY AND WAGES CATEGORY

The increase in 2012 Actual versus 2011 Actual is primarily due to the following factors:

- The full year impact of the hiring of the Engineering Technician in Nov/11 (as described above)
- The full year impact of the hiring of the Network & Systems Administrator in Nov/11 (as described above)
- Additional lines staff overtime, particularly for Hurricane Sandy storm relief work in both Ontario and New Jersey

2013 Actual vs. 2012 Actual

NON-MANAGEMENT SALARY AND WAGES CATEGORY

The increase was primarily due to four apprentice lineman (two hired in 2009 and two hired in 2010) achieving significant progression milestones in the collective agreement wage schedule in 2013.

2015 Bridge Year vs. 2014 Actual

MANAGEMENT SALARY AND WAGES CATEGORY

The increase is primarily due to the partial year impact of the hiring of the following personnel:

- VP of Operations (hired August 2015, as described above)
- Manager of Engineering Services & Operational Projects (hired August 2015, as described above)

Further, a member of the management team returned from maternity leave in late 2014. Accordingly, this employee's costs were considerably lower in 2014, as compared to 2015.

2016 Test Year vs. 2015 Bridge Year

MANAGEMENT SALARY AND WAGES CATEGORY

The increase is primarily due to the full year impact of the hiring of the following personnel:

- VP of Operations (hired August 2015, as described above)
- Manager of Engineering Services & Operational Projects (August 2015, as described above)
- Engineer-in-Training in Dec 2015 (as described above).

Annual Wage Increases

A summary of actual and projected annual and cumulative wage increases is shown on Table 4-16 below:

TABLE 4-16: SUMMARY OF WAGE INCREASE BY YEAR

Line No.	Year	Union %	Cumulative %	Non-Union %	Cumulative %
		A	B	C	D
1	Jan 1, 2010 Actual	2.00%	2.00%	2.00%	2.00%
2	Jan 1, 2011 Actual	2.00%	4.00%	2.00%	4.00%
3	Jan 1, 2012 Actual	2.50%	6.50%	2.50%	6.50%
4	Jan 1, 2013 Actual	2.50%	9.00%	2.50%	9.00%
5	Jan 1, 2014 Actual	2.50%	11.50%	2.50%	11.50%
6	Jan 1, 2015 Actual	1.00%	12.50%	2.25%	13.75%
7	Jul 1, 2015 Actual	1.25%	13.75%	0.00%	13.75%
8	Jan 1, 2016 Forecasted	1.00%	14.75%	2.25%	16.00%
9	Jul 1, 2016 Forecasted	1.25%	16.00%	0.00%	16.00%
Effective Jan 1, 2015, union wage increases occur bi-annually at Jan 1 and Jul 1. Non-union wage increases occur annually at Jan 1.					

4.4.6 EMPLOYEE BENEFIT PROGRAMS

BENEFIT PROGRAMS

Benefits offered by EPI are summarized below.

Statutory Benefits:

- Canada Pension Plan (“CPP”) – EPI remits 4.95% of gross earnings (2015 max per employee is $2,479.95).
- Employment Insurance (“EI”) – EPI remits 2.44% of gross earnings (2015 max per employee is $1,207.92).
- Employer Health Tax (“EHT”) – EPI remits 1.95% of gross earnings, plus taxable benefits.
- Workplace Safety Insurance Board (“WSIB”) – EPI remits 1.07% of gross earnings, plus taxable benefits (2015 max per employee is $911.64)

Company Benefits:

- Ontario Municipal Employee Retirement Savings ("OMERS") – EPI remits 9.0% on the first $53,600 of earnings (subject to various inclusions and exclusions) and then EPI remints 14.6% of earnings thereafter (also subject to various inclusions and exclusions).
- Long Term Disability ("LTD") - EPI's benefit provider is the MEARIE Group and effective January 1, 2014, MEARIE sources this benefit from Desjardins Insurance (previously Great West Life). EPI's premiums cover current employees.
- Life Insurance Benefits – EPI's benefit provider is the MEARIE Group and effective January 1, 2014, MEARIE sources this benefit from Desjardins Insurance (previously Great West Life).
- Health Care Benefits – EPI utilizes the MEARIE Group as a benefits provider, and MEARIE in turn sources extended health care from Great West Life.
- Dental Benefits – EPI's benefit provider is the MEARIE Group and MEARIE sources this benefit from Great West Life.
- Employee Assistance Program ("EAP") – This program is offered in conjunction with the Municipality of Chatham-Kent and assists employees and their immediate family members in assessing and resolving work, health and life issues.

A detailed summary of EPI's actual benefit program costs are presented in Table 4-17 below.

Statutory deductions have increased 28% between 2010 and the 2016 Test Year as a result of benefit rate increases and wage increases. Company benefits have increased almost 48% over the same timeframe, mainly a result of OMERS increases.

TABLE 4-17: BENEFIT EXPENSES

Line No.	Benefit	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge Year	2016 Test Year
		A	B	C	D	E	F	G
1	**Statutory**							
2	CPP - Employer's Portion	$148,798	$165,277	$170,659	$171,180	$166,530	$163,229	$172,140
3	EI - Employer's Portion	$64,517	$74,911	$78,388	$78,274	$83,976	$82,312	$86,806
4	Employer Health Tax	$103,035	$101,478	$107,682	$108,372	$107,234	$105,109	$110,847
5	WSIB	$53,988	$51,317	$48,329	$50,698	$53,016	$51,965	$54,802
6	**Total Statutory**	**$370,337**	**$392,983**	**$405,058**	**$408,524**	**$410,756**	**$402,616**	**$424,594**
7	**Company**							
8	OMERS	$362,935	$386,306	$485,962	$546,459	$543,055	$532,293	$561,351
9	LTD Insurance	$57,965	$63,295	$73,757	$78,143	$69,424	$68,048	$71,763
10	Life Insurance	$20,228	$23,139	$28,194	$30,281	$26,173	$25,654	$27,055
11	Health Benefits	$283,635	$309,106	$278,113	$259,896	$257,877	$252,767	$266,565
12	Clothing Allowance	$35,058	$20,344	$21,002	$32,357	$21,533	$21,106	$22,258
13	Wellness Program	$1,999	$3,042	$4,119	$4,737	$6,320	$6,194	$6,533
14	Other	$37,057	$23,385	$25,121	$37,095	$27,853	$27,301	$28,791
15	**Subtotal Company**	**$798,877**	**$828,616**	**$916,269**	**$988,968**	**$952,235**	**$933,364**	**$984,316**
16	**Benefits Prior to EFB**	**$1,169,215**	**$1,221,599**	**$1,321,326**	**$1,397,493**	**$1,362,991**	**$1,335,980**	**$1,408,911**
17	Employee Future Benefits	$166,486	$171,273	$170,566	$71,613	$130,050	$171,253	$169,493
18	**Total Company**	**$1,335,701**	**$1,392,872**	**$1,491,893**	**$1,469,106**	**$1,493,041**	**$1,507,233**	**$1,578,403**

OMERS PENSION PLAN

EPI employees are members of the Ontario Municipal Employees Retirement System (“OMERS”). OMERS is a multi-employer pension plan in which most Ontario LDCs participate. Accordingly, EPI pension benefit costs are consistent with other participating Ontario LDCs. The plan is a contributory defined pension plan which is financed by equal contributions from the employer and employee based on the employee’s contributory earnings. The EPI pension premium information for 2010 Actual, 2011 Actual, 2012 Actual, 2013 Actual, 2014 Actual, 2015 Bridge Year and 2016 Test Year is detailed in Table 4-18 below. For the 2016 Test Year, EPI assumed OMERS rates of 9% on earnings up to CPP earning limits and 14.6% on earnings over CPP earnings limit as per OMER’s news letter dated June 26, 2015 “OMERS 2016 Contribution Rates Announced”.

Table 4-18 below shows OMERS pension expense and its key drivers from 2010 thru the 2016 Test Year. The increases in OMERS premiums from 2010 through 2013 are the result of increased contribution rates as well as wage increases, which leveled after 2013.

TABLE 4-18: OMERS PENSION EXPENSE

Line No.	Year	YPME	YPME Below	YPME Above	OMERS Expense	Increase
		A	B	C	D	E
1	2010	$47,200	6.4%	9.7%	$362,935	$0
2	2011	$48,300	7.4%	10.7%	$386,306	$23,371
3	2012	$50,100	8.3%	12.8%	$485,962	$99,656
4	2013	$51,100	9.0%	14.6%	$546,459	$60,497
5	2014	$52,500	9.0%	14.6%	$543,055	-$3,404
6	2015 Bridge Year	$52,500	9.0%	14.6%	$532,293	-$10,762
7	2016 Test Year	$52,500	9.0%	14.6%	$561,351	$29,058

EMPLOYEE FUTURE BENEFITS

EPI provides post-employment benefit life insurance and health care to all active full-time employees and retirees under the age of 65 through a group defined benefit plan. Previous to the Chatham-Kent Municipal amalgamation on January 1, 1998 that resulted in the creation of the former CKH , retirees from certain predecessor utilities were granted lifetime benefits (or in some cases, ongoing life insurance only). The history is further described in CKH's 2010 Cost of Service Application (EB-2009-0261), as follows:

> *"Retiree benefits are in two categories, retirees who retired prior to 1999 and those who retired after 1999. The retirees that left prior to 1999 have life time benefits as that was the benefit plan in place at that time. Chatham-Kent Hydro amalgamated 11 electric utilities in 1999 and in the first contract negotiations were able to agree with IBEW Local 636 to change the retiree's benefits from life time to age 65 for all future retirees. This was a significant cost reduction for Chatham-Kent Hydro."*[3]

As of March 2015, 36 retirees (or their survivors) continue to collect lifetime benefits and there are 11 retirees with ongoing life insurance.

The cost of post-employment benefits are actuarially determined using the projected benefit method pro-rated on service and based on assumptions that reflect management's best estimates. Under this

[3] See CK Hydro EB-2009-0261, Exhibit 4, Tab 2, Schedule 6, page 7, lines 3-8

method, the projected post-retirement benefit is deemed to be earned on a pro rata basis over the years of service in the attribution period commencing at date of hire and ending at the earliest age the employee could retire and qualify for benefits. The current service cost for the period is equal to the employees' services rendered in the period. Past service costs from the plan amendments are amortized on a straight line basis over the average remaining service period of the employee's active at the date of amendment. For historical years 2010 – 2014, the excess of the net actuarial gains or losses over 10% of the accrued benefit obligation was amortized into expense on a straight line basis over the average remaining service period of active employees to full eligibility.

Mondelis Actuarial ("Mondelis") completed a full actuarial valuation as of December 31, 2013 using Canadian Generally Accepted Accounting Principles ("CGAAP"), and specifically the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3461. Results from the valuation were extrapolated to December 31, 2014 in accordance with International Financial Reporting Standards ("IFRS"), taking into account actual experience during 2014. In the summer of 2015, EPI engaged Mondelis to extrapolate the benefit expense and plan obligation on an IFRS basis for the 2015 Bridge Year and 2016 Test Year. A copy of the Mondelis Actuarial Report is provided as Attachment 4-G.

Under IFRS, the deferral and amortization of post-retirement actuarial gains and losses has been eliminated. Although EPI transitioned to revised CGAAP in 2013 in accordance with regulatory guidance, EPI's full transition to Modified IFRS ("MIFRS") (including IFRS post-retirement accounting rules) occurred in 2015 with comparative figures for 2014. Accordingly, at the time of transition, EPI recognized its cumulative unrecognized actuarial gains in retained earnings. EPI further notes that under IFRS, in future years all actuarial gains and losses triggered by re-measurement will go through Other Comprehensive Income ("OCI"). For rate setting purposes, EPI has continued to include the future re-measurements in OM&A.

At December 31, 2014, the Net Benefit Liability was $2,651,939 under CGAAP. Table 4-19 also shows the impact that the 2015 transition to the corresponding IFRS figure of $2,208,500 for financial reporting purposes:

TABLE 4-19: POST-RETIREMENT BENEFITS LIABILITY

Line No.	Description	CGAAP	IFRS
1	Opening Balance at Jan 1, 2014 - CGAAP	$3,953,967	$3,953,967
2	IFRS Opening Adjustment	$0	-$765,734
3	Expense in 2014	$144,366	$207,409
4	Employer Contributions in 2014	-$216,942	-$216,942
5	Ending Balance at Dec 31, 2014	$3,881,391	$3,178,700
6	Liability Recorded in ESI - Dec 31, 2014	$1,229,452	$970,200
7	**Ending Balance in EPI at Dec 31, 2014**	**$2,651,939**	**$2,208,500**

EPI's post-retirement benefit information for 2010 Actual, 2011 Actual, 2012 Actual, 2013 Actual, 2014 Actual, 2015 Bridge Year and 2016 Test Year is detailed in Table 4-20 below.

TABLE 4-20: POST-RETIREMENT BENEFIT EXPENSE

Line No.	Description	2010 Actual CGAAP	2011 Actual CGAAP	2012 Actual CGAAP	2013 Actual CGAAP	2014 Actual Revised CGAAP	2014 Actual MIFRS	2015 Bridge Year MIFRS	2016 Test Year MIFRS
1	Premiums Paid	$266,663	$301,372	$273,000	$225,931	$216,942	$216,942	$259,657	$284,228
2	Change in Liability Account	-$56,529	-$88,763	-$63,328	-$138,647	-$72,576	-$9,533	-$69,959	-$96,342
3	Employee Future Benefits - Total	$210,134	$212,609	$209,672	$87,284	$144,366	$207,409	$189,698	$187,886
4	Employee Future Benefits - Unregulated	$43,648	$41,336	$39,106	$15,671	$14,316	$20,231	$18,446	$18,393
5	**Employee Future Benefits - Regulated**	**$166,486**	**$171,273**	**$170,566**	**$71,613**	**$130,050**	**$187,178**	**$171,253**	**$169,493**

4.5 Shared Services and Corporate Cost Allocation

4.5.1 Overview

EPI currently has shared services/corporate cost allocation arrangements with the following entities:

- Entegrus Inc. ("EI") – EPI's parent company;
- Entegrus Services Inc. ("ESI") – a wholly-owned subsidiary of EI;
- Entegrus Transmission Inc. ("ETI") – a wholly-owned subsidiary of EI;
- The Municipality of Chatham-Kent ("the Municipality") – 90% shareholder of EI; and,
- Chatham-Kent Public Utilities Commission ("CK PUC") – a water and wastewater commission of the Municipality.

These relationships are for either the purchase or provision of products and services and are in place to benefit from cost savings due to increase efficiencies and economies of scale. The tables beginning with Table 4-21 and ending with Table 4-27 provide a summary of the transactions and pricing methodology used to assign costs for 2011 Actual, 2012 Actual, 2013 Actual, 2014 Actual and projections for the 2015 Bridge Year and 2016 Test Year, respectively. These tables are consistent with the Board's Appendix 2-N. A copy of the Board's Appendix 2-N can also be found in Attachment 4-H to this Exhibit.

Until December 31, 2014, ESI provided billing, collection, administration, financial and regulatory services to EPI, ETI and the CK PUC. Pursuant to a re-organization that occurred subsequent to the close of business on December 31, 2014, these services and the associated ESI employees were transferred to EPI.

Table 4-21: Shared Services and Corporate Cost Allocation - 2010 Actual

Year: 2010 Actual

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
EPI	Municipality of CK	Streetlight Maintenance	Actual cost	200,162	
ESI	EPI	General Finance Service	Fully allocated cost (hours and related costs)		2,354,603
ESI	EPI	Regulatory Service	Fully allocated cost (hours and related costs)		105,580
ESI	EPI	Customer Service	Fully allocated cost (hours and related costs)		1,732,945
Municipality of CK	EPI	Geographic Information System (GIS) Services	Fully allocated cost (hours and related costs)		152,560
				200,162	4,345,688

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	$
EPI	ESI	Rent	Not less than greater of market and fully allocated cost	89%	140,484
EPI	Entegrus	Rent	Not less than greater of market and fully allocated cost	11%	16,512
ESI	EPI	Board of Director Costs	N/A	100%	15,375
					172,371

Table 4-22: Shared Services and Corporate Cost Allocation - 2011 Actual

Year: 2011 Actual

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
EPI	Municipality of CK	Streetlight Maintenance	Actual cost	203,571	
ESI	EPI	Finance and Admin	Fully allocated cost (hours and related costs)		2,345,500
ESI	EPI	Regulatory Affairs	Fully allocated cost (hours and related costs)		240,471
ESI	EPI	Human Resources	Fully allocated cost (hours and related costs)		41,920
ESI	EPI	Customer Service, Field and CIS Services	Fully allocated cost (hours and related costs)		2,113,527
ESI	EPI	Information Technology	Fully allocated cost (hours and related costs)		168,865
Municipality of CK	EPI	Geographic Information System (GIS) Services	Fully allocated cost (hours and related costs)		219,169
				203,571	5,129,452

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	$
EPI	ETI	Rent	Not less than greater of market and fully allocated cost	2%	3,644
EPI	ESI	Rent	Not less than greater of market and fully allocated cost	88%	154,668
EPI	EI	Rent	Not less than greater of market and fully allocated cost	10%	17,289
ESI	EPI	Board of Director Costs	N/A	100%	19,090
					194,691

TABLE 4-23: SHARED SERVICES AND CORPORATE COST ALLOCATION - 2012 ACTUAL

Year: 2012 Actual

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
EPI	Municipality of CK	Streetlight Maintenance	Actual cost	190,764	
ESI	EPI	Finance and Admin	Fully allocated cost (hours and related costs)		2,305,180
ESI	EPI	Regulatory Affairs	Fully allocated cost (hours and related costs)		254,377
ESI	EPI	Human Resources	Fully allocated cost (hours and related costs)		60,380
ESI	EPI	Customer Service, Field and CIS Services	Fully allocated cost (hours and related costs)		2,267,347
ESI	EPI	Communications	Fully allocated cost (hours and related costs)		90,436
ESI	EPI	Project Management Office	Fully allocated cost (hours and related costs)		-
ESI	EPI	Information Technology	Fully allocated cost (hours and related costs)		185,967
Municipality of CK	EPI	Geographic Information System (GIS) Services	Fully allocated cost (hours and related costs)		226,406
				190,764	5,390,093

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	$
EPI	ETI	Rent	Not less than greater of market and fully allocated cost	2%	3,717
EPI	ESI	Rent	Not less than greater of market and fully allocated cost	88%	157,752
EPI	EI	Rent	Not less than greater of market and fully allocated cost	10%	17,640
ESI	EPI	Board of Director Costs	N/A	100%	19,788
					198,897

TABLE 4-24: SHARED SERVICES AND CORPORATE COST ALLOCATION - 2013 ACTUAL

Year: 2013 Actual

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
EPI	Municipality of CK	Streetlight Maintenance	Actual cost	192,317	
ESI	EPI	Finance and Admin	Fully allocated cost (hours and related costs)		2,215,237
ESI	EPI	Regulatory Affairs	Fully allocated cost (hours and related costs)		292,531
ESI	EPI	Human Resources	Fully allocated cost (hours and related costs)		87,173
ESI	EPI	Customer Service, Field and CIS Services	Fully allocated cost (hours and related costs)		2,354,566
ESI	EPI	Communications	Fully allocated cost (hours and related costs)		143,155
ESI	EPI	Project Management Office	Fully allocated cost (hours and related costs)		5,002
ESI	EPI	Information Technology	Fully allocated cost (hours and related costs)		163,810
Municipality of CK	EPI	Geographic Information System (GIS) Services	Fully allocated cost (hours and related costs)		245,443
				192,317	5,506,917

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	$
EPI	ETI	Rent	Not less than greater of market and fully allocated cost	2%	3,796
EPI	ESI	Rent	Not less than greater of market and fully allocated cost	89%	174,672
EPI	EI	Rent	Not less than greater of market and fully allocated cost	9%	18,000
ESI	EPI	Board of Director Costs	N/A	100%	18,809
					215,277

TABLE 4-25: SHARED SERVICES AND CORPORATE COST ALLOCATION - 2014 ACTUAL

Year: 2014 Actual

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
EPI	Municipality of CK	Streetlight Maintenance	Actual cost	201,163	
ESI	EPI	Finance and Admin	Fully allocated cost (hours and related costs)		2,161,790
ESI	EPI	Regulatory Affairs	Fully allocated cost (hours and related costs)		341,611
ESI	EPI	Human Resources	Fully allocated cost (hours and related costs)		144,366
ESI	EPI	Customer Service, Field and CIS Services	Fully allocated cost (hours and related costs)		2,318,583
ESI	EPI	Communications	Fully allocated cost (hours and related costs)		145,105
ESI	EPI	Project Management Office	Fully allocated cost (hours and related costs)		5,275
ESI	EPI	Information Technology	Fully allocated cost (hours and related costs)		183,752
Municipality of CK	EPI	Geographic Information System (GIS) Services	Fully allocated cost (hours and related costs)		245,745
				201,163	5,546,227

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	$
EPI	ETI	Rent	Not less than greater of market and fully allocated cost	2%	3,986
EPI	ESI	Rent	Not less than greater of market and fully allocated cost	89%	178,414
EPI	EI	Rent	Not less than greater of market and fully allocated cost	9%	18,360
ESI	EPI	Board of Director Costs	N/A	100%	19,078
					219,838

TABLE 4-26: SHARED SERVICES AND CORPORATE COST ALLOCATION - 2015 BRIDGE

Year: 2015 Bridge

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
EPI	ETI	Finance, HR, Communications and IT	Fully allocated cost (hours and related costs)	94,082	
EPI	ESI	Finance, HR, Communications and IT	Fully allocated cost (hours and related costs)	80,303	
EPI	CK PUC	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	2,214,364	
EPI	Municipality of CK	Streetlight Maintenance	Actual cost	204,180	
EI	EPI	Management, HR, Communication and Admin	Fully allocated cost (hours and related costs)		1,003,411
Municipality of CK	EPI	HR, IT and Treasury	Fully allocated cost (hours and related costs)		244,484
Municipality of CK	EPI	Geographic Information System (GIS) Services	Fully allocated cost (hours and related costs)		270,942
				2,592,929	1,518,837

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	$
EPI	ETI	Rent	Not less than greater of market and fully allocated cost	8%	4,080
EPI	ESI	Rent	Not less than fully allocated cost	54%	26,265
EPI	EI	Rent	Not less than greater of market and fully allocated cost	38%	18,727
					49,072

TABLE 4-27: SHARED SERVICES AND CORPORATE COST ALLOCATION - 2016 TEST

Year: 2016 Test

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
EPI	ETI	Finance, HR, Communications and IT	Fully allocated cost (hours and related costs)	95,493	
EPI	ESI	Finance, HR, Communications and IT	Fully allocated cost (hours and related costs)	81,508	
EPI	CK PUC	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	2,247,579	
EPI	Municipality of CK	Streetlight Maintenance	Actual cost	207,243	
EI	EPI	Management, HR, Communication and Admin	Fully allocated cost (hours and related costs)		1,018,462
Municipality of CK	EPI	HR, IT and Treasury	Fully allocated cost (hours and related costs)		194,554
Municipality of CK	EPI	Geographic Information System (GIS) Services	Fully allocated cost (hours and related costs)		276,361
				2,631,823	1,489,377

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	$
EPI	ETI	Rent	Not less than greater of market and fully allocated cost	8%	4,141
EPI	ESI	Rent	Not less than fully allocated cost	54%	26,659
EPI	EI	Rent	Not less than greater of market and fully allocated cost	38%	19,008
					49,808

4.5.2 SHARED SERVICES TO AFFILIATES

SERVICES TO ESI AND ETI

EPI provides financial, human resources (“HR”), communications and information technology (“IT”) services to ESI and ETI. The cost for these services is based on the fully allocated cost of supplies directly related to providing the service and actual EPI reported staff time, at the employee’s wage rate plus applicable payroll burdens.

Financial services include financial reporting, accounts payable, accounts receivable, payroll, banking, business planning and audit support.

HR services include labour relations, recruitment, training and benefit management.

Communications services include website and social media maintenance, public relations, branding and marketing.

EPI’s IT staff support ESI and ETI staff by providing computer and network related services. Specific charges for this department are allocated based on the number of users.

SERVICES TO CK PUC

Effective January 1, 2015, EPI provides water and wastewater meter reading, billing, collecting, general customer administration and field service representative services to the CK PUC. The cost for these services is based on the fully allocated cost of supplies directly related to providing the service and actual EPI reported staff time, at the employee's wage rate plus applicable payroll burdens.

STREETLIGHT SERVICES

EPI provides streetlight maintenance services on a cost-based price basis to the municipalities to which it provides distribution service. The cost-base includes actual materials, labour and burdens, truck time and allocated overheads.

4.5.3 SHARED SERVICES FROM AFFILIATES

SERVICES FROM THE MUNICIPALITY

The Municipality provides HR, IT and treasury services to EPI. These services are provided at the Municipality's fully allocated cost. HR services include employee and labour relations assistance. IT services provided to EPI include software licensing and support and network infrastructure costs. Treasury services include banking management as part of a corporate banking arrangement.

The Municipality also provides Geographic Information System ("GIS") maintenance and support services to EPI. These services are provided at the Municipality's fully allocated cost.

SERVICES FROM EI

EI provides management, HR, communications and administrative services to EPI. The cost for these services is based on the fully allocated cost of supplies directly related to providing the service and actual time incurred as reported on timesheets, at the employee's wage rate plus applicable payroll burdens.

Management services include strategic planning, corporate leadership, governance, risk management and contract negotiation support.

HR services include labour relations, recruitment, training and benefit management.

Communications services include website and social media maintenance, public relations, branding and marketing.

Administrative services include administrative support for EPI staff, administrative support for EPI's Board of Directors and maintenance of corporate books, files and policies.

4.5.4 Corporate Cost Allocations

EPI charges ESI, ETI and EI rent based on the occupied square footage, which is reviewed periodically for changes. The amount charged for rent is not less than the greater of market and fully allocated cost.

4.5.5 Affiliate Board of Director Costs

Prior to 2015, ESI's affiliate charges to EPI included a portion of ESI's Board of Director costs. Effective January 1, 2015, subsequent to the re-organization that occurred on December 31, 2014, there are no affiliate charges from ESI to EPI. Board of Directors-related affiliate charges included in EPI's OM&A costs have been included above in the tables beginning with Table 4-21 and ending with Table 4-25.

4.5.6 Variance Analysis

Table 4-28 below identifies variances of the 2016 Test Year versus 2010 Board-Approved and 2014 Actual for services provided by EPI to affiliates, services provided to EPI from its affiliates and EPI's corporate cost allocations.

Table 4-28: Summary of Affiliates Services and Corporate Cost Allocations

Item	2010 Board Approved	2014 Actual	2016 Test Year	2016 Test Year vs. 2010 Board Approved	2016 Test Year vs. 2014 Actual
	$	$	$	$	$
Services provided by EPI	319,416	201,163	2,631,823	2,312,407	2,430,660
Services provided to EPI	3,866,173	5,546,227	1,489,377	(2,376,796)	(4,056,850)
Corporate cost allocations	166,246	219,838	49,808	(116,438)	(170,030)

2016 Test Year versus 2010 Board-Approved

EPI's revenue from services provided to its affiliates is projected to increase by $2,312,407 in the 2016 Test Year compared to the 2010 Board-Approved amount. This increase is the result of the reorganization that occurred at the end of 2014. Until December 31, 2014, ESI provided billing, collection, administration, financial and regulatory services to ETI and the CK PUC. Beginning in 2015, these services and the associated ESI employees were transferred to EPI.

The value of services received from EPI's affiliates is projected to decrease by $2,376,796 in the 2016 Test Year compared to the 2010 Board-Approved amount. This decrease is due to the reorganization that occurred at the end of 2014. Until December 31, 2014, ESI provided billing, collection, administration, financial and regulatory services to EPI. Beginning in 2015, these services and the associated ESI employees were transferred to EPI.

EPI's corporate cost allocations are projected to decrease by $116,438 in the 2016 Test Year compared to the 2010 Board-Approved amount. This decrease is the result a decrease in rent to be paid to EPI by ESI due to the re-organization that occurred at the end of 2014. Until December 31, 2014, ESI provided billing, collection, administration, financial and regulatory services to EPI. Beginning in 2015, these services and the associated ESI employees were transferred to EPI. Since EPI charges ESI rent based on the occupied square footage, the decrease in the number of ESI employees resulted in a corresponding decrease in rent charged by EPI.

2016 Test Year versus 2014 Actual

EPI's revenue from services provided to its affiliates is projected to increase by $2,430,660 in the 2016 Test Year compared to the 2014 Actual amount, due to the reorganization that occurred at the end of 2014. As noted above, until December 31, 2014, ESI provided billing, collection, administration, financial and regulatory services to ETI and the CK PUC. Beginning in 2015, these services and the associated ESI employees were transferred to EPI.

The value of services received from EPI's affiliates is projected to decrease by $4,056,850 in the 2016 Test Year compared to the 2014 Actual amount, again due to the re-organization that occurred at the end of 2014. Until December 31, 2014, ESI provided billing, collection, administration, financial and regulatory services to EPI. Beginning in 2015, these services and the associated ESI employees were transferred to EPI.

EPI's corporate cost allocations are projected to decrease by $170,030 in the 2016 Test Year compared to the 2014 Actual amount. As with the 2010-2016 comparison, this decrease is the result a decrease in rent to be paid to EPI by ESI due to the reorganization that occurred at the end of 2014. Until December 31, 2014, ESI provided billing, collection, administration, financial and regulatory services to EPI. Beginning in 2015, these services and the associated ESI employees were transferred to EPI. Since EPI charges ESI rent based on the occupied square footage, the decrease in the number of ESI employees resulted in a corresponding decrease in rent charged by EPI.

RECONCILIATION OF REVENUES FROM AFFILIATES

EPI's services provided to its affiliates outlined in Appendix 2-N are reconciled as recorded in its USoA accounts in Table 4-29 below. Some of the services are found in revenues and others are recorded as a reduction to OM&A. Considerable effort is made by EPI to ensure affiliates are charged properly and do not receive any benefits as a result of their affiliation with EPI.

TABLE 4-29: RECONCILIATION OF SERVICES TO AFFILIATES

Item	Source/Account	Notes	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge Year	2016 Test Year
	Appendix 2-N	Revenue from providing shared services	200,162	203,571	190,764	192,317	201,163	2,592,929	2,631,823
	Appendix 2-N	Revenue from corporate cost allocations	156,996	175,601	179,109	196,468	200,760	49,072	49,808
			357,158	379,172	369,873	388,785	401,923	2,642,001	2,681,631
Exhibit #3 - Other Revenues	4205 - Interdepartment Rents	Rent	156,996	175,601	179,109	196,468	200,760	49,072	49,808
Exhibit #3 - Other Revenues	4375 - Revenues from Non-Utility Operations	Water/wastewater billing	-	-	-	-	-	42,492	48,646
Exhibit #4 - Reduction to OM&A	5615 - General Administrative Salaries & Expenses	Revenue from ETI	-	-	-	-	-	94,082	95,493
Exhibit #4 - Reduction to OM&A	5615 - General Administrative Salaries & Expenses	Revenue from ESI	-	-	-	-	-	80,303	81,508
Exhibit #4 - Reduction to OM&A	5305 - Customer Billing	Water/wastewater billing	-	-	-	-	-	1,300,129	1,353,903
Exhibit #4 - Reduction to OM&A	5310 - Meter Reading Expense	Water/wastewater billing	-	-	-	-	-	382,556	389,290
Exhibit #4 - Reduction to OM&A	5615 - General Administrative Salaries & Expenses	Water/wastewater billing	-	-	-	-	-	255,217	252,564
Exhibit #4 - Reduction to OM&A	5705 - Depreciation Expense	Water/wastewater billing	-	-	-	-	-	233,970	203,176
Exhibit #4 - Reduction to OM&A	Recoverable Job	Streetlight maintenance	200,162	203,571	190,764	192,317	201,163	204,180	207,243
			357,158	379,172	369,873	388,785	401,923	2,642,001	2,681,631
	Difference		-	-	-	-	-	-	-

4.6 Purchases of Non-Affiliate Services

EPI's Purchasing Policy establishes the principles, requirements, accountabilities and guidelines for the purchase of goods and services. The Purchasing Policy outlines authorization levels, requirements and approvals necessary to appropriately purchase goods and services from suppliers, vendors and contractors through the use of competitive bids, quotations and awards.

This policy ensures that all procurement activities within EPI adhere to the high legal, ethical and professional standards of the Supply Chain Management Association's Code of Ethics. EPI's Purchasing Policy identifies certain circumstances where a competitive bid process is not followed. EPI confirms that it is in compliance with the Purchasing Policy. In accordance with the Board's Filing Requirements issued on July 16, 2015, EPI has provided a copy of its Purchasing Policy as Attachment 4-I to this Exhibit.

Table 4-30 below illustrates EPI's purchases by vendor for 2010-2014, where actual expenditures exceeded the $90,000 materiality threshold calculated for this application. The table also identifies the method of selecting the vendor. EPI anticipates using the same vendors for 2015 and 2016; however, EPI continually searches for new suppliers.

TABLE 4-30: PRODUCTS AND SERVICES OF NON-AFFILIATES

Vendor	Product/Service	Method of Selection	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual
1307749 Ontario Ltd.	Tree Trimming Services	Sole Source					94,890
Agris Co-operative Ltd.	Fuel	Sole Source	140,026	158,743	176,044	187,052	162,798
Badger Daylighting LP	Hydrovac Services	Quote	106,827				
Canadian Electrical Services	Transformers	Tender	358,493	151,581	418,555	477,600	451,423
Chatham Chrysler	Vehicles	Tender					158,917
Clarke Construction Inc.	Construction Services	Tender		252,030	234,652		
Drill-It Utility Services	Duct Work	Tender					167,611
ERTH Holdings Inc.	Computer Software	Quote				103,895	95,598
ESRI Canada Limited	Geographic Information System	Tender	148,995				
GE Canada	Meter Services	Quote				108,000	
Guelph Utility Pole Co. Ltd.	Poles	Tender	135,082		130,225	140,455	
Harris Brothers Ltd.	Construction Services	Tender					125,150
Harris Computer Systems	Software Support & Maintenance	Tender	158,842				
HD Supplies Power Solutions	Inventory	Tender	334,967	400,141	321,114	335,850	259,363
Honey Electric Limited	Electrical Work	Tender		108,725			
Lundy Insurance Inc.	Insurance	Quote				129,671	
Mearie Group	Insurance, Employee Benefits and Training	Quote	388,120	341,807	351,971	282,300	597,621
Metsco Energy Solutions	Engineering Consulting Services	Tender					145,810
Mid-County Ford Sales	Vehicles	Tender		93,468			
Noramco Wire & Cable	Wire	Tender			164,966		177,496
Pachecos Contractors Ltd.	Construction Services	Tender	174,272		187,692	277,389	131,436
Peterborough Utilities Services	Construction Services	Tender			158,492		
Posi-Plus Technologies Inc.	Vehicles	Tender	621,173	129,847		125,570	264,360
Power Distribution Supply Ltd.	Inventory	Quote	111,045				
River Valley Stone & Mulch	Construction Services	Sole Source		131,961			137,930
Siemens Transformers Canada	Transformers	Tender	360,965	169,654	155,958	193,925	
Survalent Technology Corp	SCADA	Tender	135,260				95,765
Tantalus System Corp	Smart Meter Services	Quote	289,162	225,779	350,795	324,884	161,783
Telvent USA Corp	Operational Data Store	Sole Source		306,508	252,075	106,162	217,256
Transelec Common Inc	Construction Services	Quote		181,687			
T.W. Johnstone	Construction Services	Tender	320,688				
Victory Ford Lincoln Sales Ltd.	Vehicles	Tender				97,852	
Wajax Industries Limited	Vehicles	Tender		287,759	102,518	332,730	
Waycon International Trucks	Vehicles	Tender	249,609				
Western Equipment Limited	Inventory	Quote	136,387	97,569			
Westhoek Construction Limited	Construction Services	Tender	250,685		717,222		117,424

4.7 Regulatory Costs

The EPI Regulatory department is staffed by the Director of Regulatory & Human Resources and the Senior Regulatory Specialist, who are responsible for preparing regulatory filings and rate applications, completing account reviews, ensuring regulatory and legislative compliance, performing settlement reconciliations, participating in regulatory consultations and providing reporting and timely responses to regulatory bodies. Due to the complexity and work load involved, staff from the Finance department provides ongoing assistance, particularly with regard to regulatory accounting; this amounts to another half of a staff member allocated to the Regulatory function.

EPI wishes to note that in other sections of this Application (i.e. Employee Costs, Other Revenues), EPI provided a 2010 Board-Approved Proxy in order to recognize that EPI's last COS application represented only the CKH component of what is now EPI. As has been previously noted, the CKH 2010 COS application (EB-2009-0261) did not include the three other rate zones that now constitute EPI (namely: Strathroy, Mt. Brydges and Parkhill ('SMP'), Dutton and Newbury). The purpose of developing the 2010 Board-Approved Proxy for the other Sections of this Application is to facilitate an "apples to apples" comparison of current costs and revenues in a manner consistent with the current EPI organizational structure, including all four current rate zones. However, in the case of Regulatory Costs and Appendix 2-M, EPI submits that the development of such a Proxy would be of limited use, since SMP, Dutton and Newbury were last rebased under the 2006 EDR methodology. Accordingly, the 2010 Board-Approved figures shown in Appendix 2-M represent CKH costs only, as approved in EB-2009-0261.

EPI's on-going regulatory expenses include: OEB annual assessment and Section 30 costs, recurring legal and consulting costs associated with regulatory compliance, operating expenses (such as travel, training and communications), licensing fees and recurring intervenor application costs.

In order to prepare the Application in accordance with the Filing Requirements, while at the same time maintaining EPI's day-to-day operations, EPI retained one-time legal and consulting assistance from experienced subject matter experts familiar with the Ontario electrical distribution industry. EPI has completed Appendix 2-M (see Attachment 4-J), including the identification of one-time costs in the 2015 Bridge Year and 2016 Test Year related to the preparation of this Application. EPI's consulting services identified in Appendix 2-M include legal expenses, since EPI is billed on an aggregate basis from one service provider for both legal and consulting services.

The total cost of this Application is forecasted to be $434,993. This includes legal and consulting costs of $283,361, which is componentized as follows: $123,553 in legal and rates consulting expenses from EPI's primary advisors; $27,808 for services related to the DSP plan; $50,000 for services related to the Lead / Lag study; $74,000 for services related to customer engagement; and $8,000 for services related to CDM results reporting. Additional application costs include: $32,500 incremental expenses related to staff overtime; $49,132 for travel, training, meals, supplies and advertising associated with this Application; and $70,000 for OEB and Intervenor expenses. The legal and consulting costs described above include $15,000 for an oral hearing, if required.

EPI proposes to recover the $434,993 of costs in distribution rates over a 5 year period. Therefore, EPI has included $86,999 in OM&A Account 5655.

4.8 One-time Costs

EPI has included one-time costs or non-annual costs of $86,999 in its 2016 Test Year revenue requirement based on a five year recovery until the next cost of service application. For more details regarding this one-time cost recovery, please see Section 4.7 above.

4.9 Low Income Energy Assistance Programs

In 2008, the OEB started consultation with stakeholders to consider the need for, and the nature of, policies that could assist low-income energy consumers. Through that consultation, the OEB identified three components of a "Low Income Energy Assistance Program" ("LEAP"), that could assist low income energy consumers better manage their bill payments and energy costs. These components are:

- emergency financial assistance ("EFA"),
- customer service rules, and
- targeted conservation and demand management programs.

The delivery of LEAP relies heavily on the cooperation between EPI and its social service agency. Salvation Army of Chatham and Salvation Army of Strathroy are both lead agencies that administer the program within EPI's service territory. Since 2011, EPI has contributed to the LEAP – EFA program amounts equal to the Board recommended contribution of 0.125% of service revenue requirement and has provided amounts of $23,054 annually to 2015.

EPI will continue to provide low-income customers with emergency financial assistance in the future. EPI has included an estimate of $23,040 in the 2016 Test Year, which is slightly lower than the 0.125% of the 2016 Test Year Service Revenue Requirement. EPI understands that this amount will be adjusted based on the Final Service Revenue Requirement prior to the issuance of the Decision for this Application. For purposes of this Application, this amount has been included in Account 6205 – Donations, to ensure that it is captured appropriately in the Revenue Requirement.

EPI's 2016 Test Year Revenue Requirement does not include any legacy low income energy assistance programs.

4.10 Charitable and Political Donations

4.10.1 Charitable Donations

EPI's contributions to the community from the last Board-Approved COS Application (EB-2009-0261) are provided in Table 4-31 below. EPI is not requesting recovery of these donations and appropriate amounts have been excluded from the revenue requirement calculation.

Table 4-31: EPI Charitable Donations

Line No.	Description	2010 BAP	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual
1	Chatham-Kent Health Alliance		$200,000	$200,000	$171,000	$171,000	$171,000
2	Community Centre - Dutton		$1,500	$1,500	$1,500	$1,500	$1,500
3	Four Counties Hospital (Newbury)		$2,000	$2,000	$2,000	$2,000	$2,000
4	Salvation Army - Chatham-Kent		$0	$0	$0	$0	$7,000
5	Salvation Army - Strathroy-Caradoc		$4,000	$4,000	$4,000	$4,000	$5,000
6	YMCA of Chatham-Kent		$0	$0	$29,000	$29,000	$29,000
7	**Total**	**$0**	**$207,500**	**$207,500**	**$207,500**	**$207,500**	**$215,500**

4.10.2 Political Donations

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

4.11 Depreciation/Amortization/Depletion

4.11.1 Overview

Prior to January 1, 2015, EPI's depreciation/amortization policy was based on CGAAP, and guidelines set out by the Board, as applicable. EPI converted to IFRS for financial reporting purposes on January 1, 2015 and as such, the depreciation/amortization policy in effect for the 2015 Bridge Year and the 2016 Test Year is compliant with MIFRS.

On July 17, 2012, the Board issued a letter that provided direction to electricity distributors that had elected to defer the adoption of IFRS and remain on CGAAP. In this letter, the Board gave these distributors the option of implementing IFRS-compliant capitalization and depreciation accounting policies in 2012 (i.e., effective January 1, 2012). The letter also specified that these accounting changes were mandatory effective January 1, 2013, regardless of whether the Canadian Accounting Standards Board permitted further IFRS adoption deferrals beyond 2013.

EPI engaged Collins Barrow to assist with determining the level of Property, Plant & Equipment ("PP&E") componentization required under IFRS. EPI, in collaboration with London Hydro and Woodstock Hydro, also retained the services of Kinectrics Inc. to complete a joint PP&E study ("the EPI Kinectrics Report") to establish updated useful lives to be used under IFRS. A copy of the EPI Kinectrics Report is provided in Attachment 4-K.

In accordance with the Board's letter, EPI implemented the changes to its capitalization and depreciation policies effective January 1, 2013. Useful lives were guided by the EPI Kinectrics Report and an assessment was made of remaining service lives for the purposes of determining the computation of depreciation expense on a go-forward basis. EPI confirms that significant parts or components of each item of PP&E are being depreciated separately. This is discussed in more detail below.

EPI's capital assets and capital contributions are amortized on a straight-line basis, applying the "half-year" rule in the year of addition, over the deemed life of the assets. This is in accordance with Section 2.4.4 of Chapter 2 of the Board's Filing Requirements.

Construction in progress assets are not amortized until the project is complete.

EPI does not capitalize any interest to the cost of assets constructed.

EPI began applying the half-year rule to all capital additions in 2010 and has followed the practice since that time. For the purposes of calculating depreciation for this Application, the half-year rule has been applied for all in-service 2016 Test Year capital additions and capital contributions.

A summary of EPI's depreciation by year is provided in Table 4-32. The tables beginning with Table 4-33 and ending with Table 4-39 provide a summary by year for 2010 Actual, 2011 Actual, 2012 Actual, 2013 Actual, 2014 Actual, 2015 Bridge Year and 2016 Test Year, respectively, of EPI's depreciation expense including asset amounts and rates of depreciation. These tables reflect the Accumulated Depreciation balances in the Fixed Asset Continuity Schedules provided in Exhibit 2, which are consistent with the Board's Appendix 2-BA.

TABLE 4-32: SUMMARY OF DEPRECIATION/AMORTIZATION BY YEAR

USoA	Description	2010 Board Approved	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge Year	2016 Test Year
Reporting Basis		CGAAP	CGAAP	CGAAP	CGAAP	Revised CGAAP	MIFRS	MIFRS	MIFRS
1611	Computer Software (Formally known as Account 1925)	76,713	125,780	106,400	161,628	484,589	198,668	466,677	499,727
1805	Land	-	-	-	-	-	-	-	-
1808	Buildings	16,152	18,761	132,973	17,359	13,285	10,608	27,220	32,213
1820	Distribution Station Equipment <50 kV	38,194	38,452	44,512	41,360	60,675	66,627	67,480	69,184
1830	Poles, Towers & Fixtures	207,061	257,270	285,103	313,637	160,022	181,823	204,127	226,338
1835	Overhead Conductors & Devices	907,601	1,175,977	1,199,668	1,233,434	425,460	456,086	475,135	531,320
1840	Underground Conduit	59,230	168,241	183,116	206,425	51,426	58,087	64,102	72,616
1845	Underground Conductors & Devices	821,429	853,197	859,759	843,643	1,119,685	700,999	620,374	622,793
1850	Line Transformers	759,483	849,179	865,621	880,871	394,742	424,225	441,796	481,463
1855	Services (Overhead & Underground)	158,785	179,817	192,617	206,823	51,419	129,339	174,711	195,788
1860	Meters	144,891	177,581	149,591	152,339	174,270	159,989	211,474	209,354
1860	Meters (Smart Meters)	323,909	370,630	368,354	826,064	516,893	561,967	568,478	617,597
1905	Land	-	-	-	-	-	-	-	-
1908	Buildings & Fixtures	117,829	107,992	(13,959)	135,285	161,076	199,805	193,911	205,402
1915	Office Furniture & Equipment (10 years)	9,422	12,299	13,373	18,259	21,465	45,984	-	-
1920	Computer Equipment - Hardware	-	-	-	-	-	-	-	-
1920	Computer Equip.-Hardware (Post Mar. 22/04)	6,916	-	(20,696)	-	3,430	-	-	-
1920	Computer Equip.-Hardware (Post Mar. 19/07)	23,740	73,448	97,616	127,705	341,927	220,640	136,439	149,718
1930	Transportation Equipment	305,625	371,019	433,062	436,954	310,171	415,275	457,202	497,914
1935	Stores Equipment	98	-	-	-	-	-	-	-
1940	Tools, Shop & Garage Equipment	42,609	42,198	42,657	45,841	160,047	90,266	73,854	93,414
1945	Measurement & Testing Equipment	10	-	-	-	-	-	-	-
1955	Communications Equipment	9	378	-	-	-	-	-	-
1980	System Supervisor Equipment	47,096	52,335	40,370	32,175	20,673	24,879	28,739	34,818
1990	Other Tangible Property	143,677	150,151	135,758	144,206	191,437	186,437	135,742	138,112
1995	Contributions & Grants	(172,170)	(212,776)	(230,453)	(250,385)	(277,238)	(302,036)	(313,753)	(313,753)
	Total	**4,038,361**	**4,811,930**	**4,885,441**	**5,573,625**	**4,385,454**	**3,829,667**	**4,080,500**	**4,414,289**

1 TABLE 4-33: 2010 ACTUALS - ASSET AMOUNT, ACCUMULATED AMORTIZATION, DEPRECIATION AMOUNT &
2 RATE OF DEPRECIATION - CGAAP

USoA	Description	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
Reporting Basis		CGAAP	CGAAP	CGAAP	
1611	Computer Software (Formally known as Account 1925)	838,977	546,118	125,780	14.99%
1805	Land	148,327	-	-	0.00%
1808	Buildings	339,434	157,677	18,761	5.53%
1820	Distribution Station Equipment <50 kV	1,534,223	783,045	38,452	2.51%
1830	Poles, Towers & Fixtures	8,534,691	3,488,499	257,270	3.01%
1835	Overhead Conductors & Devices	25,629,959	10,541,338	1,175,977	4.59%
1840	Underground Conduit	3,805,835	1,085,249	168,241	4.42%
1845	Underground Conductors & Devices	17,290,128	8,938,139	853,197	4.93%
1850	Line Transformers	19,590,667	8,454,373	849,179	4.33%
1855	Services (Overhead & Underground)	4,731,769	1,100,731	179,817	3.80%
1860	Meters	4,101,518	2,085,844	177,581	4.33%
1860	Meters (Smart Meters)	5,525,304	1,362,371	370,630	6.71%
1905	Land	909,454	-	-	0.00%
1908	Buildings & Fixtures	3,846,565	913,799	107,992	2.81%
1915	Office Furniture & Equipment (10 years)	243,363	177,205	12,299	5.05%
1920	Computer Equipment - Hardware	325,659	325,659	-	0.00%
1920	Computer Equip.-Hardware (Post Mar. 22/04)	75,616	92,882	-	0.00%
1920	Computer Equip.-Hardware (Post Mar. 19/07)	360,640	162,701	73,448	20.37%
1930	Transportation Equipment	4,241,569	2,559,691	371,019	8.75%
1935	Stores Equipment	35,460	35,460	-	0.00%
1940	Tools, Shop & Garage Equipment	1,153,178	898,450	42,198	3.66%
1945	Measurement & Testing Equipment	8,719	8,719	-	0.00%
1955	Communications Equipment	5,873	5,873	378	6.43%
1980	System Supervisor Equipment	953,336	670,142	52,335	5.49%
1990	Other Tangible Property	2,082,510	1,209,594	150,151	7.21%
1995	Contributions & Grants	(5,522,368)	(1,469,853)	(212,776)	3.85%
	Total	**100,790,407**	**44,133,706**	**4,811,930**	

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1 TABLE 4-34: 2011 ACTUALS - ASSET AMOUNT, ACCUMULATED AMORTIZATION, DEPRECIATION AMOUNT &
2 RATE OF DEPRECIATION - CGAAP

USoA	Description	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
Reporting Basis		CGAAP	CGAAP	CGAAP	
1611	Computer Software (Formally known as Account 1925)	883,166	652,518	106,400	12.05%
1805	Land	452,262	-	-	0.00%
1808	Buildings	892,055	290,650	39,176	4.39%
1820	Distribution Station Equipment <50 kV	1,603,946	827,556	44,512	2.78%
1830	Poles, Towers & Fixtures	9,271,271	3,773,602	285,103	3.08%
1835	Overhead Conductors & Devices	27,119,951	11,741,006	1,199,668	4.42%
1840	Underground Conduit	4,054,180	1,268,365	183,116	4.52%
1845	Underground Conductors & Devices	18,426,881	9,797,898	859,759	4.67%
1850	Line Transformers	20,442,848	9,319,994	865,621	4.23%
1855	Services (Overhead & Underground)	4,878,342	1,293,348	192,617	3.95%
1860	Meters	3,184,621	1,358,475	149,591	4.70%
1860	Meters (Smart Meters)	5,525,304	1,730,725	368,354	6.67%
1905	Land	938,209	-	-	0.00%
1908	Buildings & Fixtures	3,447,554	899,840	79,838	2.32%
1915	Office Furniture & Equipment (10 years)	273,323	190,578	13,373	4.89%
1920	Computer Equipment - Hardware	325,659	325,659	-	0.00%
1920	Computer Equip.-Hardware(Post Mar. 22/04)	75,616	72,186	(20,696)	-27.37%
1920	Computer Equip.-Hardware(Post Mar. 19/07)	421,432	260,317	97,616	23.16%
1930	Transportation Equipment	4,456,544	2,663,626	433,062	9.72%
1935	Stores Equipment	35,460	35,460	-	0.00%
1940	Tools, Shop & Garage Equipment	1,177,736	941,106	42,657	3.62%
1945	Measurement & Testing Equipment	8,719	8,719	-	0.00%
1955	Communications Equipment	5,873	5,873	-	0.00%
1980	System Supervisor Equipment	916,392	658,716	40,370	4.41%
1990	Other Tangible Property	2,210,171	1,345,352	135,758	6.14%
1995	Contributions & Grants	(6,029,792)	(1,700,306)	(230,453)	3.82%
	Total	**104,997,721**	**47,761,263**	**4,885,441**	

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TABLE 4-35: 2012 ACTUALS - ASSET AMOUNT, ACCUMULATED AMORTIZATION, DEPRECIATION AMOUNT & RATE OF DEPRECIATION - CGAAP

USoA	Description	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
Reporting Basis		CGAAP	CGAAP	CGAAP	
1611	Computer Software (Formally known as Account 1925)	987,436	814,146	161,628	16.37%
1805	Land	452,262	-	-	0.00%
1808	Buildings	904,693	214,212	17,359	1.92%
1820	Distribution Station Equipment <50 kV	1,625,439	868,916	41,360	2.54%
1830	Poles, Towers & Fixtures	10,183,983	4,087,239	313,637	3.08%
1835	Overhead Conductors & Devices	28,652,463	12,974,440	1,233,434	4.30%
1840	Underground Conduit	3,815,056	1,729,029	206,425	5.41%
1845	Underground Conductors & Devices	19,822,500	10,388,717	843,643	4.26%
1850	Line Transformers	21,439,194	10,200,865	880,871	4.11%
1855	Services (Overhead & Underground)	5,442,112	1,500,171	206,823	3.80%
1860	Meters	3,940,117	1,510,814	152,339	3.87%
1860	Meters (Smart Meters)	7,874,222	2,556,789	826,064	10.49%
1905	Land	953,909	-	-	0.00%
1908	Buildings & Fixtures	4,699,524	1,128,922	135,285	2.88%
1915	Office Furniture & Equipment (10 years)	325,888	201,897	18,259	5.60%
1920	Computer Equipment - Hardware	325,659	325,659	-	0.00%
1920	Computer Equip.-Hardware(Post Mar. 22/04)	75,616	72,186	-	0.00%
1920	Computer Equip.-Hardware(Post Mar. 19/07)	707,499	388,022	127,705	18.05%
1930	Transportation Equipment	4,051,932	2,823,359	436,954	10.78%
1935	Stores Equipment	35,460	35,460	-	0.00%
1940	Tools, Shop & Garage Equipment	1,249,436	986,948	45,841	3.67%
1945	Measurement & Testing Equipment	8,719	8,719	-	0.00%
1955	Communications Equipment	5,873	5,873	-	0.00%
1980	System Supervisor Equipment	931,094	690,891	32,175	3.46%
1990	Other Tangible Property	2,364,407	1,489,558	144,206	6.10%
1995	Contributions & Grants	(6,594,753)	(1,950,691)	(250,385)	3.80%
	Total	**114,279,741**	**53,052,143**	**5,573,625**	

TABLE 4-36: 2013 ACTUALS - ASSET AMOUNT, ACCUMULATED AMORTIZATION, DEPRECIATION AMOUNT & RATE OF DEPRECIATION - REVISED CGAAP

USoA	Description	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
Reporting Basis		Revised CGAAP	Revised CGAAP	Revised CGAAP	
1611	Computer Software (Formally known as Account 1925)	1,976,284	1,298,735	484,589	24.52%
1805	Land	452,262	-	-	0.00%
1808	Buildings	841,903	182,948	13,285	1.58%
1820	Distribution Station Equipment <50 kV	1,931,106	929,591	60,675	3.14%
1830	Poles, Towers & Fixtures	11,299,039	3,754,917	160,022	1.42%
1835	Overhead Conductors & Devices	30,165,550	13,892,244	425,460	1.41%
1840	Underground Conduit	4,067,794	1,877,024	51,426	1.26%
1845	Underground Conductors & Devices	20,477,650	11,411,833	1,119,685	5.47%
1850	Line Transformers	22,784,657	10,595,607	394,742	1.73%
1855	Services (Overhead & Underground)	6,085,415	1,551,590	51,419	0.84%
1860	Meters	3,940,117	1,685,085	174,270	4.42%
1860	Meters (Smart Meters)	8,569,615	3,073,682	516,893	6.03%
1905	Land	916,900	-	-	0.00%
1908	Buildings & Fixtures	4,893,961	1,259,304	161,076	3.29%
1915	Office Furniture & Equipment (10 years)	340,597	223,363	21,465	6.30%
1920	Computer Equipment - Hardware	325,659	325,659	-	0.00%
1920	Computer Equip.-Hardware(Post Mar. 22/04)	75,616	75,616	3,430	4.54%
1920	Computer Equip.-Hardware(Post Mar. 19/07)	791,564	729,949	341,927	43.20%
1930	Transportation Equipment	5,010,667	3,092,723	310,171	6.19%
1935	Stores Equipment	35,460	35,460	-	0.00%
1940	Tools, Shop & Garage Equipment	1,290,425	1,145,138	160,047	12.40%
1945	Measurement & Testing Equipment	8,719	8,719	-	0.00%
1955	Communications Equipment	5,873	5,873	-	0.00%
1980	System Supervisor Equipment	1,140,548	711,564	20,673	1.81%
1990	Other Tangible Property	2,866,560	1,680,995	191,437	6.68%
1995	Contributions & Grants	(7,372,472)	(2,227,929)	(277,238)	3.76%
	Total	**122,921,468**	**57,319,692**	**4,385,454**	

TABLE 4-37: 2014 ACTUALS - ASSET AMOUNT, ACCUMULATED AMORTIZATION, DEPRECIATION AMOUNT & RATE OF DEPRECIATION - MIFRS

USoA	Description	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
Reporting Basis		MIFRS	MIFRS	MIFRS	
1611	Computer Software (Formally known as Account 1925)	3,541,320	1,497,403	198,668	5.61%
1805	Land	452,262	-	-	0.00%
1808	Buildings	858,583	193,556	10,608	1.24%
1820	Distribution Station Equipment <50 kV	2,007,787	996,219	66,627	3.32%
1830	Poles, Towers & Fixtures	12,329,432	3,936,740	181,823	1.47%
1835	Overhead Conductors & Devices	31,703,073	14,348,330	456,086	1.44%
1840	Underground Conduit	4,481,314	1,935,111	58,087	1.30%
1845	Underground Conductors & Devices	21,276,224	12,112,832	700,999	3.29%
1850	Line Transformers	23,897,084	11,019,833	424,225	1.78%
1855	Services (Overhead & Underground)	6,685,187	1,680,929	129,339	1.93%
1860	Meters	3,940,117	1,845,074	159,989	4.06%
1860	Meters (Smart Meters)	8,973,126	3,635,648	561,967	6.26%
1905	Land	916,900	-	-	0.00%
1908	Buildings & Fixtures	5,334,122	1,459,109	199,805	3.75%
1915	Office Furniture & Equipment (10 years)	519,386	269,346	45,984	8.85%
1920	Computer Equipment - Hardware	325,659	325,659	-	0.00%
1920	Computer Equip.-Hardware(Post Mar. 22/04)	75,616	75,616	-	0.00%
1920	Computer Equip.-Hardware(Post Mar. 19/07)	1,235,537	950,589	220,640	17.86%
1930	Transportation Equipment	5,214,078	3,168,533	415,275	7.96%
1935	Stores Equipment	35,460	35,460	-	0.00%
1940	Tools, Shop & Garage Equipment	1,438,814	1,229,554	90,266	6.27%
1945	Measurement & Testing Equipment	8,719	8,719	-	0.00%
1955	Communications Equipment	5,873	5,873	-	0.00%
1980	System Supervisor Equipment	1,099,350	736,443	24,879	2.26%
1990	Other Tangible Property	3,063,717	1,867,433	186,437	6.09%
1995	Contributions & Grants	(7,834,617)	(2,529,965)	(302,036)	3.86%
	Total	**131,584,123**	**60,804,042**	**3,829,667**	

TABLE 4-38: 2015 BRIDGE - ASSET AMOUNT, ACCUMULATED AMORTIZATION, DEPRECIATION AMOUNT & RATE OF DEPRECIATION - MIFRS

USoA	Description	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
Reporting Basis		MIFRS	MIFRS	MIFRS	
1611	Computer Software (Formally known as Account 1925)	3,887,320	1,964,080	466,677	12.01%
1805	Land	452,262	-	-	0.00%
1808	Buildings	858,583	220,776	27,220	3.17%
1820	Distribution Station Equipment <50 kV	2,007,787	1,063,699	67,480	3.36%
1830	Poles, Towers & Fixtures	13,420,063	4,446,390	204,127	1.52%
1835	Overhead Conductors & Devices	33,572,053	14,517,941	475,135	1.42%
1840	Underground Conduit	4,835,773	1,999,212	64,102	1.33%
1845	Underground Conductors & Devices	22,191,697	12,733,206	620,374	2.80%
1850	Line Transformers	25,073,704	11,461,628	441,796	1.76%
1855	Services (Overhead & Underground)	7,333,546	1,855,640	174,711	2.38%
1860	Meters	3,940,117	2,413,553	211,474	5.37%
1860	Meters (Smart Meters)	9,431,359	3,847,123	568,478	6.03%
1905	Land	916,900	-	-	0.00%
1908	Buildings & Fixtures	5,799,122	1,653,020	193,911	3.34%
1915	Office Furniture & Equipment (10 years)	519,386	269,346	-	0.00%
1920	Computer Equipment - Hardware	325,659	325,659	-	0.00%
1920	Computer Equip.-Hardware(Post Mar. 22/04)	75,616	75,616	-	0.00%
1920	Computer Equip.-Hardware(Post Mar. 19/07)	1,420,537	1,087,028	136,439	9.60%
1930	Transportation Equipment	5,849,078	3,625,735	457,202	7.82%
1935	Stores Equipment	35,460	35,460	-	0.00%
1940	Tools, Shop & Garage Equipment	1,570,814	1,303,407	73,854	4.70%
1945	Measurement & Testing Equipment	8,719	8,719	-	0.00%
1955	Communications Equipment	5,873	5,873	-	0.00%
1980	System Supervisor Equipment	1,205,250	765,182	28,739	2.38%
1990	Other Tangible Property	3,263,717	2,003,175	135,742	4.16%
1995	Contributions & Grants	(8,209,617)	(2,843,718)	(313,753)	3.82%
	Total	**139,810,780**	**64,884,542**	**4,080,500**	

TABLE 4-39: 2016 TEST - ASSET AMOUNT, ACCUMULATED AMORTIZATION, DEPRECIATION AMOUNT & RATE OF DEPRECIATION - MIFRS

USoA	Description	Gross Asset	Accumulated Amortization	Depreciation Expense	Depreciation Rate
Reporting Basis		MIFRS	MIFRS	MIFRS	
1611	Computer Software (Formally known as Account 1925)	4,289,320	2,463,807	499,727	11.65%
1805	Land	452,262	-	-	0.00%
1808	Buildings	858,583	252,989	32,213	3.75%
1820	Distribution Station Equipment <50 kV	2,007,787	1,132,883	69,184	3.45%
1830	Poles, Towers & Fixtures	14,437,630	5,022,236	226,338	1.57%
1835	Overhead Conductors & Devices	35,303,369	14,699,753	531,320	1.51%
1840	Underground Conduit	5,182,710	2,071,829	72,616	1.40%
1845	Underground Conductors & Devices	23,075,872	13,355,999	622,793	2.70%
1850	Line Transformers	26,189,754	11,943,092	481,463	1.84%
1855	Services (Overhead & Underground)	7,948,301	2,051,428	195,788	2.46%
1860	Meters	3,940,117	3,031,150	209,354	5.31%
1860	Meters (Smart Meters)	9,998,939	4,056,477	617,597	6.18%
1905	Land	916,900	-	-	0.00%
1908	Buildings & Fixtures	6,074,122	1,858,422	205,402	3.38%
1915	Office Furniture & Equipment (10 years)	519,386	269,346	-	0.00%
1920	Computer Equipment - Hardware	388,659	325,659	-	0.00%
1920	Computer Equip.-Hardware(Post Mar. 22/04)	75,616	75,616	-	0.00%
1920	Computer Equip.-Hardware(Post Mar. 19/07)	1,473,537	1,236,746	149,718	10.16%
1930	Transportation Equipment	6,449,078	4,123,649	497,914	7.72%
1935	Stores Equipment	35,460	35,460	-	0.00%
1940	Tools, Shop & Garage Equipment	1,726,314	1,396,821	93,414	5.41%
1945	Measurement & Testing Equipment	8,719	8,719	-	0.00%
1955	Communications Equipment	5,873	5,873	-	0.00%
1980	System Supervisor Equipment	1,312,059	800,000	34,818	2.65%
1990	Other Tangible Property	3,523,717	2,141,286	138,112	3.92%
1995	Contributions & Grants	(8,584,617)	(3,157,471)	(313,753)	3.65%
	Total	**147,649,469**	**69,298,831**	**4,414,289**	

4.11.2 ASSET RETIREMENT OBLIGATIONS

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

4.11.3 DEPRECIATION PRACTICES – USEFUL LIVES AND COMPONENTIZATION

The following discussion outlines the depreciation practices used by EPI in this Application and provides a summary of changes since the last Cost of Service Application.

As noted above, in preparation for the conversion to IFRS, EPI engaged Collins Barrow to assist with determining the level of PP&E componentization required under IFRS. EPI, in collaboration with London Hydro and Woodstock Hydro, also retained the services of Kinectrics Inc. to complete a joint PP&E study to establish updated useful lives to be used under IFRS. Collins Barrow facilitated discussions with EPI's Engineering, Operations, Regulatory and Finance departments in order to determine a reasonable estimate of the useful lives of EPI's capital assets. Collins Barrow and EPI worked together to determine an appropriate level of componentization on historical assets that incorporated all material components of historical costs. EPI adjusted the service lives to reflect the typical useful lives identified in the EPI Kinectrics Report and completed an assessment of the remaining service lives upon which to calculate depreciation expense for 2013 and beyond. The adjustments made to EPI's service lives had a significant impact on EPI's depreciation expense and EPI has a substantial refund owing to customers because of this change, which is recorded in Account 1576 as explained in detail in Exhibit 9.

With the exception of the Computer Software – Foundational Software component (USoA 1611), EPI confirms that the useful lives for its asset groups fall within the ranges provided in the EPI Kinectrics Report and that significant parts or components of each item of PP&E are being depreciated separately.

Under CGAAP, EPI recorded customer contributions as an offset to the cost of capital assets and amortized accordingly. Under MIFRS, EPI cannot capitalize these customer contributions as part of its net capital assets, but instead will classify the contributions as a deferred revenue liability and amortize the costs to revenue over the life of the asset to which the contribution relates. For financial reporting purposes, EPI has classified forecasted customer contributions for the 2015 Bridge Year and 2016 Test Year as deferred revenue and amortized the contribution to revenue over the life of the related asset. For rate-setting purposes, these costs are included as an offset to rate base and the related amortized revenue as an offset to depreciation expense.

EPI confirms that no further depreciation expense policy changes or changes in asset service lives have been made subsequent to those made January 1, 2013.

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

Table 4-40 below, which is consistent with the Board's Appendix 2-BB except that the useful lives have been updated to agree to the EPI Kinectrics Report, provides a summary of the service life comparison between EPI's selected useful lives and those provided in the EPI Kinectrics Report. A copy of the Board's Appendix 2-BB, updated to agree to the EPI Kinectrics Report, is included in Attachment 4-L to this Exhibit. Useful life variances between the generic Kinectrics Report and the EPI Kinectrics Report have been highlighted in yellow.

TABLE 4-40: SERVICE LIFE COMPARISON

Note: Useful lives changed from the generic Kinectrics Report have been highlighted in yellow

		Asset Details			Useful Life			USoA Account Number	USoA Account Description	Current		Proposed		Outside Range of Min, Max TUL?	
Parent*	#	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		40	44	80	1830/1835	Poles, Towers & Fixtures (wood poles)	25	4%	45	2%	No	No
			Cross Arm	Wood	20	40	50								
				Steel	20	70	100								
	2	Fully Dressed Concrete Poles	Overall		50	60	80	1830/1835	Poles, Towers & Fixtures (concrete poles)	25	4%	50	2%	No	No
			Cross Arm	Wood	20	40	50								
				Steel	20	70	100								
	3	Fully Dressed Steel Poles	Overall		60	60	80	1830/1835	Poles, Towers & Fixtures (steel poles)	25	4%	60	2%	No	No
			Cross Arm	Wood	20	40	50								
				Steel	20	70	100								
	4	OH Line Switch			30	50	60								
	5	OH Line Switch Motor			15	20	20								
	6	OH Line Switch RTU			15	20	30								
	7	OH Integral Switches			35	45	60								
	8	OH Conductors			50	60	77	1855	Services (Overhead & Underground) (direct)	25	4%	50	2%	No	No
	9	OH Transformers & Voltage Regulators			30	40	60								
	10	OH Shunt Capacitor Banks			25	30	40								
	11	Reclosers			30	40	60								
TS & MS	12	Power Transformers	Overall		32	45	55	1820	Distribution Station Equipment (power transformer)	30	3%	45	2%	No	No
			Bushing		10	15	25								
			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								
			Removable Breaker		25	40	60								
	17	Station Independent Breakers			35	45	65								
	18	Station Switch			30	50	60								
	19	Electromechanical Relays			20	30	50								
	20	Solid State Relays			10	30	50								
	21	Digital & Numeric Relays			10	15	20								
	22	Rigid Busbars			30	60	60								
	23	Steel Structure			35	50	100								
UG	24	Primary Paper Insulated Lead Covered (PILC) Cables			70	75	80								
	25	Primary Ethylene-Propylene Rubber (EPR) Cables			20	25	25								
	26	Primary Non-Tree Retardant (TR) Cross Linked Polyethylene (XLPE) Cables Direct Buried			10	15	20	1845	UG Conductors (primary direct)	25	4%	20	5%	No	No
	27	Primary Non-TR XLPE Cables in Duct			20	20	25	1845	UG Conductors (primary duct)	25	4%	25	4%	No	No
	30	Secondary PILC Cables			70	75	80								
	31	Secondary Cables Direct Buried			20	30	35	1845	UG Conductors (secondary direct)	25	4%	35	3%	No	No
	32	Secondary Cables in Duct			40	40	60	1855	Services (Overhead & Underground) (duct)	25	4%	40	3%	No	No
	33	Network Tranformers	Overall		20	35	50								
			Protector		20	35	40								
	34	Pad-Mounted Transformers			25	40	45	1850	Line Transformers (pad mount, pole mount)	25	4%	40	3%	No	No
	35	Submersible/Vault Transformers			25	35	40	1850	Line Transformers (submersible)	25	4%	40	3%	No	No
	35	Submersible/Vault Transformers			25	35	40	1850	Line Transformers (submersible vault)	25	4%	35	3%	No	No
	36	UG Foundation			35	55	70	1845	UG Conductors (trans switch)	25	4%	55	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	80	1845	UG Conductors (duct bank)	25	4%	50	2%	No	No
	41	Concrete Encased Duct Banks			35	55	80	1840	UG Conduit	25	4%	50	2%	No	No
	42	Cable Chambers			50	60	80								
S	43	Remote SCADA			15	20	30	1980	System Supervisory Equipment	15	7%	20	5%	No	No
		Remote SCADA			15	20	30	1908	Buildings (SCADA Tower)	25	4%	25	4%	No	No
		Remote SCADA			15	20	30	1990	Other Tangible Property (GIS)	15	7%	15	7%	No	No

	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	Transportation Equipment (trucks, trailers)	8	13%	10	10%	No	No
		Trailers	5	20								
		Vans	5	10	1930	Transportation Equipment (vans)	8	13%	7	14%	No	No
3	Administrative Buildings	Building - Mechanical	12	30	1908	Buildings & Fixtures (mechanical)	25	4%	20	5%	No	No
		Building - Civil	30	100	1908	Buildings & Fixtures	25	4%	50	2%	No	No
		Building - Electrical	12	40								
		Parking	15	30								
		Roof	15	30	1908	Buildings & Fixtures (roof)	25	4%	20	5%	No	No
		Fence	30	60								
4	Leasehold Improvements		Lease dependent									
5	Station Buildings	Station Buildings	30	80	1808	Buildings	50	2%	40	3%	No	No
		Parking	25	30								
		Fence	30	60								
		Roof	15	30	1808	Buildings (mechanical, roof)	50	2%	20	5%	No	No
6	Computer Equipment	Hardware	3	5	1920	Computer Hardware	5	20%	3	33%	No	No
		Software	2	5	1611	Computer Software (application software)	5	20%	3	33%	No	No
		Software	2	5	1611	Computer Software (systems software)	5	20%	5	20%	No	No
		Software	2	5	1611	Computer Software (foundational software)	5	20%	10	10%	No	Yes
7	Equipment	Power Operated	5	10								
		Stores	5	10								
		Tools, Shop, Garage Equipment	5	10	1940	Tools, Shop & Garage Equipment	10	10%	5	20%	No	No
		Measurement & Testing Equipment	5	10								
8	Communication	Towers	60	70								
		Wireless	2	10								
9	Residential Energy Meters		20	45	1860	Meters	25	4%	25	4%	No	No
10	Industrial/Commercial Energy Meters		25	35								
11	Wholesale Energy Meters		15	30	1820	Distribution Station Equipment (wholesale meter)	30	3%	15	7%	No	No
12	Current & Potential Transformer (CT & PT)		30	50								
13	Smart Meters		15	20	1860	Meters (Smart Meters)	15	7%	15	7%	No	No
14	Repeaters - Smart Metering		5	15								
15	Data Collectors - Smart Metering		15	20								

Table 4-41 provides details for the asset group that falls outside the range provided in the EPI Kinectrics Report.

TABLE 4-41: ASSET GROUP OUTSIDE KINECTRICS RANGE

Asset Group	Component	USoA Account Number	Useful Life			
			EPI Proposed	MIN UL	TUL	MAX UL
Computer Software	Foundational Software	1611	10	2	5	

EPI has proposed a useful life of 10 years for its Computer Software – Foundational Software component, USoA 1611, as this subclass includes assets related to its Operational Data Store ("ODS"). The ODS is the unified source for all loading data and is fully integrated with EPI's Geographic Information System in order to provide meaningful aggregated loading data at the transformer, regional or feeder level. The ODS is a foundational technology in EPI's strategic operational planning that is expected to have a service life longer than typical application and system software (service lives of 3 and 5 years, respectively).

In order to determine the impact of this variation, EPI calculated the Revenue Requirement change in 2016 assuming that the Typical Useful Life ("TUL") from the EPI Kinectrics Report had been used. The estimated 2016 Revenue Requirement variation by applying the proposed useful life of 10 years versus the TUL of 5 years for the Computer Software - Foundational Software component is as follows:

The proposed 10 year useful life results in decreased depreciation expense in 2016 of ($147,000) and an increased Return on Rate Base in 2016 of $25,000 for an estimated net decrease in Revenue Requirement of ($122,000).

4.11.4 Depreciation Expense

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

- Table 4-42 – 2013 CGAAP, consistent with the Board's Appendix 2-CG, a copy of which is found in Attachment 4-M to this Exhibit;
- Table 4-43 – 2013 Revised CGAAP, consistent with the Board's Appendix 2-CH, a copy of which is found in Attachment 4-N to this Exhibit;
- Table 4-44 – 2014 MIFRS, consistent with the Board's Appendix 2-CI, a copy of which is found in Attachment 4-O to this Exhibit;
- Table 4-45 – 2015 Bridge Year under MIFRS, consistent with the Board's Appendix 2-CJ, a copy of which is found in Attachment 4-P to this Exhibit; and,
- Table 4-46 – 2016 Test Year under MIFRS, consistent with the Board's Appendix 2-CK, a copy of which is found in Attachment 4-Q to this Exhibit.

EPI does not have any forecasted material differences on the transition to MIFRS from CGAAP, thus, a 2014 CGAAP statement was not required.

Table 4-42 calculates depreciation under the assumption that changes were not made to the depreciation policy with regard to service lives or componentization. The table computes a depreciation expense of $4,938,773. Using EPI's detailed internal calculations, EPI's depreciation expense prior to any changes to service lives and componentization would have been $5,498,337; a difference of

$(559,564). The majority of this balance, $(520,695), is related to USoA #'s 1830 through 1860 and USoA #1930, which form the bulk of EPI's distribution assets. In 2000 at the time of incorporation, CKH performed a restatement of the opening balances of gross fixed assets was completed and the remaining depreciation was set up over the remaining useful lives of the various assets. Further, when MPDC, Dutton and Newbury were acquired, the acquired assets were recorded at fair value. While this method provides an annual depreciation expense that is correct, it does not allow proper completion of the Board's requested depreciation schedule, nor does it allow EPI to determine an accurate estimate of fully depreciated assets as of 2013 for the purpose of completing the table. The variances between the Board's schedule and the depreciation estimated by EPI are a result of the change in 2000 and the assumption of a straight line balance method applied to a consistent starting point within the table. All other variances are immaterial.

As provided in Table 4-43, EPI has recorded depreciation expense for 2013 of $4,385,454. This compares to the depreciation expense calculated within the table of $4,228,639 for an overall variance of $156,815. The majority of this variance relates to the Computer Software class (USoA #1611). When calculating depreciation for USoA #1611, EPI inadvertently recorded a full year of depreciation on the current year's additions. The correct calculation should have been to record six months of depreciation in accordance with the "half-year" rule. Furthermore, EPI calculated depreciation on these additions, which related to ODS, assuming a three year useful life. Since ODS is considered "foundational software," a useful life of ten years should have been used. EPI became aware of these oversights in 2014 and they were corrected at that time. All other variances are immaterial.

As provided in Table 4-44, EPI has recorded depreciation expense for 2014 of $3,829,667. This compares to the depreciation expense calculated within the table of $3,974,351 for an overall variance of $(144,684). The majority of this variance relates to the correction of the 2013 depreciation recorded in the Computer Software class (USoA #1611). As noted above, when calculating the 2013 depreciation for USoA #1611, EPI inadvertently recorded a full year of depreciation on the current year's additions. The correct calculation should have been record six months of depreciation in accordance with the "half-year" rule. EPI also calculated 2013 depreciation on these additions, which related to ODS, assuming a three year useful life. Since ODS is considered "foundational software," a useful life of ten years should have been used. EPI became aware of these oversights in 2014 and they were corrected at that time. The variances in all other USoA categories are immaterial.

As provided in Table 4-45, EPI has budgeted depreciation expense for 2015 of $4,080,500. This compares to the depreciation expense calculated within the table of $4,149,091 for an overall variance of $(68,591). The overall variance and the individual differences within each of the USoA categories are not material.

As provided in Table 4-46, EPI has budgeted depreciation expense for 2016 of $4,414,289. This compares to the depreciation expense calculated within the table of $4,403,427 for an overall variance of $10,862. The overall variance and the individual differences within each of the USoA categories are immaterial.

TABLE 4-42: DEPRECIATION AND AMORTIZATION EXPENSE - 2013 CGAAP

Account	Description	Opening Regulatory Gross PP&E as at Jan 1, 2013 (a)	Less Fully Depreciated (b)	Net for Depreciation (c)	Additions (d)	Total for Depreciation (e) = (c) + ½ x (d) [1]	Years (f)	Depreciation Rate (g) = 1 / (f)	Depreciation Expense (h) = (e) / (f)	2013 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance [2] (m) = (h) - (l)
1611	Computer Software (Formally known as Account 1925)	$ 987,436	$ 628,718	$ 358,718	$ 988,848	$ 853,142	5.00	20.00%	$ 170,628	$ 181,091	$ (10,462)
1612	Land Rights (Formally known as Account 1906)	$ -	$ -	$ -	$ -	$ -		0.00%	$ -	$ -	$ -
1805	Land	$ 452,262	$ -	$ 452,262	$ -	$ 452,262	-	0.00%	$ -	$ -	$ -
1808	Buildings	$ 904,693	$ 12,339	$ 892,354	$ 4,517	$ 894,613	50.00	2.00%	$ 17,892	$ 14,398	$ 3,494
1810	Leasehold Improvements	$ -	$ -	$ -	$ -	$ -		0.00%	$ -	$ -	$ -
1815	Transformer Station Equipment >50 kV	$ -	$ -	$ -	$ -	$ -		0.00%	$ -	$ -	$ -
1820	Distribution Station Equipment <50 kV	$ 1,625,439	$ 483,592	$ 1,141,847	$ 305,667	$ 1,294,680	30.00	3.33%	$ 43,156	$ 45,546	$ (2,390)
1825	Storage Battery Equipment	$ -	$ -	$ -	$ -	$ -		0.00%	$ -	$ -	$ -
1830	Poles, Towers & Fixtures	$ 10,183,983	$ 2,217,171	$ 7,966,812	$ 1,139,724	$ 8,536,674	25.00	4.00%	$ 341,467	$ 346,248	$ (4,781)
1835	Overhead Conductors & Devices	$ 28,652,463	$ 1,261,613	$ 27,390,850	$ 1,774,159	$ 28,277,930	25.00	4.00%	$ 1,131,117	$ 1,267,332	$ (136,215)
1840	Underground Conduit	$ 3,815,056	$ 991,055	$ 2,824,001	$ 253,768	$ 2,950,885	25.00	4.00%	$ 118,035	$ 119,434	$ (1,399)
1845	Underground Conductors & Devices	$ 19,822,500	$ 939,536	$ 18,882,964	$ 780,329	$ 19,273,128	25.00	4.00%	$ 770,925	$ 924,730	$ (153,805)
1850	Line Transformers	$ 21,439,194	$ 2,042,481	$ 19,396,713	$ 1,383,196	$ 20,088,311	25.00	4.00%	$ 803,532	$ 903,316	$ (99,784)
1855	Services (Overhead & Underground)	$ 5,442,112	$ 33,405	$ 5,408,707	$ 664,982	$ 5,741,198	25.00	4.00%	$ 229,648	$ 231,950	$ (2,302)
1860	Meters	$ 3,940,117	$ 866,849	$ 3,073,268	$ -	$ 3,073,268	25.00	4.00%	$ 122,931	$ 162,783	$ (39,852)
1860	Meters (Smart Meters)	$ 7,874,222	$ -	$ 7,874,222	$ 731,314	$ 8,239,880	15.00	6.67%	$ 549,325	$ 560,729	$ (11,404)
1905	Land	$ 953,909	$ -	$ 953,909	$ -	$ 953,909		0.00%	$ -	$ -	$ -
1908	Buildings & Fixtures	$ 4,699,524	$ -	$ 4,699,524	$ 282,556	$ 4,840,803	25.00	4.00%	$ 193,632	$ 162,331	$ 31,301
1910	Leasehold Improvements	$ -	$ -	$ -	$ -	$ -		0.00%	$ -	$ -	$ -
1915	Office Furniture & Equipment (10 years)	$ 325,888	$ 132,086	$ 193,802	$ 14,709	$ 201,157	10.00	10.00%	$ 20,116	$ 20,053	$ 63
1915	Office Furniture & Equipment (5 years)	$ -	$ -	$ -	$ -	$ -		0.00%	$ -	$ -	$ -
1920	Computer Equipment - Hardware	$ 325,659	$ 325,659	$ -	$ -	$ -		0.00%	$ -	$ -	$ -
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ 75,616	$ 75,616	$ -	$ -	$ -		0.00%	$ -	$ -	$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ 707,499	$ 169,858	$ 537,641	$ 84,281	$ 579,782	5.00	20.00%	$ 115,956	$ 155,361	$ (39,405)
1930	Transportation Equipment	$ 4,051,932	$ 1,813,181	$ 2,238,751	$ 1,001,940	$ 2,739,720	8.00	12.50%	$ 342,465	$ 413,619	$ (71,154)
1935	Stores Equipment	$ 35,460	$ 35,460	$ -	$ -	$ -		0.00%	$ -	$ -	$ -
1940	Tools, Shop & Garage Equipment	$ 1,249,436	$ 782,643	$ 466,793	$ 45,833	$ 489,709	10.00	10.00%	$ 48,971	$ 46,937	$ 2,034
1945	Measurement & Testing Equipment	$ 8,719	$ 8,719	$ -	$ -	$ -		0.00%	$ -	$ -	$ -
1950	Power Operated Equipment	$ -	$ -	$ -	$ -	$ -		0.00%	$ -	$ -	$ -
1955	Communications Equipment	$ 5,873	$ 5,873	$ -	$ -	$ -		0.00%	$ -	$ -	$ -
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	$ 931,094	$ 492,909	$ 438,185	$ 210,726	$ 543,548	15.00	6.67%	$ 36,237	$ 35,781	$ 456
1985	Miscellaneous Fixed Assets	$ -	$ -	$ -	$ -	$ -		0.00%	$ -	$ -	$ -
1990	Other Tangible Property	$ 2,364,407	$ 184,232	$ 2,180,175	$ 502,153	$ 2,431,251	15.00	6.67%	$ 162,083	$ 183,936	$ (21,852)
1995	Contributions & Grants	$ (6,594,753)	$ -	$ (6,594,753)	$ (777,718)	$ (6,983,612)	25.00	4.00%	$ (279,344)	$ (277,238)	$ (2,106)
	Total	$ 114,279,741	$ 13,502,995	$ 100,776,746	$ 9,390,984	$ 105,472,238			$ 4,938,773	$ 5,498,337	$ (559,564)

TABLE 4-43: DEPRECIATION AND AMORTIZATION EXPENSE - 2013 REVISED CGAAP

Account	Description	Opening NBV as at Jan 1, 2013 [5] (a)	Additions (d)	Average Remaining Life of Opening NBV [4] (i)	Years (new additions only) [3] (f)	Depreciation Rate on New Additions (g) = 1 / (f)	Depreciation Expense on Opening NBV (j) = (a) / (i)	Depreciation Expense on Additions [1] (h)=((d)*0.5)/(f)	2013 Depreciation Expense (k) = (j) + (h)	2013 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance [2] (m) = (k) - (l)	Depreciation Expense on 2013 Full Year Additions (n) = (d)/(f)	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2013 Full Year Depreciation [6] (p) = (j) + (n) - (o)
1611	Computer Software (Formally known as Account 1925) (application software)	$ 173,289	$ 988,848	1.12	3.00	33.33%	**$ 154,172**	**$ 164,808**	**$ 318,980**	$ 484,589	**$ (165,609)**	**$ 329,616**	$ 133,123	**$ 350,665**
1612	Land Rights (Formally known as Account 1906)	$ -	$ -			0.00%	**$ -**	**$ -**	**$ -**	$ -	**$ -**	**$ -**		**$ -**
1805	Land	$ 452,262	$ -			0.00%	**$ -**	**$ -**	**$ -**	$ -	**$ -**	**$ -**		**$ -**
1808	Buildings	$ 638,864	$ 2,750	33.13	40.00	2.50%	**$ 19,284**	**$ 34**	**$ 19,318**	$ 9,045	**$ 10,273**	**$ 69**		**$ 19,352**
1808	Buildings (mechanical, roof)	$ 51,617	$ -	12.17	20.00	5.00%	**$ 4,241**	**$ -**	**$ 4,241**	$ 4,240	**$ 1**	**$ -**		**$ 4,241**
1810	Leasehold Improvements	$ -	$ -			0.00%	**$ -**	**$ -**	**$ -**	$ -	**$ -**	**$ -**		**$ -**
1815	Transformer Station Equipment >50 kV	$ -	$ -			0.00%	**$ -**	**$ -**	**$ -**	$ -	**$ -**	**$ -**		**$ -**
1820	Distribution Station Equipment <50 kV (power transformer, switch gear)	$ 182,264	$ 305,667	36.02	45.00	2.22%	**$ 5,060**	**$ 3,396**	**$ 8,456**	$ 8,022	**$ 434**	**$ 6,793**		**$ 11,853**
1820	Distribution Station Equipment <50 kV (wholesale meter)	$ 574,259	$ -	10.91	15.00	6.67%	**$ 52,636**	**$ -**	**$ 52,636**	$ 52,653	**$ (17)**	**$ -**		**$ 52,636**
1825	Storage Battery Equipment	$ -	$ -		-	0.00%	**$ -**	**$ -**	**$ -**	$ -	**$ -**	**$ -**		**$ -**
1830	Poles, Towers & Fixtures (composite poles, concrete poles)	$ 451,149	$ 70,313	43.96	50.00	2.00%	**$ 10,263**	**$ 703**	**$ 10,966**	$ 10,964	**$ 2**	**$ 1,406**		**$ 11,669**
1830	Poles, Towers & Fixtures (steel poles)	$ 956,375	$ 149,056	54.02	60.00	1.67%	**$ 17,704**	**$ 1,242**	**$ 18,946**	$ 18,947	**$ (1)**	**$ 2,484**		**$ 20,188**
1830	Poles, Towers & Fixtures (wood poles)	$ 4,689,221	$ 895,687	39.03	45.00	2.22%	**$ 120,159**	**$ 9,952**	**$ 130,111**	$ 130,111	**$ (0)**	**$ 19,904**		**$ 140,063**
1835	Overhead Conductors & Devices (composite poles, concrete poles)	$ 7,030,007	$ 636,009	40.22	50.00	2.00%	**$ 174,773**	**$ 6,360**	**$ 181,133**	$ 181,133	**$ 0**	**$ 12,720**		**$ 187,493**
1835	Overhead Conductors & Devices (steel poles)	$ 1,334,381	$ 112,514	50.43	60.00	1.67%	**$ 26,460**	**$ 938**	**$ 27,398**	$ 27,398	**$ (0)**	**$ 1,875**		**$ 28,335**
1835	Overhead Conductors & Devices (wood poles)	$ 7,313,636	$ 764,563	35.09	45.00	2.22%	**$ 208,434**	**$ 8,495**	**$ 216,929**	$ 216,929	**$ 0**	**$ 16,990**		**$ 225,424**
1840	Underground Conduit	$ 2,184,458	$ 252,738	44.67	50.00	2.00%	**$ 48,902**	**$ 2,527**	**$ 51,430**	$ 51,427	**$ 3**	**$ 5,055**		**$ 53,957**
1845	Underground Conductors & Devices	$ 3,420,688	$ 240,447	4.52	20.00	5.00%	**$ 756,789**	**$ 6,011**	**$ 762,801**	$ 827,072	**$ (64,271)**	**$ 12,022**	$ 382,045	**$ 386,767**
1845	Underground Conductors & Devices (primary PILC, primary duct)	$ 4,283,315	$ 301,995	17.99	25.00	4.00%	**$ 238,131**	**$ 6,040**	**$ 244,171**	$ 244,171	**$ (0)**	**$ 12,080**		**$ 250,211**
1845	Underground Conductors & Devices (secondary direct)	$ 687,199	$ 50,259	29.09	35.00	2.86%	**$ 23,625**	**$ 718**	**$ 24,343**	$ 24,343	**$ (0)**	**$ 1,436**		**$ 25,061**
1845	Underground Conductors & Devices (duct bank)	$ 799,678	$ 52,373	39.51	50.00	2.00%	**$ 20,240**	**$ 524**	**$ 20,764**	$ 20,767	**$ (3)**	**$ 1,047**		**$ 21,287**
1845	Underground Conductors & Devices (trans switch)	$ 144,472	$ 10,076	44.60	55.00	1.82%	**$ 3,239**	**$ 92**	**$ 3,331**	$ 3,331	**$ (0)**	**$ 183**		**$ 3,422**
1850	Line Transformers (pad mount, pole mount)	$ 9,128,539	$ 1,126,439	29.99	40.00	2.50%	**$ 304,374**	**$ 14,080**	**$ 318,454**	$ 318,454	**$ 0**	**$ 28,161**		**$ 332,535**
1850	Line Transformers (submersible)	$ 1,018,746	$ 105,759	35.24	40.00	2.50%	**$ 28,906**	**$ 1,322**	**$ 30,228**	$ 30,228	**$ (0)**	**$ 2,644**		**$ 31,550**
1850	Line Transformers (submersible vault)	$ 1,091,044	$ 113,264	24.55	35.00	2.86%	**$ 44,442**	**$ 1,618**	**$ 46,060**	$ 46,060	**$ (0)**	**$ 3,236**		**$ 47,678**
1855	Services (Overhead & Underground) (direct)	$ 2,375,572	$ 373,271	33.18	40.00	2.50%	**$ 71,597**	**$ 4,666**	**$ 76,262**	$ 12,402	**$ 63,860**	**$ 9,332**		**$ 80,928**
1855	Services (Overhead & Underground) (duct)	$ 1,566,369	$ 270,031	43.38	50.00	2.00%	**$ 36,108**	**$ 2,700**	**$ 38,808**	$ 39,017	**$ (209)**	**$ 5,401**		**$ 41,509**
1860	Meters	$ 2,429,303	$ -	13.95	25.00	4.00%	**$ 174,144**	**$ -**	**$ 174,144**	$ 174,270	**$ (127)**	**$ -**	$ 7,420	**$ 166,724**
1860	Meters (Smart Meters)	$ 5,317,434	$ 695,392	10.77	15.00	6.67%	**$ 493,726**	**$ 23,180**	**$ 516,906**	$ 516,893	**$ 13**	**$ 46,359**		**$ 540,086**
1905	Land	$ 953,909	$ -		-	0.00%	**$ -**	**$ -**	**$ -**	$ -	**$ -**	**$ -**		**$ -**
1908	Buildings & Fixtures	$ 2,323,238	$ 220,490	42.00	50.00	2.00%	**$ 55,315**	**$ 2,205**	**$ 57,520**	$ 63,185	**$ (5,665)**	**$ 4,410**		**$ 59,725**
1908	Buildings & Fixtures (mechanical, roof)	$ 1,217,835	$ 62,066	12.97	20.00	5.00%	**$ 93,878**	**$ 1,552**	**$ 95,430**	$ 95,430	**$ 0**	**$ 3,103**		**$ 96,982**
1908	Buildings & Fixtures (SCADA tower)	$ 29,530	$ -	12.00	25.00	4.00%	**$ 2,461**	**$ -**	**$ 2,461**	$ 2,461	**$ (0)**	**$ -**		**$ 2,461**
1910	Leasehold Improvements	$ -	$ -			0.00%	**$ -**	**$ -**	**$ -**	$ -	**$ -**	**$ -**		**$ -**
1915	Office Furniture & Equipment (10 years)	$ 123,991	$ 14,709	5.96	10.00	10.00%	**$ 20,804**	**$ 735**	**$ 21,539**	$ 21,465	**$ 74**	**$ 1,471**	$ 3,757	**$ 18,518**
1915	Office Furniture & Equipment (5 years)	$ -	$ -			0.00%	**$ -**	**$ -**	**$ -**	$ -	**$ -**	**$ -**		**$ -**
1920	Computer Equipment - Hardware	$ -	$ -			0.00%	**$ -**	**$ -**	**$ -**	$ -	**$ -**	**$ -**		**$ -**
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ 3,430	$ -	1.00		0.00%	**$ 3,430**	**$ -**	**$ 3,430**	$ 3,430	**$ 0**	**$ -**	$ 3,430	**$ -**
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ 319,477	$ 201,324	1.04	3.00	33.33%	**$ 308,373**	**$ 33,554**	**$ 341,927**	$ 341,927	**$ (0)**	**$ 67,108**	$ 219,097	**$ 156,384**
1930	Transportation Equipment (van)	$ 324,226	$ 937,976	4.35	7.00	14.29%	**$ 74,535**	**$ 66,998**	**$ 141,533**	$ 140,771	**$ 762**	**$ 133,997**		**$ 208,531**
1930	Transportation Equipment (trucks, trailers)	$ 904,346	$ 63,964	5.41	10.00	10.00%	**$ 167,162**	**$ 3,198**	**$ 170,360**	$ 169,400	**$ 960**	**$ 6,396**		**$ 173,558**
1935	Stores Equipment	$ -	$ -			0.00%	**$ -**	**$ -**	**$ -**	$ -	**$ -**	**$ -**		**$ -**
1940	Tools, Shop & Garage Equipment	$ 262,488	$ 45,833	1.66	5.00	20.00%	**$ 158,125**	**$ 4,583**	**$ 162,709**	$ 160,047	**$ 2,662**	**$ 9,167**	$ 92,389	**$ 74,903**
1945	Measurement & Testing Equipment	$ (0)	$ -			0.00%	**$ -**	**$ -**	**$ -**	$ -	**$ -**	**$ -**		**$ -**
1950	Power Operated Equipment	$ -	$ -			0.00%	**$ -**	**$ -**	**$ -**	$ -	**$ -**	**$ -**		**$ -**
1955	Communications Equipment	$ -	$ -			0.00%	**$ -**	**$ -**	**$ -**	$ -	**$ -**	**$ -**		**$ -**
1955	Communication Equipment (Smart Meters)	$ -	$ -			0.00%	**$ -**	**$ -**	**$ -**	$ -	**$ -**	**$ -**		**$ -**
1960	Miscellaneous Equipment	$ -	$ -			0.00%	**$ -**	**$ -**	**$ -**	$ -	**$ -**	**$ -**		**$ -**
1970	Load Management Controls - Customer Premises	$ -	$ -			0.00%	**$ -**	**$ -**	**$ -**	$ -	**$ -**	**$ -**		**$ -**
1975	Load Management Controls Utility Premises	$ -	$ -			0.00%	**$ -**	**$ -**	**$ -**	$ -	**$ -**	**$ -**		**$ -**
1980	System Supervisor Equipment	$ 240,203	$ 92,195	13.08	20.00	5.00%	**$ 18,364**	**$ 2,305**	**$ 20,669**	$ 20,673	**$ (4)**	**$ 4,610**		**$ 22,974**
1985	Miscellaneous Fixed Assets	$ -	$ -			0.00%	**$ -**	**$ -**	**$ -**	$ -	**$ -**	**$ -**		**$ -**
1990	Other Tangible Property	$ 874,848	$ 502,153	5.01	15.00	6.67%	**$ 174,699**	**$ 16,738**	**$ 191,437**	$ 191,437	**$ (0)**	**$ 33,477**	$ 17,974	**$ 190,201**
1995	Contributions & Grants	$ (4,644,062)	$ (777,719)	17.75	25.00	4.00%	**$ (261,637)**	**$ (15,554)**	**$ (277,192)**	$ (277,238)	**$ 47**	**$ (31,109)**		**$ (292,746)**
	Total	**$ 61,227,598**	**$ 8,880,443**				**$ 3,852,917**	**$ 375,722**	**$ 4,228,639**	**$ 4,385,454**	**$ (156,815)**	**$ 751,444**	**$ 859,235**	**$ 3,745,126**

TABLE 4-44: DEPRECIATION AND AMORTIZATION EXPENSE - 2014 MIFRS

Account	Description	Additions (d)	Years (new additions only) (f)	Depreciation Rate on New Additions (g) = 1 / (f)	2014 Depreciation Expense [1] (h)=2013 Full Year Deprecation + ((d)*0.5)/(f)	2014 Depreciation Expense per Apppendix 2-BA Fixed Assets, Column J (l)	Variance [2] (m) = (h) - (l)	Depreciation Expense on 2014 Full Year Additions (n)=((d))/(f)	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2014 Full Year Depreciation [3] (p) = 2013 Full Year Depreciation + (n) - (o)
1611	Computer Software (Formally known as Account 1925) (application software)	$ (988,848)	3.00	33.33%	$ 21,049	$ (141,211)	$ 162,260	$ -	$ 21,849	$ -
1611	Computer Software (Formally known as Account 1925) (systems software) - no half-year (assets were transferred from ESI)	$ 1,084,949	5.00	20.00%	$ 216,990	$ 216,990	$ (0)	$ 216,990		$ 216,990
1611	Computer Software (Formally known as Account 1925) (foundational software)	$ 480,087	10.00	10.00%	$ 24,004	$ 24,004	$ 0	$ 48,009		$ 48,009
1611	Computer Software (Formally known as Account 1925) (foundational software) - no half-year (correction of PY error)	$ 988,848	10.00	10.00%	$ 98,885	$ 98,885	$ (0)	$ 98,885		$ 98,885
1612	Land Rights (Formally known as Account 1906)	$ -	-	0.00%	$ -	$ -	$ -	$ -		$ -
1805	Land	$ -	-	0.00%	$ -	$ -	$ -	$ -		$ -
1808	Buildings	$ 11,676	40.00	2.50%	$ 19,498	$ 6,243	$ 13,256	$ 292		$ 19,644
1808	Buildings (mechanical, roof)	$ 5,004	20.00	5.00%	$ 4,366	$ 4,365	$ 1	$ 250		$ 4,492
1810	Leasehold Improvements	$ -	-	0.00%	$ -	$ -	$ -	$ -		$ -
1815	Transformer Station Equipment >50 kV	$ -	-	0.00%	$ -	$ -	$ -	$ -		$ -
1820	Distribution Station Equipment <50 kV (power transformer, switch gear)	$ 0	45.00	2.22%	$ 11,853	$ 11,418	$ 434	$ 0		$ 11,853
1820	Distribution Station Equipment <50 kV (wholesale meter)	$ 76,681	15.00	6.67%	$ 55,192	$ 55,209	$ (17)	$ 5,112		$ 57,748
1825	Storage Battery Equipment	$ -	-	0.00%	$ -	$ -	$ -	$ -		$ -
1830	Poles, Towers & Fixtures (composite poles, concrete poles)	$ 77,085	50.00	2.00%	$ 12,440	$ 12,439	$ 1	$ 1,542		$ 13,211
1830	Poles, Towers & Fixtures (steel poles)	$ 163,410	60.00	1.67%	$ 21,550	$ 21,551	$ (1)	$ 2,724		$ 22,912
1830	Poles, Towers & Fixtures (wood poles)	$ 789,898	45.00	2.22%	$ 148,840	$ 147,833	$ 1,007	$ 17,553		$ 157,616
1835	Overhead Conductors & Devices (composite poles, concrete poles)	$ 688,248	50.00	2.00%	$ 194,376	$ 194,145	$ 231	$ 13,765		$ 201,258
1835	Overhead Conductors & Devices (steel poles)	$ 130,404	60.00	1.67%	$ 29,422	$ 29,422	$ (0)	$ 2,173		$ 30,509
1835	Overhead Conductors & Devices (wood poles)	$ 718,871	45.00	2.22%	$ 233,412	$ 232,519	$ 893	$ 15,975		$ 241,399
1840	Underground Conduit	$ 413,519	50.00	2.00%	$ 58,092	$ 58,087	$ 5	$ 8,270		$ 62,227
1845	Underground Conductors & Devices	$ 292,544	20.00	5.00%	$ 394,080	$ 392,001	$ 2,080	$ 14,627	$ 63,732	$ 337,662
1845	Underground Conductors & Devices (primary PILC, primary duct)	$ 369,489	25.00	4.00%	$ 257,601	$ 257,601	$ (0)	$ 14,780		$ 264,990
1845	Underground Conductors & Devices (secondary direct)	$ 62,557	35.00	2.86%	$ 25,955	$ 25,955	$ (0)	$ 1,787		$ 26,848
1845	Underground Conductors & Devices (duct bank)	$ 61,719	50.00	2.00%	$ 21,905	$ 21,908	$ (3)	$ 1,234		$ 22,522
1845	Underground Conductors & Devices (trans switch)	$ 12,264	55.00	1.82%	$ 3,534	$ 3,534	$ (0)	$ 223		$ 3,645
1850	Line Transformers (pad mount, pole mount)	$ 924,963	40.00	2.50%	$ 344,097	$ 342,482	$ 1,615	$ 23,124		$ 355,659
1850	Line Transformers (submersible)	$ 90,520	40.00	2.50%	$ 32,681	$ 32,680	$ 1	$ 2,263		$ 33,813
1850	Line Transformers (submersible vault)	$ 96,944	35.00	2.86%	$ 49,063	$ 49,063	$ (0)	$ 2,770		$ 50,448
1855	Services (Overhead & Underground) (direct)	$ 348,310	40.00	2.50%	$ 85,282	$ 85,285	$ (2)	$ 8,708		$ 89,636
1855	Services (Overhead & Underground) (duct)	$ 251,462	50.00	2.00%	$ 44,023	$ 44,054	$ (31)	$ 5,029		$ 46,538
1860	Meters	$ -	25.00	4.00%	$ 166,724	$ 159,989	$ 6,734	$ -	$ 7,492	$ 159,232
1860	Meters (Smart Meters)	$ 403,511	15.00	6.67%	$ 553,536	$ 561,967	$ (8,430)	$ 26,901		$ 566,987
1905	Land	$ -	-	0.00%	$ -	$ -	$ -	$ -		$ -
1908	Buildings & Fixtures	$ 122,039	50.00	2.00%	$ 60,945	$ 68,296	$ (7,350)	$ 2,441		$ 62,166
1908	Buildings & Fixtures (mechanical, roof)	$ 318,122	20.00	5.00%	$ 104,935	$ 129,048	$ (24,113)	$ 15,906		$ 112,888
1908	Buildings & Fixtures (SCADA tower)	$ -	25.00	4.00%	$ 2,461	$ 2,461	$ (0)	$ -		$ 2,461
1910	Leasehold Improvements	$ -	-	0.00%	$ -	$ -	$ -	$ -		$ -
1915	Office Furniture & Equipment (10 years)	$ 178,788	10.00	10.00%	$ 27,457	$ 45,984	$ (18,526)	$ 17,879	$ 1,224	$ 35,173
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)	$ 443,973	3.00	33.33%	$ 230,380	$ 220,640	$ 9,740	$ 147,991	$ 108,819	$ 195,556
1930	Transportation Equipment (van)	$ 144,296	7.00	14.29%	$ 218,838	$ 220,258	$ (1,420)	$ 20,614	$ 4,054	$ 225,091
1930	Transportation Equipment (trucks, trailers)	$ 405,441	10.00	10.00%	$ 193,830	$ 195,017	$ (1,187)	$ 40,544	$ 4,489	$ 209,613
1935	Stores Equipment	$ -	-	0.00%	$ -	$ -	$ -	$ -		$ -
1940	Tools, Shop & Garage Equipment	$ 154,240	5.00	20.00%	$ 90,327	$ 90,266	$ 61	$ 30,848	$ 38,546	$ 67,205
1945	Measurement & Testing Equipment	$ -	-	0.00%	$ -	$ -	$ -	$ -		$ -
1950	Power Operated Equipment	$ -	-	0.00%	$ -	$ -	$ -	$ -		$ -
1955	Communications Equipment	$ -	-	0.00%	$ -	$ -	$ -	$ -		$ -
1955	Communication Equipment (Smart Meters)	$ -	-	0.00%	$ -	$ -	$ -	$ -		$ -
1960	Miscellaneous Equipment	$ -	-	0.00%	$ -	$ -	$ -	$ -		$ -
1970	Load Management Controls - Customer Premise	$ -	-	0.00%	$ -	$ -	$ -	$ -		$ -
1975	Load Management Controls Utility Premises	$ -	-	0.00%	$ -	$ -	$ -	$ -		$ -
1980	System Supervisor Equipment	$ (41,198)	20.00	5.00%	$ 21,944	$ 24,879	$ (2,935)	$ (2,060)		$ 20,914
1985	Miscellaneous Fixed Assets	$ -	-	0.00%	$ -	$ -	$ -	$ -		$ -
1990	Other Tangible Property	$ 197,157	15.00	6.67%	$ 196,773	$ 186,437	$ 10,336	$ 13,144	$ 60,508	$ 142,837
1995	Contributions & Grants	$ (462,145)	25.00	4.00%	$ (301,989)	$ (302,036)	$ 47	$ (18,486)		$ (311,232)
	Total	**$ 9,014,831**			**$ 3,974,351**	**$ 3,829,667**	**$ 144,684**	**$ 801,807**	**$ 310,713**	**$ 3,907,404**
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets)									
	Total Depreciation Expense				**$ 3,974,351**					

TABLE 4-45: DEPRECIATION AND AMORTIZATION EXPENSE - 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 Deprecation + ((d)*0.5)/(f)	2015 Depreciation Expense per Apppendix 2-BA Fixed Assets, Column J (l)	Variance [2] (m) = (h) - (l)	Depreciation Expense on 2015 Full Year Additions (n)=((d))/(f)	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2015 Full Year Depreciation [3] (p) = 2014 Full Year Depreciation + (n) - (o)
1611	Computer Software (Formally known as Account 1925) (application software)	$ 346,000	3.00	33.33%	$ 57,667	$ 107,738	$ (50,071)	$ 115,333		$ 115,333
1611	Computer Software (Formally known as Account 1925) (systems software)	$ 150,000	5.00	20.00%	$ 231,990	$ 216,990	$ 15,000	$ 30,000		$ 246,990
1611	Computer Software (Formally known as Account 1925) (foundational software)		10.00	10.00%	$ 146,894	$ 141,949	$ 4,945	$ -		$ 146,894
1612	Land Rights (Formally known as Account 1906)		-	0.00%	$ -		$ -	$ -		$ -
1805	Land		-	0.00%	$ -		$ -	$ -		$ -
1808	Buildings		40.00	2.50%	$ 19,644	$ 19,017	$ 627	$ -		$ 19,644
1808	Buildings (mechanical, roof)		20.00	5.00%	$ 4,492	$ 8,203	$ (3,711)	$ -		$ 4,492
1810	Leasehold Improvements		-	0.00%	$ -		$ -	$ -		$ -
1815	Transformer Station Equipment >50 kV		-	0.00%	$ -		$ -	$ -		$ -
1820	Distribution Station Equipment <50 kV (power transformer, switch gear)		45.00	2.22%	$ 11,853	$ 9,715	$ 2,137	$ -		$ 11,853
1820	Distribution Station Equipment <50 kV (wholesale meter)		15.00	6.67%	$ 57,748	$ 57,765	$ (17)	$ -		$ 57,748
1825	Storage Battery Equipment		-	0.00%	$ -		$ -	$ -		$ -
1830	Poles, Towers & Fixtures (composite poles, concrete poles)	$ 91,808	50.00	2.00%	$ 14,129	$ 5,351	$ 8,777	$ 1,836		$ 15,047
1830	Poles, Towers & Fixtures (steel poles)	$ 153,281	60.00	1.67%	$ 24,189	$ 24,190	$ (1)	$ 2,555		$ 25,467
1830	Poles, Towers & Fixtures (wood poles)	$ 845,542	45.00	2.22%	$ 167,011	$ 166,005	$ 1,006	$ 18,790		$ 176,406
1835	Overhead Conductors & Devices (composite poles, concrete poles)	$ 700,300	50.00	2.00%	$ 208,261	$ 201,386	$ 6,876	$ 14,006		$ 215,264
1835	Overhead Conductors & Devices (steel poles)	$ 601,691	60.00	1.67%	$ 35,523	$ 35,523	$ (0)	$ 10,028		$ 40,537
1835	Overhead Conductors & Devices (wood poles)	$ 566,990	45.00	2.22%	$ 247,699	$ 246,807	$ 892	$ 12,600		$ 253,999
1840	Underground Conduit	$ 354,459	50.00	2.00%	$ 65,772	$ 64,102	$ 1,670	$ 7,089		$ 69,316
1845	Underground Conductors & Devices	$ 264,251	20.00	5.00%	$ 344,268	$ 290,815	$ 53,453	$ 13,213	$ 46,424	$ 304,451
1845	Underground Conductors & Devices (primary PILC, primary duct)	$ 472,255	25.00	4.00%	$ 274,436	$ 274,436	$ (0)	$ 18,890		$ 283,881
1845	Underground Conductors & Devices (secondary direct)	$ 76,469	35.00	2.86%	$ 27,941	$ 27,941	$ (0)	$ 2,185		$ 29,033
1845	Underground Conductors & Devices (duct bank)	$ 86,612	50.00	2.00%	$ 23,388	$ 23,392	$ (4)	$ 1,732		$ 24,254
1845	Underground Conductors & Devices (trans switch)	$ 15,886	55.00	1.82%	$ 3,790	$ 3,790	$ (0)	$ 289		$ 3,934
1850	Line Transformers (pad mount, pole mount)	$ 965,870	40.00	2.50%	$ 367,732	$ 354,706	$ 13,027	$ 24,147		$ 379,806
1850	Line Transformers (submersible)	$ 101,764	40.00	2.50%	$ 35,085	$ 35,085	$ 0	$ 2,544		$ 36,357
1850	Line Transformers (submersible vault)	$ 108,986	35.00	2.86%	$ 52,005	$ 52,005	$ (0)	$ 3,114		$ 53,562
1855	Services (Overhead & Underground) (direct)	$ 372,723	40.00	2.50%	$ 94,295	$ 125,386	$ (31,091)	$ 9,318		$ 98,954
1855	Services (Overhead & Underground) (duct)	$ 275,636	50.00	2.00%	$ 49,294	$ 49,325	$ (31)	$ 5,513		$ 52,051
1860	Meters		25.00	4.00%	$ 159,232	$ 211,474	$ (52,243)	$ -	$ 7,457	$ 151,775
1860	Meters (Smart Meters)	$ 458,233	15.00	6.67%	$ 582,261	$ 568,478	$ 13,783	$ 30,549		$ 597,536
1905	Land		-	0.00%	$ -		$ -	$ -		$ -
1908	Buildings & Fixtures	$ 400,500	50.00	2.00%	$ 66,171	$ 62,714	$ 3,457	$ 8,010		$ 70,176
1908	Buildings & Fixtures (mechanical, roof)	$ 64,500	20.00	5.00%	$ 114,500	$ 128,736	$ (14,236)	$ 3,225		$ 116,113
1908	Buildings & Fixtures (SCADA tower)		25.00	4.00%	$ 2,461	$ 2,461	$ (0)	$ -		$ 2,461
1910	Leasehold Improvements		-	0.00%	$ -		$ -	$ -		$ -
1915	Office Furniture & Equipment (10 years)	$ 20,000	10.00	10.00%	$ 36,173	$ 46,791	$ (10,618)	$ 2,000	$ 128	$ 37,045
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)	$ 35,000	3.00	33.33%	$ 201,389	$ 136,439	$ 64,950	$ 11,667		$ 207,223
1930	Transportation Equipment (van)	$ 495,000	7.00	14.29%	$ 260,448	$ 223,675	$ 36,773	$ 70,714	$ 16,976	$ 278,829
1930	Transportation Equipment (trucks, trailers)	$ 140,000	10.00	10.00%	$ 216,613	$ 233,527	$ (16,914)	$ 14,000	$ 30,715	$ 192,898
1935	Stores Equipment		-	0.00%	$ -		$ -	$ -		$ -
1940	Tools, Shop & Garage Equipment	$ 132,000	5.00	20.00%	$ 80,405	$ 73,854	$ 6,551	$ 26,400	$ 6,958	$ 86,647
1945	Measurement & Testing Equipment		-	0.00%	$ -		$ -	$ -		$ -
1950	Power Operated Equipment		-	0.00%	$ -		$ -	$ -		$ -
1955	Communications Equipment		-	0.00%	$ -		$ -	$ -		$ -
1955	Communication Equipment (Smart Meters)		-	0.00%	$ -		$ -	$ -		$ -
1960	Miscellaneous Equipment		-	0.00%	$ -		$ -	$ -		$ -
1970	Load Management Controls		-	0.00%	$ -		$ -	$ -		$ -
1975	Load Management Controls Utility Premises		-	0.00%	$ -		$ -	$ -		$ -
1980	System Supervisor Equipment	$ 105,900	20.00	5.00%	$ 23,561	$ 28,739	$ (5,178)	$ 5,295		$ 26,209
1985	Miscellaneous Fixed Assets		-	0.00%	$ -		$ -	$ -		$ -
1990	Other Tangible Property	$ 200,000	15.00	6.67%	$ 149,504	$ 135,742	$ 13,762	$ 13,333	$ 16,390	$ 139,781
1995	Contributions & Grants	$ (375,000)	25.00	4.00%	$ (318,732)	$ (313,753)	$ (4,979)	$ (15,000)		$ (326,232)
	Total	**$ 8,226,657**			**$ 4,139,091**	**$ 4,080,500**	**$ 58,591**	**$ 463,375**	**$ 125,048**	**$ 4,245,730**
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets)									
	Total Depreciation Expense				**$ 4,139,091**					

TABLE 4-46: DEPRECIATION AND AMORTIZATION EXPENSE - 2016 MIFRS

Account	Description	Additions (d)	Years (new additions only) (f)	Depreciation Rate on New Additions (g) = 1 / (f)	2016 Depreciation Expense [1] (h)=2015 Full Year Depreciation + ((d)*0.5)/(f)	2016 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance [2] (m) = (h) - (l)
1611	Computer Software (Formally known as Account 1925) (application software)	$ 402,000	3.00	33.33%	$ 182,333	$ 105,843	$ 76,490
1611	Computer Software (Formally known as Account 1925) (systems software)		5.00	20.00%	$ 246,990	$ 246,990	$ (0)
1611	Computer Software (Formally known as Account 1925) (foundational software)		10.00	10.00%	$ 146,894	$ 146,894	$ (1)
1612	Land Rights (Formally known as Account 1906)		-	0.00%	$ -		$ -
1805	Land		-	0.00%	$ -		$ -
1808	Buildings		40.00	2.50%	$ 19,644	$ 24,010	$ (4,366)
1808	Buildings (mechanical, roof)		20.00	5.00%	$ 4,492	$ 8,203	$ (3,711)
1810	Leasehold Improvements		-	0.00%	$ -		$ -
1815	Transformer Station Equipment >50 kV		-	0.00%	$ -		$ -
1820	Distribution Station Equipment <50 kV (power transformer, switch gear)		45.00	2.22%	$ 11,853	$ 11,419	$ 434
1820	Distribution Station Equipment <50 kV (wholesale meter)		15.00	6.67%	$ 57,748	$ 57,765	$ (17)
1825	Storage Battery Equipment		-	0.00%	$ -		$ -
1830	Poles, Towers & Fixtures (composite poles, concrete poles)	$ 70,219	50.00	2.00%	$ 15,749	$ 15,358	$ 391
1830	Poles, Towers & Fixtures (steel poles)	$ 148,855	60.00	1.67%	$ 26,707	$ 26,708	$ (1)
1830	Poles, Towers & Fixtures (wood poles)	$ 798,492	45.00	2.22%	$ 185,278	$ 184,272	$ 1,006
1835	Overhead Conductors & Devices (composite poles, concrete poles)	$ 742,275	50.00	2.00%	$ 222,687	$ 227,060	$ (4,372)
1835	Overhead Conductors & Devices (steel poles)	$ 134,106	60.00	1.67%	$ 41,654	$ 41,655	$ (1)
1835	Overhead Conductors & Devices (wood poles)	$ 854,934	45.00	2.22%	$ 263,498	$ 262,605	$ 893
1840	Underground Conduit	$ 346,937	50.00	2.00%	$ 72,786	$ 72,616	$ 169
1845	Underground Conductors & Devices	$ 323,966	20.00	5.00%	$ 312,550	$ 271,751	$ 40,799
1845	Underground Conductors & Devices (primary PILC, primary duct)	$ 406,393	25.00	4.00%	$ 292,009	$ 292,009	$ (0)
1845	Underground Conductors & Devices (secondary direct)	$ 65,954	35.00	2.86%	$ 29,975	$ 29,975	$ 0
1845	Underground Conductors & Devices (duct bank)	$ 74,200	50.00	2.00%	$ 24,996	$ 24,999	$ (3)
1845	Underground Conductors & Devices (trans switch)	$ 13,662	55.00	1.82%	$ 4,059	$ 4,059	$ (0)
1850	Line Transformers (pad mount, pole mount)	$ 913,140	40.00	2.50%	$ 391,220	$ 388,820	$ 2,400
1850	Line Transformers (submersible)	$ 97,979	40.00	2.50%	$ 37,582	$ 37,582	$ (0)
1850	Line Transformers (submersible vault)	$ 104,932	35.00	2.86%	$ 55,061	$ 55,061	$ (0)
1855	Services (Overhead & Underground) (direct)	$ 358,395	40.00	2.50%	$ 103,434	$ 141,143	$ (37,709)
1855	Services (Overhead & Underground) (duct)	$ 256,360	50.00	2.00%	$ 54,614	$ 54,645	$ (31)
1860	Meters		25.00	4.00%	$ 151,775	$ 209,354	$ (57,579)
1860	Meters (Smart Meters)	$ 567,580	15.00	6.67%	$ 616,455	$ 617,597	$ (1,142)
1905	Land		-	0.00%	$ -		$ -
1908	Buildings & Fixtures	$ 203,000	50.00	2.00%	$ 72,206	$ 74,205	$ (1,999)
1908	Buildings & Fixtures (mechanical, roof)	$ 72,000	20.00	5.00%	$ 117,913	$ 128,736	$ (10,823)
1908	Buildings & Fixtures (SCADA tower)		25.00	4.00%	$ 2,461	$ 2,461	$ (0)
1910	Leasehold Improvements		-	0.00%	$ -		$ -
1915	Office Furniture & Equipment (10 years)	$ 20,000	10.00	10.00%	$ 38,045	$ 50,270	$ (12,226)
1915	Office Furniture & Equipment (5 years)		-	0.00%	$ -		$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ 116,000	3.00	33.33%	$ 226,556	$ 149,718	$ 76,838
1930	Transportation Equipment (van)	$ 260,000	7.00	14.29%	$ 297,401	$ 297,681	$ (280)
1930	Transportation Equipment (trucks, trailers)	$ 340,000	10.00	10.00%	$ 209,898	$ 200,233	$ 9,665
1935	Stores Equipment		-	0.00%	$ -		$ -
1940	Tools, Shop & Garage Equipment	$ 155,500	5.00	20.00%	$ 102,197	$ 93,414	$ 8,783
1945	Measurement & Testing Equipment		-	0.00%	$ -		$ -
1950	Power Operated Equipment		-	0.00%	$ -		$ -
1980	System Supervisor Equipment	$ 106,809	20.00	5.00%	$ 28,879	$ 34,818	$ (5,939)
1990	Other Tangible Property	$ 260,000	15.00	6.67%	$ 148,447	$ 138,112	$ 10,336
1995	Contributions & Grants	$ (375,000)	25.00	4.00%	$ (333,732)	$ (313,753)	$ (19,979)
	Total	**$ 7,838,688**			**$ 4,482,312**	**$ 4,414,289**	**$ 68,023**
	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				**$ 4,482,312**		

4.12 PILs and Property Taxes

4.12.1 PILs

EPI is subject to Payments in Lieu ("PILs") under Section 93 of the Electricity Act, 1998, as amended. EPI does not pay Section 89 proxy taxes, and is exempt from the payment of income and capital taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act. A copy of the 2014 Federal T2 and Ontario C23 tax return has been provided in Attachment 4-R to this Exhibit. EPI confirms that the financial statements filed with its 2014 corporate income tax returns are the same as the 2014 audited financial statements filed with this Application. Income Tax amounts included in the 2014 financial statements are based on estimates and differ from the actual tax return. The difference between actual and estimated tax provision for 2014 will be recorded in the 2015 financial statements.

PILS for the 2016 Test Year

The 2016 Test Year's PILs have been calculated at $159,910 (including the tax credits of $51,000). The details of the calculations are in the Income Tax/PILs Work Form in Attachment 4-S.

The 2016 Test Year PILs have been determined by applying substantively enacted 2016 tax rates against Taxable Income. The 2016 Taxable Income amount has been determined by taking Utility Income before Taxes and applying Schedule 1 corporate tax adjustments to this number.

UTILITY INCOME BEFORE TAXES

This is calculated based on the 2016 expected total revenues less the 2016 expected cost and expenses. The Utility income before taxes in 2016 is $3,219,905. The details of this calculation can be found in Exhibit 6, Section 6.6.

TAX ADJUSTMENTS

Tax adjustments are made for both temporary and permanent differences and reserves.

Significant temporary differences included are:

- The difference between depreciation for accounting purposes versus capital cost allowance (CCA) for tax purposes.
- The difference between opening and closing reserves from financial statements.

These reserves relate to EPI's post-employment benefit liability. See Attachment 4-G (EPI Post-Employment Benefits Actuary Report, Mondelis Actuarial), Page 9, for the opening and ending test year balances. All other reserves including those for regulatory assets and liabilities have been held constant for purposes of determining taxable income.

The following Table 4-47 presents the calculation of taxable income for the 2016 Test Year.

TABLE 4-47: 2016 TEST YEAR TAXABLE INCOME

Taxable Income - Test Year

	T2 S1 line #	Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes		A.	3,219,905
Additions:			
Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P489	104		3,849,791
Non-deductible meals and entertainment expense	121		15,000
Tax reserves beginning of year	125	T13	4,092,868
Reserves from financial statements- balance at end of year	126	T13	2,098,760
Total Additions			**10,056,419**
Deductions:			
Capital cost allowance from Schedule 8	403	T8	6,329,308
Cumulative eligible capital deduction from Schedule 10 CEC	405	T10	49,143
Tax reserves end of year	413	T13	4,092,868
Reserves from financial statements - balance at beginning of year	414	T13	2,169,028
Total Deductions		calculated	**12,640,347**
NET INCOME FOR TAX PURPOSES		calculated	**635,977**
REGULATORY TAXABLE INCOME		calculated	**635,977**

EXPECTED 2016 TAX RATES

EPI used a combined income tax rate of 26.5% for the 2016 Test Year.

CALCULATION OF TAX CREDITS

APPRENTICESHIP TRAINING TAX CREDIT

The Apprenticeship Training Tax Credit (“ATTC”) is a refundable tax credit. It is available to employers who hire and train apprentices in certain skilled trades. The Canada Revenue Agency (“CRA”) administers the program on behalf of Ontario through the federal income tax system. The ATTC is based on salaries and wages paid to an apprentice. The maximum credit for each apprenticeship is $10,000 per year for apprentices hired before April 24, 2015 and $5,000 per year for apprentices hired on or after April 24, 2015. For apprentices hired before April 24, 2015 the maximum credit over the first 48-month period of the apprenticeship is $40,000. For apprentices hired on or after April 24, 2015 the maximum credit over the first 36 month period of apprenticeship is $15,000. EPI had three trade apprentices, at various stages of development, as at December 31, 2014, and it plans to add an additional two at the end of the 2015 Bridge Year.

A $40,000 ATTC tax credit (3 x $10,000 + 2 x $5,000) has been budgeted in 2016 Test Year applicable to these apprentices.

APPRENTICESHIP JOB CREATION TAX CREDIT

The Apprenticeship Job Creation tax Credit (“AJCTC”) is a non-refundable tax credit equal to 10% of the eligible salaries and wages payable to eligible apprentices in respect of employment after May 1, 2006. The maximum credit an employer can claim is $2,000 per year for each eligible apprentice. An "eligible apprentice" is someone who is working in a prescribed trade in the first two years of their apprenticeship contract.

In the 2016 Test Year, four of EPI’s five apprentices will be within the first 24 months of starting their apprenticeship program. As such, an AJCTC tax credit of $8,000 (4 x $2,000) has been budgeted in 2016 Test Year.

CO-OPERATIVE EDUCATION CREDIT

The Co-operative Education Tax Credit (“CETC”) is a refundable tax credit. The CETC is available to employers who hire students enrolled in a co-operative education program at an Ontario university or college.

The CRA administers the program on behalf of Ontario through the federal income tax system.

The CETC is based on salaries and wages paid to a student in a co-operative education work placement. The maximum credit for each work placement is $3,000. Most work placements are for a minimum employment period of 10 weeks up to a maximum of four months.

The 2016 Test Year budget includes the provision for one co-op student placement providing at tax credit of $3,000.

TAX CALCULATION

The following Table 4-48 presents the tax calculation for the 2016 Test Year:

TABLE 4-48: 2016 TEST YEAR TAXABLE PROVISION

PILs Tax Provision - Test Year

					Wires Only	
Regulatory Taxable Income				T1	$ 635,977	A
Combined Tax Rate and PILs	Ontario Tax Rate (Maximum 11.5%)	11.50%	B			
	Federal tax rate (Maximum 15%)	15.00%	C			
	Combined tax rate (Maximum 26.5%)				26.50%	D = B + C
Total Income Taxes					**$ 168,534**	E = A * D
Investment Tax Credits						F
Miscellaneous Tax Credits					$ 51,000	G
Total Tax Credits					**$ 51,000**	H = F + G
Corporate PILs/Income Tax Provision for Test Year					**$ 117,534**	I = H + E
Corporate PILs/Income Tax Provision Gross Up [1]		73.50%	J		**$ 42,376**	K = J * I
Income Tax (grossed-up)					**$ 159,910**	L = K + I

CAPITAL COST ALLOWANCE

EPI is providing Capital Cost Allowance continuity schedules for the 2015 Bridge Year (Table 4-49) and the 2016 Test Year (Table 4-50) as follows:

TABLE 4-49: 2015 CCA CONTINUITY SCHEDULE

Schedule 8 CCA - Bridge Year

Class	Class Description	Working Paper Reference	UCC Regulated Historical Year	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Bridge Year CCA		UCC End of Bridge Year
1	Distribution System - post 1987	H8	$ 32,669,911			$ 32,669,911	$ -	$ 32,669,911	4%	$ 1,306,796		$ 31,363,115
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	H8	$ 1,736,383	$ 445,000		$ 2,181,383	$ 222,500	$ 1,958,883	6%	$ 117,533		$ 2,063,850
2	Distribution System - pre 1988	H8	$ 1,551,297			$ 1,551,297	$ -	$ 1,551,297	6%	$ 93,078		$ 1,458,219
8	General Office/Stores Equip	H8	$ 693,080	$ 172,000		$ 865,080	$ 86,000	$ 779,080	20%	$ 155,816		$ 709,264
10	Computer Hardware/ Vehicles	H8	$ 1,375,593	$ 635,000		$ 2,010,593	$ 317,500	$ 1,693,093	30%	$ 507,928		$ 1,502,665
10.1	Certain Automobiles	H8				$ -	$ -	$ -	30%	$ -		$ -
12	Computer Software	H8	$ 370,665	$ 571,000		$ 941,665	$ 285,500	$ 656,165	100%	$ 656,165		$ 285,500
13 1	Lease # 1	H8				$ -	$ -	$ -		$ -		$ -
13 2	Lease #2	H8				$ -	$ -	$ -		$ -		$ -
13 3	Lease # 3	H8				$ -	$ -	$ -		$ -		$ -
13 4	Lease # 4	H8				$ -	$ -	$ -		$ -		$ -
14	Franchise	H8				$ -	$ -	$ -		$ -		$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	H8	$ 309,883			$ 309,883	$ -	$ 309,883	8%	$ 24,791		$ 285,092
42	Fibre Optic Cable	H8				$ -	$ -	$ -	12%	$ -		$ -
43.1	Certain Energy-Efficient Electrical Generating Equipment	H8				$ -	$ -	$ -	30%	$ -		$ -
43.2	Certain Clean Energy Generation Equipment	H8	$ -			$ -	$ -	$ -	50%	$ -		$ -
45	Computers & Systems Software acq'd post Mar 22/04	H8	$ 1,473			$ 1,473	$ -	$ 1,473	45%	$ 663		$ 810
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	H8	$ 102,593			$ 102,593	$ -	$ 102,593	30%	$ 30,778		$ 71,815
47	Distribution System - post February 2005	H8	$ 34,972,338	$ 5,908,657		$ 40,880,995	$ 2,954,329	$ 37,926,667	8%	$ 3,034,133		$ 37,846,862
50	Data Network Infrastructure Equipment - post Mar 2007	H8	$ 707,277	$ 495,000		$ 1,202,277	$ 247,500	$ 954,777	55%	$ 525,127		$ 677,150
52	Computer Hardware and system software	H8				$ -	$ -	$ -	100%	$ -		$ -
95	CWIP	H8	$ 60,000			$ 60,000	$ -	$ 60,000		$ -		$ 60,000
6	Fence		$ 12,150			$ 12,150	$ -	$ 12,150	10%	$ 1,215		$ 10,935
						$ -	$ -	$ -	10%	$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
	TOTAL		$ 74,562,643	$ 8,226,657	$ -	$ 82,789,300	$ 4,113,329	$ 78,675,972		$ 6,454,023	B1	$ 76,335,277

TABLE 4-50: 2016 CCA CONTINUITY SCHEDULE

Schedule 8 CCA - Test Year

Class	Class Description	Working Paper Reference	UCC Test Year Opening Balance	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Test Year CCA		UCC End of Test Year
1	Distribution System - post 1987	B8	$ 31,363,115			$ 31,363,115	$ -	$ 31,363,115	4%	$ 1,254,525		$ 30,108,590
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	B8	$ 2,063,850	275,000		$ 2,338,850	$ 137,500	$ 2,201,350	6%	$ 132,081		$ 2,206,769
2	Distribution System - pre 1988	B8	$ 1,458,219			$ 1,458,219	$ -	$ 1,458,219	6%	$ 87,493		$ 1,370,726
8	General Office/Stores Equip	B8	$ 709,264	125,500		$ 834,764	$ 62,750	$ 772,014	20%	$ 154,403		$ 680,361
10	Computer Hardware/ Vehicles	B8	$ 1,502,665	600,000		$ 2,102,665	$ 300,000	$ 1,802,665	30%	$ 540,800		$ 1,561,866
10.1	Certain Automobiles	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
12	Computer Software	B8	$ 285,500	827,000		$ 1,112,500	$ 413,500	$ 699,000	100%	$ 699,000		$ 413,500
13 1	Lease # 1	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 2	Lease #2	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 3	Lease # 3	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 4	Lease # 4	B8	$ -			$ -	$ -	$ -		$ -		$ -
14	Franchise	B8	$ -			$ -	$ -	$ -		$ -		$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Tha	B8	$ 285,092			$ 285,092	$ -	$ 285,092	8%	$ 22,807		$ 262,285
42	Fibre Optic Cable	B8	$ -			$ -	$ -	$ -	12%	$ -		$ -
43.1	Certain Energy-Efficient Electrical Generating Equipment	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
43.2	Certain Clean Energy Generation Equipment	B8	$ -			$ -	$ -	$ -	50%	$ -		$ -
45	Computers & Systems Software acq'd post Mar 22/04	B8	$ 810			$ 810	$ -	$ 810	45%	$ 365		$ 446
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	B8	$ 71,815			$ 71,815	$ -	$ 71,815	30%	$ 21,545		$ 50,271
47	Distribution System - post February 2005	B8	$ 37,846,862	5,385,189		$ 43,232,051	$ 2,692,595	$ 40,539,456	8%	$ 3,243,156		$ 39,988,894
50	Data Network Infrastructure Equipment - post Mar 2007	B8	$ 677,150	626,000		$ 1,303,150	$ 313,000	$ 990,150	55%	$ 544,582		$ 758,567
52	Computer Hardware and system software	B8	$ -			$ -	$ -	$ -	100%	$ -		$ -
95	CWIP	B8	$ 60,000			$ 60,000	$ -	$ 60,000	0%	$ -		$ 60,000
6	Fence		$ 10,935			$ 10,935	$ -	$ 10,935	10%	$ 1,094		$ 9,842
			$ -			$ -	$ -	$ -	10%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
	TOTAL		$ 76,335,277	$ 7,838,689	$ -	$ 84,173,966	$ 3,919,345	$ 80,254,621		$ 6,701,850	T1	$ 77,472,116

CUMLATIVE ELIGIBLE CAPITAL

EPI is providing Cumulative Eligible Capital continuity schedules for the 2015 Bridge Year (Table 4-51) and the 2016 Test Year (Table 4-52) as follows:

TABLE 4-51: 2015 CUMULATIVE ELIGIBLE CAPITAL CONTINUITY SCHEDULE

Schedule 10 CEC - Bridge Year

			Reference	
Cumulative Eligible Capital			H10	**754,888**
Additions				
Cost of Eligible Capital Property Acquired during Test Year				
Other Adjustments	0			
Subtotal	0	**x 3/4 =**	0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0	**x 1/2 =**	0	
			0	**0**
Amount transferred on amalgamation or wind-up of subsidiary	0			**0**
Subtotal				**754,888**
Deductions				
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year				
Other Adjustments	0			
Subtotal	0	**x 3/4 =**		**0**
Cumulative Eligible Capital Balance				**754,888**
Current Year Deduction		**754,888**	**x 7% =**	**52,842**
Cumulative Eligible Capital - Closing Balance				**702,045**

TABLE 4-52: 2016 CUMULATIVE ELIGIBLE CAPITAL CONTINUITY SCHEDULE

Schedule 10 CEC - Test Year

Cumulative Eligible Capital				B10	702,045
Additions					
Cost of Eligible Capital Property Acquired during Test Year		0			
Other Adjustments		0			
	Subtotal	0	x 3/4 =	0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002		0	x 1/2 =	0	
				0	**0**
Amount transferred on amalgamation or wind-up of subsidiary		0			**0**
	Subtotal				702,045
Deductions					
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year		0			
Other Adjustments		0			
	Subtotal	0	x 3/4 =		**0**
Cumulative Eligible Capital Balance					**702,045**
Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income")			**702,045**	**x 7% =**	**49,143**
Cumulative Eligible Capital - Closing Balance					**652,902**

BOARD TAX MODEL

EPI has completed the Board's Tax model submitted in Excel format as part of this Application and included in Attachment 4-S of this Exhibit.

4.12.2 PROPERTY TAXES

EPI pays property taxes to the Municipality of Chatham-Kent, the Municipality of Strathroy-Caradoc and the Municipality of North Middlesex for its Head Office, Service Center and Municipal substations and transformer stations. In addition, EPI makes annual payments to Ontario Electricity Financial Corporation for "Payments in Lieu of Property Taxes". Property taxes for the 2010 Board-Approved Proxy, Historical Actuals 2010 to 2014, the 2015 Bridge Year and the 2016 Test Year are provided in Table 4-53 below.

TABLE 4-53: EPI PROPERTY TAXES

Line No.	Description	2010 BAP	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
1	Propoerty Taxes	$309,686	$232,630	$250,200	$229,195	$250,798	$240,965	$218,219	$243,162

CALCULATION OF 2010 BOARD-APPROVED PROXY

As described in Exhibit 1, EPI's last Cost of Service (EB-2009-0261) was filed by the former CKH.

On January 1, 2012, CKH merged with the former MPDC to form EPI. The last MPDC Board-Approved Property Taxes was established using the 2006 EDR methodology in OEB file EB-2005-0351. Further, in 2009, MPDC acquired Dutton and Newbury. Similar to MPDC, Dutton and Newbury were also last rebased using the 2006 EDR methodology.

Since CKH and MPDC operated separately until 2012, the CKH 2010 Property amounts do not include MPDC, Dutton or Newbury. As a result of this organizational evolution, EPI has developed proxy 2010 Board-Approved Property Tax Proxy Figures. EPI wishes to stress that this does not represent an attempt to revisit or deviate from the 2010 CKH figures previously approved by the Board. Rather, it is an attempt to facilitate comparison of Property Tax in a manner consistent with the current EPI corporate structure, in recognition that the only 2010 Board-Approved figures available represent only the CKH component of what is now EPI.

Accordingly, the 2010 Board-Approved Property Tax Proxy amount represents the Property Tax amounts from the former CKH, MPDC, Dutton and Newbury LDCs. . The Board-Approved Proxy allows for more appropriate Board-Approved comparisons and is comprised of the following amounts from each of the former LDCs.

TABLE 4-54: PROPERTY TAX

Line No.	Description	CK	SMP	Dutton	Newbury	Total
1	2006 Board Approved Amount		$83,373	$0	$0	
2	2007 Esclation		$750			
3	2008 Esclation		$925			
4	2009 Esclation		$1,106			
5	2010 Esclation		$258			
6	**2010 Board Approved Proxy**	**$223,273**	**$86,413**	**$0**	**$0**	**$309,686**

4.13 Non-Recoverable and Disallowed Expenses

Other than revenue and expenses from unregulated activities which have been excluded from the regulated tax calculation herein, EPI does not have any expenses that are deductible for general tax purposes but for which recovery in 2016 distribution rates would be partially or fully disallowed.

4.14 Integrity Checks

EPI confirms the following:

- 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 historical, bridge and test years;
- The opening 2015 Bridge Year UCC at January 1st agrees to the closing December 31st historical year UCC as shown in for the most recent federal T2 tax return (2014).
- The CCA deductions in the Application's PILs tax model for historical, bridge and test years agree with the numbers in the UCC schedules for the same years filed in the Application;
- EPI does not have any tax loss carry-forwards;
- Accounting OPEB amounts added back on Schedule 1 to reconcile accounting income to net income for tax purposes, agree with the OM&A analysis for compensation;
- The income tax rate used to calculate the tax expenses is consistent with EPI's actual tax facts and evidence as filed in this proceeding.

4.15 CDM

4.15.1 Overview

On March 31, 2011, the Minister of Energy and Infrastructure issued a directive (the "Directive") to the Board regarding electricity CDM targets to be met by licensed electricity distributor. The Directive required that the Board amend the licenses of distributors to add, as a condition of license, 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 the Lost Revenue Adjustment Mechanism Variance Account ("LRAMVA").

EPI proposes disposing of LRAMVA balances relating the CK and SMP rate zones, as well as LRAM relating to the SMP rate zone, as further discussed below.

Please see Attachment 4-T for a summary of the previous LRAM and LRAMVA approvals for EPI.

4.15.2 LRAM Claim for Pre-2011 Activities

EPI maintains four rate zones, based on the service territories of its predecessor company. These rate zones are as follows:

- Chatham-Kent ("CK") Rate Zone representing the territory of the former Chatham-Kent Hydro,
- SMP Rate Zone representing the former territory of Strathroy, Mount Brydges & Parkhill of the former Middlesex Power Distribution Company ("MPDC"),

- Dutton Rate Zone representing the territory of the former Dutton Hydro Inc., and
- Newbury Rate Zone representing the former Newbury Power Inc.

CK rate zone distribution rates were last rebased in its 2010 COS application (EB-2009-0261) using a multiple regression analysis based on data up to and including December 31, 2008. EPI is not requesting recovery of lost revenue resulting from any pre-2012 CDM activities or legacy programs.

SMP distribution rates were last rebased in based on the 2006 EDR methodology for rates effective May 1, 2006. As such, no prior CDM activity has been captured in base rates. Accordingly EPI seeks to continue with the LRAM disposition for SMP and has engaged IndEco Strategic Consulting Inc. ("IndEco") to prepare a third party LRAM review for the 2006 to 2010 program years, with persistence from January 1, 2014 to December 31, 2014. Please see Attachment 4-U for IndEco's report on SMP LRAM, which supports a disposition in the amount of $16,704.64 (inclusive of carrying charge to April 30, 2016. EPI considers this amount to be of sufficient significant to propose disposition, and confirms that the LRAM amounts being proposed for disposition have never been included in past claims. The proposed LRAM disposition is based on final verified OPA results.

Subsequent to the acquisition of Dutton and Newbury in 2009, EPI launched the full roster of OPA conservation programs for these communities. EPI has determined that LRAM for the Dutton and Newbury rate zones are not significant at the time. Accordingly, EPI does not propose LRAM claims for these rate zones in the Application.

4.15.3 LRAMVA CLAIM

As noted above, EPI maintains four rate zones, based on the service territories of its predecessor company.

CK rate zone distribution rates were last rebased in its 2010 COS application (EB-2009-0261) using a multiple regression analysis based on data up to and including December 31, 2008. EPI confirms that this load forecast did not include CDM impacts related to 2011 to 2014 CDM programs. Accordingly, EPI has engaged IndEco for the purposes of providing a third party LRAMVA review for the 2011, 2012, 2013 and 2014 program years, with persistence from January 1, 2014 to December 31, 2014. Please refer to

Attachment 4-V for IndEco's report on CK LRAMVA, which provides support for a claim in the amount of $197,460.78 (inclusive of carrying charges to April 30, 2016). EPI considers this amount to be of sufficient significance to propose disposition and confirms that the LRAMVA amounts being proposed for disposition to have never been included in past claims. The proposed LRAMVA disposition is based on the draft final results provided by the IESO on July 31, 2015.

SMP distribution rates were last rebased in 2006. As such, no prior CDM activity has been captured in base rates. Accordingly, EPI as engaged IndEco for the purpose of providing a third party LRAMVA review for 2011, 2012, 2013 and 2014 program years with persistence from January 1, 2014 to December 31, 2014. Please refer to Attachment 4-W for IndEco's report on SMP LRAMVA, which provides support for a claim in the amount of $26,637.93 (inclusive of carrying charges to April 30, 2016. EPI considers this amount to be of sufficient significance to propose disposition and confirms that the LRAMVA amounts being proposed for disposition to have never been included in past claims. The proposed LRAMVA disposition is based on the draft final results provided by the IESO on July 31, 201.

Subsequent to the acquisition of Dutton and Newbury in 2009, EPI launched the full roster of OPA conservation programs for these communities. EPI has determined that LRAMVA for the Dutton and Newbury rate zones are not significant at the time. Accordingly, EPI does not propose LRAMVA claims for these rate zones in the Application.

Details of EPI's LRAM and LRAMVA calculations and supporting evidence can be found in the third party reports prepared by IndEco and provided as Attachment 4-U, 4-V and 4-W. Information provided in the IndEco reports include the CDM programs/initiatives applicable to each rate class as well as the energy savings (kWh) and peak demand (kW) assigned to each program/initiative.

Table 4-55 below provides a summary of LRAM and LRAMVA by rate class that EPI is seeking recovery for in this Application.

Table 4-55: 2016 LRAM and LRAMVA Claims

Line No.	Rate Class	CK LRAMVA	SMP LRAMVA	SMP LRAM	Balance
1	Residential	$34,608.65	$14,665.64	$11,976.17	$61,250.46
2	General Service <50	$63,436.92	$3,773.34	$4,116.08	$71,326.34
3	General Service >50	$72,048.70	$8,133.28	$612.39	$80,794.37
4	Large Use	$27,366.51	$52.89		$27,419.40
5	Unmetered Scattered Load Connections				$0.00
6	Sentinel Lighting Connections				$0.00
7	Street Lighting Connections		$12.78		$12.78
8	Embedded Distributor				$0.00
9	**Total**	**$197,460.78**	**$26,637.93**	**$16,704.64**	**$240,803.34**

4.15.4 Disposition of LRAM and LRAMVA Accounts

EPI requests recovery of the LRAM and LRAMVA amounts by way of volumetric rate riders over a one year period, effective May 1, 2016. Please see Exhibit 9, Section 9.5.1 and Section 9.7.3 for more details of the proposed rate riders.

ATTACHMENT 4-A

Summary of Recoverable

OM&A Expenses

Board Appendix 2-JA

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Appendix 2-JA
Summary of Recoverable OM&A Expenses

	Last Rebasing Year (2010 Board-Approved Proxy)	Last Rebasing Year (2010 Actuals)	2011 Actuals	2012 Actuals	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
Reporting Basis	**CGAAP**	**CGAAP**	**CGAAP**	**CGAAP**	**Revised CGAAP**	**MIFRS**	**MIFRS**	**MIFRS**
Operations	$ 1,030,910	$ 1,250,882	$ 757,446	$ 839,162	$ 861,704	$ 1,124,883	$ 1,185,693	$ 1,253,984
Maintenance	$ 1,350,328	$ 1,093,271	$ 1,186,294	$ 1,295,691	$ 1,548,905	$ 1,553,373	$ 1,798,467	$ 1,801,456
SubTotal	**$ 2,381,238**	**$ 2,344,153**	**$ 1,943,740**	**$ 2,134,854**	**$ 2,410,609**	**$ 2,678,256**	**$ 2,984,160**	**$ 3,055,440**
%Change (year over year)			-17.1%	9.8%	12.9%	11.1%	11.4%	2.4%
%Change (Test Year vs Last Rebasing Year - Actual)								30.3%
Billing and Collecting	$ 2,291,758	$ 2,277,442	$ 2,479,445	$ 2,350,234	$ 2,374,599	$ 2,395,319	$ 2,396,273	$ 2,476,279
Community Relations	$ 69,211	$ 78,441	$ 82,205	$ 94,393	$ 129,444	$ 194,133	$ 192,812	$ 237,844
Administrative and General	$ 3,154,043	$ 3,179,487	$ 3,384,982	$ 3,501,901	$ 3,533,725	$ 3,691,657	$ 3,498,700	$ 3,726,251
SubTotal	**$ 5,515,013**	**$ 5,535,370**	**$ 5,946,632**	**$ 5,946,528**	**$ 6,037,768**	**$ 6,281,109**	**$ 6,087,785**	**$ 6,440,373**
%Change (year over year)			7.4%	0.0%	1.5%	4.0%	-3.1%	5.8%
%Change (Test Year vs Last Rebasing Year - Actual)								16.3%
Total	**$ 7,896,250**	**$ 7,879,523**	**$ 7,890,372**	**$ 8,081,382**	**$ 8,448,377**	**$ 8,959,365**	**$ 9,071,945**	**$ 9,495,813**
%Change (year over year)			0.1%	2.4%	4.5%	6.0%	1.3%	4.7%

	Last Rebasing Year (2010 Board-Approved Proxy)	Last Rebasing Year (2010 Actuals)	2011 Actuals	2012 Actuals	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
Operations	$ 1,030,910	$ 1,250,882	$ 757,446	$ 839,162	$ 861,704	$ 1,124,883	$ 1,185,693	$ 1,253,984
Maintenance	$ 1,350,328	$ 1,093,271	$ 1,186,294	$ 1,295,691	$ 1,548,905	$ 1,553,373	$ 1,798,467	$ 1,801,456
Billing and Collecting	$ 2,291,758	$ 2,277,442	$ 2,479,445	$ 2,350,234	$ 2,374,599	$ 2,395,319	$ 2,396,273	$ 2,476,279
Community Relations	$ 69,211	$ 78,441	$ 82,205	$ 94,393	$ 129,444	$ 194,133	$ 192,812	$ 237,844
Administrative and General	$ 3,154,043	$ 3,179,487	$ 3,384,982	$ 3,501,901	$ 3,533,725	$ 3,691,657	$ 3,498,700	$ 3,726,251
Total	**$ 7,896,250**	**$ 7,879,523**	**$ 7,890,372**	**$ 8,081,382**	**$ 8,448,377**	**$ 8,959,365**	**$ 9,071,945**	**$ 9,495,813**
%Change (year over year)			0.1%	2.4%	4.5%	6.0%	1.3%	4.7%

	Last Rebasing Year (2010 Board-Approved Proxy)	Last Rebasing Year (2010 Actuals)	Variance 2010 BA Proxy – 2010 Actuals	2011 Actuals	Variance 2011 Actuals vs. 2010 Actuals	2012 Actuals	Variance 2012 Actuals vs. 2011 Actuals	2013 Actuals	Variance 2013 Actuals vs. 2012 Actuals	2014 Actuals	Variance 2014 Actuals vs. 2013 Actuals	2015 Bridge Year	Variance 2015 Bridge vs. 2014 Actuals	2016 Test Year	Variance 2016 Test vs. 2015 Bridge
Operations	$ 1,030,910	$ 1,250,882	$ (219,972)	$ 757,446	$ (493,436)	$ 839,162	$ 81,716	$ 861,704	$ 22,542	$ 1,124,883	$ 263,179	$ 1,185,693	$ 60,810	$ 1,253,984	$ 68,291
Maintenance	$ 1,350,328	$ 1,093,271	$ 257,056	$ 1,186,294	$ 93,023	$ 1,295,691	$ 109,398	$ 1,548,905	$ 253,214	$ 1,553,373	$ 4,468	$ 1,798,467	$ 245,094	$ 1,801,456	$ 2,990
Billing and Collecting	$ 2,291,758	$ 2,277,442	$ 14,317	$ 2,479,445	$ 202,004	$ 2,350,234	$ (129,211)	$ 2,374,599	$ 24,365	$ 2,395,319	$ 20,720	$ 2,396,273	$ 954	$ 2,476,279	$ 80,005
Community Relations	$ 69,211	$ 78,441	$ (9,230)	$ 82,205	$ 3,763	$ 94,393	$ 12,188	$ 129,444	$ 35,051	$ 194,133	$ 64,689	$ 192,812	$ (1,320)	$ 237,844	$ 45,032
Administrative and General	$ 3,154,043	$ 3,179,487	$ (25,444)	$ 3,384,982	$ 205,495	$ 3,501,901	$ 116,919	$ 3,533,725	$ 31,824	$ 3,691,657	$ 157,932	$ 3,498,700	$ (192,957)	$ 3,726,251	$ 227,551
Total OM&A Expenses	$ 7,896,250	$ 7,879,523	$ 16,727	$ 7,890,372	$ 10,849	$ 8,081,382	$ 191,010	$ 8,448,377	$ 366,995	$ 8,959,365	$ 510,988	$ 9,071,945	$ 112,580	$ 9,495,813	$ 423,868
Adjustments for Total non-recoverable items (from Appendices 2-JA and 2-JB)															
Total Recoverable OM&A Expenses	$ 7,896,250	$ 7,879,523	$ 16,727	$ 7,890,372	$ 10,849	$ 8,081,382	$ 191,010	$ 8,448,377	$ 366,995	$ 8,959,365	$ 510,988	$ 9,071,945	$ 112,580	$ 9,495,813	$ 423,868
Variance from previous year				$ 10,849		$ 191,010		$ 366,995		$ 510,988		$ 112,580		$ 423,868	
Percent change (year over year)				0.1%		2.4%		4.5%		6.0%		1.3%		4.7%	
Percent Change: Test year vs. Most Current Actual										5.99%					
Simple average of % variance for all years										20.51%					3%
Compound Annual Growth Rate for all years															3.2%
Compound Growth Rate (2014 Actuals vs. 2010 Actuals)										3.26%					

ATTACHMENT 4-B

Recoverable OM&A

Cost Driver Table

Board Appendix 2-JB

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Appendix 2-JB
Recoverable OM&A Cost Driver Table

OM&A	Last Rebasing Year (2010 Actuals)	2011 Actuals	2012 Actuals	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
Reporting Basis	CGAAP	CGAAP	CGAAP	Revised CGAAP	MIFRS	MIFRS	MIFRS
Opening Balance	$ 7,896,250	$ 7,879,523	$ 7,890,372	$ 8,081,382	$ 8,448,377	$ 8,959,365	$ 9,071,945
Salaries, Wages and Benefits							
Change in Operating Portion of Salaries, Wages and Benefits	($429,081)	$353,312	$221,402	$153,375	($34,748)	$101,152	$171,115
Change in Operating Portion of Employee Future Benefits	($49,354)	$2,824	($417)	($62,341)	$35,647	$25,134	($1,073)
Customer Focus							
Community Relations - Website, Social Media				$14,246	$55,225	($73,975)	$39,523
Customer Service - My Account Upgrades, Outage Management System							$90,000
Industry Focus							
Smart Meter Disposition - 2010	$423,820	($423,820)					
Final Smart Meter Disposition - 2012			$107,662	($107,662)			
Impact of IFRS Capitalization Changes on OM&A (net of salary changes included above)				$197,658	$181,504		
Preventative Maintenance				$37,089	($6,075)	$79,583	
Smart Meter Maintenance and Re-Verification					$114,942	$11,890	
Operational Effectiveness & Power Quality							
Change in Preventative Vegetation Management		$41,412	($58,309)	$42,586	$65,836	$7,135	($10,635)
Additional Engineering Software Licensing to Support DSP Updates							$100,000
Miscellaneous							
Change in Bad Debt Expense	$10,061	($89,034)	$13,550	($30,048)	$90,878	$95	($993)
Inflation on Non-Labour Items	$55,601	$51,149	$78,083	$61,353	$76,955	$72,612	$76,656
Decreases in License Fees and Software Licensing			($43,330)				
Decrease in Administrative Costs			($38,905)			($79,450)	
Other immaterial items	($27,774)	$75,006	($88,726)	$60,740	($69,176)	($31,594)	($40,725)
Closing Balance	**$7,879,523**	**$7,890,372**	**$8,081,382**	**$8,448,377**	**$8,959,365**	**$9,071,945**	**$9,495,813**

Notes:

1 For each year, a detailed explanation for each cost driver and associated amount is requied in Exhibit 4.

2 For purposes of assessing incremental cost drivers, the closing balance for each year becomes the opening balance for the next year.

3 If it has been more than three years since the applicant last filed a cost of service application, additional years of historical actuals should be incorporated into the table, as necessary, to go back to the last cost of service application. If the applicant last filed a cost of service application less than three years ago, a minimum of three years of actual information is required.

4 Opening Balance for "Last Rebasing Year" (cell B15) should be equal to the Board-Approved amount.

ATTACHMENT 4-C

Recoverable OM&A

Cost per Customer and per FTE

Board Appendix 2-L

Appendix 2-L

Recoverable OM&A Cost per Customer and per FTE [1]

	Last Rebasing Year - 2010- Board Approved Proxy	Last Rebasing Year - 2010- Actual	2011 Actuals	2012 Actuals	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	Revised CGAAP	MIFRS	MIFRS	MIFRS
Number of Customers [2,4]	40,612	40,589	40,759	40,871	41,135	41,242	41,401	41,558
Total Recoverable OM&A from Appendix 2-JB	$ 7,896,250	$ 7,879,523	$ 7,890,372	$ 8,081,382	$ 8,448,377	$ 8,959,365	$ 9,071,945	$ 9,495,813
OM&A cost per customer	$ 194.43	$ 194.13	$ 193.59	$ 197.73	$ 205.38	$ 217.24	$ 219.12	$ 228.50
Number of FTEs [3,4]	80.1	73.3	77.2	74	71.2	72	74.1	77.1
Customers/FTEs	507.02	553.74	527.97	552.31	577.74	572.81	558.72	539.01
OM&A Cost per FTE	$ 98,579.90	$ 107,496.91	$ 102,206.89	$ 109,207.87	$ 118,656.98	$ 124,435.63	$ 122,428.41	$ 123,162.30

Notes:

1 If it has been more than three years since the applicant last filed a cost of service application, additional years of historical actuals should be incorporated into the table, as necessary, to go back to the last cost of service application. If the applicant last filed a cost of service application less than three years ago, a minimum of three years of actual information is required.

2 The method of calculating the number of customers must be identified.

3 The method of calculating the number of FTEs must be identified. See also Appendix 2-K

4 The number of customers and the number of FTEs should correspond to mid-year or average of January 1 and December 31 figures.

ATTACHMENT 4-D

OM&A Programs Tables

Board Appendix 2-JC

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Appendix 2-JC
OM&A Programs Table

Programs	Last Rebasing Year (2010 Board-Approved)	Last Rebasing Year (2010 Actuals)	2011 Actuals	2012 Actuals	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year	Variance (Test Year vs. 2014 Actuals)	Variance (Test Year vs. Last Rebasing Year (2010 Board-
Reporting Basis	**CGAAP**	**CGAAP**	**CGAAP**	**CGAAP**	**Revised CGAAP**	**MIFRS**	**MIFRS**	**MIFRS**		
Administration										
General Building Expenses	446,018	465,598	505,323	512,057	532,718	575,205	528,470	529,559	(45,646)	83,541
Insurance	146,965	73,247	100,946	125,857	95,721	98,652	96,641	98,723	71	(48,242)
Office Supplies	170,205	119,024	101,385	87,986	133,397	160,569	154,642	161,658	1,088	(8,548)
Audit, Legal and Consulting	244,669	318,084	333,704	391,977	272,769	291,747	230,233	252,373	(39,373)	7,704
Regulatory Affairs	250,845	226,500	263,857	248,098	221,607	216,308	285,146	276,505	60,197	25,660
Administrative & Human Resource Expenses	1,893,223	1,975,552	2,029,767	2,010,757	2,182,809	2,172,620	2,101,569	2,305,432	132,812	412,209
Sub-Total	3,151,925	3,178,006	3,334,982	3,376,732	3,439,022	3,515,101	3,396,700	3,624,251	109,149	472,326
Community Relations										
Community Relations	57,362	72,696	82,205	94,393	129,444	194,133	192,812	237,844	43,711	180,482
Sub-Total	57,362	72,696	82,205	94,393	129,444	194,133	192,812	237,844	43,711	180,482
Customer Service										
Bad Debt	242,602	252,663	163,629	177,179	147,130	238,008	238,103	237,110	(898)	(5,493)
Customer Service & Billings	1,403,469	1,412,063	1,644,961	1,663,780	1,753,832	1,746,852	1,745,498	1,828,643	81,791	425,174
Customer Collections	659,654	619,942	722,073	593,391	575,445	589,023	514,672	512,525	(76,498)	(147,129)
Sub-Total	2,305,726	2,284,668	2,530,663	2,434,350	2,476,407	2,573,883	2,498,273	2,578,279	4,395	272,553
Maintenance										
Emergency Response	132,954	106,080	125,138	146,439	79,291	129,037	148,869	120,621	(8,416)	(12,333)
Field Service Maintenance	92,478	87,721	87,944	89,824	53,959	70,962	93,937	67,931	(3,031)	(24,547)
Meter Maintenance	33,649	102,466	161,135	222,788	143,502	295,018	370,293	290,840	(4,178)	257,191
Minor System Repairs	139,344	90,163	95,519	102,724	59,916	98,777	129,096	155,710	56,933	16,366
Overhead / Underground Maintenance	389,264	332,028	275,152	331,908	401,627	407,641	449,950	532,175	124,534	142,911
Station Maintenance	181,611	120,559	120,948	153,682	124,298	116,063	115,270	116,655	592	(64,957)
Vegetation Control	191,234	225,666	244,159	173,776	196,485	301,545	326,958	316,075	14,530	124,841
Transformer Maintenance	189,794	28,588	75,081	70,510	175,802	132,322	139,043	201,450	69,129	11,657
Sub-Total	1,350,328	1,093,271	1,185,076	1,291,651	1,234,879	1,551,365	1,773,417	1,801,456	250,092	451,129
Operations										
Cable Locates	135,446	124,281	158,762	159,145	129,614	154,195	144,816	123,200	(30,996)	(12,247)
Power Quality	41,194	15,011	15,029	21,376	9,940	25,600	9,267	143,576	117,976	102,381
Meter Operations	373,166	592,140	139,776	253,556	211,417	235,465	244,952	287,846	52,381	(85,320)
Operations Management	105,021	181,052	152,260	233,700	611,850	430,258	460,256	362,842	(67,416)	257,822
Overhead Operations	164,288	124,328	113,326	76,255	57,761	70,510	154,198	156,500	85,989	(7,789)
Station Operations	117,687	97,785	66,341	74,750	92,948	67,778	48,161	55,075	(12,702)	(62,612)
Transformer Operations	59,597	39,814	31,207	2,252	890	6,590	2,717	2,706	(3,884)	(56,891)
Underground Operations	34,511	76,470	80,747	63,225	54,205	134,488	146,375	122,239	(12,249)	87,729
Sub-Total	1,030,910	1,250,882	757,446	884,257	1,168,625	1,124,883	1,210,743	1,253,984	129,100	223,074
Total	**7,896,250**	**7,879,523**	**7,890,372**	**8,081,382**	**8,448,377**	**8,959,365**	**9,071,945**	**9,495,813**	**536,448**	**1,599,563**

Notes:

1 Please provide a breakdown of the major components of each OM&A Program undertaken in each year. Please ensure that all Programs below the materiality threshold are included in the miscellaneous line. Add more Programs as required.

2 The applicant should group projects appropriately and avoid presentations that result in classification of significant components of the OM&A budget in the miscellaneous category

ATTACHMENT 4-E.1

EPI Employee Benefit Booklet

Non-Union Employees

The MEARIE Group
Employee Benefit Program

Employee Benefit Booklet

ENTEGRUS
Non-Union Employees

Prepared: December 2012

Notice of Disclaimer

This handbook has been prepared to help you better understand the coverage provided under your employee benefit program. This handbook is not an agreement and it does not create nor confer any contractual or other rights.

The terms and conditions governing your benefit plans are set out in the official contracts between the insurers, your employer and MEARIE Management Inc.

Every effort has been made to ensure that the information in this handbook is accurate. However, if any question should arise, a decision will be made by reference to the official plan contracts and texts.

This handbook has been designed to help you understand and get the most out of your benefits. It gives you most of the information you will generally require regarding your benefits. Separate sections for each benefit plan allow you quick access to the benefit information you want when you want it.

Please keep this handbook in a safe place. If changes are made to your benefits, replacement pages will be provided to you for insertion in this handbook.

*Your health, dental, disability and life plans are insured through **Great-West Life Assurance Company**, while your accident plan is insured through **Chartis Insurance Company of Canada**.*

Need help?

Any questions you have about your benefit program may be referred to your Benefits Administrator or by contacting the plan administrator, The MEARIE Group, at 1-800-668-9979, extension 5330.

For quick and easy access to information about your group benefits, claim forms, and claim payments, you may also visit the Great-West Life website at www.greatwestlife.com.

General Information

Enrolling In the Benefit Program

Who Can Enroll

If you are an active permanent full-time non-union employee under the age of 65, you are first eligible to enroll in the benefit program on the date you complete three (3) months of continuous service with your employer.

Your dependents, as defined below, are also eligible for coverage under the dependents' optional life insurance, extended health care and dental care plans. Eligible dependents include your:

Spouse

- the person who you are legally married to, or
- a person who continuously resides with you in a role like that of a marriage partner for at least 12 months.

Dependent Children

Dependent children include your natural or legally adopted children, or step-children who:

- are unmarried,
- are not employed on a full-time basis,
- are not eligible for insurance as an employee under this plan or any other group plan, and
- are under 21 years of age, or, if in full-time attendance at an accredited school, college or university, are under 25 years of age.

A child insured under this plan, who is incapacitated due to a mental or physical handicap on the date he reaches the age when he would otherwise no longer be eligible for coverage, will continue to be an eligible dependent subject to written proof of the dependent's condition. A child is considered incapacitated if he is incapable of engaging in any substantially gainful activity and is dependent on you for support, maintenance and care, due to a mental or physical handicap.

A stepchild must be living with you to be an eligible dependent.

General Information

When Coverage Starts

Coverage for you and your eligible dependents commences on the date you first become eligible to enroll. If you are not actively at work on the date your coverage would normally begin, your coverage will not start until you return to active full-time work.

Changing Your Coverage

There are times when you may need to change your coverage under the dependents' optional life insurance, extended health care and/or dental care plans, either reducing or adding coverage as appropriate. This may be necessary if:

- you acquire a new spouse or dependent child,,
- you separate or divorce,
- your spouse or dependent child dies,
- your child no longer qualifies as an eligible dependent, or
- you acquire or lose similar benefits through your spouse's plan.

In all cases, contact your Plan Administrator who will help you make the necessary changes to your coverage.

General Information

When Coverage Terminates
Coverage for you and your dependents will end on:

- the date your employment ends,
- the date you or your dependents cease to qualify for coverage based on the plan's eligibility requirements,
- the date you enter an armed service on full-time duty,
- the date your employer receives a written request from you to terminate the insurance, where permitted,
- the date you fail to make any required premium contribution,
- the last day of the month in which you attain age 65,
- the date your spouse attains age 65 (applies to Spouse’s Optional Life Insurance),
- the date you retire (with the exception of Retirement Life Insurance coverage, and Extended Health and Dental benefits for Early Retirees – refer to the next sub-section, *When You Retire*, for eligibility requirements), or
- the date the group plan is cancelled.

If you are not actively at work due to **Maternity or Parental Leave of Absence**, coverage may be continued for the period of leave to which you are entitled by legislation provided premiums continue to be paid on your behalf. If you do not intend to continue your coverage during this period, where permitted by law, you must inform your employer in writing on or before the date your leave begins. In this case, coverage for you and your dependents will not be reinstated until you return to active full-time work.

Coverage for you and your dependents will cease on the date you are not actively at work due to **lay-off, leave of absence (other than maternity or parental leave), strike or lock-out**.

General Information

If you are not actively at work due to **illness or injury**:

- your life, accident and disability coverage will continue in accordance with the "Waiver of Premium" provisions described in the applicable sections of this handbook, and
- extended health care and dental care coverage for you and your dependents will continue until your employer terminates such coverage, provided premiums continue to be paid on your behalf and this plan remains in force.

When You Retire
Coverage for you and your dependents will stop on the date you retire. *However*, if you retire prior to your 65th birthday and qualify to receive an early pension through OMERS, your dental and extended health coverage will be continued until the last day of the month in which you reach age 65.

If you retire under an Early Retirement or Normal Retirement pension through OMERS, you will qualify to receive a paid-up life insurance policy upon your retirement. Coverage details are provided in the Basic Life Insurance section of this handbook.

Dental Care

Your dental care plan has been developed to help you and your family maintain good dental health.

How The Plan Works

Reimbursement of eligible dental services and supplies is based on the fees recommended in the **prior year's** Ontario Dental Association Fee Guide for General Practitioners.

There is no dental care deductible.

What Is Covered

Reasonable Treatment

All services and supplies covered under this plan must represent reasonable treatment. Treatment is considered reasonable if it is:

- *recognized by the Canadian Dental Association,*
- *proven to be effective,*
- *performed by a dentist or under a dentist's supervision, or performed by a denturist, and,*
- *of a form, frequency, and duration essential to the management of the person's dental health.*

Dental Care

The plan provides 100% reimbursement for the following basic dental services:

- complete oral examinations (once in any 24-month period),
- full mouth x-rays (once in any 24-month period),
- recall examinations (once in any 9-month period or once in any 6-month period for dependent children under age 19),
- bitewing x-rays (once in any 9-month period or once in any 6-month period for dependent children under age 19),
- routine diagnostic and laboratory procedures,
- one unit of light scaling and one unit of polishing, once in any 9-month period or once in any 6-month period for dependent children under age 19,
- fluoride treatment (once in any 9-month period or once in any 6-month period for dependent children under age 19),
- oral hygiene instruction (initial instruction plus re instruction),
- fillings (amalgam, silicate, acrylic, and composite), retentive pins, and pit and fissure sealants,
- surgical services (excluding implant surgery),
- consultation, anaesthesia, and conscious sedation,
- denture repairs, relines and rebases (minor adjustments are covered only after 3 months have elapsed from the date of insertion),
- injection of antibiotic drugs, when administered by a dentist in conjunction with dental surgery,
- periodontal services for treatment of gum disease and other supporting tissues of the teeth, including:
    1. scaling in excess of one unit, and root planing, up to a combined maximum of 16 units per calendar year;
    2. provisional splinting; and
    3. occlusal equilibration, up to a maximum of 8 units per calendar year, and
- endodontic services which include root canal therapy, root amputation, apexifications, and periapical services.

Dental Care

50% reimbursement is provided for the following removable prosthodontic services and supplies:

- initial provision of a full or partial removable denture, and
- replacement of a removable denture, provided the new denture is necessary due to one of the following:
    1. a natural tooth is extracted and the existing appliance cannot be made serviceable;
    2. the existing appliance is at least 5 years old and cannot be made serviceable; or
    3. the existing appliance is temporary and within 12 months of its installation it is replaced by a permanent denture. The total amount payable for both the temporary and permanent denture is the amount which would have been allowed for a permanent denture.

Dental Care

50% reimbursement is provided for the following fixed prosthodontic and major restorative services up to a maximum of $1,500 per person per calendar year:

- crowns, onlays and inlays (only when function is impaired due to cuspal or incisal angle damage caused by trauma or decay), including gold foil restorations (only when approved by the Insurance Company), metal transfers, telescoping and splinting,
- initial provision of fixed bridgework, and
- replacement of a fixed bridgework or addition of teeth to bridgework provided the replacement or addition is due to one of the following:
    1. a natural tooth is extracted and the existing appliance cannot be made serviceable;
    2. the existing appliance is at least 5 years old and cannot be made serviceable; or
    3. the existing appliance is temporary and, within 12 months of its installation, it is replaced by a permanent bridge. The total amount payable for both the temporary and permanent bridge is the amount which would have been allowed for a permanent bridge.

The plan provides 50% reimbursement of the following orthodontic services and supplies up to a lifetime maximum of $2,000 per person:

- space maintainers,
- correction of malocclusion of the teeth,
- observation and adjustment,
- appliances for tooth guidance and uncomplicated tooth movement,
- appliances to control harmful habits,
- retention appliances, and
- fixed or cemented, unilateral and bilateral appliances.

Maximum Benefit

No overall maximum benefit applies for basic or removable prosthodontic dental services. The maximum benefit payable for fixed prosthodontic and major restorative services is $1,500 per person per calendar year. Benefits for orthodontic services are limited to a lifetime maximum of $2,000 per person.

Dental Care

Pre-Treatment Estimate
Whenever the total cost of proposed dental treatment is expected to exceed $500, a treatment plan should be submitted to the Insurance Company in advance to determine how much of your proposed treatment will be covered by the plan. A treatment plan provides a written description of your dental needs, including x-rays; the proposed treatment necessary in the professional judgement of the dentist; and, the cost of the proposed treatment.

Note: *If, for any given dental condition, there are two or more courses of treatment covered under this plan which will produce professionally adequate results, the Insurance Company will pay benefits as if the least expensive course of treatment was used. The Insurance Company retains a professional dental consultant to determine the adequacy of the various courses of treatment available.*

Coordinating Benefits
If both you and your spouse are covered by employer benefit plans, your coverage may overlap; dental services covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the dental treatment makes the claim first — from their employer's plan. (If your child receives dental care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!

Dental Care

How To Claim Dental Benefits

1. Pick up a claim form from your Plan Administrator before you go to the dentist, or visit www.greatwestlife.com to get printed claim forms with your plan information already filled in.
2. Take the claim form with you to your appointment and ask the dentist to complete the dentist's portion of the claim form. If your dentist agrees to accept payment from the plan instead of directly from you, be sure the claim form shows that the refund should be made payable to the dentist.
3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy account number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance.)
4. Return your completed claim form for processing to Great-West Life, at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks. If you assign payment of the claim to your dentist, you will receive only a copy of the benefits being paid and the refund cheque will be sent directly to your dentist.

OR

Your dental office may file your claim electronically with Great-West Life. In order to process your claim, the information transmitted by the dental office must be complete, and include the same information required for a paper claim (i.e., your employer’s name, your policy number, your class code and certificate number).

Note: *Dental claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

Dental Care

What's Not Covered

Your dental care plan does not cover:

- services or treatment that are covered under any other plan, government plan or legally mandated program,
- dental care resulting from self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- dental care required as a result of committing or attempting to commit an assault or criminal offense,
- charges for broken appointments, third party examinations, travel to and from appointments, or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person,
- treatment rendered for a full mouth reconstruction, for a vertical dimension, or for a correction of temporomandibular joint dysfunction,
- cosmetic treatment, unless required due to an accidental injury which occurs while you or your dependent is insured under this plan,
- implants, or any services rendered in conjunction with implants,
- anti-snoring or sleep apnea devices,
- treatment which is not generally recognized by the dental profession as an effective, appropriate and essential form of treatment for the dental condition,
- replacement of removable appliances which are lost, mislaid or stolen, or
- laboratory fees which exceed the reasonable and customary charges, as determined by the Insurance Company.

Dental Care

Extended Benefit For Surviving Dependents

For Active Employees:
If you should die while insured under this plan, dental coverage will be continued, without payment of premiums, for your dependents who are insured under this plan at the time of your death for a period of up to 5 years, or earlier, if:

1. your dependent would otherwise cease to qualify as an eligible dependent,
2. your surviving spouse remarries,
3. similar coverage is obtained elsewhere, or
4. this plan terminates.

For Early Retirees:
If you should die while insured under this plan, dental coverage will be continued, subject to continued payment of premiums, for your dependents who are insured under this plan at the time of your death until the earliest of the following dates:

1. the date your coverage, if still living, would terminate due to attainment of your 65th birthday,
2. the date your dependent would otherwise cease to qualify as an eligible dependent,
3. the date your surviving spouse remarries,
4. similar coverage is obtained elsewhere, or
5. this plan terminates.

Extended Health Care

Under the extended health care plan, you and your family receive financial protection against major medical expenses which are not covered under your provincial health plan.

How The Plan Works
Your extended health care plan reimburses **100%** of the cost of medical services and supplies that are covered under the plan.

There is **no extended health care deductible.**

What Is Covered

Reasonable Treatment
All services and supplies covered under this plan must represent reasonable treatment of disease or injury. A disease is a physical or psychiatric disorder. Treatment is considered reasonable if it is:

- *accepted by the Canadian medical profession,*
- *proven to be effective, and*
- *of a form, intensity, frequency, and duration essential to diagnosis or management of the disease or injury.*

Hospital Care
Daily charges up to **semi-private or private** hospital confinement (incurred in Canada) in excess of the charges for standard Ward accommodation, provided:

a) the insured person was confined to hospital on an in-patient basis; and

b) the accommodation was specifically elected in writing by the insured person.

Note: *The plan does not cover charges for any portion of the cost of Ward accommodation, utilization or copayment fees (or similar charges).*

Convalescent Care: Charges for confinement in a licensed Convalescent Care Facility, in excess of the hospital's ward charge, for semi-private accommodation.

Chronic Care: Charges for confinement in a Chronic Care Facility which starts within 14 days of discharge from a Hospital confinement of at least 5 days, to a maximum of $3 per day for up to 120 days per calendar year. Chronic Care utilization fees are not covered expenses.

Extended Health Care

Prescription Drugs & Medicines — Direct Payment Plan

- drugs or medicines that are dispensed by a licensed pharmacist, and which by law or convention require the written prescription of a physician or dentist,
- life-sustaining drugs,
- injectable medications,
- oral contraceptives,
- preventive vaccines and medicines (oral or injected), and
- standard syringes, needles and diagnostic aids, if required for treating diabetes (cotton swabs, rubbing alcohol, automatic jet injectors and similar equipment are not covered).

Fertility Drugs are subject to a maximum of $15,000 per lifetime.

Anti-smoking Drugs and sexual Dysfunction Drugs are not covered.

The maximum amount for any covered expense is the price of the lowest cost generic equivalent product that can legally be used to fill the prescription, as listed in the Provincial Drug Benefit Formulary.

If there is no generic equivalent product for the prescribed Drug or medicine, the amount covered is the cost of the prescribed product.

Where a prescription contains a written direction from the Physician or dentist that the prescribed Drug or medicine is not to be substituted with another product, the full cost of the prescribed product is covered if it is a covered expense under this benefit.

Benefits will be paid directly to the dispensing pharmacist, provided the pharmacist is enrolled in the pay-direct drug plan — simply present your drug card to the pharmacist. You will be required to pay any deductible, where applicable.

Note: *The maximum quantity of Drugs or medicines that will be payable for each prescription will be limited to the lesser of the quantity prescribed by the Physician or Dentist; or, a 34-day supply. A 100-day supply will be allowed in long-term therapy cases, when deemed appropriate by the pharmacist. The plan does not cover expenses for the administration of serums, vaccines, or injectable Drugs; or Drugs, biological and related preparations which are intended to be administered in Hospital on an in-patient or out-patient basis and are not intended for a patient's use at home.*

Extended Health Care

Professional Services

50% of the reasonable and customary charges for the services of a licensed **chiropractor,** to a maximum of $300 per calendar year. X-rays are covered at 50% up to a maximum of $50 per calendar year.

100% of the reasonable and customary charges for the services of a licensed **physiotherapist or sports therapist,** to a maximum of $500 per calendar year, when recommended in writing by the attending physician.

50% of the reasonable and customary charges for the services of a licensed **podiatrist,** to a maximum of $300 per calendar year.

50% of the reasonable and customary charges for the services of a licensed **clinical psychologist,** to a maximum of $420 per calendar year.

50% of the reasonable and customary charges for the services of a licensed **speech therapist,** to a maximum of $260 per calendar year, when recommended in writing by the attending physician.

50% of the reasonable and customary charges for the services of a registered **masseur,** to a maximum of $300 per calendar year, when recommended in writing by the attending physician.

50% of the reasonable and customary charges for the services of a licensed **naturopath,** to a maximum of $300 per calendar year.

50% of the reasonable and customary charges for the services of a licensed **osteopath,** to a maximum of $300 per calendar year.

50% of the reasonable and customary charges for the services of a licensed **dietician,** to a maximum of $280 per calendar year, when recommended in writing by the attending physician.

Extended Health Care

Vision Care
The following vision care services are covered when prescribed by an ophthalmologist, optometrist, or oculist:

- eye examinations, including refractions, limited to once per calendar year.
- purchase and fitting of prescription glasses or elective contact lenses, or elective laser vision correction procedures, to a maximum of **$275*** every 24 consecutive months (charges for repairs are also included under this maximum), and
- visual training, to a maximum of $200 per lifetime.

Effective January 1, 2014, purchase and fitting of prescription glasses, laser eye surgery or elective contact lenses, to a maximum of ***$300**** every 24 consecutive months.*

Medical Services & Supplies
For all medical equipment and supplies covered under this plan under the following provisions, eligible covered expenses will be limited to the cost of the device or item that adequately meets the patient's fundamental medical needs.

Private Duty Nursing
Private duty nursing services (other than for custodial care, homemaking services and supervision — deemed to be within the practice of nursing) provided in the patient's home by a Registered Nurse (R.N.), Registered Nursing Assistant (R.N.A.), who is not a relative, friend or member of the patient's household, to a maximum of ninety 8-hour shifts per calendar year.

Note: *It is recommended that a detailed treatment plan must be submitted before private duty nursing services begin. The Insurance Company will then advise you of any benefits that are payable under the plan.*

Extended Health Care

Rental of Major Medical Equipment

Rental of (or, at the Insurance Company's option, purchase of):

- *Mobility Equipment:* crutches, canes, walkers and standard wheelchairs; and
- *Durable Medical Equipment: manual hospital beds, respiratory and oxygen equipment, and other durable medical equipment usually found only in hospitals.*

Non-Dental Prostheses, Supports & Hearing Aids

- external prostheses (note: limited to 80% reimbursement for myoelectric prostheses),
- braces (other than foot braces), trusses, collars, leg orthosis, casts and splints,
- stock-item orthopaedic shoes and modifications or adjustments to stock-item orthopaedic shoes or regular footwear when recommended by a physician or podiatrist, limited to 2 pairs per calendar year,
- custom-made orthopaedic shoes which are constructed by a Certified Orthopaedic Footwear Specialist (C.F.S.O.) and are required because of a medical abnormality that, based on medical evidence, cannot be accommodated in a stock-item orthopaedic shoe or a modified stock-item orthopaedic shoe, limited to 1 pair per calendar year,
- casted, custom-made orthotics which are recommended by a physician or podiatrist, up to two pairs per calendar year, limited to a maximum of $225 per pair per calendar year,
- hearing aids (including charges for installation, repair, maintenance and batteries), to a maximum of $500 every 5 calendar years,
- surgical stockings, to a maximum of 4 pairs per calendar year,
- surgical brassieres, to a maximum of 4 per calendar year, and
- wigs and hairpieces, required as a result of a temporary hair loss due to medical treatment, limited to $250 per lifetime.

Extended Health Care

Other Supplies

- ileostomy, colostomy and incontinence supplies,
- oxygen, and
- medicated dressings and burn garments.

Diagnostic Procedures

Microscopic and other similar diagnostic tests and services.

Ambulance

Licensed ambulance service provided in the insured person's province of residence, including air ambulance, to and from the nearest hospital where adequate treatment is available.

Accidental Dental Treatment

Services of a dentist for the treatment of damage to natural teeth or the jaw resulting from an external, accidental blow to the mouth which occurs while insured under this plan. The treatment must be received and approved for payment within 12 months of the accident. Injuries due to biting or chewing are *not* covered.

Extended Health Care

Emergency Out-of-Province or Out-of-Country Coverage
The insured person must be eligible for benefits under a government health plan in Canada to qualify for emergency out-of-province/country coverage or Travel Assistance coverage.

The insurer will cover the first 60 days of a trip.

Eligible medical services and supplies are covered under this plan for treatment given outside the patient's province of residence if required to provide treatment as a result of a **medical emergency** arising while temporarily outside the home province (including outside Canada), on business or vacation. (The person receiving the treatment must also be covered by the provincial health plan during the absence from Canada).

A **medical emergency** is a sudden, unexpected injury which occurs, or an unforeseen illness which begins, during the absence from the patient's home province and which requires immediate medical attention. The plan will not cover emergency treatment while travelling for health reasons.

Travelling outside Canada while pregnant: This plan will not cover any pregnancy related costs which are incurred outside of Canada within nine weeks of the expected delivery date. Costs associated with a child born outside Canada within nine weeks of the expected delivery date, or after the expected delivery date, are not covered.

Temporarily outside the home province means a trip lasting 60 days or less. If a trip lasts longer than 60 days, no part of the trip will be covered, including the first 60 days. This 60 days includes the date of departure and the date of return.

Extended Health Care

The plan will pay up to $1,000,000 for each insured person for all the covered costs related to any one medical emergency. When emergency treatment for a condition is completed, any ongoing treatment related to that condition is not covered.

When used under this emergency out-of-province/country section, hospital means a facility licensed to provide emergency treatment for sick or injured patients. It must have facilities for diagnosis and treatment. Physicians and registered nurses must be in attendance 24 hours a day. It does not include nursing homes, homes for the aged, rest homes, convalescent care facilities or any facility that provides similar care.

The plan will cover the charges for emergency treatment that are over the amount covered by the provincial health plan of the insured person's home province. This coverage includes the cost of:

- Hospital room and board at standard Ward rates
- Hospital services and supplies, and
- treatment by licensed physicians

In emergency out-of-province/country situations, other charges included under the Extended Health Care coverage section of this plan are covered to the same extent that they would be in Canada. This includes coverage such as wheelchair rental, crutches and prescription drugs.

In the event of a medical emergency, you or someone acting on your behalf must contact the Travel Assistance Centre prior to seeking medical treatment. If it is not reasonably possible for you to contact the Travel Assistance Centre prior to seeking medical treatment due to the nature of the medical emergency, you must contact the Travel Assistance Centre as soon as possible. Failure to contact the Travel Assistance Centre as described will result in a reduction of benefits in the case of hospitalization of 40% of eligible costs. All costs for such emergency will be limited to your emergency out-of-province/country coverage and Travel Assistance coverage maximum or $25,000, whichever is less.

If a physician or the Travel Assistance provider recommends you or your dependent be moved to a different facility at the destination, and you choose not to go, eligible costs for emergency coverage and Travel Assistance coverage will in the case of hospitalization be reduced by 40% of eligible costs. All costs for such emergency will be limited to your emergency out-of-province/country coverage and Travel Assistance coverage maximum or $25,000, whichever is less.

If a physician or the Travel Assistance provider recommends you or your dependent return to your home province, and you choose not to go, emergency coverage and Travel Assistance coverage will end.

Travel Assistance Plan

This plan provides travel assistance for you and your eligible dependents, while you are temporarily outside your province of residence (including outside of Canada) because of business or vacation, and not for health reasons. The assistance services are delivered through an international organization, specializing in travel assistance.

Temporarily outside the home province means and trip lasting 60 days or less. If a Trip lasts longer than 60 days, nor part of the trip will be covered, including the first 60 days. This 60 days includes the date of departure and the date of return.

Travelling outside Canada while pregnant: This plan will not cover any pregnancy related costs which are incurred outside of Canada within nine weeks of the expected delivery date. Costs associated with a child born outside Canada within nine weeks of the expected delivery date, or after the expected delivery date, are not covered.

The services under the Travel Assistance coverage include:

- multilingual assistance by telephone, 24 hours a day, 365 days a year, for the insured person or medical providers to obtain aid, assistance, and exchange information, in matters relating to the covered services,
- referrals to physicians or medical facilities, if necessary,
- arrangements for direct payment, wherever possible, for physicians' services, hospitalization and other insured services,
- communication with the physician who is treating the insured person to get an understanding of the situation and monitor the condition,
- telephone interpretation services in most major languages,
- the sending and receiving of urgent messages,
- medical evacuation home or transportation to another medical facility. For transportation home, payment will be made based on an economy fare ticket,
- arrangements for (including all necessary documents) and the cost of transporting the insured person's remains to their home, up to a maximum of $3,500,
- help to locate Embassy or Consulate services,

- help to locate lost documents or luggage.

Extended Health Care

The Travel Assistance benefit includes the following services, subject to prior approval of the charges:

- the cost of additional commercial accommodation required beyond the original return date, for a companion travelling with the insured person. This includes charges for accommodation, meals, telephone and taxi or rental cars, up to a maximum of $150 per day, not to exceed a total of $1,500,
- the cost of an economy fare ticket home, for a companion who is travelling with the insured person, and who has forfeited their ticket because of a delay caused by the insured person's illness, injury, or death,
- the cost of an economy fare ticket home for each child left alone because of the insured person's illness, injury, or death. The Travel Assistance provider will also arrange for a qualified attendant to accompany the children, if necessary,
- the cost of a round-trip economy fare ticket for a family member to visit an insured person who is travelling alone and must be hospitalized for more than 10 days,
- the cost of returning a vehicle to the insured person's home or the nearest rental agency, up to a maximum of $1,000.

The insurer is not legally responsible for the actions or advice of any physician or attorney that the insured person is referred to.

The Travel Assistance benefit does not cover medical emergencies in the home province.

Extended Health Care

How To Access The Travel Assistance Plan — Your Travel Assistance Card
Your travel assistance card lists the toll free numbers to call in case of an emergency while outside your province. The toll free number will put you in touch with the international travel assistance organization.

Your travel assistance card also lists your I.D. number and your group policy number, which the travel assistance organization needs to confirm that you are covered under the plan.

How to make an out-of-province/country claim
There are special rules for claiming the costs of emergency treatment outside of your home province or Canada.

For all medical expenses, the Travel Assistance provider must be contacted at the time of the emergency. This will enable the Travel Assistance provider to co-ordinate payment directly with the hospital and/or medical provider involved, providing the insured person gives approval to the Travel Assistance provider to co-ordinate payment with the Provincial Health Care plan.

If a medical provider or hospital bills you directly, send the bill along with your claim form to the Travel Assistance provider.

What is not covered for emergency out-of-province/country treatment and travel assistance

The insurer will not pay for any costs resulting directly or indirectly:

- from an accident occurring while you or your dependent was operating a vehicle, vessel or aircraft, if you or your dependent:
    1. were impaired by drugs or alcohol, or
    2. had a blood alcohol level higher than 80 milligrams of alcohol per 100 millilitres of blood
- from the abuse of illegal substances.

Extended Health Care

Maximum Benefit
The maximum dollar amount that is reimbursed for covered medical services and supplies received in Canada is unlimited. The maximum that is reimbursed for medical treatment received outside of Canada is $1,000,000 for the lifetime of each covered person.

Coordinating Benefits
If both you and your spouse are covered by employer benefit plans, your coverage may overlap; medical services and supplies covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the service or supply makes the claim first — from their employer's plan. (If your child receives medical care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!

Extended Health Care

How To Claim Extended Health Care Benefits

To claim benefits for medical services and supplies, *other than* drugs or medicines:

1. Save all your receipts for medical services and supplies, and any bills or receipts received for hospital care. Receipts and bills should show:
   - the patient's name,
   - the date the treatment or supply was provided,
   - the nature of the service or supply, and
   - an item-by-item list of the charges.
2. Pick up a claim form from your Plan Administrator or visit www.greatwestlife.com to get printed claim forms with your plan information already filled in.
3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance.)
4. Return your completed claim form, with original receipts attached, for processing to Great-West Life at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks.

Note: *Extended health care claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance under this plan terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

Extended Health Care

To claim benefits for drugs or medicines:

1. Present your drug card to the pharmacist when filling your prescription.
2. Provided the pharmacist is enrolled in the pay-direct drug plan, payment will be made directly to the pharmacist — you do not need to complete any claim forms or wait for the reimbursement.
3. You will be required to pay the deductible, where applicable, to the pharmacist.

Note: *If the prescription is not obtained through the use of your drug card, be sure to get a receipt from the pharmacist. To receive reimbursement of benefits payable, a claim form must be completed and sent to Great-West Life at the address shown on the claim form, along with your original receipts.*

What's Not Covered

Your extended health care plan does not cover any expense which is directly or indirectly related to:

- any illness or injury arising out of or in the course of employment when the person is covered by or is eligible for coverage by Workers' Compensation,
- any illness or injury for which benefits are payable under any government plan or legally mandated program,
- self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- the committing of or the attempt to commit an assault or criminal offense,
- charges for periodic check-ups, broken appointments, third party examinations, travel for health purposes or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all or which would have been reimbursed under a government-sponsored plan in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,

- charges for services or supplies which are required for recreation or sports, but which are not medically necessary for regular activities,
- charges which would have been payable by the provincial health plan had proper application been made,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person, or which are provided while confined in a Hospital on an in-patient basis, or
- medical treatment which is not usual and customary, or which is experimental or investigational in nature.

Extended Benefit For Surviving Dependents

For Active Employees:
If you should die while insured under this plan, extended health care coverage will be continued, without payment of premiums, for your dependents who are insured under this plan at the time of your death for a period of up to 5 years, or earlier, if:

1. your dependent would otherwise cease to qualify as an eligible dependent,
2. your surviving spouse remarries,
3. similar coverage is obtained elsewhere, or
4. this plan terminates.

Extended Health Care

For Early Retirees:

If you should die while insured under this plan, extended health care coverage will be continued, subject to continued payment of premiums, for your dependents who are insured under this plan at the time of your death until the earliest of the following dates:

1. the date your coverage, if still living, would terminate due to attainment of your 65th birthday,
2. the date your dependent would otherwise cease to qualify as an eligible dependent,
3. the date you surviving spouse remarries,
4. similar coverage is obtained elsewhere, or
5. this plan terminates.

Long Term Disability

Your long term disability plan has been developed to protect you against the financial impact of lost income, if a lengthy illness or injury keeps you from coming to work.

How The Plan Works

Benefits are payable under the long term disability plan after you have been totally and continuously disabled for a period of **180 calendar days.**

Benefits Provided

If you are totally disabled you will receive a monthly income benefit equal to **70% of your regular monthly earnings, to a maximum of $8,000 per month**.

> *To qualify for long term disability benefits you must be "totally disabled". During the first 24 months that you receive long term disability, this means that you are unable to do the essential duties of your normal job and are not otherwise employed. After this 24-month period, you will continue to qualify for long term disability benefits only if you are unable to work at any job for which you are reasonably suited by virtue of your education, training and experience.*

Any benefits you receive from the long term disability plan are taxable if your employer contributes, in whole or in part, towards the cost of providing the plan.

Benefits from the long term disability plan will stop if you:

- recover,
- attain age 65,
- are unable to provide written proof of your disability,
- are no longer under a physician's care,
- fail to undergo an examination by an independent doctor of the Insurance Company's choice,
- travel outside of Canada or the United States unless approved by the insurer, or
- in the event of your death.

Long Term Disability

Coordination With Other Disability Benefits
Long term disability benefits are reduced by the amount of income you receive or are entitled to receive as a result of the same disability from:

- Workers' Compensation or similar legislation (excluding any future cost of living adjustments),
- the Canada or Quebec Pension Plan (excluding any future cost of living adjustments or dependent benefits payable to you),
- any other federal, provincial or municipal government plan, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System, but not filed on your behalf, and
- any other group insurance plan, or any retirement or pension plan of the employer, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System.

The benefit you receive will be further reduced, if necessary, so that the total disability income you receive from this plan and any other source (other than income from a private source) does not exceed 85% of your pre-disability gross earnings.

Rehabilitation Benefit
The rehabilitation benefit is designed to help you through an adjustment period of up to 24 months while working part-time, in a reduced capacity or involved in a retraining program approved by the Insurance Company.

While you are participating in an approved rehabilitation program, your long term disability benefit will not be discontinued. However, your monthly long term disability benefit will be reduced by 50% of the compensation you receive from rehabilitative employment.

Long Term Disability

When Disability Recurs
If you recover from total disability, only to become disabled again, the second period of disability will be treated as a continuation of the first unless the second disability is unrelated to the first, or is separated from the first by more than six months.

Waiver of Premium
Premium payments are waived during any period in which you receive benefits from this plan. Long term disability benefits will continue in accordance with the terms of the policy regardless of whether or not this plan remains in effect or your other benefit coverages are subsequently terminated, provided your disability begins while your coverage under this plan is in force.

How To Claim Long Term Disability Benefits
Claim forms are available from your Plan Administrator. Early filing of claims is recommended. Forms should be completed and returned to your Plan Administrator after you have been disabled at least 30 days and do not expect to return to work before the *Elimination Period* expires. Long term disability claims must be submitted no later than 90 days after the date you are eligible for benefits to begin.

Long Term Disability

What's Not Covered
Your long term disability plan does not cover:

- intentionally self-inflicted injury or illness,
- disability resulting from war, or act of war, or while engaged in the armed services,
- any period of disability during which you are not under the regular care and attendance of a legally qualified physician,
- any period of disability which commences while you are not insured under this plan,
- participation in a criminal act, or
- disability, loss or expense which commences or occurs during any period of statutory maternity or parental leave of absence except to the extent:
    1. the continuance of insurance coverage during such period of statutory maternity or parental leave of absence is required by legislation or by written agreement between you and your employer; and
    2. you do not receive or are not entitled to receive any payment, benefit, indemnity or other amount from any source, including any policy, plan or fund provided by any employer, insurer or government (including basic and supplementary unemployment insurance maternity/parental leave benefits).

Basic Life Insurance

Your basic life insurance plan pays a benefit to your beneficiary in the event of your death.

How The Plan Works

If you should die, your basic life insurance plan will pay a benefit to your appointed beneficiary, regardless of the cause of death.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

Benefits Provided

Your basic life insurance coverage is equal to **2.5 times your annual earnings to a maximum of $400,000**. (Amounts that are not an even multiple of $1,000 are rounded up to the nearest $1,000).

Your basic life insurance coverage terminates on the earlier of the date you attain age 65 or retire. However, if you retire under an Early Retirement or Normal Retirement pension through OMERS, you will be issued an individual paid-up life insurance policy in the amount of $10,000 upon your retirement.

Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Basic Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Great-West Life within 12 months from the onset of the disability, and periodically as requested by Great-West Life thereafter.

Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Great-West Life under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit).

Basic Life Insurance

Conversion Privilege

Your basic life insurance coverage ceases on the date your employment terminates. However, if you are under age 65, you may apply to convert your insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Great-West Life accompanied by payment of the first premium within 31 days of the date your basic life insurance terminates. The amount of the individual policy will not exceed the lesser of $200,000 ($400,000 for employees residing in Quebec[1]) or the total amount of your life insurance in force under all life insurance plans provided under this policy immediately prior to the termination of your coverage. If you should die during the 31-day conversion period, a death benefit will be paid, regardless of whether or not application for conversion has been made.

[1]For a Quebec plan Member to convert, his or her convertible amount must be at least $10,000 or 25 percent of group coverage (whichever is greater).

How To Claim Death Benefits

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. Claims for death benefits must be submitted no later than 12 months after the date of death.

Optional Life Insurance For Employees

The optional life insurance plan enables you to purchase additional life insurance coverage for yourself.

How The Plan Works

The purchase of optional life insurance is completely voluntary; you decide whether or not to participate.

In the event of your death, your optional life insurance plan will pay a benefit to your appointed beneficiary.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

Benefits Available

Optional life insurance coverage is available in **multiples of $10,000, to a maximum of $200,000**. All coverage is subject to medical evidence — proof that you are insurable, satisfactory to the insurer. Optional life insurance coverage terminates on the date you attain age 65 or retire, whichever occurs first.

Optional Life Insurance For Employees

Cost of Optional Life Insurance

Your cost, paid through payroll deduction, depends on your gender, your age and on whether or not you smoke. (You are considered a “non-smoker” if you have not smoked for the last 12 months.) Monthly costs are provided in the table below.

	Male		Female	
Employee’s Attained Age (as at January 1st)	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)
Under 35	$0.044	$0.022	$0.022	$0.020
35 - 39	$0.060	$0.039	$0.033	$0.028
40 - 44	$0.163	$0.080	$0.099	$0.062
45 - 49	$0.285	$0.142	$0.169	$0.098
50 - 54	$0.445	$0.231	$0.240	$0.151
55 - 59	$0.757	$0.383	$0.395	$0.231
60 - 64	$0.890	$0.480	$0.480	$0.300

Note: *Monthly costs shown above reflect those in effect as of January 1st, 2012.*
The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.
Monthly costs shown above are subject to applicable taxes.

Optional Life Insurance For Employees

Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Optional Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Great-West Life within 12 months from the onset of the disability, and periodically as requested by Great-West Life thereafter.

Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Great-West Life under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit).

Conversion Privilege

Your optional life insurance coverage ceases on the date your employment terminates. However, if you are under age 65, you may apply to convert your insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Great-West Life accompanied by payment of the first premium within 31 days of the date your optional life insurance terminates. The amount of the individual policy will not exceed the lesser of $200,000 ($400,000 for employees residing in Quebec[1]) or the total amount of your life insurance in force under all life insurance plans provided under this policy immediately prior to the termination of your coverage. If you should die during the 31-day conversion period, a death benefit will be paid, regardless of whether or not application for conversion has been made.

[1]For a Quebec plan Member to convert, his or her convertible amount must be at least $10,000 or 25 percent of group coverage (whichever is greater).

Optional Life Insurance For Employees

How To Claim Death Benefits

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. Claims for death benefits must be submitted no later than 12 months after the date of death.

What's Not Covered

No amount will be paid for that part of your Optional Life Insurance benefit that has been in force for less than 2 years, if loss of life results directly or indirectly, while sane or insane, from suicide, attempted suicide or purposely self-inflicted injury.

Optional Life Insurance For Dependents

The dependents' optional life insurance plan enables you to purchase life insurance coverage for your spouse and/or dependent Child(ren)

How The Plan Works

The purchase of dependent optional life insurance is completely voluntary; you decide whether or not to participate.

If your spouse and/or dependent child(ren) are (is) insured for life insurance coverage under the dependents' optional life plan, benefits are payable to *you* in the event of the death of your covered spouse and/or dependent child(ren).

Benefits Available

Spouse's optional life insurance coverage is available in **multiples of $10,000, to a maximum of $200,000**. All coverage is subject to medical evidence — proof that your spouse is insurable, satisfactory to the insurer. Spouse's optional life insurance coverage terminates on the date you attain age 65, the date you retire or the date your spouse attains age 65, whichever occurs first.

For eligible dependent children, the optional life insurance coverage available is a **flat benefit of $5,000** (per eligible dependent child). Coverage is subject to medical evidence – proof that your dependent child(ren) is insurable, satisfactory to the insurer. Optional life insurance coverage for a dependent child terminates on the date you attain age 65, the date you retire or the date your dependent child no longer qualifies as an eligible dependent, whichever occurs first.

Optional Life Insurance For Dependents

Cost of Optional Life Insurance

For **Spouse's Optional Life Insurance**, the rates vary based on your spouse's age, gender and smoking status, and are adjusted according to your spouse's age on the 1st of January each year, with any required adjustment taking effect at that time. Monthly costs are provided in the chart below.

	Male		Female	
Spouse's Attained Age (as at January 1st)	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)
Under 30	$0.042	$0.032	$0.042	$0.026
30 - 39	$0.069	$0.035	$0.054	$0.032
40 - 49	$0.187	$0.094	$0.113	$0.069
50 - 59	$0.615	$0.307	$0.312	$0.187
60 – 64	$1.200	$0.599	$0.653	$0.390

Note: *Monthly costs shown above reflect those in effect as of January 1st, 2012.*
The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.
Monthly costs shown above are subject to applicable taxes.

For **Optional Life Insurance For Dependent Children,** current rate information may be obtained by contacting your Plan Administrator.

Optional Life Insurance For Dependents

Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your spouse's and/or dependent child(ren)'s life insurance coverage under the Dependents' Optional Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, or your spouse and/or dependent child(ren) no longer qualifies as an eligible dependent, whichever occurs first.

"Totally disabled" means that you are unable to work at any job for which you are reasonably suited by virtue of your education, training and experience.

The life waiver benefit will continue in accordance with the terms of the policy regardless of whether or not the plan remains in effect or your other benefit coverages are subsequently terminated, provided your disability begins while your coverage under this plan is in force.

Conversion Privilege

Your **spouse's** optional life insurance coverage ceases on the date your employment terminates. You may, however, apply to convert your spouse's insurance, on or before your spouse's 65th birthday, to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Great-West Life accompanied by payment of the first premium within 31 days of the date your employment ends. If your spouse should die during the 31-day conversion period, a death benefit equal to the amount of insurance eligible for conversion will be paid, regardless of whether application for conversion has been made. A **dependent child(ren)'s** optional life insurance coverage may *not* be converted.

[1]For a Quebec plan Member to convert, his or her convertible amount must be at least $10,000 or 25 percent of group coverage (whichever is greater).

Optional Life Insurance For Dependents

How To Claim Death Benefits
Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. Claims for death benefits must be submitted no later than 12 months after the date of death.

What's Not Covered
No amount will be paid for that part of your Dependents' Optional Life Insurance benefit that has been in force for less than 2 years, if loss of life results directly or indirectly, while sane or insane, from suicide, attempted suicide or purposely self-inflicted injury.

Basic Accident Insurance

Your basic accidental death and dismemberment plan provides coverage in the event of accidental death or serious injury.

How The Plan Works

Your basic accidental death and dismemberment insurance covers you 24 hours a day, 7 days a week, anywhere in the world. Benefits from this plan are paid in addition to any life or disability insurance that you receive.

In the event of your accidental death, your accident insurance plan will pay a benefit to your appointed beneficiary. Benefits for all other covered accidental losses are payable to *you*.

You may name anyone you choose to receive benefits payable under the plan in the event of your accidental death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

Benefits Provided

Your basic accidental death and dismemberment insurance coverage is equal to 2**.5 times your annual earnings, to a maximum of $400,000**. (Amounts that are not an even multiple of $1,000 are rounded up to the nearest $1,000.) Your coverage will terminate on the date you attain age 65 or retire, whichever occurs first.

If you have an accident which results in a serious injury or death within 365 days of the accident, benefits will be paid according to the chart on the following page.

Basic Accident Insurance

If An Accident Results In:	Amount Payable
Quadriplegia (total paralysis of both arms and legs)	2 X insured amount
Paraplegia (total paralysis of both legs)	2 X insured amount
Hemiplegia (total paralysis of the arm and leg on one side of the body)	2 X insured amount
Loss of life	whole amount
Loss of both hands, both feet or both eyes	whole amount
Loss of use of both arms or both hands	whole amount
Loss of one hand and one foot	whole amount
Loss of one hand and one eye or one foot and one eye	whole amount
Loss of speech and hearing in both ears	whole amount
Loss of use of both feet	whole amount
Loss of one arm or one leg	3/4 of insured amount
Loss of use of one arm or one leg	3/4 of insured amount
Loss of one hand, one foot or one eye	2/3 of insured amount
Loss of use of one hand or one foot	2/3 of insured amount
Loss of speech or hearing in both ears	2/3 of insured amount
Loss of thumb and index finger or at least 4 fingers of one hand	1/3 of insured amount
Loss of hearing in one ear	1/3 of insured amount
Loss of all toes of one foot	1/4 of insured amount

Only one of the amounts payable (the largest applicable) is paid for injuries to the same limb caused by any one accident.

The maximum payable for all losses suffered by one covered person in any one accident will not exceed the following:

1. with the exception of quadriplegia, paraplegia and hemiplegia, the whole amount for which he or she is insured,
2. with respect to quadriplegia, paraplegia and hemiplegia, 200% of the amount for which he or she is insured, or 100% if Loss of Life occurs within 90 days after the date of the accident.

Basic Accident Insurance

Exposure & Disappearance
Benefits will also be paid for:

- losses caused by exposure to the elements, resulting from an accident within 365 days of the accident, and
- disappearance due to travel accidents (if a covered person's body is not found within 365 days of an accident in which their vehicle sinks or disappears, and there is no evidence that they survived, the benefit for loss of life is payable).

Repatriation Benefit
The plan will pay for the preparation and transportation of the deceased for burial:

- up to $10,000 if death occurs more than 50 km from the deceased's home, or
- up to $10,000 if death occurs outside of Canada.

Rehabilitation Benefit
The plan provides reimbursement of up to $10,000 for expenses incurred for special training received within 2 years of the accident required in order for you to engage in a new occupation, if you are unable to perform your normal occupation as a result of an accidental loss. Payment will not be made for ordinary living, travelling or clothing expenses.

Occupational Training Benefit
In the event of your accidental death, the plan provides reimbursement of up to $10,000 for expenses incurred for training that qualifies your widowed spouse for a job for which he or she would not have otherwise engaged in, but for your death.

Family Transportation Benefit
In the event you are on a trip covered by this plan, and are confined as an inpatient in a hospital because of injuries which result in a loss payable under the Loss Schedule and require the personal attendance of a member of your immediate family as recommended by the attending physician, the plan will pay up to $10,000 for the expense incurred by the member for transportation by the most direct route by a licensed common carrier to be in attendance with you.

"Member of the immediate family" means the spouse or common law spouse, parent, grandparent, children over age 18, brother or sister of the insured person.

Basic Accident Insurance

Education Benefit

In the event of your accidental death, the plan provides a benefit of up to $5,000 (or 5% of your insured amount, whichever is less) to your dependent child, provided the child was enrolled on a full-time basis in an institution of higher learning beyond the 12th grade level at the time of your death, or was enrolled in the 12th grade level and subsequently enrolls as a full-time student in an institution of higher learning within 365 days of your death.

The maximum benefit is in combination with the Education Benefit maximum provided under any other policy issued by the insurer, and is payable annually for a maximum of four (4) consecutive annual payments, provided the child continues to be enrolled in the institute of higher learning. Payment will not be made for expenses incurred prior to the date of your death, nor for room, board or other ordinary living, travelling or clothing expenses.

If, at the time of your accidental death, you have no dependent child(ren) eligible for either the Education Benefit or the Day Care Benefit, the insurer will pay $1,500 to your designated beneficiary.

Basic Accident Insurance

Day-Care Benefit

In the event of your accidental death, the plan provides a benefit of up to $5,000 (or 5% of your insured amount, whichever is less) for reasonable and necessary expenses actually incurred for day-care, provided the child is enrolled in a day-care centre at the time of your death, or will subsequently enroll in a day-care centre within 365 days of your death.

The maximum benefit is in combination with the Day-Care Benefit maximum provided under any other policy issued by the insurer, for not more than four (4) consecutive years with respect to any one dependent child, provided the child continues to be enrolled in a day-care centre. Payment will not be made for expenses incurred prior to the date of your death, nor for room, board or other ordinary living, travelling or clothing expenses.

"Day-Care centre" means a facility which is operated according to law, including laws and regulations applicable to day-care facilities, and which provides care and supervision for children in a group setting on a regular basis. Day-Care centre shall neither include a hospital, the child's home, care provided during school hours while a child is attending grades one (1) through twelve (12) nor any other day-care facility which does not charge a fee for services rendered. **"Dependent child"** means a person who is either a natural child, step-child or legally adopted child of the insured employee, who is residing in his or her household, is under thirteen (13) years of age and dependent upon the insured employee for maintenance and support.

Private Automobile Seat Belt Coverage

In the event you sustain an injury which results in a loss payable under the Loss Schedule, an additional amount equal to 10% of the amount payable will be paid if, at the time of the accident, you were driving or riding in a vehicle and wearing a properly fastened seat belt.

The driver of the vehicle must hold a current and valid driver's license of a rating authorizing him or her to operate such vehicle, and neither be intoxicated nor under the influence of drugs, unless such drugs are taken as prescribed by a physician, at the time of the accident.

Basic Accident Insurance

Home Alteration & Vehicle Modification Benefit

In the event you receive a payment under the Loss Schedule and subsequently require (due to the same cause for which payment was made under the Loss Schedule) the use of a wheelchair to be ambulatory, this benefit will pay up to $10,000, upon presentation of proof of payment, for:

- the one-time cost of alterations to your residence to make it wheelchair accessible and habitable, and/or
- the one-time cost of modifications necessary to a motor vehicle, owned by you, to make the vehicle accessible or driveable for you.

Benefit payments will not be paid unless:

1. home alterations are made by a person or persons experienced in such alterations and recommended by a recognized organization, providing support and assistance to wheelchair users; and
2. vehicle modifications are carried out by a person or persons with experience in such matters and modifications are approved by the Provincial vehicle licensing authorities.

Waiver of Premium

Premium payments are waived during any period in which you are totally disabled and premiums are being waived for your group life insurance coverage. Premiums will be waived until age 65, recovery or death, whichever occurs first, provided this plan remains in force.

Conversion Privilege

Your basic accidental death and dismemberment insurance coverage ceases on the date your employment terminates. You may, however, apply to convert your insurance to an individual policy provided this plan is still in force — *without* having to provide medical evidence. You must apply to convert prior to age 70 and within 31 days of the date your employment ends. If you should die accidentally or suffer a covered accidental loss during the 31-day conversion period, a benefit will be paid in accordance with the Loss Schedule, regardless of whether or not application for conversion has been made.

Basic Accident Insurance

How To Claim Accident Benefits

Your Plan Administrator will furnish all the required claim forms to you or your beneficiary in the event of a covered accidental loss or death, respectively. Claims for accident benefits must be submitted no later than 12 months after the accident occurs.

What's Not Covered

Your basic accidental death and dismemberment insurance plan does not cover losses caused by or resulting from:

- suicide or attempted suicide,
- intentionally self-inflicted injury,
- any act of war, declared or undeclared,
- full-time active service in the armed forces of any country,
- injuries suffered while travelling in an aircraft owned or leased by your employer, or a subsidiary, affiliate or associate company of your employer,
- death or bodily injuries suffered while a pilot or crew member of an aircraft, or
- death or bodily injuries suffered while a passenger in an aircraft that is not properly licensed, or operated by a person not holding a current and valid pilot's license.

Note: *Benefits provided under the Repatriation Benefit; Rehabilitation Benefit; Occupational Training Benefit; Family Transportation Benefit; and Home Alteration and Vehicle Modification Benefit are payable under only one of the policies issued to your employer by the insurer.*

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ATTACHMENT 4-E.2

EPI Employee Benefit Booklet

IBEW Inside Division

The MEARIE Group
Employee Benefit Program

Employee Benefit Booklet

ENTEGRUS POWERLINES INC.
IBEW Inside Division
Inside Union Employees

Issued: June 2015

Notice of Disclaimer

This handbook has been prepared to help you better understand the coverage provided under your employee benefit program. This handbook is not an agreement and it does not create nor confer any contractual or other rights.

The terms and conditions governing your benefit plans are set out in the official contracts between the insurers, your employer and MEARIE Management Inc.

Every effort has been made to ensure that the information in this handbook is accurate. However, if any question should arise, a decision will be made by reference to the official plan contracts and texts.

This handbook has been designed to help you understand and get the most out of your benefits. It gives you most of the information you will generally require regarding your benefits. Separate sections for each benefit plan allow you quick access to the benefit information you want when you want it.

Please keep this handbook in a safe place. If changes are made to your benefits, replacement pages will be provided to you for insertion in this handbook.

*Your life and disability plans are insured through **Desjardins Insurance**, while your health and dental plans are insured through **Great-West Life Assurance Company**. Your accident plan is insured through **AIG Insurance Company of Canada**.*

Any questions you have about your benefit program should be referred to your Plan Administrator.

General Information

Enrolling In The Benefit Program

Who Can Enroll

If you are an active permanent full-time inside union employee under the age of 65, you are first eligible to enroll in the benefit program on the date you complete your probationary employment period of 90 working days.

Your dependents, as defined below, are also eligible for coverage under the dependents' optional life insurance, extended health care and dental care plans. Eligible dependents include your:

Spouse

- the person who you are legally married to, or
- a person who continuously resides with you in a role like that of a marriage partner for at least 12 months.

Dependent Children

Dependent children include your natural or legally adopted children, or step-children who:

- are unmarried,
- are not employed on a full-time basis,
- are not eligible for insurance as an employee under this plan or any other group plan, and
- are under 21 years of age, or, if in full-time attendance at an accredited school, college or university, are under 25 years of age.

A child insured under this plan, who is incapacitated due to a mental or physical handicap on the date he reaches the age when he would otherwise no longer be eligible for coverage, will continue to be an eligible dependent subject to written proof of the dependent's condition. A child is considered incapacitated if he is incapable of engaging in any substantially gainful activity and is dependent on you for support, maintenance and care, due to a mental or physical handicap.

A stepchild must be living with you to be an eligible dependent.

General Information

When Coverage Starts

Coverage for you and your eligible dependents commences on the date you first become eligible to enroll. If you are not actively at work on the date your coverage would normally begin, your coverage will not start until you return to active full-time work.

Changing Your Coverage

There are times when you may need to change your coverage under the dependents' optional life insurance, extended health care and/or dental care plans, either reducing or adding coverage as appropriate. This may be necessary if:

- you acquire a new spouse or dependent child,
- you separate or divorce,
- your spouse or dependent child dies,
- your child no longer qualifies as an eligible dependent, or
- you acquire or lose similar benefits through your spouse's plan.

In all cases, contact your Plan Administrator who will help you make the necessary changes to your coverage.

General Information

When Coverage Terminates
Coverage for you and your dependents will end on:

- the date your employment ends,
- the date you or your dependents cease to qualify for coverage based on the plan's eligibility requirements,
- the date you enter an armed service on full-time duty,
- the date your employer receives a written request from you to terminate the insurance, where permitted,
- the date you fail to make any required premium contribution,
- the last day of the month in which you attain age 65,
- the date your spouse attains age 65 (applies to Spouse's Optional Life Insurance),
- the date you retire (with the exception of Retirement Life Insurance coverage, and Extended Health and Dental benefits for Early Retirees – refer to the next sub-section, *When You Retire*, for eligibility requirements), or
- the date the group plan is cancelled.

If you are not actively at work due to **Maternity or Parental Leave of Absence**, coverage may be continued for the period of leave to which you are entitled by legislation provided premiums continue to be paid on your behalf. If you do not intend to continue your coverage during this period, where permitted by law, you must inform your employer in writing on or before the date your leave begins. In this case, coverage for you and your dependents will not be reinstated until you return to active full-time work.

Coverage for you and your dependents will cease on the date you are not actively at work due to **lay-off, leave of absence (other than maternity or parental leave), strike or lock-out**.

If you are not actively at work due to **illness or injury**:

- your life, accident and disability coverage will continue in accordance with the "Waiver of Premium" provisions described in the applicable sections of this handbook, and
- extended health care and dental care coverage for you and your dependents will continue until your employer terminates such coverage, provided premiums continue to be paid on your behalf and this plan remains in force.

General Information

When You Retire

Coverage for you and your dependents will stop on the date you retire. *However*, if you retire prior to your 65th birthday and qualify to receive an early pension through OMERS, your dental and extended health coverage will be continued until the last day of the month in which you reach age 65.

If you retire under an Early Retirement or Normal Retirement pension through OMERS, you will qualify to receive a paid-up life insurance policy upon your retirement. Coverage details are provided in the Basic Life Insurance section of this handbook.

Dental Care

Your dental care plan has been developed to help you and your family maintain good dental health.

How The Plan Works

Reimbursement of eligible dental services and supplies is based on the fees recommended in the **prior year's** Ontario Dental Association Fee Guide for General Practitioners.

There is **no dental care deductible**.

What Is Covered

The plan provides 100% reimbursement for the following basic dental services:

- complete oral examinations (once in any 24-month period),
- full mouth x-rays (once in any 24-month period),
- recall examinations (once in any 9-month period or once in any 6-month period for dependent children under age 19),
- bitewing x-rays (once in any 9-month period or once in any 6-month period for dependent children under age 19),
- routine diagnostic and laboratory procedures,
- one unit of light scaling and one unit of polishing, once in any 9-month period or once in any 6-month period for dependent children under age 19,
- fluoride treatment (once in any 9-month period or once in any 6-month period for dependent children under age 19),
- oral hygiene instruction (initial instruction plus one recall),
- fillings (amalgam, silicate, acrylic, and composite), retentive pins, and pit and fissure sealants,
- surgical services (excluding implant surgery),
- consultation, anaesthesia, and conscious sedation,
- denture repairs, relines and rebases (minor adjustments are covered only after 3 months have elapsed from the date of insertion),
- injection of antibiotic drugs, when administered by a dentist in conjunction with dental surgery,

- periodontal services for treatment of gum disease and other supporting tissues of the teeth, including:
    1. scaling in excess of one unit, and root planning, up to a combined maximum of 16 units per calendar year;
    2. provisional splinting; and
    3. occlusal equilibration, up to a maximum of 8 units per calendar year, and
- endodontic services which include root canal therapy, root amputation, apexifications, and periapical services.

50% reimbursement is provided for the following removable prosthodontic services and supplies:

- initial provision of a full or partial removable denture, and
- replacement of a removable denture, provided the new denture is necessary due to one of the following:
    1. a natural tooth is extracted and the existing appliance cannot be made serviceable;
    2. the existing appliance is at least 5 years old and cannot be made serviceable; or
    3. the existing appliance is temporary and within 12 months of its installation it is replaced by a permanent denture. The total amount payable for both the temporary and permanent denture is the amount which would have been allowed for a permanent denture.

Dental Care

50% reimbursement is provided for the following fixed prosthodontic and major restorative services:

- crowns, onlays and inlays (only when function is impaired due to cuspal or incisal angle damage caused by trauma or decay), including gold foil restorations (only when approved by the Insurance Company), metal transfers, telescoping and splinting,
- initial provision of fixed bridgework, and
- replacement of a fixed bridgework or addition of teeth to bridgework provided the replacement or addition is due to one of the following:
    1. a natural tooth is extracted and the existing appliance cannot be made serviceable;
    2. the existing appliance is at least 5 years old and cannot be made serviceable; or
    3. the existing appliance is temporary and, within 12 months of its installation, it is replaced by a permanent bridge. The total amount payable for both the temporary and permanent bridge is the amount which would have been allowed for a permanent bridge.

The plan provides 50% reimbursement of the following orthodontic services and supplies for dependent children who are under the age of 19 when treatment begins:

- space maintainers,
- correction of malocclusion of the teeth,
- observation and adjustment,
- appliances for tooth guidance and uncomplicated tooth movement,
- appliances to control harmful habits,
- retention appliances, and
- fixed or cemented, unilateral and bilateral appliances.

Maximum Benefit

No overall maximum benefit applies for basic or removable prosthodontic dental services. The maximum benefit payable for fixed prosthodontic and major restorative services is $1,000 per person per calendar year. Benefits for orthodontic services are limited to a lifetime maximum of $2,000 per dependent child.

Dental Care

Pre-Treatment Estimate
Whenever the total cost of proposed dental treatment is expected to exceed $500, a treatment plan should be submitted to the Insurance Company in advance to determine how much of your proposed treatment will be covered by the plan. A treatment plan provides a written description of your dental needs, including x-rays; the proposed treatment necessary in the professional judgement of the dentist; and, the cost of the proposed treatment.

Note: *If, for any given dental condition, there are two or more courses of treatment covered under this plan which will produce professionally adequate results, the Insurance Company will pay benefits as if the least expensive course of treatment was used. The Insurance Company retains a professional dental consultant to determine the adequacy of the various courses of treatment available.*

Coordinating Benefits
If both you and your spouse are covered by employer benefit plans, your coverage may overlap; dental services covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the dental treatment makes the claim first — from their employer's plan. (If your child receives dental care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!

Dental Care

How To Claim Dental Benefits

1. Pick up a claim form from your Plan Administrator before you go to the dentist, or visit www.greatwestlife.com to get printed claim forms with your plan information already filled in.
2. Take the claim form with you to your appointment and ask the dentist to complete the dentist's portion of the claim form. If your dentist agrees to accept payment from the plan instead of directly from you, be sure the claim form shows that the refund should be made payable to the dentist.
3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy account number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance.)
4. Return your completed claim form for processing to Great-West Life, at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks. If you assign payment of the claim to your dentist, you will receive only a copy of the benefits being paid and the refund cheque will be sent directly to your dentist.

OR

Your dental office may file your claim electronically with Great-West Life. In order to process your claim, the information transmitted by the dental office must be complete, and include the same information required for a paper claim (i.e., your employer's name, your policy number, your class code and certificate number).

Note: *Dental claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

Dental Care

What's Not Covered

Your dental care plan does not cover:

- services or treatment that are covered under any other plan, government plan or legally mandated program,
- dental care resulting from self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- dental care required as a result of committing or attempting to commit an assault or criminal offense,
- charges for broken appointments, third party examinations, travel to and from appointments, or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person,
- treatment rendered for a full mouth reconstruction, for a vertical dimension, or for a correction of temporomandibular joint dysfunction,
- cosmetic treatment, unless required due to an accidental injury which occurs while you or your dependent is insured under this plan,
- implants, or any services rendered in conjunction with implants,
- anti-snoring or sleep apnea devices,
- treatment which is not generally recognized by the dental profession as an effective, appropriate and essential form of treatment for the dental condition,
- replacement of removable appliances which are lost, mislaid or stolen, or
- laboratory fees which exceed the reasonable and customary charges, as determined by the Insurance Company.

Dental Care

Extended Benefit For Surviving Dependents

For Active Employees:
If you should die while insured under this plan, dental coverage will be continued, without payment of premiums, for your dependents who are insured under this plan at the time of your death for a period of up to 2 years, or earlier, if:

1. your dependent would otherwise cease to qualify as an eligible dependent,
2. your surviving spouse remarries,
3. similar coverage is obtained elsewhere, or
4. this plan terminates.

For Early Retirees:
If you should die while insured under this plan, dental coverage will be continued, subject to continued payment of premiums, for your dependents who are insured under this plan at the time of your death until the earliest of the following dates:

1. the date your coverage, if still living, would terminate due to attainment of your 65th birthday,
2. the date your dependent would otherwise cease to qualify as an eligible dependent,
3. the date your surviving spouse remarries,
4. similar coverage is obtained elsewhere, or
5. this plan terminates.

Extended Health Care

Under the extended health care plan, you and your family receive financial protection against major medical expenses which are not covered under your provincial health plan.

How The Plan Works

Your extended health care plan reimburses **100%** of the cost of medical services and supplies that are covered under the plan.

There is **no extended health care deductible.**

What Is Covered

The following medical services and supplies are covered provided they are:

- medically necessary in the treatment of an illness or injury,
- recommended by a physician,
- incurred for the care of a person while insured under this benefit,
- reasonable taking all factors into account,
- not covered under the provincial health plan or any other government-sponsored program, and
- they can legally be insured.

Payment for any covered expenses which may be purchased in large quantities will be limited to the purchase of up to a 3 months' supply at any one time, except for covered Drug expenses.

Hospital Care

Daily charges up to **semi-private** hospital confinement (incurred in Canada) in excess of the charges for standard Ward accommodation, provided:

1. the insured person was confined to hospital on an in-patient basis; and
2. the accommodation was specifically elected in writing by the insured person.

Extended Health Care

For private accommodation charges in excess of the hospital's semi-private charge, up to $10 per day for up to 120 days per calendar year provided:

a) the insured person was confined to hospital on an in-patient basis; and

b) the accommodation was specifically elected in writing by the insured person.

Note: *The plan does not cover charges for any portion of the cost of Ward accommodation, utilization or copayment fees (or similar charges).*

Convalescent Care: Charges for confinement in a licensed Convalescent Care Facility, in excess of the hospital's ward charge, for semi-private accommodation.

Chronic Care: Charges for confinement in a Chronic Care Facility which starts within 14 days of discharge from a Hospital confinement of at least 5 days, to a maximum of $3 per day for up to 120 days per calendar year. Chronic Care utilization fees are not covered expenses.

Extended Health Care

Prescription Drugs & Medicines — Direct Payment Plan

- drugs or medicines that are dispensed by a licensed pharmacist, and which by law or convention require the written prescription of a physician or dentist,
- life-sustaining drugs,
- injectable medications,
- oral contraceptives,
- preventive vaccines and medicines (oral or injected), and
- standard syringes, needles and diagnostic aids, if required for treating diabetes (cotton swabs, rubbing alcohol, automatic jet injectors and similar equipment are not covered).
- Fertility Drugs are subject to a maximum of $15,000 per lifetime.
- Anti-smoking Drugs and sexual Dysfunction Drugs are not covered.

The maximum amount for any covered expense is the price of the lowest cost generic equivalent product that can legally be used to fill the prescription, as listed in the Provincial Drug Benefit Formulary. **Unless a plan member submits a Request for Brand Name Drug Coverage Form (indicating why a prescribed drug cannot be substituted) which is subsequently approved by the insurer, benefits will be based on the cost of the lowest priced interchangeable drug that has the same medicinal ingredient.** A plan member can still choose to purchase the prescribed drug and pay the cost difference. If there is no generic equivalent product for the prescribed drug or medicine, the amount covered is the cost of the prescribed product.

Benefits will be paid directly to the dispensing pharmacist, provided the pharmacist is enrolled in the pay-direct drug plan — simply present your drug card to the pharmacist. You will be required to pay any deductible, where applicable.

Note: *The maximum quantity of Drugs or medicines that will be payable for each prescription will be limited to the lesser of the quantity prescribed by the Physician or Dentist; or, a 34-day supply. A 100-day supply will be allowed in long-term therapy cases, when deemed appropriate by the pharmacist. The plan does not cover expenses for the administration of serums, vaccines, or injectable Drugs; or Drugs, biological and related preparations which are intended to be administered in Hospital on an in-patient or out-patient basis and are not intended for a patient's use at home.*

Extended Health Care

Professional Services
Services of a licensed **chiropractor**, up to $25 per visit, limited to a maximum of $325 per calendar year. X-Rays are covered up to a maximum of $50 per calendar year.

Services of a licensed **physiotherapist or sports therapist**, to a maximum of $525 per calendar year, when recommended in writing by the attending physician.

Services of licensed **podiatrist**, up to $25 per visit, limited to a maximum of $300 per calendar year.

Services of licensed **clinical psychologist**, up to $100 for the initial visit and $80 for each subsequent visit, limited to a maximum of $420 per calendar year.

Services of a licensed **speech therapist**, up to $60 for the initial visit and $40 for each subsequent visit, limited to a maximum of $260 per calendar year, when recommended in writing by the attending physician.

Services of a registered **masseur,** up to $25 per visit, limited to a maximum of $325 per calendar year, when recommended in writing by the attending physician.

Services of a licensed **naturopath,** up to $25 per visit, limited to a maximum of $300 per calendar year.

Services of a licensed **osteopath,** up to a $25 per visit, limited to a maximum of $300 per calendar year.

Services of a licensed **dietician,** up to $25 for the initial visit and $15 for each subsequent visit, limited to a maximum of $280 per calendar year, when recommended in writing by the attending physician.

Extended Health Care

Vision Care

The following vision care services are covered when prescribed by an ophthalmologist, optometrist, or oculist:

- eye examinations, including refractions, limited to once per calendar year.
- purchase and fitting of prescription glasses or elective contact lenses, or elective laser vision correction procedures, to a maximum of **$350** every 24 consecutive months (charges for repairs are also included under this maximum), and
- visual training, to a maximum of $200 per lifetime.

Medical Services & Supplies

For all medical equipment and supplies covered under this plan under the following provisions, eligible covered expenses will be limited to the cost of the device or item that adequately meets the patient's fundamental medical needs.

Private Duty Nursing

Private duty nursing services (other than for custodial care, homemaking services and supervision — deemed to be within the practice of nursing) provided in the patient's home by a Registered Nurse (R.N.), Registered Nursing Assistant (R.N.A.), who is not a relative, friend or member of the patient's household, to a maximum of ninety 8-hour shifts per calendar year.

Note: *It is recommended that a detailed treatment plan must be submitted before private duty nursing services begin. The Insurance Company will then advise you of any benefits that are payable under the plan.*

Extended Health Care

Rental of Major Medical Equipment

Rental of (or, at the Insurance Company's option, purchase of):

- *Mobility Equipment:* crutches, canes, walkers and standard wheelchairs; and
- *Durable Medical Equipment: manual hospital beds, respiratory and oxygen equipment, and other durable medical equipment usually found only in hospitals.*

Non-Dental Prostheses, Supports & Hearing Aids

- external prostheses (note: limited to 80% reimbursement for myoelectric prostheses),
- braces (other than foot braces), trusses, collars, leg orthosis, casts and splints,
- stock-item orthopaedic shoes and modifications or adjustments to stock-item orthopaedic shoes or regular footwear when recommended by a physician or podiatrist, limited to 2 pairs per calendar year,
- custom-made orthopaedic shoes which are constructed by a Certified Orthopaedic Footwear Specialist (C.F.S.O.) and are required because of a medical abnormality that, based on medical evidence, cannot be accommodated in a stock-item orthopaedic shoe or a modified stock-item orthopaedic shoe, limited to 1 pair per calendar year,
- casted, custom-made orthotics which are recommended by a physician or podiatrist, up to two pairs per calendar year, limited to a maximum of $225 per pair per calendar year,
- hearing aids (including charges for installation, repair, maintenance and batteries), to a maximum of $500 every 5 calendar years,
- surgical stockings, to a maximum of 4 pairs per calendar year,
- surgical brassieres, to a maximum of 4 per calendar year, and
- wigs and hairpieces, required as a result of a temporary hair loss due to medical treatment, limited to $250 per lifetime.

Extended Health Care

Other Supplies

- ileostomy, colostomy and incontinence supplies,
- oxygen, and
- medicated dressings and burn garments.

Diagnostic Procedures

Microscopic and other similar diagnostic tests and services.

Ambulance

Licensed ambulance service provided in the insured person's province of residence, including air ambulance, to and from the nearest hospital where adequate treatment is available.

Accidental Dental Treatment

Services of a dentist for the treatment of damage to natural teeth or the jaw resulting from an external, accidental blow to the mouth which occurs while insured under this plan. The treatment must be received and approved for payment within 12 months of the accident. Injuries due to biting or chewing are *not* covered.

Extended Health Care

Emergency Out-of-Province or Out-of-Country Coverage
Eligible medical services and supplies are covered under this plan for treatment given outside the patient's province of residence if required to provide treatment as a result of a **medical emergency** arising while temporarily outside the home province (including outside Canada), on business or vacation. (The person receiving the treatment must also be covered by the provincial health plan during the absence from Canada).

> A **medical emergency** is a sudden, unexpected injury which occurs, or an unforeseen illness which begins, during the absence from the patient's home province and which requires immediate medical attention. The plan will not cover emergency treatment while travelling for health reasons.
>
> **Travelling outside Canada while pregnant:** This plan will not cover any pregnancy related costs which are incurred outside of Canada within nine weeks of the expected delivery date. Costs associated with a child born outside Canada within nine weeks of the expected delivery date, or after the expected delivery date, are not covered.
>
> **Temporarily** outside the home province means a trip lasting 60 days or less. If a trip lasts longer than 60 days, no part of the trip will be covered, including the first 60 days. This 60 days includes the date of departure and the date of return.

The plan will pay up to $1,000,000 for each insured person for all the covered costs related to any one medical emergency. When emergency treatment for a condition is completed, any ongoing treatment related to that condition is not covered. Eligible expenses include the following services and supplies:

- Hospital room and board at standard Ward rates
- Hospital services and supplies, and
- treatment by licensed physicians

In emergency out-of-province/country situations, other charges included under the Extended Health Care coverage section of this plan are covered to the same extent that they would be in Canada. This includes coverage such as wheelchair rental, crutches and prescription drugs.

Extended Health Care

In the event of a medical emergency, you or someone acting on your behalf must contact the Travel Assistance Centre prior to seeking medical treatment. If it is not reasonably possible for you to contact the Travel Assistance Centre prior to seeking medical treatment due to the nature of the medical emergency, you must contact the Travel Assistance Centre as soon as possible. Failure to contact the Travel Assistance Centre as described will result in a reduction of benefits in the case of hospitalization of 40% of eligible costs. All costs for such emergency will be limited to your emergency out-of-province/country coverage and Travel Assistance coverage maximum or $25,000, whichever is less.

If a physician or the Travel Assistance provider recommends you or your dependent be moved to a different facility at the destination, and you choose not to go, eligible costs for emergency coverage and Travel Assistance coverage will in the case of hospitalization be reduced by 40% of eligible costs. All costs for such emergency will be limited to your emergency out-of-province/country coverage and Travel Assistance coverage maximum or $25,000, whichever is less.

If a physician or the Travel Assistance provider recommends you or your dependent return to your home province, and you choose not to go, emergency coverage and Travel Assistance coverage will end.

When used under this emergency out-of-province/country section, hospital means a facility licensed to provide emergency treatment for sick or injured patients. It must have facilities for diagnosis and treatment. Physicians and registered nurses must be in the attendance 24hours a day. It does not include nursing homes, homes for the aged, rest homes, convalescent care facilities or any facility that provides similar care.

Extended Health Care

Travel Assistance Plan
This plan provides travel assistance for you and your eligible dependents, while you are temporarily outside your province of residence (including outside of Canada) because of business or vacation, and not for health reasons. The assistance services are delivered through an international organization, specializing in travel assistance.

Temporarily outside the home province means and trip lasting 60 days or less. If a Trip lasts longer than 60 days, nor part of the trip will be covered, including the first 60 days. This 60 days includes the date of departure and the date of return.

Travelling outside Canada while pregnant: This plan will not cover any pregnancy related costs which are incurred outside of Canada within nine weeks of the expected delivery date. Costs associated with a child born outside Canada within nine weeks of the expected delivery date, or after the expected delivery date, are not covered.

Assistance is provided for both Medical and Non-Medical travel emergencies. Services are available during the period that you are covered for Out-of Province/Out-of-Country emergency treatment, provided under this plan, and include the following:

The services under the Travel Assistance coverage include:

- multilingual assistance by telephone, 24 hours a day, 365 days a year, for the insured person or medical providers to obtain aid, assistance, and exchange information, in matters relating to the covered services,
- referrals to physicians or medical facilities, if necessary,
- arrangements for direct payment, wherever possible, for physicians' services, hospitalization and other insured services,
- communication with the physician who is treating the insured person to get an understanding of the situation and monitor the condition,
- telephone interpretation services in most major languages,
- the sending and receiving of urgent messages,
- medical evacuation home or transportation to another medical facility. For transportation home, payment will be made based on an economy fare ticket,
- arrangements for (including all necessary documents) and the cost of transporting the insured person's remains to their home, up to a maximum of $3,500,
- help to locate Embassy or Consulate services,
- help to locate lost documents or luggage.

The Travel Assistance benefit includes the following services, subject to prior approval of the charges:

- the cost of additional commercial accommodation required beyond the original return date, for a companion travelling with the insured person. This includes charges for accommodation, meals, telephone and taxi or rental cars, up to a maximum of $150 per day, not to exceed a total of $1,500,
- the cost of an economy fare ticket home, for a companion who is travelling with the insured person, and who has forfeited their ticket because of a delay caused by the insured person's illness, injury, or death,
- the cost of an economy fare ticket home for each child left alone because of the insured person's illness, injury, or death. The Travel Assistance provider will also arrange for a qualified attendant to accompany the children, if necessary,
- the cost of a round-trip economy fare ticket for a family member to visit an insured person who is travelling alone and must be hospitalized for more than 10 days,
- the cost of returning a vehicle to the insured person's home or the nearest rental agency, up to a maximum of $1,000.

The insurer, and the company contracted by the insurer to provide the travel assistance services described in this benefit, will not be responsible for the availability, quality, or results of any medical treatment, or the failure of an insured person to obtain medical treatment or emergency assistance services for any reason.

Emergency assistance may not be available in all countries due to conditions such as war, political unrest or other circumstances which interfere with or prevent the provision of any services.

How To Access The Travel Assistance Plan — Your Travel Assistance Card

Your Travel Assistance card lists the toll free numbers to call in case of an emergency while outside your province. The toll free number will put you in touch with the international travel assistance organization.

Your Travel Assistance card also lists your I.D. number (your certificate number) and your group policy number, which the travel assistance organization needs to confirm that you are covered under the plan.

Extended Health Care

Maximum Benefit

The maximum dollar amount that is reimbursed for covered medical services and supplies received in Canada is unlimited. The maximum that is reimbursed for medical treatment received outside of Canada is $1,000,000 for the lifetime of each covered person.

Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; medical services and supplies covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the service or supply makes the claim first — from their employer's plan. (If your child receives medical care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!

Extended Health Care

How To Claim Extended Health Care Benefits

To claim benefits for medical services and supplies, other than drugs or medicines:

1. Save all your receipts for medical services and supplies, including prescriptions, and any bills or receipts received for hospital care. Receipts and bills should show:
   - the patient's name,
   - the date the treatment or supply was provided,
   - the nature of the service or supply,
   - an item-by-item list of the charges, and
2. Pick up a claim form from your Plan Administrator or visit www.greatwestlife.com to get printed claim forms with your plan information already filled in.
3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance.)
4. Return your completed claim form, with original receipts attached, for processing to Great-West Life at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks.

Note: *Extended health care claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance under this plan terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

Extended Health Care

To claim benefits for drugs or medicines:

1. Present your drug card to the pharmacist when filling your prescription.
2. Provided the pharmacist is enrolled in the pay-direct drug plan, payment will be made directly to the pharmacist — you do not need to complete any claim forms or wait for the reimbursement.
3. You will be required to pay any portion of the cost of the drug that is not covered, where applicable, to the pharmacist.

Note: *If the prescription is not obtained through the use of your drug card, be sure to get a receipt from the pharmacist. To receive reimbursement of benefits payable, a claim form must be completed and sent to Great-West Life at the address shown on the claim form, along with your original receipts.*

What's Not Covered

Your extended health care plan does not cover any expense which is directly or indirectly related to:

- any illness or injury arising out of or in the course of employment when the person is covered by or is eligible for coverage by Workers' Compensation,
- any illness or injury for which benefits are payable under any government plan or legally mandated program,
- self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- the committing of or the attempt to commit an assault or criminal offense,
- charges for periodic check-ups, broken appointments, third party examinations, travel for health purposes or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all or which would have been reimbursed under a government-sponsored plan in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,

- charges for services or supplies which are required for recreation or sports, but which are not medically necessary for regular activities,
- charges which would have been payable by the provincial health plan had proper application been made,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person, or which are provided while confined in a Hospital on an in-patient basis, or
- medical treatment which is not usual and customary, or which is experimental or investigational in nature.

Extended Benefit For Surviving Dependents

For Active Employees:
If you should die while insured under this plan, extended health care coverage will be continued, without payment of premiums, for your dependents who are insured under this plan at the time of your death for a period of up to 2 years, or earlier, if:

1. your dependent would otherwise cease to qualify as an eligible dependent,
2. your surviving spouse remarries,
3. similar coverage is obtained elsewhere, or
4. this plan terminates.

Extended Health Care

For Early Retirees:

If you should die while insured under this plan, extended health care coverage will be continued, subject to continued payment of premiums, for your dependents who are insured under this plan at the time of your death until the earliest of the following dates:

1. the date your coverage, if still living, would terminate due to attainment of your 65th birthday,
2. the date your dependent would otherwise cease to qualify as an eligible dependent,
3. the date you surviving spouse remarries,
4. similar coverage is obtained elsewhere, or
5. this plan terminates.

Long Term Disability

Your long term disability plan has been developed to protect you against the financial impact of lost income, if a lengthy illness or injury keeps you from coming to work.

How The Plan Works
Benefits are payable under the long term disability plan after you have been totally and continuously disabled for a period of **180 calendar days.**

Benefits Provided
If you are totally disabled you will receive a monthly income benefit equal to **70% of your regular monthly earnings, to a maximum of $3,800 per month**.

> *To qualify for long term disability benefits you must be "totally disabled". During the first 24 months that you receive long term disability, this means that you are unable to do the essential duties of your normal job and are not otherwise employed. After this 24-month period, you will continue to qualify for long term disability benefits only if you are unable to work at any job for which you are reasonably suited by virtue of your education, training and experience.*

Any benefits you receive from the long term disability plan are taxable if your employer contributes, in whole or in part, towards the cost of providing the plan.

Benefits from the long term disability plan will stop if you:

- recover,
- attain age 65,
- are unable to provide written proof of your disability,
- are no longer under a physician's care,
- fail to undergo an examination by an independent doctor of the Insurance Company's choice,
- travel outside of Canada or the United States unless approved by the insurer, or
- in the event of your death.

Long Term Disability

Coordination With Other Disability Benefits

Long term disability benefits are reduced by the amount of income you receive or are entitled to receive as a result of the same disability from:

- Workers' Compensation or similar legislation (excluding any future cost of living adjustments),
- the Canada or Quebec Pension Plan (excluding any future cost of living adjustments or dependent benefits payable to you),
- any other federal, provincial or municipal government plan, and
- any other group insurance plan, or any retirement or pension plan of the employer.

The benefit you receive will be further reduced, if necessary, so that the total disability income you receive from this plan and any other source (other than income from a private source) does not exceed 85% of your pre-disability net earnings (if benefits are non-taxable) or gross earnings (if benefits are taxable).

Rehabilitation Benefit

The rehabilitation benefit is designed to help you through an adjustment period of up to 24 months while working part-time, in a reduced capacity or involved in a retraining program approved by the Insurance Company.

While you are participating in an approved rehabilitation program, your long term disability benefit will not be discontinued. However, your monthly long term disability benefit will be reduced by 50% of the compensation you receive from rehabilitative employment.

Long Term Disability

When Disability Recurs

If you recover from total disability, only to become disabled again, the second period of disability will be treated as a continuation of the first unless the second disability is unrelated to the first, or is separated from the first by more than six months.

Waiver of Premium

Premium payments are waived during any period in which you receive benefits from this plan. Long term disability benefits will continue in accordance with the terms of the policy regardless of whether or not this plan remains in effect or your other benefit coverages are subsequently terminated, provided your disability begins while your coverage under this plan is in force.

How To Claim Long Term Disability Benefits

Claim forms are available from your Plan Administrator. Early filing of claims is recommended. Forms should be completed and returned to your Plan Administrator after you have been disabled at least 30 days and do not expect to return to work before the *Elimination Period* expires. Long term disability claims must be submitted no later than 90 days after the date you are eligible for benefits to begin.

Long Term Disability

What's Not Covered

Your long term disability plan does not cover:

- intentionally self-inflicted injury or illness,
- disability resulting from war, or act of war, or while engaged in the armed services,
- any period of disability during which you are not under the regular care and attendance of a legally qualified physician,
- any period of disability which commences while you are not insured under this plan,
- disability resulting from a pre-existing condition which causes disability in the first 12 months of your Long Term Disability coverage. This exclusion will not apply to any condition for which you have been treatment free (have not been treated by a physician or drugs were not prescribed) during the 90 days immediately prior to the effective date of your coverage,
- participation in a criminal act, or
- disability, loss or expense which commences or occurs during any period of statutory maternity or parental leave of absence except to the extent:
    1. the continuance of insurance coverage during such period of statutory maternity or parental leave of absence is required by legislation or by written agreement between you and your employer; and
    2. you do not receive or are not entitled to receive any payment, benefit, indemnity or other amount from any source, including any policy, plan or fund provided by any employer, insurer or government (including basic and supplementary unemployment insurance maternity/parental leave benefits).

Basic Life Insurance

Your basic life insurance plan pays a benefit
to your beneficiary in the event of your death.

How The Plan Works
If you should die, your basic life insurance plan will pay a benefit to your appointed beneficiary, regardless of the cause of death.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

Benefits Provided
Your basic life insurance coverage is equal to **1.5 times your annual earnings to a maximum of $250,000**. (Amounts that are not an event multiple of $1,000 are rounded up to the nearest $1,000).

Your basic life insurance coverage terminates on the earlier of the date you attain age 65 or retire. However, if you retire under an Early Retirement or Normal Retirement pension through OMERS, you will be issued an individual paid-up life insurance policy in the amount of $5,000 upon your retirement.

Waiver of Premium
If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Basic Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Desjardins within 12 months from the onset of the disability, and periodically as requested by Desjardins thereafter.

The definition *of "Totally Disabled*" used to determine your eligibility for long term disability benefits, as described in the booklet, shall also apply when assessing your life insurance waiver premium benefit.

Basic Life Insurance

Conversion Privilege

Your basic life insurance coverage ceases on the date your employment terminates. However, if you are under age 65, you may apply to convert your insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins accompanied by payment of the first premium within 31 days of the date your basic life insurance terminates. The amount of the individual policy will not exceed the lesser of $200,000 ($400,000 for employees residing in Quebec[1]) or the total amount of your life insurance in force under all life insurance plans provided under this policy immediately prior to the termination of your coverage. If you should die during the 31-day conversion period, a death benefit will be paid, regardless of whether or not application for conversion has been made.

[1]For a Quebec plan Member to convert, his or her convertible amount must be at least $10,000 or 25 percent of group coverage (whichever is greater).

How To Claim Death Benefits

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. Claims for death benefits must be submitted no later than 12 months after the date of death.

Optional Life Insurance For Employees

The optional life insurance plan enables you to purchase additional life insurance coverage for yourself.

How The Plan Works

The purchase of optional life insurance is completely voluntary; you decide whether or not to participate.

In the event of your death, your optional life insurance plan will pay a benefit to your appointed beneficiary.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

Benefits Available

Optional life insurance coverage is available in **multiples of $10,000, to a maximum of $200,000**. All coverage is subject to medical evidence — proof that you are insurable, satisfactory to the insurer. Optional life insurance coverage terminates on the date you attain age 65 or retire, whichever occurs first.

Optional Life Insurance For Employees

Cost of Optional Life Insurance

Your cost, paid through payroll deduction, depends on your gender, your age and on whether or not you smoke. (You are considered a “non-smoker” if you have not smoked for the last 12 months.) Monthly costs are provided in the table below.

Employee’s Attained Age (as at January 1st)	Male		Female	
	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)
Under 35	$0.044	$0.022	$0.022	$0.020
35 - 39	$0.060	$0.039	$0.033	$0.028
40 - 44	$0.163	$0.080	$0.099	$0.062
45 - 49	$0.285	$0.142	$0.169	$0.098
50 - 54	$0.445	$0.231	$0.240	$0.151
55 - 59	$0.757	$0.383	$0.395	$0.231
60 - 64	$0.890	$0.480	$0.480	$0.300

Note: *Monthly costs shown above reflect those in effect as of January 1st, 2015.*
The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.
Monthly costs shown above are subject to applicable taxes.

Optional Life Insurance For Employees

Waiver of Premium
If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Optional Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Desjardins within 12 months from the onset of the disability, and periodically as requested by Desjardins thereafter.

The definition of "total disability" used to determine your eligibility for long term disability benefits, as described in this booklet, shall also apply when assessing your optional life insurance waiver of premium benefit.

Conversion Privilege
Your optional life insurance coverage ceases on the date your employment terminates. However, if you are under age 65, you may apply to convert your insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins accompanied by payment of the first premium within 31 days of the date your supplementary life insurance terminates. The amount of the individual policy will not exceed the lesser of $200,000 ($400,000 for employees residing in Quebec[1]) or the total amount of your life insurance in force under all life insurance plans provided under this policy immediately prior to the termination of your coverage. If you should die during the 31-day conversion period, a death benefit will be paid, regardless of whether or not application for conversion has been made.

[1]For a Quebec plan Member to convert, his or her convertible amount must be at least $10,000 or 25 percent of group coverage (whichever is greater).

Optional Life Insurance For Employees

How To Claim Death Benefits

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. Claims for death benefits must be submitted no later than 12 months after the date of death.

What's Not Covered

No amount will be paid for that part of your Optional Life Insurance benefit that has been in force for less than 2 years, if loss of life results directly or indirectly, while sane or insane, from suicide, attempted suicide or purposely self-inflicted injury.

Optional Life Insurance For Dependents

The dependents' optional life insurance plan enables you to purchase life insurance coverage for your spouse and/or dependent Child(ren)

How The Plan Works

The purchase of dependent optional life insurance is completely voluntary; you decide whether or not to participate.

If your spouse and/or dependent child(ren) are (is) insured for life insurance coverage under the dependents' optional life plan, benefits are payable to *you* in the event of the death of your covered spouse and/or dependent child(ren).

Benefits Available

Spouse's optional life insurance coverage is available in **multiples of $10,000, to a maximum of $200,000**. All coverage is subject to medical evidence — proof that your spouse is insurable, satisfactory to the insurer. Spouse's optional life insurance coverage terminates on the date you attain age 65, the date you retire or the date your spouse attains age 65, whichever occurs first.

For eligible dependent children, the optional life insurance coverage available is a **flat benefit of $5,000** (per eligible dependent child). Coverage is subject to medical evidence – proof that your dependent child(ren) is insurable, satisfactory to the insurer. Optional life insurance coverage for a dependent child terminates on the date you attain age 65, the date you retire or the date your dependent child no longer qualifies as an eligible dependent, whichever occurs first.

Optional Life Insurance For Dependents

Cost of Optional Life Insurance

For **Spouse's Optional Life Insurance**, the rates vary based on your spouse's age, gender and smoking status, and are adjusted according to your spouse's age on the 1st of January each year, with any required adjustment taking effect at that time. Monthly costs are provided in the chart below.

	Male		Female	
Spouse's Attained Age (as at January 1st)	**Smoker Monthly Rate (per $1,000)**	**Non-Smoker Monthly Rate (per $1,000)**	**Smoker Monthly Rate (per $1,000)**	**Non-Smoker Monthly Rate (per $1,000)**
Under 30	$0.042	$0.032	$0.042	$0.026
30 - 39	$0.069	$0.035	$0.054	$0.032
40 - 49	$0.187	$0.094	$0.113	$0.069
50 - 59	$0.615	$0.307	$0.312	$0.187
60 – 64	$1.200	$0.599	$0.653	$0.390

Note: *Monthly costs shown above reflect those in effect as of January 1st, 2015.*
The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.
Monthly costs shown above are subject to applicable taxes.

For **Optional Life Insurance for Dependent Children,** current rate information may be obtained by contacting your Plan Administrator.

Optional Life Insurance For Dependents

Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your spouse's and/or dependent child(ren)'s life insurance coverage under the Dependents' Optional Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, or your spouse and/or dependent child(ren) no longer qualifies as an eligible dependent, whichever occurs first.

Proof that you are totally disabled must be submitted to Desjardins within 12 months from the onset of the disability, and periodically as requested by Desjardins thereafter.

The definition of "total disability" used to determine your eligibility for long term disability benefits, as described in this booklet, shall also apply when assessing your dependents' optional life insurance waiver of premium benefit.

Conversion Privilege

Your **spouse's** optional life insurance coverage ceases on the date your employment terminates. You may, however, apply to convert your spouse's insurance, on or before your spouse's 65th birthday, to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins accompanied by payment of the first premium within 31 days of the date your employment ends. If your spouse should die during the 31-day conversion period, a death benefit equal to the amount of insurance eligible for conversion will be paid, regardless of whether application for conversion has been made. A **dependent child(ren)'s** optional life insurance coverage may *not* be converted.

[1]For a Quebec plan Member to convert, his or her convertible amount must be at least $10,000 or 25 percent of group coverage (whichever is greater).

Optional Life Insurance For Dependents

How To Claim Death Benefits

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. Claims for death benefits must be submitted no later than 12 months after the date of death.

What's Not Covered

No amount will be paid for that part of your Dependents' Optional Life Insurance benefit that has been in force for less than 2 years, if loss of life results directly or indirectly, while sane or insane, from suicide, attempted suicide or purposely self-inflicted injury.

Basic Accident Insurance

Your basic accidental death and dismemberment plan provides coverage in the event of accidental death or serious injury.

How The Plan Works
Your basic accidental death and dismemberment insurance covers you 24 hours a day, 7 days a week, anywhere in the world. Benefits from this plan are paid in addition to any life or disability insurance that you receive.

In the event of your accidental death, your accident insurance plan will pay a benefit to your appointed beneficiary. Benefits for all other covered accidental losses are payable to *you*.

You may name anyone you choose to receive benefits payable under the plan in the event of your accidental death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

Benefits Provided
Your basic accidental death and dismemberment insurance coverage is equal to **1.5 times your annual earnings, to a maximum of $250,000**. (Amounts that are not an even multiple of $1,000 are rounded up to the nearest $1,000.) Your coverage will terminate on the date you attain age 65 or retire, whichever occurs first.

If you have an accident which results in a serious injury or death within 365 days of the accident, benefits will be paid according to the chart on the following page.

Basic Accident Insurance

If An Accident Results In:	Amount Payable
Quadriplegia (total paralysis of both arms and legs)	2 X insured amount
Paraplegia (total paralysis of both legs)	2 X insured amount
Hemiplegia (total paralysis of the arm and leg on one side of the body)	2 X insured amount
Loss of life	whole amount
Loss of both hands, both feet or both eyes	whole amount
Loss of use of both arms or both hands	whole amount
Loss of one hand and one foot	whole amount
Loss of one hand and one eye or one foot and one eye	whole amount
Loss of speech and hearing in both ears	whole amount
Loss of use of both feet	whole amount
Loss of one arm or one leg	3/4 of insured amount
Loss of use of one arm or one leg	3/4 of insured amount
Loss of one hand, one foot or one eye	2/3 of insured amount
Loss of use of one hand or one foot	2/3 of insured amount
Loss of speech or hearing in both ears	2/3 of insured amount
Loss of thumb and index finger or at least 4 fingers of one hand	1/3 of insured amount
Loss of hearing in one ear	1/3 of insured amount
Loss of all toes of one foot	1/4 of insured amount

Only one of the amounts payable (the largest applicable) is paid for injuries to the same limb caused by any one accident.

The maximum payable for all losses suffered by one covered person in any one accident will not exceed the following:

1. with the exception of quadriplegia, paraplegia and hemiplegia, the whole amount for which he or she is insured,
2. with respect to quadriplegia, paraplegia and hemiplegia, 200% of the amount for which he or she is insured, or 100% if Loss of Life occurs within 90 days after the date of the accident.

Basic Accident Insurance

Exposure & Disappearance
Benefits will also be paid for:

- losses caused by exposure to the elements, resulting from an accident within 365 days of the accident, and
- disappearance due to travel accidents (if a covered person's body is not found within 365 days of an accident in which their vehicle sinks or disappears, and there is no evidence that they survived, the benefit for loss of life is payable).

Repatriation Benefit
The plan will pay for the preparation and transportation of the deceased for burial:

- up to $10,000 if death occurs more than 50 km from the deceased's home, or
- up to $10,000 if death occurs outside of Canada.

Rehabilitation Benefit
The plan provides reimbursement of up to $10,000 for expenses incurred for special training received within 2 years of the accident required in order for you to engage in a new occupation, if you are unable to perform your normal occupation as a result of an accidental loss. Payment will not be made for ordinary living, travelling or clothing expenses.

Occupational Training Benefit
In the event of your accidental death, the plan provides reimbursement of up to $10,000 for expenses incurred for training that qualifies your widowed spouse for a job for which he or she would not have otherwise engaged in, but for your death.

Family Transportation Benefit
In the event you are on a trip covered by this plan, and are confined as an inpatient in a hospital because of injuries which result in a loss payable under the Loss Schedule and require the personal attendance of a member of your immediate family as recommended by the attending physician, the plan will pay up to $10,000 for the expense incurred by the member for transportation by the most direct route by a licensed common carrier to be in attendance with you.

"Member of the immediate family" means the spouse or common law spouse, parent, grandparent, children over age 18, brother or sister of the insured person.

Basic Accident Insurance

Education Benefit

In the event of your accidental death, the plan provides a benefit of up to $5,000 (or 5% of your insured amount, whichever is less) to your dependent child, provided the child was enrolled on a full-time basis in an institution of higher learning beyond the 12th grade level at the time of your death, or was enrolled in the 12th grade level and subsequently enrolls as a full-time student in an institution of higher learning within 365 days of your death.

The maximum benefit is in combination with the Education Benefit maximum provided under any other policy issued by the insurer, and is payable annually for a maximum of four (4) consecutive annual payments, provided the child continues to be enrolled in the institute of higher learning. Payment will not be made for expenses incurred prior to the date of your death, nor for room, board or other ordinary living, travelling or clothing expenses.

If, at the time of your accidental death, you have no dependent child(ren) eligible for either the Education Benefit or the Day Care Benefit, the insurer will pay $1,500 to your designated beneficiary.

Day-Care Benefit
In the event of your accidental death, the plan provides a benefit of up to $5,000 (or 5% of your insured amount, whichever is less) for reasonable and necessary expenses actually incurred for day-care, provided the child is enrolled in a day-care centre at the time of your death, or will subsequently enroll in a day-care centre within 365 days of your death.

The maximum benefit is in combination with the Day-Care Benefit maximum provided under any other policy issued by the insurer, for not more than four (4) consecutive years with respect to any one dependent child, provided the child continues to be enrolled in a day-care centre. Payment will not be made for expenses incurred prior to the date of your death, nor for room, board or other ordinary living, travelling or clothing expenses.

"Day-Care centre" means a facility which is operated according to law, including laws and regulations applicable to day-care facilities, and which provides care and supervision for children in a group setting on a regular basis. Day-Care centre shall neither include a hospital, the child's home, care provided during school hours while a child is attending grades one (1) through twelve (12) nor any other day-care facility which does not charge a fee for services rendered. **"Dependent child"** means a person who is either a natural child, step-child or legally adopted child of the insured employee, who is residing in his or her household, is under thirteen (13) years of age and dependent upon the insured employee for maintenance and support.

Private Automobile Seat Belt Coverage
In the event you sustain an injury which results in a loss payable under the Loss Schedule, an additional amount equal to 10% of the amount payable will be paid if, at the time of the accident, you were driving or riding in a vehicle and wearing a properly fastened seat belt.

The driver of the vehicle must hold a current and valid driver's license of a rating authorizing him or her to operate such vehicle, and neither be intoxicated nor under the influence of drugs, unless such drugs are taken as prescribed by a physician, at the time of the accident.

Basic Accident Insurance

Home Alteration & Vehicle Modification Benefit
In the event you receive a payment under the Loss Schedule and subsequently require (due to the same cause for which payment was made under the Loss Schedule) the use of a wheelchair to be ambulatory, this benefit will pay up to $10,000, upon presentation of proof of payment, for:

- the one-time cost of alterations to your residence to make it wheelchair accessible and habitable, and/or
- the one-time cost of modifications necessary to a motor vehicle, owned by you, to make the vehicle accessible or driveable for you.

Benefit payments will not be paid unless:

1. home alterations are made by a person or persons experienced in such alterations and recommended by a recognized organization, providing support and assistance to wheelchair users; and
2. vehicle modifications are carried out by a person or persons with experience in such matters and modifications are approved by the Provincial vehicle licensing authorities.

Waiver of Premium
Premium payments are waived during any period in which you are totally disabled and premiums are being waived for your group life insurance coverage. Premiums will be waived until age 65, recovery or death, whichever occurs first, provided this plan remains in force.

Conversion Privilege
Your basic accidental death and dismemberment insurance coverage ceases on the date your employment terminates. You may, however, apply to convert your insurance to an individual policy provided this plan is still in force — *without* having to provide medical evidence. You must apply to convert prior to age 70 and within 31 days of the date your employment ends. If you should die accidentally or suffer a covered accidental loss during the 31-day conversion period, a benefit will be paid in accordance with the Loss Schedule, regardless of whether or not application for conversion has been made.

Basic Accident Insurance

How To Claim Accident Benefits

Your Plan Administrator will furnish all the required claim forms to you or your beneficiary in the event of a covered accidental loss or death, respectively. Claims for accident benefits must be submitted no later than 12 months after the accident occurs.

What's Not Covered

Your basic accidental death and dismemberment insurance plan does not cover losses caused by or resulting from:

- suicide or attempted suicide,
- intentionally self-inflicted injury,
- any act of war, declared or undeclared,
- full-time active service in the armed forces of any country,
- injuries suffered while travelling in an aircraft owned or leased by your employer, or a subsidiary, affiliate or associate company of your employer,
- death or bodily injuries suffered while a pilot or crew member of an aircraft, or
- death or bodily injuries suffered while a passenger in an aircraft that is not properly licensed, or operated by a person not holding a current and valid pilot's license.

Note: *Benefits provided under the Repatriation Benefit; Rehabilitation Benefit; Occupational Training Benefit; Family Transportation Benefit; and Home Alteration and Vehicle Modification Benefit are payable under only one of the policies issued to your employer by the insurer.*

The MEARIE Group

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ATTACHMENT 4-E.3

EPI Employee Benefit Booklet

IBEW Outside Division

The MEARIE Group
Employee Benefit Program

Employee Benefit Booklet

ENTEGRUS POWERLINE INC.
IBEW Outside Division
Outside Union Employees

Issued: June 2015

Notice of Disclaimer

This handbook has been prepared to help you better understand the coverage provided under your employee benefit program. This handbook is not an agreement and it does not create nor confer any contractual or other rights.

The terms and conditions governing your benefit plans are set out in the official contracts between the insurers, your employer and MEARIE Management Inc.

Every effort has been made to ensure that the information in this handbook is accurate. However, if any question should arise, a decision will be made by reference to the official plan contracts and texts.

This handbook has been designed to help you understand and get the most out of your benefits. It gives you most of the information you will generally require regarding your benefits. Separate sections for each benefit plan allow you quick access to the benefit information you want when you want it.

Please keep this handbook in a safe place. If changes are made to your benefits, replacement pages will be provided to you for insertion in this handbook.

*Your life and disability plans are insured through **Desjardins Insurance**, while your health and dental plans are insured through **Great-West Life Assurance Company**. Your accident plan is insured through **AIG Insurance Company of Canada.***

Any questions you have about your benefit program should be referred to your Plan Administrator.

General Information

Enrolling In The Benefit Program

Who Can Enroll

If you are an active permanent full-time outside union employee under the age of 65, you are first eligible to enroll in the benefit program on the date you complete your probationary employment period of 90 working days.

Your dependents, as defined below, are also eligible for coverage under the dependents' optional life insurance, extended health care and dental care plans. Eligible dependents include your:

Spouse

- the person who you are legally married to, or
- a person who continuously resides with you in a role like that of a marriage partner for at least 12 months.

Dependent Children

Dependent children include your natural or legally adopted children, or step-children who:

- are unmarried,
- are not employed on a full-time basis,
- are not eligible for insurance as an employee under this plan or any other group plan, and
- are under 21 years of age, or, if in full-time attendance at an accredited school, college or university, are under 25 years of age.

A child insured under this plan, who is incapacitated due to a mental or physical handicap on the date he reaches the age when he would otherwise no longer be eligible for coverage, will continue to be an eligible dependent subject to written proof of the dependent's condition. A child is considered incapacitated if he is incapable of engaging in any substantially gainful activity and is dependent on you for support, maintenance and care, due to a mental or physical handicap.

A stepchild must be living with you to be an eligible dependent.

General Information

When Coverage Starts
Coverage for you and your eligible dependents commences on the date you first become eligible to enroll. If you are not actively at work on the date your coverage would normally begin, your coverage will not start until you return to active full-time work.

Changing Your Coverage
There are times when you may need to change your coverage under the dependents' optional life insurance, extended health care and/or dental care plans, either reducing or adding coverage as appropriate. This may be necessary if:

- you acquire a new spouse or dependent child,
- you separate or divorce,
- your spouse or dependent child dies,
- your child no longer qualifies as an eligible dependent, or
- you acquire or lose similar benefits through your spouse's plan.

In all cases, contact your Plan Administrator who will help you make the necessary changes to your coverage.

General Information

When Coverage Terminates
Coverage for you and your dependents will end on:

- the date your employment ends,
- the date you or your dependents cease to qualify for coverage based on the plan's eligibility requirements,
- the date you enter an armed service on full-time duty,
- the date your employer receives a written request from you to terminate the insurance, where permitted,
- the date you fail to make any required premium contribution,
- the last day of the month in which you attain age 65,
- the date your spouse attains age 65 (applies to Spouse's Optional Life Insurance),
- the date you retire (with the exception of Retirement Life Insurance coverage, and Extended Health and Dental benefits for Early Retirees – refer to the next sub-section, *When You Retire*, for eligibility requirements), or
- the date the group plan is cancelled.

If you are not actively at work due to **Maternity or Parental Leave of Absence**, coverage may be continued for the period of leave to which you are entitled by legislation provided premiums continue to be paid on your behalf. If you do not intend to continue your coverage during this period, where permitted by law, you must inform your employer in writing on or before the date your leave begins. In this case, coverage for you and your dependents will not be reinstated until you return to active full-time work.

Coverage for you and your dependents will cease on the date you are not actively at work due to **lay-off, leave of absence (other than maternity or parental leave), strike or lock-out**.

If you are not actively at work due to **illness or injury**:

- your life, accident and disability coverage will continue in accordance with the "Waiver of Premium" provisions described in the applicable sections of this handbook, and
- extended health care and dental care coverage for you and your dependents will continue until your employer terminates such coverage, provided premiums continue to be paid on your behalf and this plan remains in force.

General Information

When You Retire

Coverage for you and your dependents will stop on the date you retire. *However*, if you retire prior to your 65th birthday and qualify to receive an early pension through OMERS, your dental and extended health coverage will be continued until the last day of the month in which you reach age 65.

If you retire under an Early Retirement or Normal Retirement pension through OMERS, you will qualify to receive a paid-up life insurance policy upon your retirement. Coverage details are provided in the Basic Life Insurance section of this handbook.

Dental Care

Your dental care plan has been developed to help you and your family maintain good dental health.

How The Plan Works

Reimbursement of eligible dental services and supplies is based on the fees recommended in the **prior year's** Ontario Dental Association Fee Guide for General Practitioners.

There is **no dental care deductible**.

What Is Covered

The plan provides 100% reimbursement for the following basic dental services:

- complete oral examinations (once in any 24-month period),
- full mouth x-rays (once in any 24-month period),
- recall examinations (once in any 9-month period or once in any 6-month period for dependent children under age 19),
- bitewing x-rays (once in any 9-month period or once in any 6-month period for dependent children under age 19),
- routine diagnostic and laboratory procedures,
- one unit of light scaling and one unit of polishing, once in any 9-month period or once in any 6-month period for dependent children under age 19,
- fluoride treatment (once in any 9-month period or once in any 6-month period for dependent children under age 19),
- oral hygiene instruction (initial instruction plus one recall),
- fillings (amalgam, silicate, acrylic, and composite), retentive pins, and pit and fissure sealants,
- surgical services (excluding implant surgery),
- consultation, anaesthesia, and conscious sedation,
- denture repairs, relines and rebases (minor adjustments are covered only after 3 months have elapsed from the date of insertion),
- injection of antibiotic drugs, when administered by a dentist in conjunction with dental surgery,

- periodontal services for treatment of gum disease and other supporting tissues of the teeth, including:
    1. scaling in excess of one unit, and root planing, up to a combined maximum of 16 units per calendar year;
    2. provisional splinting; and
    3. occlusal equilibration, up to a maximum of 8 units per calendar year, and
- endodontic services which include root canal therapy, root amputation, apexifications, and periapical services.

50% reimbursement is provided for the following removable prosthodontic services and supplies:

- initial provision of a full or partial removable denture, and
- replacement of a removable denture, provided the new denture is necessary due to one of the following:
    1. a natural tooth is extracted and the existing appliance cannot be made serviceable;
    2. the existing appliance is at least 5 years old and cannot be made serviceable; or
    3. the existing appliance is temporary and within 12 months of its installation it is replaced by a permanent denture. The total amount payable for both the temporary and permanent denture is the amount which would have been allowed for a permanent denture.

Dental Care

50% reimbursement is provided for the following fixed prosthodontic and major restorative services:

- crowns, onlays and inlays (only when function is impaired due to cuspal or incisal angle damage caused by trauma or decay), including gold foil restorations (only when approved by the Insurance Company), metal transfers, telescoping and splinting,
- initial provision of fixed bridgework, and
- replacement of a fixed bridgework or addition of teeth to bridgework provided the replacement or addition is due to one of the following:
    1. a natural tooth is extracted and the existing appliance cannot be made serviceable;
    2. the existing appliance is at least 5 years old and cannot be made serviceable; or
    3. the existing appliance is temporary and, within 12 months of its installation, it is replaced by a permanent bridge. The total amount payable for both the temporary and permanent bridge is the amount which would have been allowed for a permanent bridge.

The plan provides 50% reimbursement of the following orthodontic services and supplies for dependent children who are under the age of 19 when treatment begins:

- space maintainers,
- correction of malocclusion of the teeth,
- observation and adjustment,
- appliances for tooth guidance and uncomplicated tooth movement,
- appliances to control harmful habits,
- retention appliances, and
- fixed or cemented, unilateral and bilateral appliances.

Maximum Benefit

No overall maximum benefit applies for basic or removable prosthodontic dental services. The maximum benefit payable for fixed prosthodontic and major restorative services is $1,000 per person per calendar year. Benefits for orthodontic services are limited to a lifetime maximum of $2,000 per dependent child.

Dental Care

Pre-Treatment Estimate

Whenever the total cost of proposed dental treatment is expected to exceed $500, a treatment plan should be submitted to the Insurance Company in advance to determine how much of your proposed treatment will be covered by the plan. A treatment plan provides a written description of your dental needs, including x-rays; the proposed treatment necessary in the professional judgement of the dentist; and, the cost of the proposed treatment.

Note: *If, for any given dental condition, there are two or more courses of treatment covered under this plan which will produce professionally adequate results, the Insurance Company will pay benefits as if the least expensive course of treatment was used. The Insurance Company retains a professional dental consultant to determine the adequacy of the various courses of treatment available.*

Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; dental services covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the dental treatment makes the claim first — from their employer's plan. (If your child receives dental care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!

Dental Care

How To Claim Dental Benefits

1. Pick up a claim form from your Plan Administrator before you go to the dentist
2. Take the claim form with you to your appointment and ask the dentist to complete the dentist's portion of the claim form. If your dentist agrees to accept payment from the plan instead of directly from you, be sure the claim form shows that the refund should be made payable to the dentist.
3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy account number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance.)
4. Return your completed claim form for processing to Great-West Life, at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks. If you assign payment of the claim to your dentist, you will receive only a copy of the benefits being paid and the refund cheque will be sent directly to your dentist.

OR

Your dental office may file your claim electronically with Great-West Life. In order to process your claim, the information transmitted by the dental office must be complete, and include the same information required for a paper claim (i.e., your employer's name, your policy number, your class code and certificate number).

Note: *Dental claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

Dental Care

What's Not Covered

Your dental care plan does not cover:

- services or treatment that are covered under any other plan, government plan or legally mandated program,
- dental care resulting from self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- dental care required as a result of committing or attempting to commit an assault or criminal offense,
- charges for broken appointments, third party examinations, travel to and from appointments, or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person,
- treatment rendered for a full mouth reconstruction, for a vertical dimension, or for a correction of temporomandibular joint dysfunction,
- cosmetic treatment, unless required due to an accidental injury which occurs while you or your dependent is insured under this plan,
- implants, or any services rendered in conjunction with implants,
- anti-snoring or sleep apnea devices,
- treatment which is not generally recognized by the dental profession as an effective, appropriate and essential form of treatment for the dental condition,
- replacement of removable appliances which are lost, mislaid or stolen, or
- laboratory fees which exceed the reasonable and customary charges, as determined by the Insurance Company.

Dental Care

Extended Benefit For Surviving Dependents

For Active Employees:
If you should die while insured under this plan, dental coverage will be continued, without payment of premiums, for your dependents who are insured under this plan at the time of your death for a period of up to 5 years, or earlier, if:

1. your dependent would otherwise cease to qualify as an eligible dependent,
2. your surviving spouse remarries,
3. similar coverage is obtained elsewhere, or
4. this plan terminates.

For Early Retirees:
If you should die while insured under this plan, dental coverage will be continued, subject to continued payment of premiums, for your dependents who are insured under this plan at the time of your death until the earliest of the following dates:

1. the date your coverage, if still living, would terminate due to attainment of your 65th birthday,
2. the date your dependent would otherwise cease to qualify as an eligible dependent,
3. the date your surviving spouse remarries,
4. similar coverage is obtained elsewhere, or
5. this plan terminates.

Extended Health Care

Under the extended health care plan, you and your family receive financial protection against major medical expenses which are not covered under your provincial health plan.

How The Plan Works
Your extended health care plan reimburses **100%** of the cost of medical services and supplies that are covered under the plan.

There is **no extended health care deductible.**

What Is Covered
The following medical services and supplies are covered provided they are:

- medically necessary in the treatment of an illness or injury,
- recommended by a physician,
- incurred for the care of a person while insured under this benefit,
- reasonable taking all factors into account,
- not covered under the provincial health plan or any other government-sponsored program, and
- they can legally be insured.

Payment for any covered expenses which may be purchased in large quantities will be limited to the purchase of up to a 3 months' supply at any one time, except for covered Drug expenses.

Extended Health Care

Hospital Care
Daily charges up to **semi-private or private** hospital confinement (incurred in Canada) in excess of the charges for standard Ward accommodation, provided:

a) the insured person was confined to hospital on an in-patient basis; and

b) the accommodation was specifically elected in writing by the insured person.

For private accommodation charges in excess of the hospital's semi-private charge, up to $10 per day for up to 120 days per calendar year provided:

a) the insured person was confined to hospital on an in-patient basis; and

b) the accommodation was specifically elected in writing by the insured person.

Note: *The plan does not cover charges for any portion of the cost of Ward accommodation, utilization or copayment fees (or similar charges).*

Convalescent Care: Charges for confinement in a licensed Convalescent Care Facility, in excess of the hospital's ward charge, for semi-private accommodation.

Chronic Care: Charges for confinement in a Chronic Care Facility which starts within 14 days of discharge from a Hospital confinement of at least 5 days, to a maximum of $3 per day for up to 120 days per calendar year. Chronic Care utilization fees are not covered expenses.

Extended Health Care

Prescription Drugs & Medicines — Direct Payment Plan

- drugs or medicines that are dispensed by a licensed pharmacist, and which by law or convention require the written prescription of a physician or dentist,
- life-sustaining drugs,
- injectable medications,
- oral contraceptives,
- preventive vaccines and medicines (oral or injected), and
- standard syringes, needles and diagnostic aids, if required for treating diabetes (cotton swabs, rubbing alcohol, automatic jet injectors and similar equipment are not covered).
- Fertility Drugs are subject to a maximum of $15,000 per lifetime.
- Anti-smoking Drugs and sexual Dysfunction Drugs are not covered.

The maximum amount for any covered expense is the price of the lowest cost generic equivalent product that can legally be used to fill the prescription, as listed in the Provincial Drug Benefit Formulary. **Unless a plan member submits a Request for Brand Name Drug Coverage Form (indicating why a prescribed drug cannot be substituted) which is subsequently approved by the insurer, benefits will be based on the cost of the lowest priced interchangeable drug that has the same medicinal ingredient.** A plan member can still choose to purchase the prescribed drug and pay the cost difference. If there is no generic equivalent product for the prescribed drug or medicine, the amount covered is the cost of the prescribed product.

Benefits will be paid directly to the dispensing pharmacist, provided the pharmacist is enrolled in the pay-direct drug plan — simply present your drug card to the pharmacist. You will be required to pay any deductible, where applicable.

Note: *The maximum quantity of Drugs or medicines that will be payable for each prescription will be limited to the lesser of the quantity prescribed by the Physician or Dentist; or, a 34-day supply. A 100-day supply will be allowed in long-term therapy cases, when deemed appropriate by the pharmacist. The plan does not cover expenses for the administration of serums, vaccines, or injectable Drugs, biological and related preparations which are intended to be administered in Hospital on an in-patient or out-patient basis and are not intended for a patient's use at home.*

Extended Health Care

Professional Services
Services of a licensed **chiropractor**, up to $25 per visit, limited to a maximum of $325 per calendar year. X-Rays are covered up to a maximum of $50 per calendar year.

Services of a licensed **physiotherapist or sports therapist**, to a maximum of $525 per calendar year, when recommended in writing by the attending physician.

Services of licensed **podiatrist**, up to $25 per visit, limited to a maximum of $300 per calendar year.

Services of licensed **clinical psychologist**, up to $100 for the initial visit and $80 for each subsequent visit, limited to a maximum of $420 per calendar year.

Services of a licensed **speech therapist**, up to $60 for the initial visit and $40 for each subsequent visit, limited to a maximum of $260 per calendar year, when recommended in writing by the attending physician.

Services of a registered **masseur,** up to $25 per visit, limited to a maximum of $325 per calendar year, when recommended in writing by the attending physician.

Services of a licensed **naturopath,** up to $25 per visit, limited to a maximum of $300 per calendar year.

Services of a licensed **osteopath,** up to a $25 per visit, limited to a maximum of $300 per calendar year.

Services of a licensed **dietician,** up to $25 for the initial visit and $15 for each subsequent visit, limited to a maximum of $280 per calendar year, when recommended in writing by the attending physician.

Extended Health Care

Vision Care
The following vision care services are covered when prescribed by an ophthalmologist, optometrist, or oculist:

- eye examinations, including refractions, limited to once per calendar year.
- purchase and fitting of prescription glasses or elective contact lenses, or elective laser vision correction procedures, to a maximum of **$350** every 24 consecutive months (charges for repairs are also included under this maximum), and
- visual training, to a maximum of $200 per lifetime.

Medical Services & Supplies
For all medical equipment and supplies covered under this plan under the following provisions, eligible covered expenses will be limited to the cost of the device or item that adequately meets the patient's fundamental medical needs.

Private Duty Nursing
Private duty nursing services (other than for custodial care, homemaking services and supervision — deemed to be within the practice of nursing) provided in the patient's home by a Registered Nurse (R.N.), Registered Nursing Assistant (R.N.A.), who is not a relative, friend or member of the patient's household, to a maximum of ninety 8-hour shifts per calendar year.

Note: *It is recommended that a detailed treatment plan must be submitted before private duty nursing services begin. The Insurance Company will then advise you of any benefits that are payable under the plan.*

Extended Health Care

Rental of Major Medical Equipment

Rental of (or, at the Insurance Company's option, purchase of):

- *Mobility Equipment:* crutches, canes, walkers and standard wheelchairs; and
- *Durable Medical Equipment: manual hospital beds, respiratory and oxygen equipment, and other durable medical equipment usually found only in hospitals.*

Non-Dental Prostheses, Supports & Hearing Aids

- external prostheses (note: limited to 80% reimbursement for myoelectric prostheses),
- braces (other than foot braces), trusses, collars, leg orthosis, casts and splints,
  stock-item orthopaedic shoes and modifications or adjustments to stock-item orthopaedic shoes or regular footwear when recommended by a physician or podiatrist, limited to 2 pairs per calendar year,
- custom-made orthopaedic shoes which are constructed by a Certified Orthopaedic Footwear Specialist (C.F.S.O.) and are required because of a medical abnormality that, based on medical evidence, cannot be accommodated in a stock-item orthopaedic shoe or a modified stock-item orthopaedic shoe, limited to 1 pair per calendar year,
- casted, custom-made orthotics which are recommended by a physician or podiatrist, up to two pairs per calendar year, limited to a maximum of $225 per pair per calendar year,
- hearing aids (including charges for installation, repair, maintenance and batteries), to a maximum of $500 every 5 calendar years,
- surgical stockings, to a maximum of 4 pairs per calendar year,
- surgical brassieres, to a maximum of 4 per calendar year, and
- wigs and hairpieces, required as a result of a temporary hair loss due to medical treatment, limited to $250 per lifetime.

Extended Health Care

Other Supplies

- ileostomy, colostomy and incontinence supplies,
- oxygen, and
- medicated dressings and burn garments.

Diagnostic Procedures

Microscopic and other similar diagnostic tests and services.

Ambulance

Licensed ambulance service provided in the insured person's province of residence, including air ambulance, to and from the nearest hospital where adequate treatment is available.

Accidental Dental Treatment

Services of a dentist for the treatment of damage to natural teeth or the jaw resulting from an external, accidental blow to the mouth which occurs while insured under this plan. The treatment must be received and approved for payment within 12 months of the accident. Injuries due to biting or chewing are *not* covered.

Extended Health Care

Emergency Out-of-Province or Out-of-Country Coverage

Eligible medical services and supplies are covered under this plan for treatment given outside the patient's province of residence if required to provide treatment as a result of a **medical emergency** arising while temporarily outside the home province (including outside Canada), on business or vacation. (The person receiving the treatment must also be covered by the provincial health plan during the absence from Canada).

> A **medical emergency** is a sudden, unexpected injury which occurs, or an unforeseen illness which begins, during the absence from the patient's home province and which requires immediate medical attention. The plan will not cover emergency treatment while travelling for health reasons.
>
> **Travelling outside Canada while pregnant:** This plan will not cover any pregnancy related costs which are incurred outside of Canada within nine weeks of the expected delivery date. Costs associated with a child born outside Canada within nine weeks of the expected delivery date, or after the expected delivery date, are not covered.
>
> **Temporarily** outside the home province means a trip lasting 60 days or less. If a trip lasts longer than 60 days, no part of the trip will be covered, including the first 60 days. This 60 days includes the date of departure and the date of return.

The plan will pay up to $1,000,000 for each insured person for all the covered costs related to any one medical emergency. When emergency treatment for a condition is completed, any ongoing treatment related to that condition is not covered. Eligible expenses include the following services and supplies:

- Hospital room and board at standard Ward rates
- Hospital services and supplies, and
- treatment by licensed physicians

In emergency out-of-province/country situations, other charges included under the Extended Health Care coverage section of this plan are covered to the same extent that they would be in Canada. This includes coverage such as wheelchair rental, crutches and prescription drugs.

Extended Health Care

In the event of a medical emergency, you or someone acting on your behalf must contact the Travel Assistance Centre prior to seeking medical treatment. If it is not reasonably possible for you to contact the Travel Assistance Centre prior to seeking medical treatment due to the nature of the medical emergency, you must contact the Travel Assistance Centre as soon as possible. Failure to contact the Travel Assistance Centre as described will result in a reduction of benefits in the case of hospitalization of 40% of eligible costs. All costs for such emergency will be limited to your emergency out-of-province/country coverage and Travel Assistance coverage maximum or $25,000, whichever is less.

If a physician or the Travel Assistance provider recommends you or your dependent be moved to a different facility at the destination, and you choose not to go, eligible costs for emergency coverage and Travel Assistance coverage will in the case of hospitalization be reduced by 40% of eligible costs. All costs for such emergency will be limited to your emergency out-of-province/country coverage and Travel Assistance coverage maximum or $25,000, whichever is less.

If a physician or the Travel Assistance provider recommends you or your dependent return to your home province, and you choose not to go, emergency coverage and Travel Assistance coverage will end.

When used under this emergency out-of-province/country section, hospital means a facility licensed to provide emergency treatment for sick or injured patients. It must have facilities for diagnosis and treatment. Physicians and registered nurses must be in the attendance 24hours a day. It does not include nursing homes, homes for the aged, rest homes, convalescent care facilities or any facility that provides similar care.

Extended Health Care

Travel Assistance Plan
This plan provides travel assistance for you and your eligible dependents, while you are temporarily outside your province of residence (including outside of Canada) because of business or vacation, and not for health reasons. The assistance services are delivered through an international organization, specializing in travel assistance.

Temporarily outside the home province means and trip lasting 60 days or less. If a Trip lasts longer than 60 days, nor part of the trip will be covered, including the first 60 days. This 60 days includes the date of departure and the date of return.

Travelling outside Canada while pregnant: This plan will not cover any pregnancy related costs which are incurred outside of Canada within nine weeks of the expected delivery date. Costs associated with a child born outside Canada within nine weeks of the expected delivery date, or after the expected delivery date, are not covered.

Assistance is provided for both Medical and Non-Medical travel emergencies. Services are available during the period that you are covered for Out-of Province/Out-of-Country emergency treatment, provided under this plan, and include the following:

- multilingual assistance by telephone, 24 hours a day, 365 days a year, for the insured person or medical providers to obtain aid, assistance, and exchange information, in matters relating to the covered services,
- referrals to physicians or medical facilities, if necessary,
- arrangements for direct payment, wherever possible, for physicians' services, hospitalization and other insured services,
- communication with the physician who is treating the insured person to get an understanding of the situation and monitor the condition,
- telephone interpretation services in most major languages,
- the sending and receiving of urgent messages,
- medical evacuation home or transportation to another medical facility. For transportation home, payment will be made based on an economy fare ticket,
- arrangements for (including all necessary documents) and the cost of transporting the insured person's remains to their home, up to a maximum of $3,500,
- help to locate Embassy or Consulate services,
- help to locate lost documents or luggage.

The Travel Assistance benefit includes the following services, subject to prior approval of the charges:

- the cost of additional commercial accommodation required beyond the original return date, for a companion travelling with the insured person. This includes charges for accommodation, meals, telephone and taxi or rental cars, up to a maximum of $150 per day, not to exceed a total of $1,500,
- the cost of an economy fare ticket home, for a companion who is travelling with the insured person, and who has forfeited their ticket because of a delay caused by the insured person's illness, injury, or death,
- the cost of an economy fare ticket home for each child left alone because of the insured person's illness, injury, or death. The Travel Assistance provider will also arrange for a qualified attendant to accompany the children, if necessary,
- the cost of a round-trip economy fare ticket for a family member to visit an insured person who is travelling alone and must be hospitalized for more than 10 days,
- the cost of returning a vehicle to the insured person's home or the nearest rental agency, up to a maximum of $1,000.

The insurer, and the company contracted by the insurer to provide the travel assistance services described in this benefit, will not be responsible for the availability, quality, or results of any medical treatment, or the failure of an insured person to obtain medical treatment or emergency assistance services for any reason.

Emergency assistance may not be available in all countries due to conditions such as war, political unrest or other circumstances which interfere with or prevent the provision of any services.

How To Access The Travel Assistance Plan — Your Travel Assistance Card
Your Travel Assistance card lists the toll free numbers to call in case of an emergency while outside your province. The toll free number will put you in touch with the international travel assistance organization.

Your Travel Assistance card also lists your I.D. number (your certificate number) and your group policy number, which the travel assistance organization needs to confirm that you are covered under the plan.

Extended Health Care

Maximum Benefit

The maximum dollar amount that is reimbursed for covered medical services and supplies received in Canada is unlimited. The maximum that is reimbursed for medical treatment received outside of Canada is $1,000,000 for the lifetime of each covered person.

Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; medical services and supplies covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the service or supply makes the claim first — from their employer's plan. (If your child receives medical care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!

Extended Health Care

How To Claim Extended Health Care Benefits

To claim benefits for medical services and supplies, other than drugs or medicines:

1. Save all your receipts for medical services and supplies, and any bills or receipts received for hospital care. Receipts and bills should show:
   - the patient's name,
   - the date the treatment or supply was provided,
   - the nature of the service or supply, and
   - an item-by-item list of the charges.
2. Pick up a claim form from your Plan Administrator or visit www.greatwestlife.com to get printed claim forms with your plan information already filled in.
3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance.)
4. Return your completed claim form, with original receipts attached, for processing to Great-West Life at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks.

Note: *Extended health care claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance under this plan terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

Extended Health Care

To claim benefits for drugs or medicines:

1. Present your drug card to the pharmacist when filling your prescription.
2. Provided the pharmacist is enrolled in the pay-direct drug plan, payment will be made directly to the pharmacist — you do not need to complete any claim forms or wait for the reimbursement.
3. You will be required to pay any portion of the cost of the drug that is not covered, where applicable, to the pharmacist.

Note: *If the prescription is not obtained through the use of your drug card, be sure to get a receipt from the pharmacist. To receive reimbursement of benefits payable, a claim form must be completed and sent to Great-West Life at the address shown on the claim form, along with your original receipts.*

What's Not Covered

Your extended health care plan does not cover any expense which is directly or indirectly related to:

- any illness or injury arising out of or in the course of employment when the person is covered by or is eligible for coverage by Workers' Compensation,
- any illness or injury for which benefits are payable under any government plan or legally mandated program,
- self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- the committing of or the attempt to commit an assault or criminal offense,
- charges for periodic check-ups, broken appointments, third party examinations, travel for health purposes or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all or which would have been reimbursed under a government-sponsored plan in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,

- charges for services or supplies which are required for recreation or sports, but which are not medically necessary for regular activities,
- charges which would have been payable by the provincial health plan had proper application been made,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person, or which are provided while confined in a Hospital on an in-patient basis, or
- medical treatment which is not usual and customary, or which is experimental or investigational in nature.

Extended Benefit For Surviving Dependents

For Active Employees:
If you should die while insured under this plan, extended health care coverage will be continued, without payment of premiums, for your dependents who are insured under this plan at the time of your death for a period of up to 5 years, or earlier, if:

1. your dependent would otherwise cease to qualify as an eligible dependent,
2. your surviving spouse remarries,
3. similar coverage is obtained elsewhere, or
4. this plan terminates.

Extended Health Care

For Early Retirees:

If you should die while insured under this plan, extended health care coverage will be continued, subject to continued payment of premiums, for your dependents who are insured under this plan at the time of your death until the earliest of the following dates:

1. the date your coverage, if still living, would terminate due to attainment of your 65th birthday,
2. the date your dependent would otherwise cease to qualify as an eligible dependent,
3. the date you surviving spouse remarries,
4. similar coverage is obtained elsewhere, or
5. this plan terminates.

Long Term Disability

Your long term disability plan has been developed to protect you against the financial impact of lost income, if a lengthy illness or injury keeps you from coming to work.

How The Plan Works

Benefits are payable under the long term disability plan after you have been totally and continuously disabled for a period of **180 calendar days.**

Benefits Provided

If you are totally disabled you will receive a monthly income benefit equal to **70% of your regular monthly earnings, to a maximum of $4,000 per month**.

> *To qualify for long term disability benefits you must be "totally disabled". During the first 24 months that you receive long term disability, this means that you are unable to do the essential duties of your normal job and are not otherwise employed. After this 24-month period, you will continue to qualify for long term disability benefits only if you are unable to work at any job for which you are reasonably suited by virtue of your education, training and experience.*

Any benefits you receive from the long term disability plan are taxable if your employer contributes, in whole or in part, towards the cost of providing the plan.

Benefits from the long term disability plan will stop if you:

- recover,
- attain age 65,
- are unable to provide written proof of your disability,
- are no longer under a physician's care,
- fail to undergo an examination by an independent doctor of the Insurance Company's choice,
- travel outside of Canada or the United States unless approved by the insurer, or
- in the event of your death.

Long Term Disability

Coordination With Other Disability Benefits
Long term disability benefits are reduced by the amount of income you receive or are entitled to receive as a result of the same disability from:

- Workers' Compensation or similar legislation (excluding any future cost of living adjustments),
- the Canada or Quebec Pension Plan (excluding any future cost of living adjustments or dependent benefits payable to you),
- any other federal, provincial or municipal government plan, and
- any other group insurance plan, or any retirement or pension plan of the employer.

The benefit you receive will be further reduced, if necessary, so that the total disability income you receive from this plan and any other source (other than income from a private source) does not exceed 85% of your pre-disability net earnings (if benefits are non-taxable) or gross earnings (if benefits are taxable).

Rehabilitation Benefit
The rehabilitation benefit is designed to help you through an adjustment period of up to 24 months while working part-time, in a reduced capacity or involved in a retraining program approved by the Insurance Company.

While you are participating in an approved rehabilitation program, your long term disability benefit will not be discontinued. However, your monthly long term disability benefit will be reduced by 50% of the compensation you receive from rehabilitative employment.

Long Term Disability

When Disability Recurs
If you recover from total disability, only to become disabled again, the second period of disability will be treated as a continuation of the first unless the second disability is unrelated to the first, or is separated from the first by more than six months.

Waiver of Premium
Premium payments are waived during any period in which you receive benefits from this plan. Long term disability benefits will continue in accordance with the terms of the policy regardless of whether or not this plan remains in effect or your other benefit coverages are subsequently terminated, provided your disability begins while your coverage under this plan is in force.

How To Claim Long Term Disability Benefits
Claim forms are available from your Plan Administrator. Early filing of claims is recommended. Forms should be completed and returned to your Plan Administrator after you have been disabled at least 30 days and do not expect to return to work before the *Elimination Period* expires. Long term disability claims must be submitted no later than 90 days after the date you are eligible for benefits to begin.

Long Term Disability

What's Not Covered
Your long term disability plan does not cover:

- intentionally self-inflicted injury or illness,
- disability resulting from war, or act of war, or while engaged in the armed services,
- any period of disability during which you are not under the regular care and attendance of a legally qualified physician,
- any period of disability which commences while you are not insured under this plan,
- disability resulting from a pre-existing condition which causes disability in the first 12 months of your Long Term Disability coverage. This exclusion will not apply to any condition for which you have been treatment free (have not been treated by a physician or drugs were not prescribed) during the 90 days immediately prior to the effective date of your coverage,
- participation in a criminal act, or
- disability, loss or expense which commences or occurs during any period of statutory maternity or parental leave of absence except to the extent:
    1. the continuance of insurance coverage during such period of statutory maternity or parental leave of absence is required by legislation or by written agreement between you and your employer; and
    2. you do not receive or are not entitled to receive any payment, benefit, indemnity or other amount from any source, including any policy, plan or fund provided by any employer, insurer or government (including basic and supplementary unemployment insurance maternity/parental leave benefits).

Basic Life Insurance

Your basic life insurance plan pays a benefit to your beneficiary in the event of your death.

How The Plan Works

If you should die, your basic life insurance plan will pay a benefit to your appointed beneficiary, regardless of the cause of death.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

Benefits Provided

Your basic life insurance coverage is equal to **1.5 times your annual earnings to a maximum of $250,000**. (Amounts that are not an event multiple of $1,000 are rounded up to the nearest $1,000).

Your basic life insurance coverage terminates on the earlier of the date you attain age 65 or retire. However, if you retire under an Early Retirement or Normal Retirement pension through OMERS, you will be issued an individual paid-up life insurance policy in the amount of $5,000 upon your retirement.

Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Basic Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Desjardins within 12 months from the onset of the disability, and periodically as requested by Desjardins thereafter.

The definition *of "Totally Disabled*" used to determine your eligibility for long term disability benefits, as described in the booklet, shall also apply when assessing your life insurance waiver premium benefit.

Basic Life Insurance

Conversion Privilege

Your basic life insurance coverage ceases on the date your employment terminates. However, if you are under age 65, you may apply to convert your insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins accompanied by payment of the first premium within 31 days of the date your basic life insurance terminates. The amount of the individual policy will not exceed the lesser of $200,000 ($400,000 for employees residing in Quebec[1]) or the total amount of your life insurance in force under all life insurance plans provided under this policy immediately prior to the termination of your coverage. If you should die during the 31-day conversion period, a death benefit will be paid, regardless of whether or not application for conversion has been made.

[1]For a Quebec plan Member to convert, his or her convertible amount must be at least $10,000 or 25 percent of group coverage (whichever is greater).

How To Claim Death Benefits

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. Claims for death benefits must be submitted no later than 12 months after the date of death.

Optional Life Insurance For Employees

The optional life insurance plan enables you to purchase additional life insurance coverage for yourself.

How The Plan Works

The purchase of optional life insurance is completely voluntary; you decide whether or not to participate.

In the event of your death, your optional life insurance plan will pay a benefit to your appointed beneficiary.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

Benefits Available

Optional life insurance coverage is available in **multiples of $10,000, to a maximum of $200,000**. All coverage is subject to medical evidence — proof that you are insurable, satisfactory to the insurer. Optional life insurance coverage terminates on the date you attain age 65 or retire, whichever occurs first.

Optional Life Insurance For Employees

Cost of Optional Life Insurance

Your cost, paid through payroll deduction, depends on your gender, your age and on whether or not you smoke. (You are considered a “non-smoker” if you have not smoked for the last 12 months.) Monthly costs are provided in the table below.

Employee’s Attained Age (as at January 1st)	Male		Female	
	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)
Under 35	$0.044	$0.022	$0.022	$0.020
35 - 39	$0.060	$0.039	$0.033	$0.028
40 - 44	$0.163	$0.080	$0.099	$0.062
45 - 49	$0.285	$0.142	$0.169	$0.098
50 - 54	$0.445	$0.231	$0.240	$0.151
55 - 59	$0.757	$0.383	$0.395	$0.231
60 - 64	$0.890	$0.480	$0.480	$0.300

Note: *Monthly costs shown above reflect those in effect as of January 1st, 2015.*
The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.
Monthly costs shown above are subject to applicable taxes.

Optional Life Insurance For Employees

Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Optional Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Desjardins within 12 months from the onset of the disability, and periodically as requested by Desjardins thereafter.

The definition of "total disability" used to determine your eligibility for long term disability benefits, as described in this booklet, shall also apply when assessing your optional life insurance waiver of premium benefit.

Conversion Privilege

Your optional life insurance coverage ceases on the date your employment terminates. However, if you are under age 65, you may apply to convert your insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins accompanied by payment of the first premium within 31 days of the date your supplementary life insurance terminates. The amount of the individual policy will not exceed the lesser of $200,000 ($400,000 for employees residing in Quebec[1]) or the total amount of your life insurance in force under all life insurance plans provided under this policy immediately prior to the termination of your coverage. If you should die during the 31-day conversion period, a death benefit will be paid, regardless of whether or not application for conversion has been made.

[1]For a Quebec plan Member to convert, his or her convertible amount must be at least $10,000 or 25 percent of group coverage (whichever is greater).

Optional Life Insurance For Employees

How To Claim Death Benefits

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. Claims for death benefits must be submitted no later than 12 months after the date of death.

What's Not Covered

No amount will be paid for that part of your Optional Life Insurance benefit that has been in force for less than 2 years, if loss of life results directly or indirectly, while sane or insane, from suicide, attempted suicide or purposely self-inflicted injury.

Optional Life Insurance For Dependents

The dependents' optional life insurance plan enables you to purchase life insurance coverage for your spouse and/or dependent Child(ren)

How The Plan Works

The purchase of dependent optional life insurance is completely voluntary; you decide whether or not to participate.

If your spouse and/or dependent child(ren) are (is) insured for life insurance coverage under the dependents' optional life plan, benefits are payable to *you* in the event of the death of your covered spouse and/or dependent child(ren).

Benefits Available

Spouse's optional life insurance coverage is available in **multiples of $10,000, to a maximum of $200,000**. All coverage is subject to medical evidence — proof that your spouse is insurable, satisfactory to the insurer. Spouse's optional life insurance coverage terminates on the date you attain age 65, the date you retire or the date your spouse attains age 65, whichever occurs first.

For eligible dependent children, the optional life insurance coverage available is a **flat benefit of $5,000** (per eligible dependent child). Coverage is subject to medical evidence – proof that your dependent child(ren) is insurable, satisfactory to the insurer. Optional life insurance coverage for a dependent child terminates on the date you attain age 65, the date you retire or the date your dependent child no longer qualifies as an eligible dependent, whichever occurs first.

Optional Life Insurance For Dependents

Cost of Optional Life Insurance

For **Spouse's Optional Life Insurance**, the rates vary based on your spouse's age, gender and smoking status, and are adjusted according to your spouse's age on the 1st of January each year, with any required adjustment taking effect at that time. Monthly costs are provided in the chart below.

Spouse's Attained Age (as at January 1st)	Male		Female	
	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)
Under 30	$0.042	$0.032	$0.042	$0.026
30 - 39	$0.069	$0.035	$0.054	$0.032
40 - 49	$0.187	$0.094	$0.113	$0.069
50 - 59	$0.615	$0.307	$0.312	$0.187
60 – 64	$1.200	$0.599	$0.653	$0.390

Note: *Monthly costs shown above reflect those in effect as of January 1st, 2015.*
The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.
Monthly costs shown above are subject to applicable taxes.

For **Optional Life Insurance For Dependent Children,** current rate information may be obtained by contacting your Plan Administrator.

Optional Life Insurance For Dependents

Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your spouse's and/or dependent child(ren)'s life insurance coverage under the Dependents' Optional Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, or your spouse and/or dependent child(ren) no longer qualifies as an eligible dependent, whichever occurs first.

Proof that you are totally disabled must be submitted to Desjardins within 12 months from the onset of the disability, and periodically as requested by Desjardins thereafter.

The definition of "total disability" used to determine your eligibility for long term disability benefits, as described in this booklet, shall also apply when assessing your dependents' optional life insurance waiver of premium benefit.

Conversion Privilege

Your **spouse's** optional life insurance coverage ceases on the date your employment terminates. You may, however, apply to convert your spouse's insurance, on or before your spouse's 65th birthday, to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins accompanied by payment of the first premium within 31 days of the date your employment ends. If your spouse should die during the 31-day conversion period, a death benefit equal to the amount of insurance eligible for conversion will be paid, regardless of whether application for conversion has been made. A **dependent child(ren)'s** optional life insurance coverage may *not* be converted.

[1]For a Quebec plan Member to convert, his or her convertible amount must be at least $10,000 or 25 percent of group coverage (whichever is greater).

Optional Life Insurance For Dependents

How To Claim Death Benefits

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. Claims for death benefits must be submitted no later than 12 months after the date of death.

What's Not Covered

No amount will be paid for that part of your Dependents' Optional Life Insurance benefit that has been in force for less than 2 years, if loss of life results directly or indirectly, while sane or insane, from suicide, attempted suicide or purposely self-inflicted injury.

Basic Accident Insurance

Your basic accidental death and dismemberment plan provides coverage in the event of accidental death or serious injury.

How The Plan Works

Your basic accidental death and dismemberment insurance covers you 24 hours a day, 7 days a week, anywhere in the world. Benefits from this plan are paid in addition to any life or disability insurance that you receive.

In the event of your accidental death, your accident insurance plan will pay a benefit to your appointed beneficiary. Benefits for all other covered accidental losses are payable to *you*.

You may name anyone you choose to receive benefits payable under the plan in the event of your accidental death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

Benefits Provided

Your basic accidental death and dismemberment insurance coverage is equal to **1.5 times your annual earnings, to a maximum of $250,000**. (Amounts that are not an even multiple of $1,000 are rounded up to the nearest $1,000.) Your coverage will terminate on the date you attain age 65 or retire, whichever occurs first.

If you have an accident which results in a serious injury or death within 365 days of the accident, benefits will be paid according to the chart on the following page.

Basic Accident Insurance

If An Accident Results In:	Amount Payable
Quadriplegia (total paralysis of both arms and legs)	2 X insured amount
Paraplegia (total paralysis of both legs)	2 X insured amount
Hemiplegia (total paralysis of the arm and leg on one side of the body)	2 X insured amount
Loss of life	whole amount
Loss of both hands, both feet or both eyes	whole amount
Loss of use of both arms or both hands	whole amount
Loss of one hand and one foot	whole amount
Loss of one hand and one eye or one foot and one eye	whole amount
Loss of speech and hearing in both ears	whole amount
Loss of use of both feet	whole amount
Loss of one arm or one leg	3/4 of insured amount
Loss of use of one arm or one leg	3/4 of insured amount
Loss of one hand, one foot or one eye	2/3 of insured amount
Loss of use of one hand or one foot	2/3 of insured amount
Loss of speech or hearing in both ears	2/3 of insured amount
Loss of thumb and index finger or at least 4 fingers of one hand	1/3 of insured amount
Loss of hearing in one ear	1/3 of insured amount
Loss of all toes of one foot	1/4 of insured amount

Only one of the amounts payable (the largest applicable) is paid for injuries to the same limb caused by any one accident.

The maximum payable for all losses suffered by one covered person in any one accident will not exceed the following:

1. with the exception of quadriplegia, paraplegia and hemiplegia, the whole amount for which he or she is insured,
2. with respect to quadriplegia, paraplegia and hemiplegia, 200% of the amount for which he or she is insured, or 100% if Loss of Life occurs within 90 days after the date of the accident.

Basic Accident Insurance

Exposure & Disappearance
Benefits will also be paid for:

- losses caused by exposure to the elements, resulting from an accident within 365 days of the accident, and
- disappearance due to travel accidents (if a covered person's body is not found within 365 days of an accident in which their vehicle sinks or disappears, and there is no evidence that they survived, the benefit for loss of life is payable).

Repatriation Benefit
The plan will pay for the preparation and transportation of the deceased for burial:

- up to $10,000 if death occurs more than 50 km from the deceased's home, or
- up to $10,000 if death occurs outside of Canada.

Rehabilitation Benefit
The plan provides reimbursement of up to $10,000 for expenses incurred for special training received within 2 years of the accident required in order for you to engage in a new occupation, if you are unable to perform your normal occupation as a result of an accidental loss. Payment will not be made for ordinary living, travelling or clothing expenses.

Occupational Training Benefit
In the event of your accidental death, the plan provides reimbursement of up to $10,000 for expenses incurred for training that qualifies your widowed spouse for a job for which he or she would not have otherwise engaged in, but for your death.

Family Transportation Benefit
In the event you are on a trip covered by this plan, and are confined as an inpatient in a hospital because of injuries which result in a loss payable under the Loss Schedule and require the personal attendance of a member of your immediate family as recommended by the attending physician, the plan will pay up to $10,000 for the expense incurred by the member for transportation by the most direct route by a licensed common carrier to be in attendance with you.

"Member of the immediate family" means the spouse or common law spouse, parent, grandparent, children over age 18, brother or sister of the insured person.

Basic Accident Insurance

Education Benefit
In the event of your accidental death, the plan provides a benefit of up to $5,000 (or 5% of your insured amount, whichever is less) to your dependent child, provided the child was enrolled on a full-time basis in an institution of higher learning beyond the 12th grade level at the time of your death, or was enrolled in the 12th grade level and subsequently enrolls as a full-time student in an institution of higher learning within 365 days of your death.

The maximum benefit is in combination with the Education Benefit maximum provided under any other policy issued by the insurer, and is payable annually for a maximum of four (4) consecutive annual payments, provided the child continues to be enrolled in the institute of higher learning. Payment will not be made for expenses incurred prior to the date of your death, nor for room, board or other ordinary living, travelling or clothing expenses.

If, at the time of your accidental death, you have no dependent child(ren) eligible for either the Education Benefit or the Day Care Benefit, the insurer will pay $1,500 to your designated beneficiary.

Day-Care Benefit

In the event of your accidental death, the plan provides a benefit of up to $5,000 (or 5% of your insured amount, whichever is less) for reasonable and necessary expenses actually incurred for day-care, provided the child is enrolled in a day-care centre at the time of your death, or will subsequently enroll in a day-care centre within 365 days of your death.

The maximum benefit is in combination with the Day-Care Benefit maximum provided under any other policy issued by the insurer, for not more than four (4) consecutive years with respect to any one dependent child, provided the child continues to be enrolled in a day-care centre. Payment will not be made for expenses incurred prior to the date of your death, nor for room, board or other ordinary living, travelling or clothing expenses.

"Day-Care centre" means a facility which is operated according to law, including laws and regulations applicable to day-care facilities, and which provides care and supervision for children in a group setting on a regular basis. Day-Care centre shall neither include a hospital, the child's home, care provided during school hours while a child is attending grades one (1) through twelve (12) nor any other day-care facility which does not charge a fee for services rendered. **"Dependent child"** means a person who is either a natural child, step-child or legally adopted child of the insured employee, who is residing in his or her household, is under thirteen (13) years of age and dependent upon the insured employee for maintenance and support.

Private Automobile Seat Belt Coverage

In the event you sustain an injury which results in a loss payable under the Loss Schedule, an additional amount equal to 10% of the amount payable will be paid if, at the time of the accident, you were driving or riding in a vehicle and wearing a properly fastened seat belt.

The driver of the vehicle must hold a current and valid driver's license of a rating authorizing him or her to operate such vehicle, and neither be intoxicated nor under the influence of drugs, unless such drugs are taken as prescribed by a physician, at the time of the accident.

Basic Accident Insurance

Home Alteration & Vehicle Modification Benefit
In the event you receive a payment under the Loss Schedule and subsequently require (due to the same cause for which payment was made under the Loss Schedule) the use of a wheelchair to be ambulatory, this benefit will pay up to $10,000, upon presentation of proof of payment, for:

- the one-time cost of alterations to your residence to make it wheelchair accessible and habitable, and/or
- the one-time cost of modifications necessary to a motor vehicle, owned by you, to make the vehicle accessible or driveable for you.

Benefit payments will not be paid unless:

1. home alterations are made by a person or persons experienced in such alterations and recommended by a recognized organization, providing support and assistance to wheelchair users; and
2. vehicle modifications are carried out by a person or persons with experience in such matters and modifications are approved by the Provincial vehicle licensing authorities.

Waiver of Premium
Premium payments are waived during any period in which you are totally disabled and premiums are being waived for your group life insurance coverage. Premiums will be waived until age 65, recovery or death, whichever occurs first, provided this plan remains in force.

Conversion Privilege
Your basic accidental death and dismemberment insurance coverage ceases on the date your employment terminates. You may, however, apply to convert your insurance to an individual policy provided this plan is still in force — *without* having to provide medical evidence. You must apply to convert prior to age 70 and within 31 days of the date your employment ends. If you should die accidentally or suffer a covered accidental loss during the 31-day conversion period, a benefit will be paid in accordance with the Loss Schedule, regardless of whether or not application for conversion has been made.

Basic Accident Insurance

How To Claim Accident Benefits

Your Plan Administrator will furnish all the required claim forms to you or your beneficiary in the event of a covered accidental loss or death, respectively. Claims for accident benefits must be submitted no later than 12 months after the accident occurs.

What's Not Covered

Your basic accidental death and dismemberment insurance plan does not cover losses caused by or resulting from:

- suicide or attempted suicide,
- intentionally self-inflicted injury,
- any act of war, declared or undeclared,
- full-time active service in the armed forces of any country,
- injuries suffered while travelling in an aircraft owned or leased by your employer, or a subsidiary, affiliate or associate company of your employer,
- death or bodily injuries suffered while a pilot or crew member of an aircraft, or
- death or bodily injuries suffered while a passenger in an aircraft that is not properly licensed, or operated by a person not holding a current and valid pilot's license.

Note: *Benefits provided under the Repatriation Benefit; Rehabilitation Benefit; Occupational Training Benefit; Family Transportation Benefit; and Home Alteration and Vehicle Modification Benefit are payable under only one of the policies issued to your employer by the insurer.*

The MEARIE Group

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ATTACHMENT 4-E.4

EPI Employee Benefit Booklet

PWU Strathroy Division

The MEARIE Group
Employee Benefit Program

Employee Benefit Booklet

ENTEGRUS POWERLINES INC.
PWU Strathroy Division
Union Employees

Issued: June 2015

Notice of Disclaimer

This handbook has been prepared to help you better understand the coverage provided under your employee benefit program. This handbook is not an agreement and it does not create nor confer any contractual or other rights.

The terms and conditions governing your benefit plans are set out in the official contracts between the insurers, your employer and MEARIE Management Inc.

Every effort has been made to ensure that the information in this handbook is accurate. However, if any question should arise, a decision will be made by reference to the official plan contracts and texts.

This handbook has been designed to help you understand and get the most out of your benefits. It gives you most of the information you will generally require regarding your benefits. Separate sections for each benefit plan allow you quick access to the benefit information you want when you want it.

Table Of Contents	Page No.

Please keep this handbook in a safe place. If changes are made to your benefits, replacement pages will be provided to you for insertion in this handbook.

*Your life and disability plans are insured through **Desjardins Insurance**, while your health and dental plans are insured through **Great-West Life Assurance Company**.*

Need help?

Any questions you have about your benefit program may be referred to your Benefits Administrator or by contacting the plan administrator, The MEARIE Group, at 1-800-668-9979, extension 5330.

For quick and easy access to information about your group benefits, claim forms, and claim payments, you may also visit the Great-West Life website at www.greatwestlife.com.

General Information

Enrolling In the Benefit Program

Who Can Enroll

If you are an active permanent full-time union employee under the age of 65, you are first eligible to enroll in the benefit program on the date you complete your probationary employment period of 90 working days.

Your dependents, as defined below, are also eligible for coverage under the extended health care and dental care plans. Eligible dependents include your:

Spouse

- the person who you are legally married to, or
- a person who continuously resides with you in a role like that of a marriage partner.

Dependent Children

Dependent children include your natural or legally adopted children, or step-children who:

- are unmarried,
- are not employed on a full-time basis,
- are not eligible for insurance as an employee under this plan or any other group plan, and
- are under 21 years of age, or, if in full-time attendance at an accredited school, college or university, are under 25 years of age.

A child insured under this plan, who is incapacitated due to a mental or physical handicap on the date he reaches the age when he would otherwise no longer be eligible for coverage, will continue to be an eligible dependent subject to written proof of the dependent's condition. A child is considered incapacitated if he is incapable of engaging in any substantially gainful activity and is dependent on you for support, maintenance and care, due to a mental or physical handicap.

A stepchild must be living with you to be an eligible dependent.

General Information

When Coverage Starts

Coverage for you and your eligible dependents commences on the date you first become eligible to enroll. If you are not actively at work on the date your coverage would normally begin, your coverage will not start until you return to active full-time work.

Changing Your Coverage

There are times when you may need to change your coverage under the extended health care and/or dental care plans, either reducing or adding coverage as appropriate. This may be necessary if:

- you acquire a new spouse or dependent child,
- you separate or divorce,
- your spouse or dependent child dies,
- your child no longer qualifies as an eligible dependent, or
- you acquire or lose similar benefits through your spouse's plan.

In all cases, contact your Plan Administrator who will help you make the necessary changes to your coverage.

General Information

When Coverage Terminates
Coverage for you and your dependents will end on:

- the date your employment ends,
- the date you or your dependents cease to qualify for coverage based on the plan's eligibility requirements,
- the date you enter an armed service on full-time duty,
- the date your employer receives a written request from you to terminate the insurance, where permitted,
- the date you fail to make any required premium contribution,
- the date you attain age 70 (applies to Extended Health and Dental benefits for active full-time employees), or age 65 for all other benefits,
- the date your spouse attains age 65 (applies to Spouse's Optional Life Insurance coverage) and Extended Health and Dental benefits for Early Retirees – refer to the next sub-section, *When You Retire*, for eligibility requirements), or
- the date the group plan is cancelled.

If you are not actively at work due to **Maternity or Parental Leave of Absence**, coverage may be continued for the period of leave to which you are entitled by legislation provided premiums continue to be paid on your behalf. If you do not intend to continue your coverage during this period, where permitted by law, you must inform your employer in writing on or before the date your leave begins. In this case, coverage for you and your dependents will not be reinstated until you return to active full-time work

Coverage for you and your dependents will cease on the date you are not actively at work due to **lay-off, leave of absence (other than maternity or parental leave), strike or lock-out**.

If you are not actively at work due to **illness or injury:**

- your life and disability coverage will continue in accordance with the "Waiver of Premium" provisions described in the applicable sections of this handbook, and
- extended health care and dental care coverage for you and your dependents will continue until your employer terminates such coverage, provided premiums continue to be paid on your behalf and this plan remains in force.

General Information

When You Retire

Coverage for you and your dependents will stop on the date you retire. *However*, if you retire with a minimum of 20 years of combined service with Middlesex Power prior to your 65th birthday and qualify to receive an early pension through OMERS, you will continue to be eligible to participate in the Extended Health, Drug, Vision and Dental benefits until the last day of the month in which you reach age 65.

If you retire under an Early Retirement or Normal Retirement pension through OMERS, you may qualify to receive a paid-up life insurance policy upon your retirement. Coverage details are provided in the Life Insurance section of this handbook.

Dental Care

Your dental care plan has been developed to help you and your family maintain good dental health.

How The Plan Works

Reimbursement of eligible dental services and supplies is based on the fees recommended in the **prior year's** Ontario Dental Association Fee Guide for General Practitioners.

There is **no dental care deductible.**

What Is Covered

The plan provides 100% reimbursement for the following basic dental services:

- complete oral examinations (once in any 36-month period),
- full mouth x-rays (once in any 36-month period),
- recall examinations (once in any 6-month period),
- bitewing x-rays (once in any 6-month period),
- routine diagnostic and laboratory procedures,
- one unit of light scaling and one unit of polishing, once in any 6-month period,
- fluoride treatment (once in any 6-month period),
- oral hygiene instruction (once in any 6-month period),
- fillings (amalgam, silicate, acrylic, and composite), retentive pins, and pit and fissure sealants,
- surgical services (excluding implant surgery),
- consultation, anaesthesia, and conscious sedation,
- denture repairs, relines and rebases (minor adjustments are covered only after 3 months have elapsed from the date of insertion),
- injection of antibiotic drugs, when administered by a dentist in conjunction with dental surgery,
- denture repairs, relines and rebases, and

- periodontal services for treatment of gum disease and other supporting tissues of the teeth, including:
    1. scaling in excess of one unit, and root planing, up to a combined maximum of 16 units per calendar year;
    2. provisional splinting; and
- occlusal equilibration, up to a maximum of 8 units per calendar year, andendodontic services which include root canal therapy, root amputation, apexifications, and periapical services.

50% reimbursement is provided for the following removable prosthodontic services and supplies:

- initial provision of a full or partial removable denture,
- replacement of a removable denture, provided the new denture is necessary due to one of the following:
    1. a natural tooth is extracted and the existing appliance cannot be made serviceable;
    2. the existing appliance is at least 36 months old and cannot be made serviceable; or
    3. the existing appliance is temporary and within 12 months of its installation it is replaced by a permanent denture. The total amount payable for both the temporary and permanent denture is the amount which would have been allowed for a permanent denture.

Dental Care

50% reimbursement is provided for the following fixed prosthodontic and major restorative services:

- crowns, onlays and inlays (only when function is impaired due to cuspal or incisal angle damage caused by trauma or decay), including gold foil restorations (only when approved by the Insurance Company), metal transfers, telescoping and splinting,
- veneers,
- initial provision of fixed bridgework, and
- replacement of a fixed bridgework or addition of teeth to bridgework provided the replacement or addition is due to one of the following:
    1. a natural tooth is extracted and the existing appliance cannot be made serviceable;
    2. the existing appliance is at least 36 months old and cannot be made serviceable; or
    3. the existing appliance is temporary and, within 12 months of its installation, it is replaced by a permanent bridge. The total amount payable for both the temporary and permanent bridge is the amount which would have been allowed for a permanent bridge.

The plan provides 50% reimbursement of orthodontic services and supplies for Dependent Children under age 19.

- space maintainers,
- correction of malocclusion of the teeth,
- observation and adjustment,
- appliances for tooth guidance and uncomplicated tooth movement,
- appliances to control harmful habits,
- retention appliances, and
- fixed or cemented, unilateral and bilateral appliances.

Maximum Benefit

The maximum benefit payable for Basic and Major dental services is $2,500 per person per calendar year. Benefits for orthodontic services are limited to a lifetime maximum of $2,000 per dependent child.

Dental Care

Pre-Treatment Estimate

Whenever the total cost of proposed dental treatment is expected to exceed $500, a treatment plan should be submitted to the Insurance Company in advance to determine how much of your proposed treatment will be covered by the plan. A treatment plan provides a written description of your dental needs, including x-rays; the proposed treatment necessary in the professional judgement of the dentist; and, the cost of the proposed treatment.

***Note**: If, for any given dental condition, there are two or more courses of treatment covered under this plan which will produce professionally adequate results, the Insurance Company will pay benefits as if the least expensive course of treatment was used. The Insurance Company retains a professional dental consultant to determine the adequacy of the various courses of treatment available.*

Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; dental services covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the dental treatment makes the claim first — to their employer's plan. (If your child receives dental care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!

Dental Care

How To Claim Dental Benefits

1. Pick up a claim form from your Plan Administrator before you go to the dentist, or visit www.greatwestlife.com to get printed claim forms with your plan information already filled in.
2. Take the claim form with you to your appointment and ask the dentist to complete the dentist's portion of the claim form. If your dentist agrees to accept payment from the plan instead of directly from you, be sure the claim form shows that the refund should be made payable to the dentist.
3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy account number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance).
4. Return your completed claim form for processing to Great-West Life, at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks. If you assign payment of the claim to your dentist, you will receive only a copy of the benefits being paid and the refund cheque will be sent directly to your dentist.

OR

Your dental office may file your claim electronically with Great-West Life. In order to process your claim, the information transmitted by the dental office must be complete, and include the same information required for a paper claim (i.e., your employer's name, your policy number, your class code and certificate number).

Note: *Dental claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

Dental Care

What's Not Covered

Your dental care plan does not cover:

- Duplicate x-rays, custom fluoride appliances, audio-visual oral hygiene instruction and nutritional counselling
- The following endodontic services: root canal therapy for primary teeth, isolation of teeth, enlargement of pulp chambers and endosseous intra coronal implants
- The following periodontal services: desensitization, topical application of antimicrobial agents, subgingival periodontal re-evaluations
- The following oral surgery services: implantology, surgical movement of teeth, services performed to remodel or recontour oral tissues (other than minor alveoloplasty, gingivoplasty and stomatoplasty) and alveoloplasty or gingivoplasty performed in conjunction with extractions. Services for remodelling and recontouring oral tissues will be covered under Major Coverage
- Hypnosis or acupuncture
- Veneers, recontouring existing crowns, and staining porcelain
- Crowns or onlays if the tooth could have been restored using other procedures. If crowns, onlays or inlays are provided, benefits will be based on coverage for fillings
- Overdentures or initial bridgework if provided when standard complete or partial dentures would have been a viable treatment option

  If overdentures are provided, coverage will be limited to standard complete dentures.

  If initial bridgework is provided, coverage will be limited to a standard cast partial denture and restoration of abutment teeth when required for purposes other than bridgework.

  If additional bridgework is performed in the same arch within 60 months, coverage will be limited to the addition of teeth to a denture and restoration of abutment teeth when required for purposes other than bridgework.
- Benefits will be limited to standard dentures or bridgework when equilibrated and gnathological dentures, dentures with stress breaker, precision and semi-precision attachments, dentures with swing lock connectors, partial overdentures and dentures and bridgework related to implants are provided.

- Expenses covered under another group plan's extension of benefits provision
- Expenses private plans are not permitted to cover by law
- Services and supplies you are entitled to without charge by law or for which a charge is made only because you have insurance coverage
- Services or supplies that do not represent reasonable treatment
- Treatment performed for cosmetic purposes only
- Congenital defects or developmental malformations in people 19 years of age or over
- Temporomandibular joint disorders, vertical dimension correction or myofacial pain
- Expenses arising from war, insurrection, or voluntary participation in a riot

Extended Benefit For Surviving Dependents
If you should die while insured under this plan, dental coverage will be continued, without payment of premiums, for your dependents who are insured under this plan at the time of your death for a period of up to 2 years, or earlier, if:

1. your dependent would otherwise cease to qualify as an eligible dependent,
2. your surviving spouse remarries,
3. similar coverage is obtained elsewhere, or
4. this plan terminates.

For Early Retirees:
If you should die while insured under this plan, dental coverage will be continued, subject to continued payment of premiums, for your dependents who are insured under this plan at the time of your death until the earliest of the following dates:

1. the date your coverage, if still living, would terminate due to attainment of your 65th birthday,
2. the date your dependent would otherwise cease to qualify as an eligible dependent,
3. the date your surviving spouse remarries,
4. similar coverage is obtained elsewhere, or
5. this plan terminates.

Extended Health Care

Under the extended health care plan, you and your family receive financial protection against major medical expenses which are not covered under your provincial health plan.

How The Plan Works
Your extended health care plan reimburses **100%** (unless otherwise specified) of the cost of medical services and supplies that are covered under the plan.

The **deductible** under the extended health care plan for employees with **single coverage** is **$25 per calendar year**. This means that only the first $25 spent on eligible medical services or supplies is *not* reimbursed each year.

If you have **family coverage**, a $25 deductible will be applied only once for each insured family member and not more than twice per family in a calendar year — a **maximum deductible of $50.**

Note**: Eligible **Pay-Direct Drugs, Hospital Care, Vision Care, Out-of-Country and Travel Assistance** expenses are **not subject to the deductible.

What Is Covered

Reasonable Treatment
All services and supplies covered under this plan must represent reasonable treatment of disease or injury. A disease is a physical or psychiatric disorder. Treatment is considered reasonable if it is:

- *accepted by the Canadian medical profession,*
- *proven to be effective, and*
- *of a form, intensity, frequency, and duration essential to diagnosis or management of the disease or injury.*

Extended Health Care

Hospital Care
Daily charges up to **semi-private** hospital confinement (incurred in Canada) in excess of the charges for standard Ward accommodation, provided:

1. the insured person was confined to hospital on an in-patient basis; and
2. the accommodation was specifically elected in writing by the insured person.

Note: *The plan does not cover charges for any portion of the cost of Ward accommodation, utilization or copayment fees (or similar charges).*

Extended Health Care

Prescription Drugs & Medicines — Direct Payment Plan

- drugs or medicines that are dispensed by a licensed pharmacist, and which by law or convention require the written prescription of a physician or dentist,
- life-sustaining drugs,
- injectable medications,
- oral contraceptives,
- smoking Cessation
- standard syringes, needles and diagnostic aids, if required for treating diabetes (cotton swabs, rubbing alcohol, automatic jet injectors and similar equipment are not covered).

The maximum amount for any covered expense is the price of the lowest cost generic equivalent product that can legally be used to fill the prescription, as listed in the Provincial Drug Benefit Formulary. **Unless a plan member submits a Request for Brand Name Drug Coverage Form (indicating why a prescribed drug cannot be substituted) which is subsequently approved by the insurer, benefits will be based on the cost of the lowest priced interchangeable drug that has the same medicinal ingredient.** A plan member can still choose to purchase the prescribed drug and pay the cost difference. If there is no generic equivalent product for the prescribed drug or medicine, the amount covered is the cost of the prescribed product.

Benefits will be paid directly to the dispensing pharmacist, provided the pharmacist is enrolled in the pay-direct drug plan — simply present your drug card to the pharmacist. The **maximum** amount allowable towards the prescription drug **dispensing fee** is **$8.00** per prescription. You will be required to pay any portion of the cost of the drug that is not covered by the plan, where applicable.

Note: *The maximum quantity of drugs or medicines that will be payable for each prescription will be limited to the lesser of the quantity prescribed by the Physician or Dentist; or, a 34-day supply for non-maintenance drugs or a 100-day supply for maintenance drugs.*

Extended Health Care

The drug plan does not cover:

- *the portion of expenses for which reimbursement is provided by a government plan;*
- *the yearly or per prescription deductible on drugs that are eligible under the Ontario Drug Benefit plan and are purchased by you or your insured spouse who is age 65 or over;*
- *expenses for dietary supplements, vitamins and infant foods;*
- *expenses for drugs for the treatment of erectile dysfunction;*
- *expenses for drugs used for the treatment of obesity;*
- *expenses for drugs which are used for cosmetic purposes; and*
- *expenses for contraceptives (other than oral).*

Professional Services
Reasonable and customary charges for the services of a licensed chiropractor, including one x-ray examination per calendar year**,** to a maximum of $325 per calendar year.

Reasonable and customary charges for the services of a registered massage therapist, to a maximum of $325 per calendar year.

Reasonable and customary charges for the services of licensed clinical psychologist*/social workers*, up to $100 for the initial visit and $80 for each subsequent visit, limited to a maximum of $420 per calendar year.

Services of the following practitioners, limited to $25 per visit, to a calendar year maximum of $525 per specialty:

- speech language pathologist*
- osteopath, including one x-ray examination per calendar year
- naturopath
- podiatrist / or chiropodist, including one x-ray examination per calendar year

**A physician's prescription is not required.*

Services of licensed physiotherapist, when recommended in writing by the attending physician, limited to $25 per visit, to a calendar year maximum of $525.

In all cases, the practitioner must be registered with the appropriate association or registry.

Extended Health Care

Vision Care
The following vision care services are covered when prescribed by an ophthalmologist, optometrist, or oculist:

1. eye examinations, limited to once in a 24-month period (12-month period for a dependent child under age 18)
2. purchase and fitting of prescription glasses, laser eye surgery or elective contact lenses, to a maximum of **$350** every 24 consecutive months (charges for repairs are also included under this maximum)

Medical Services & Supplies
For all medical equipment and supplies covered under this plan under the following provisions, eligible covered expenses will be limited to the cost of the device or item that adequately meets the patient's fundamental medical needs.

Private Duty Nursing
Private duty nursing services (other than for custodial care, homemaking services and supervision — deemed to be within the practice of nursing) provided in the patient's home by a Registered Nurse (R.N.), who is not a relative, friend or member of the patient's household, to a maximum of $25,000 per calendar year.

Note: *A detailed treatment plan must be submitted before private duty nursing services begin. The Insurance Company will then advise you of any benefits that are payable under the plan.*

Rental of Major Medical Equipment
Rental of (or, at the Insurance Company's option, purchase of):

1. *Mobility Equipment:* crutches, canes, walkers and standard wheelchairs; and
2. *Durable Medical Equipment:* manual hospital beds, respiratory and oxygen equipment, and other durable medical equipment usually found only in hospitals.

Extended Health Care

Non-Dental Prostheses, Supports & Hearing Aids

- artificial limbs or other prosthetic appliances,
- braces (other than foot braces), trusses, collars, leg orthosis, casts and splints,
- custom-made orthopaedic shoes which are constructed by a Certified Orthopaedic Footwear Specialist (C.F.S.O.) and are required because of a medical abnormality that, based on medical evidence, cannot be accommodated in a stock-item orthopaedic shoe or a modified stock-item orthopaedic shoe, limited to $300 every two years,
- casted, custom-made orthotics which are recommended by a physician or podiatrist, limited to a maximum of $300 every two years,
- hearing aids (including charges for installation, repair, but excluding charges for batteries), to a maximum of $500 every 5 calendar years,
- blood glucose monitors for insulin dependent diabetics, limited to $150 every 5 years,
- external breast prosthesis, 1 every 12 months,
- surgical stockings, to a maximum of $250 per calendar year,
- surgical brassieres, to a maximum of 2 per calendar year, and
- wigs and hairpieces, required as a result of a temporary hair loss due to medical treatment, limited to $200 per lifetime.

Extended Health Care

Diagnostic Procedures
Diagnostic laboratory and x-ray examinations.

Ambulance
Licensed ambulance service provided in the insured person's province of residence, including air ambulance, to and from the nearest hospital where adequate treatment is available.

Accidental Dental Treatment
Services of a dentist for the treatment of damage to natural teeth or the jaw resulting from an external, accidental blow to the mouth which occurs while insured under this plan. The treatment must be received and approved for payment within 12 months of the accident. Injuries due to biting or chewing are *not* covered.

Extended Health Care

Emergency Out-of-Province or Out of Country Coverage

The insured person must be eligible for benefits under a government health plan in Canada to qualify for emergency out-of-province/country coverage or Travel Assistance coverage.

The insurer will cover the first 60 days of a trip.

Eligible medical services and supplies are covered under this plan for treatment given outside the patient's province of residence if required to provide treatment as a result of a **medical emergency** arising while temporarily outside the home province (including outside Canada), on business or vacation.

A **medical emergency** is a sudden, unexpected injury which occurs, or an unforeseen illness which begins, during the absence from the patient's home province and which requires immediate medical attention. The plan will not cover emergency treatment while travelling for health reasons.

Travelling outside Canada while pregnant: This plan will not cover any pregnancy related costs which are incurred outside of Canada within nine weeks of the expected delivery date. Costs associated with a child born outside Canada within nine weeks of the expected delivery date, or after the expected delivery date, are not covered.

Temporarily outside the home province means a trip lasting 60 days or less. If a trip lasts longer than 60 days, no part of the trip will be covered, including the first 60 days. The 60 days includes the date of departure and the date of return.

The plan will pay up to $1,000,000 for each insured person for all the covered costs related to any one medical emergency. When emergency treatment for a condition is completed, any ongoing treatment related to that condition is not covered.

When used under this emergency out-of-province/country section, hospital means a facility licensed to provide emergency treatment for sick or injured patients. It must have facilities for diagnosis and treatment. Physicians and registered nurses must be in attendance 24 hours a day. It does not include nursing homes, homes for the aged, rest homes, convalescent care facilities or any facility that provides similar care.

Extended Health Care

The plan will cover the charges for emergency treatment that are over the amount covered by the provincial health plan of the insured person's home province. This coverage includes the cost of:

- Hospital room and board at the ward rate
- Hospital services and supplies, and
- Diagnosis and treatment by physicians

In emergency out-of-province/country situations, other charges included under the Extended Health Care coverage section of this plan are covered to the same extent that they would be in Canada. This includes coverage such as wheelchair rental, crutches and prescription drugs.

In the event of a medical emergency, you or someone acting on your behalf must contact the Travel Assistance Centre prior to seeking medical treatment. If it is not reasonably possible for you to contact the Travel Assistance Centre prior to seeking medical treatment due to the nature of the medical emergency, you must contact the Travel Assistance Centre as soon as possible. Failure to contact the Travel Assistance Centre as described will result in a reduction of benefits in the case of hospitalization of 40% of eligible costs. All costs for such emergency will be limited to your emergency out-of-province/country coverage and Travel Assistance coverage maximum or $25,000, whichever is less.

If a physician or the Travel Assistance provider recommends you or your dependent be moved to a different facility at the destination, and you choose not to go, eligible costs for emergency coverage and Travel Assistance coverage will in the case of hospitalization be reduced by 40% of eligible costs. All costs for such emergency will be limited to your emergency out-of-province/country coverage and Travel Assistance coverage maximum or $25,000, whichever is less.

If a physician or the Travel Assistance provider recommends you or your dependent return to your home province, and you choose not to go, emergency coverage and Travel Assistance coverage will end.

Extended Health Care

Travel Assistance Coverage
This plan provides travel assistance for you and your eligible dependents, while you are temporarily outside your province of residence (including outside of Canada) because of business or vacation, and not for health reasons. The assistance services are delivered through an international organization, specializing in travel assistance.

Temporarily outside the home province means a trip lasting 60 days or less. If a trip lasts longer than 60 days, no part of the trip will be covered, including the first 60 days. The 60 days includes the date of departure and the date of return

Travelling outside Canada while pregnant: This plan will not cover any pregnancy related costs which are incurred outside of Canada within nine weeks of the expected delivery date. Costs associated with a child born outside Canada within nine weeks of the expected delivery date, or after the expected delivery date, are not covered.

The services under the Travel Assistance coverage include:

- multilingual assistance by telephone, 24 hours a day, 365 days a year, for the insured person or medical providers to obtain aid, assistance, and exchange information, in matters relating to the covered services,
- referrals to physicians or medical facilities, if necessary,
- arrangements for direct payment, wherever possible, for physicians’ services, hospitalization and other insured services,
- communication with the physician who is treating the insured person to get an understanding of the situation and monitor the condition,
- telephone interpretation services in most major languages,
- the sending and receiving of urgent messages,
- medical evacuation home or transportation to another medical facility. For transportation home, payment will be made based on an economy fare ticket,
- arrangements for (including all necessary documents) and the cost of transporting the insured person’s remains to their home, up to a maximum of $3,500,
- help to locate Embassy or Consulate services,
- help to locate lost documents or luggage.

The Travel Assistance benefit includes the following services, subject to prior approval of the charges:

- the cost of additional commercial accommodation required beyond the original return date, for a companion travelling with the insured person. This includes charges for accommodation, meals, telephone and taxi or rental cars, up to a maximum of $150 per day, not to exceed a total of $1,500,
- the cost of an economy fare ticket home, for a companion who is travelling with the insured person, and who has forfeited their ticket because of a delay caused by the insured person's illness, injury, or death,
- the cost of an economy fare ticket home for each child left alone because of the insured person's illness, injury, or death. The Travel Assistance provider will also arrange for a qualified attendant to accompany the children, if necessary,
- the cost of a round-trip economy fare ticket for a family member to visit an insured person who is travelling alone and must be hospitalized for more than 10 days,
- the cost of returning a vehicle to the insured person's home or the nearest rental agency, up to a maximum of $1,000.

The insurer is not legally responsible for the actions or advice of any physician or attorney that the insured person is referred to.

The Travel Assistance benefit does not cover medical emergencies in the home province.

How To Access The Travel Assistance Plan — Your Travel Assistance Card
Your Travel Assistance card lists the toll free numbers to call in case of an emergency while outside your province. The toll free number will put you in touch with the international travel assistance organization.

Your Travel Assistance card also lists your I.D. number (your certificate number) and your group policy number, which the travel assistance organization needs to confirm that you are covered under the plan.

Extended Health Care

How to make an out-of-province/country claim
There are special rules for claiming the costs of emergency treatment outside of your home province or Canada.

For all medical expenses, the Travel Assistance provider must be contacted at the time of the emergency. This will enable the Travel Assistance provider to co-ordinate payment directly with the hospital and/or medical provider involved, providing the insured person gives approval to the Travel Assistance provider to co-ordinate payment with the Provincial Health Care plan.

If a medical provider or hospital bills you directly, send the bill along with your claim form to the Travel Assistance provider.

What is not covered for emergency out-of-province/country treatment and travel assistance

The insurer will not pay for any costs resulting directly or indirectly:

- from an accident occurring while you or your dependent was operating a vehicle, vessel or aircraft, if you or your dependent:
    1. were impaired by drugs or alcohol, or
    2. had a blood alcohol level higher than 80 milligrams of alcohol per 100 millilitres of blood
- from the abuse of illegal substances.

Extended Health Care

Maximum Benefit

Emergency out-of-province/country and travel assistance benefit are subject to an overall maximum of $1,000,000 for each covered person. The overall maximum for other covered medical services and supplies received in your home province is unlimited.

Coordinating Benefits

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; medical services and supplies covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the service or supply makes the claim first — from their employer's plan. (If your child receives medical care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!

Extended Health Care

How To Claim Extended Health Care Benefits

1. Save all your receipts for medical services and supplies, including prescriptions, and any bills or receipts received for hospital care. Receipts and bills should show:
   - the patient's name,
   - the date the treatment or supply was provided,
   - the nature of the service or supply,
   - an item-by-item list of the charges, and
2. Pick up a claim form from your Plan Administrator or visit www.greatwestlife.com to get printed claim forms with your plan information already filled in.
3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance).
4. Return your completed claim form, with original receipts attached, for processing to Great-West Life at the address shown on the claim form.
5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks.

Note: *Extended health care claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance under this plan terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.*

Extended Health Care

How To Claim Extended Health Care Benefits

To claim benefits for drugs or medicines:

1. Present your drug card to the pharmacist when filling your prescription.
2. Provided the pharmacist is enrolled in the pay-direct drug plan, payment will be made directly to the pharmacist — you do not need to complete any claim forms or wait for the reimbursement.
3. You will be required to pay any portion of the expense that is not covered by the plan to the pharmacist, where applicable.

Note: *If the prescription is not obtained through the use of your drug card, be sure to get a receipt from the pharmacist. To receive reimbursement of benefits payable, a claim form must be completed and sent to Great-West Life at the address shown on the claim form, along with your original receipts.*

Extended Health Care

What's Not Covered

Your extended health care plan does not cover any expense which is directly or indirectly related to:

- any illness or injury arising out of or in the course of employment when the person is covered by or is eligible for coverage by Workers' Compensation,
- any illness or injury for which benefits are payable under any government plan or legally mandated program,
- self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- the committing of or the attempt to commit an assault or criminal offense,
- charges for periodic check-ups, broken appointments, third party examinations, travel for health purposes or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all or which would have been reimbursed under a government-sponsored plan in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are required for recreation or sports, but which are not medically necessary for regular activities,
- charges which would have been payable by the provincial health plan had proper application been made,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person, or which are provided while confined in a Hospital on an in-patient basis, or
- medical treatment which is not usual and customary, or which is experimental or investigational in nature.

Extended Health Care

Extended Benefit For Surviving Dependents

If you should die while insured under this plan, extended health care coverage will be continued, without payment of premiums, for your dependents who are insured under this plan at the time of your death for a period of up to 2 years, or earlier, if:

1. your dependent would otherwise cease to qualify as an eligible dependent,
2. your surviving spouse remarries,
3. similar coverage is obtained elsewhere, or
4. this plan terminates.

For Early Retirees:

If you should die while insured under this plan, extended health care coverage will be continued, subject to continued payment of premiums, for your dependents who are insured under this plan at the time of your death until the earliest of the following dates:

1. the date your coverage, if still living, would terminate due to attainment of your 65th birthday,
2. the date your dependent would otherwise cease to qualify as an eligible dependent,
3. the date your surviving spouse remarries,
4. similar coverage is obtained elsewhere, or
5. this plan terminates.

Long Term Disability

Your long term disability plan has been developed to protect you against the financial impact of lost income, if a lengthy illness or injury keeps you from coming to work.

How The Plan Works
Benefits are payable under the long term disability plan after you have been totally and continuously disabled for a period of **180 calendar days.**

Benefits Provided
If you are totally disabled you will receive a monthly income benefit equal to **67% of your regular monthly earnings, to a maximum of $4,000 per month**.

> *To qualify for long term disability benefits you must be "totally disabled". During the first 24 months that you receive long term disability, this means that you are unable to do the essential duties of your normal job and are not otherwise employed. After this 24-month period, you will continue to qualify for long term disability benefits only if you are unable to work at any job for which you are reasonably suited by virtue of your education, training and experience.*

Any benefits you receive from the long term disability plan are taxable if your employer contributes, in whole or in part, towards the cost of providing the plan.

Benefits from the long term disability plan will stop if you:

- recover,
- attain age 65,
- are unable to provide written proof of your disability,
- are no longer under a physician's care,
- fail to undergo an examination by an independent doctor of the Insurance Company's choice,
- travel outside of Canada or the United States unless approved by the insurer, or
- in the event of your death.

Long Term Disability

Coordination With Other Disability Benefits

Long term disability benefits are reduced by the amount of income you receive or are entitled to receive as a result of the same disability from:

- Workers' Compensation or similar legislation (excluding any future cost of living adjustments),
- the Canada or Quebec Pension Plan (excluding any future cost of living adjustments or dependent benefits payable to you),
- any other federal, provincial or municipal government plan, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System, but not filed on your behalf, and
- any other group insurance plan, or any retirement or pension plan of the employer, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System.

The benefit you receive will be further reduced, if necessary, so that the total disability income you receive from this plan and any other source (other than income from a private source) does not exceed 85% of your pre-disability gross earnings .

Rehabilitation Benefit

The rehabilitation benefit is designed to help you through an adjustment period of up to 24 months while working part-time, in a reduced capacity or involved in a retraining program approved by the Insurance Company.

While you are participating in an approved rehabilitation program, your long term disability benefit will not be discontinued. However, your monthly long term disability benefit will be reduced by 50% of the compensation you receive from rehabilitative employment.

Long Term Disability

When Disability Recurs

If you recover from total disability, only to become disabled again, the second period of disability will be treated as a continuation of the first unless the second disability is unrelated to the first, or is separated from the first by more than six months.

Waiver of Premium

Premium payments are waived during any period in which you receive benefits from this plan. Long term disability benefits will continue in accordance with the terms of the policy regardless of whether or not this plan remains in effect or your other benefit coverages are subsequently terminated, provided your disability begins while your coverage under this plan is in force.

How To Claim Long Term Disability Benefits

Claim forms are available from your Plan Administrator. Early filing of claims is recommended. Forms should be completed and returned to your Plan Administrator after you have been disabled at least 30 days and do not expect to return to work before the *Elimination Period* expires. Long term disability claims must be submitted no later than 90 days after the date you are eligible for benefits to begin.

Long Term Disability

What's Not Covered
Your long term disability plan does not cover:

- intentionally self-inflicted injury or illness,
- disability resulting from war, or act of war, or while engaged in the armed services,
- any period of disability during which you are not under the regular care and attendance of a legally qualified physician,
- any period of disability which commences while you are not insured under this plan,
- participation in a criminal act, or
- disability, loss or expense which commences or occurs during any period of statutory maternity or parental leave of absence except to the extent:
    1. the continuance of insurance coverage during such period of statutory maternity or parental leave of absence is required by legislation or by written agreement between you and your employer; and
    2. you do not receive or are not entitled to receive any payment, benefit, indemnity or other amount from any source, including any policy, plan or fund provided by any employer, insurer or government (including basic and supplementary unemployment insurance maternity/parental leave benefits).

Life Insurance

Your life insurance plan provides you with a basic benefit and allows you to purchase additional coverage for yourself and/or your spouse. In the event of your death, the plan pays a benefit to your beneficiary. The benefit is payable to you in the event of the death of your covered spouse.

How The Plan Works

If you should die while insured, your plan will pay the amount of your life insurance to the last nominated beneficiary as filed. In the absence of a beneficiary nomination, payment will be made to your estate.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time, subject to the laws governing such changes, by contacting your Plan Administrator.

If your spouse is insured for life insurance coverage under the spouse's optional life plan, benefits are payable to *you* in the event of the death of your covered spouse.

Life Insurance

Benefits Provided

Employee Life Insurance

Your life insurance plan provides basic and optional coverage, depending on the Option you apply for. You may select coverage under one of the following four Options available under the plan.

Option	Basic Term Insurance (Employer Paid)	Additional Term Insurance (Employee Paid)
1	150% of your annual earnings	Nil
2	175% of your annual earnings	25% of your annual earnings
3	175% of your annual earnings	75% of your annual earnings
4	175% of your annual earnings	125% of your annual earnings

Notes: *All amounts of basic term and additional term insurance are rounded upward to the nearest $1,000.*
Regardless of which Option you select, the total amount of coverage cannot exceed $600,000.

Your life insurance coverage begins on the date you complete the eligibility waiting period, provided you make written application for coverage within 31 days of becoming eligible.

If you do not apply within the 31-day deadline, you will automatically be enrolled in the Basic Term Insurance plan only, for a benefit equal to 150% of your annual earnings (Option 1). To enroll in any of the plan Options available which include Additional Term Insurance (Options 2, 3 and 4), you must provide medical evidence — proof that you are insurable — satisfactory to the insurer.

Life Insurance

Spouse's Optional Life Insurance

The purchase of life insurance coverage for your spouse is completely voluntary; you decide whether or not to participate. A **spouse** is the person you are legally married to, or a person who has continuously resided with you in a role like that of a marriage partner for at least one year.

Spouse's optional life insurance coverage is available in **multiples of $10,000 to a maximum of $250,000**. Provided you apply for this coverage within the first 31 days following your eligibility date, only coverage amounts in excess of $10,000 are subject to medical evidence — proof that your spouse is insurable — satisfactory to the insurer. If you apply after the 31-day deadline, **ALL** coverage applied for will be subject to satisfactory medical evidence.

If you are not actively at work on the date coverage would normally begin, coverage will not begin until you return to active work. If your spouse is hospitalized, coverage will not begin before your spouse is discharged and resumes normal activities.

Changing Your Coverage

There are times when you may need to change your coverage under the employee's and/or spouse's life insurance plan, either reducing or increasing the coverage, as appropriate. (**NOTE:** For employee life insurance, it may be important to review the Retirement Life Insurance coverage applicable to you before deciding to change your coverage Option.)

You may re-select your Option under the employee's life insurance plan and/or change the amount of your spouse's life insurance benefit, at any time. Your Plan Administrator will provide you with the necessary forms to request a change.

Any request to increase the coverage amount, is subject to medical proof of insurability, satisfactory to the insurer, and will be effective on the date the insurer approves the application, provided you are actively at work (or in the case of your spouse, s/he is not hospitalized).

Any request to reduce or cancel optional life insurance for yourself and/or your spouse, will be effective on the later of the date you request or the first day of the month following the date your request is received. (**NOTE:** If you subsequently apply to add or increase coverage for yourself and/or your spouse that was previously cancelled or reduced, evidence of insurability, satisfactory to the insurer, will be required).

Life Insurance

Cost Of The Life Insurance Plan

Your employer pays the entire cost of your Employee Basic Term Life Insurance coverage. All life insurance premiums paid by your employer are a taxable benefit to you.

If you elect Additional Term Life Insurance coverage for yourself and/or Optional Life Insurance coverage for your Spouse, the cost to you will be paid through payroll deduction.

For ***Employee Additional Term Life Insurance,*** the rates vary by age, gender and smoking status, and are adjusted according to your age on the 1st of January each year, with any required adjustment taking effect at that time. Monthly costs are provided in the chart below.

Employee's Attained Age (as at January 1st)	Male		Female	
	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)
Under 35	$0.044	$0.022	$0.022	$0.020
35 - 39	$0.060	$0.039	$0.033	$0.028
40 - 44	$0.163	$0.080	$0.099	$0.062
45 - 49	$0.285	$0.142	$0.169	$0.098
50 - 54	$0.445	$0.231	$0.240	$0.151
55 - 59	$0.757	$0.383	$0.395	$0.231
60 - 64	$0.890	$0.480	$0.480	$0.300

Note: *Monthly costs shown above reflect those in effect as of January 1st, 2015.*
The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.
Monthly costs shown above are subject to applicable taxes.

Life Insurance

For ***Spouse's Optional Life Insurance,*** the rates vary based on your spouse's age, gender and smoking status, and are adjusted according to your spouse's age on the 1st of January each year, with any required adjustment taking effect at that time. Monthly costs are provided in the chart below.

Spouse's Attained Age (as at January 1st)	Male		Female	
	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)
Under 30	$0.042	$0.032	$0.042	$0.026
30 - 39	$0.069	$0.035	$0.054	$0.032
40 - 49	$0.187	$0.094	$0.113	$0.069
50 - 59	$0.615	$0.307	$0.312	$0.187
60 – 64	$1.200	$0.599	$0.653	$0.390

Note: *Monthly costs shown above reflect those in effect as of January 1st, 2015.*
The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.
Monthly costs shown above are subject to applicable taxes.

When Coverage Ends

Employee Life Insurance (Basic Term and Additional Term) coverage ceases on the earliest of the following dates:

- the date your employment ends, other than by retirement on pension or cessation of active employment due to total disability;
- the last day of the month in which you reach age 65; or
- the date the group plan is cancelled.

Life Insurance

Your Spouse's Optional Life Insurance coverage ends on the earliest of the following dates:

- the date your employment ends;
- the date of your death;
- the date you retire or reach age 65;
- the date your spouse no longer qualifies as an eligible spouse; or
- the date of your spouse's 65th birthday.

Waiver Of Premium
If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Basic Term, Additional Term and Spouse's Optional Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first. (Your spouse's life insurance coverage will continue until you are no longer disabled, die, retire or reach age 65, or your spouse reaches age 65 — whichever occurs first).

Proof that you are totally disabled must be submitted to Desjardins within 12 months from the onset of the disability, and periodically as requested by Desjardins thereafter.

Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Desjardins under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit).

Conversion Privilege

If **your** life insurance coverage ceases or reduces as a result of termination of employment, retirement or attainment of age 65, you may apply to convert your cancelled or reduced insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins accompanied by payment of the first premium within 31 days of the date your life insurance terminates or reduces. If you should die during the 31-day conversion period, a death benefit equal to the amount of life insurance eligible for conversion will be paid, regardless of whether application for conversion has been made.

You may choose an individual policy plan which provides coverage comparable to the coverage for which you were insured under this Plan, but without disability benefits, or you may choose any other individual policy which Desjardins is willing to offer, but without disability benefits. The amount of the individual policy will not exceed the lesser of $200,000 ($400,000 for employees residing in Quebec[1]) or the excess of the amount of your life insurance in force under this Plan immediately prior to the termination or reduction over the amount of life insurance provided by any group policy of your employer or any other employer for which you are eligible on the effective date of the individual policy. The premium rate will be based on your age and gender, and the type of policy plan you select.

[1]For a Quebec plan Member to convert, his or her convertible amount must be at least $10,000 or 25 percent of group coverage (whichever is greater).

Your **spouse's** life insurance coverage ceases on the date your employment terminates. You may, however, apply to convert your spouse's insurance, on or before your spouse's 65th birthday, to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins accompanied by payment of the first premium within 31 days of the date your employment ends. If your spouse should die during the 31-day conversion period, a death benefit equal to the amount of insurance eligible for conversion will be paid, regardless of whether application for conversion has been made.

Paid Up Life Insurance Upon Retirement

If you retire after January 1, 2006 under the OMERS eligibility criteria, the company will provide you with a Paid Up Life Insurance Policy in the amount of $5,000.

Supplementary Life Insurance

The supplementary life insurance plan enables you to purchase additional life insurance coverage for yourself.

How The Plan Works

The purchase of supplementary life insurance is completely voluntary; you decide whether or not to participate.

In the event of your death, your supplementary life insurance plan will pay a benefit to your appointed beneficiary.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

Benefits Available

Supplementary life insurance coverage is available in **multiples of $10,000, to a maximum of $250,000**. All coverage is subject to medical evidence — proof that you are insurable, satisfactory to the insurer.

(**Note:** All amounts of life insurance under the term life, optional life and supplementary life plans are subject to a combined overall maximum of $600,000).

Supplementary Life Insurance

Cost of Supplementary Life Insurance

Your cost, paid through payroll deduction, depends on your gender, your age and on whether or not you smoke. (You are considered a "non-smoker" if you have not smoked for the last 12 months). Monthly costs are provided in the table below.

Employee's Attained Age (as at January 1st)	Male		Female	
	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)	Smoker Monthly Rate (per $1,000)	Non-Smoker Monthly Rate (per $1,000)
Under 35	$0.044	$0.022	$0.022	$0.020
35 - 39	$0.060	$0.039	$0.033	$0.028
40 - 44	$0.163	$0.080	$0.099	$0.062
45 - 49	$0.285	$0.142	$0.169	$0.098
50 - 54	$0.445	$0.231	$0.240	$0.151
55 - 59	$0.757	$0.383	$0.395	$0.231
60 - 64	$0.890	$0.480	$0.480	$0.300

Note: *Monthly costs shown above reflect those in effect as of January 1st, 2015. The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.*
Monthly costs shown above are subject to applicable taxes.

Supplementary Life Insurance

Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Supplementary Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Desjardins within 12 months from the onset of the disability, and periodically as requested by Desjardins thereafter.

Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Desjardins under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit).

Conversion Privilege

Your supplementary life insurance coverage ceases on the date your employment terminates. However, if you are under age 65, you may apply to convert your insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins accompanied by payment of the first premium within 31 days of the date your supplementary life insurance terminates. The amount of the individual policy will not exceed the lesser of $200,000 ($400,000 for employees residing in Quebec[1]) or the total amount of your life insurance in force under all life insurance plans provided under this policy immediately prior to the termination of your coverage. If you should die during the 31-day conversion period, a death benefit will be paid, regardless of whether or not application for conversion has been made.

[1]For a Quebec plan Member to convert, his or her convertible amount must be at least $10,000 or 25 percent of group coverage (whichever is greater).

Supplementary Life Insurance

How To Claim Death Benefits

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. Claims for death benefits must be submitted no later than 12 months after the date of death.

What's Not Covered

No amount will be paid for that part of your Supplementary Life Insurance benefit that has been in force for less than 2 years, if loss of life results directly or indirectly, while sane or insane, from suicide, attempted suicide or purposely self-inflicted injury.

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ATTACHMENT 4-F

Employee Costs

Board Appendix 2-K

Appendix 2-K
Employee Costs

	Last Rebasing Year - 2010- Board Approved	Last Rebasing Year - 2010- Actual	2011 Actuals	2012 Actuals	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
Number of Employees (FTEs including Part-Time)[1]								
Management (including executive)	14.9	13.9	14.4	15.2	14.7	14.9	16.3	18.1
Non-Management (union and non-union)	65.3	59.4	61.5	58.5	56.6	56.5	57.2	58.4
Total	80.1	73.3	75.9	73.7	71.3	71.4	73.5	76.5
Total Salary and Wages including ovetime and incentive pay								
Management (including executive)	$ 1,543,052	$ 1,346,303	$ 1,535,243	$ 1,577,034	$ 1,623,780	$ 1,610,857	$ 1,770,723	$ 2,018,879
Non-Management (union and non-union)	$ 4,003,894	$ 3,590,415	$ 3,947,924	$ 4,181,664	$ 4,302,204	$ 4,292,665	$ 4,325,633	$ 4,285,063
Total	$ 5,546,947	$ 4,936,718	$ 5,483,166	$ 5,758,698	$ 5,925,984	$ 5,903,522	$ 6,096,356	$ 6,303,943
Total Benefits (Current + Accrued)								
Management (including executive)	$ 353,103	$ 318,859	$ 342,038	$ 361,848	$ 382,927	$ 371,911	$ 388,580	$ 451,213
Non-Management (union and non-union)	$ 933,138	$ 850,356	$ 879,561	$ 959,478	$ 1,014,565	$ 991,080	$ 947,400	$ 957,698
Total	$ 1,286,242	$ 1,169,215	$ 1,221,599	$ 1,321,326	$ 1,397,493	$ 1,362,991	$ 1,335,980	$ 1,408,911
Total Compensation (Salary, Wages, & Benefits)								
Management (including executive)	$ 1,896,155	$ 1,665,162	$ 1,877,281	$ 1,938,882	$ 2,006,707	$ 1,982,768	$ 2,159,303	$ 2,470,092
Non-Management (union and non-union)	$ 4,937,033	$ 4,440,771	$ 4,827,485	$ 5,141,142	$ 5,316,770	$ 5,283,745	$ 5,273,033	$ 5,242,761
Total	$ 6,833,188	$ 6,105,933	$ 6,704,766	$ 7,080,024	$ 7,323,477	$ 7,266,513	$ 7,432,336	$ 7,712,853

Note:

[1] If an applicant wishes to use headcount, it must also file the same schedule on an FTE basis.

ATTACHMENT 4-G

EPI Post-Employment Benefits

Actuary Report

Prepared By Mondelis Actuarial

MONDELIS
ACTUARIAL

515 Riverbend Drive, Suite 102, Kitchener, ON N2K 3S3 Phone: (519) 579-1255

August 14, 2015

Chris Towne, CPA, CA
Director of Finance
Entegrus Powerlines Inc.
320 Queen Street
Chatham, ON N7M 5K2

Dear Chris:

Re: **Entegrus Post-Employment Benefits Accounting**

As requested, this report provides the post-employment benefits disclosure information for the fiscal period ending December 31, 2014, anticipating IFRS being adopted January 1, 2015, as well as providing projections for 2015 and 2016 using current discount rate assumptions. The divisions included in this report are Entegrus Powerlines Inc. and Entegrus Services Inc.

Obligations were determined via a full valuation as at December 31, 2013. Results from the valuation are extrapolated to December 31, 2014, taking into account actual experience during the period.

Data

Premium rates provided by the plan sponsor effective December 31, 2013 are shown in the following table; note that the same rates remain in effect currently. The rates shown do not include provincial sales tax. For the MPDC group the rates are the portion (50%) payable by Entegrus.

Benefit	Health		Dental	
Division	Single	Family	Single	Family
215	111.70	249.37	43.06	111.54
216	63.86	142.74	35.26	91.30
217	68.24	179.46	30.38	69.46
218	133.92	277.30	27.57	62.69
144	114.70	283.18	36.93	145.76
MPDC	38.00	95.00	25.24	66.43

Individual employee and retiree data was provided for all covered employees as at November 2013 and as at November 2014; the data between these dates has been found to be consistent. The following table summarizes the data provided by the plan sponsor for the 2013 valuation.

Age Group	Number of Active Employees		
	Services	Powerlines	Total
25 to 30	3	2	5
30 to 35	7	8	15
35 to 40	6	1	7
40 to 45	7	3	10
45 to 50	3	7	10
50 to 55	7	15	22
55 to 60	8	9	17
60 to 65	0	4	4
Totals	41	49	90
	Average Service		
25 to 30	1.5	0.5	1.1
30 to 35	3.9	5.2	4.6
35 to 40	7.7	13.5	8.6
40 to 45	11.3	18.4	13.4
45 to 50	15.9	22.0	20.2
50 to 55	17.8	20.8	19.9
55 to 60	21.1	22.8	22.0
60 to 65	0.0	26.6	26.6
Totals	12.2	18.1	15.4

Number of Retirees

	Services	Powerlines	Total
50 to 55	1	0	1
55 to 60	2	1	3
60 to 65	0	3	3
65 to 70	1	3	4
70 to 75	4	5	9
75 to 80	2	13	15
80 to 85	3	3	6
85 to 90	6	7	13
90 to 95	2	4	6
Totals	21	39	60

Insurance Plans – Powerlines, Services

Retired employees receive life insurance, health coverage insurance, and dental benefit insurance. Coverage is provided according to the following schedule:

- future retirees will be insured for $5,000 of life insurance for the period from their retirement, and for health and dental insurance from their retirement until their attainment of age 65
- certain existing retirees are covered for insurance amounts related to earnings prior to retirement, with benefits payable for life
- health and dental coverage is continued to dependent survivors of employees who die in active employment for the lesser of two years or the period to the date the employee's coverage would have ended

Attestation

We are pleased to provide the following certifications:

a) We are aware that our work will be used for for audit evidence;
b) I am a member in good standing of the Canadian Institute of Actuaries;
c) We have been engaged by Entegrus' management to perform the valuation;
d) The valuation has been prepared in accordance with the standards of the Canadian Institute of Actuaries;
e) Our calculations include all employee future benefit plans of the Company required to be included in the calculations for which we have been retained;
f) The plan is a defined benefit plan;
g) The amounts derived from the extrapolation are in accordance with IFRS accounting standards;

h) We have included the effect of all known commitments in our calculations;
i) No settlements or curtailments have occurred in the fiscal period covered by this report;
j) The calculations have been prepared using best estimate assumptions, as proposed by us for management use; the discount rate was chosen by management;
k) We have used a materiality level of $100,000 in dealing with errors or changes in principle and the application thereof;
l) This letter, which includes the contents of our report, includes the following:
    i) A description of the participant groups covered.
    ii) A description of the plan benefits.
    iii) A description of the actuarial valuation method used to determine the accrued benefit obligation.
    iv) The significant actuarial assumptions used in the calculations are as follows:
    - The date of all calculations is December 31, 2014 with projections for 2015 and 2016.
    - A rate of 4.77% was chosen by management for use as at December 31, 2014. A discount rate of 4.88% was used to establish liabilities at December 31, 2013 and for extrapolation during 2014. Discount rates for 2015 and 2016 are assumed to remain the same as at December 31, 2014 for purposes of the projections.
    - No assets have or are expected to be accumulated for the plan.
    - No salary growth rate is used as benefits are not related to salaries.
    - Only the impact of employer contributions to the plans is considered.
    - Mortality based on the Canadian Pensioner Mortality Table (composite rates) with projection on a generational basis.
    - Termination of employment is based on the Ontario Medium Scale.
    - The following table shows rates of mortality and employee termination at certain ages:

	Mortality Rate		**Projection Scale**		**Termination**
Age	**Male**	**Female**	**Male**	**Female**	**Rate**
20	0.00082	0.00018	0.00890	0.00960	20.0%
25	0.00108	0.00024	0.00790	0.00570	20.0%
30	0.00120	0.00030	0.01300	0.00610	11.2%
35	0.00120	0.00042	0.01630	0.00850	6.3%
40	0.00136	0.00061	0.01420	0.00970	3.4%
45	0.00190	0.00086	0.00730	0.00610	1.8%
50	0.00266	0.00129	-0.00020	0.00290	1.2%
55	0.00403	0.00207	0.00140	0.00310	

60	0.00628	0.00350	0.00550	0.00490
65	0.00844	0.00562	0.00810	0.00690
70	0.01282	0.00886	0.00990	0.00690
75	0.02183	0.01469	0.01420	0.00820
80	0.03981	0.02729	0.01950	0.01160
85	0.07571	0.05352	0.01540	0.01450
90	0.14041	0.10280	0.00890	0.00910
95	0.24808	0.18902	0.00110	0.00120

- Retirement at age 59 is presumed.
- Inflation of 2.5% per year is assumed.
- At retirement employees are presumed to have the same family status as they currently have, but that the retiree would have at most only one dependent.
- Health care trend rates of 8% at the end of the first year after the valuation (December 31, 2013), reducing to the 3.5% after 10 years are assumed.
- Dental care trend rates equal to 3.5% in all years are assumed.
- The value of projected benefits is prorated over the attribution period to determine the amount of expense to charge to various periods. The accrued obligation represents the present value of benefits assigned to periods prior to the valuation date.
- It is presumed that the settlement cost of life insurance benefits would be $500 per claim.

v) Amortizations are made using a straight-line method over the average of the expected average future service period of active employees.

vi) The plan is unfunded.

vii) The attribution method is based on prorating benefits over each employee's period of service to the attainment of age 55.

viii) The valuation allowance is zero.

ix) No deviations from the benefit plan have been made in our calculations.

x) No significant non-routine events occurred in the fiscal period covered by this report. Obligations were calculated as at December 31, 2013 and extrapolated to December 31, 2014.

m) We have confirmed with management that the plan provisions are up to date for use in this report.

n) Management has agreed to advise us of any changes to the plan provisions and events which occur between the valuation date and the date of our report that would have a material effect on the valuation.

o) No matters have come to our attention that have occurred prior to the date of the completion of this report which would have a material effect on our calculations.
p) Other: We have relied upon the data as provided by the employer. We have compared current year data with data provided in the previous valuation and have determined that the current data is consistent with prior data.

Calculations

On the basis of the assumptions and methods noted above, we have determined the present value of benefit obligations related to service through 2014, with projections for 2015 and 2016. The attached tables show the calculated obligation amounts at the fiscal end dates as requested.

Please contact me should you require additional information.

Sincerely,

KT Licata

Kathryn T. Licata, FSA, FCIA, MAAA
kathy.licata@mondelis.com

Att.

ENTEGRUS POWERLINES INC.

Fiscal Year	**Disclosed CICA Powerlines 2014**	**IFRS Powerlines 2014**	**Projection IFRS Powerlines 2015**	**Projection IFRS Powerlines 2016**
Discount rate				
At start of year	4.88%	4.88%	4.77%	4.77%
At end of year	4.77%	4.77%	4.77%	4.77%
Interest rate on assets	N/A	N/A	N/A	N/A
CPI increase assumption	2.50%	2.50%	2.50%	2.50%
Termination rates used	Yes	Yes	Yes	Yes
Retirement Age	59.0	59.0	59.0	59.0
Health Care Initial Trend Rate	8.00%	8.00%	8.00%	8.00%
Ultimate Trend Rate	3.50%	3.50%	3.50%	3.50%
Dental Trend Rate	3.50%	3.50%	3.50%	3.50%
Expected Avg Remaining Service Lifetime	8.0			
Number of employees at start of year	49	49	49	49
Number of employees at end of year	49	49	49	49
Number of retirees at end of year	35	35	35	35
Reconcile Obligation				
Obligation at start of year	2,364,707	2,364,707	2,208,500	2,154,028
Obligation transfer from MSP				
Change in obligation from experience	0	0	0	0
Plan amendment	0	0	0	0
Current service cost	27,704	27,704	26,590	27,858
Member contributions	0	0	0	0
Benefit payments	(156,015)	(156,015)	(182,685)	(196,843)
Interest on obligation	112,267	112,267	101,623	98,717
Expected obligation at end of year	2,348,663	2,348,663	2,154,028	2,083,760
Actual obligation at end of year	2,208,500	2,208,500	2,154,028	2,083,760
Change in obligation from experience	155,012	155,012	0	0
Total (Gain)/Loss recognized in year	(140,163)	(140,163)	0	0

ENTEGRUS POWERLINES INC.

Fiscal Year	Disclosed CICA Powerlines 2014	IFRS Powerlines 2014	Projection IFRS Powerlines 2015	Projection IFRS Powerlines 2016
Reconcile Assets				
Assets at start of year	0	0	0	0
Member contributions	0	0	0	0
Employer contributions	156,015	156,015	182,685	196,843
Benefit payments	(156,015)	(156,015)	(182,685)	(196,843)
Expected interest on assets	0	0	0	0
Expected asset at end of year	0	0	0	0
Actual asset at end of year	0	0	0	0
(Gain)/Loss recognized in year	0	0	0	0
Pension Expense				
Current service cost	27,704	27,704	26,590	27,858
Interest on obligation	112,267	112,267	101,623	98,717
Interest on assets	0	0	0	0
Amortize transition amount	0	0	0	0
Amortize plan improvements	0	0	0	0
Amortize gains and losses	(43,325)	0	0	0
Pension expense	96,646	139,971	128,213	126,575
Transition (Asset)/Liability				
Transition amount at start of year	0	0	0	0
Amortization in year	0	0	0	0
Transition amount at end of year	0	0	0	0
Unamortized Prior Service Costs				
Unamortized prior service at start of year	0	0	0	0
Benefits added in year	0	0	0	0
Amortization in year	0	0	0	0
Unamortized prior service at end of year	0	0	0	0

ENTEGRUS POWERLINES INC.

Fiscal Year	Disclosed CICA Powerlines 2014	IFRS Powerlines 2014	Projection IFRS Powerlines 2015	Projection IFRS Powerlines 2016
Unamortized (Gains) & Losses				
Unamortized (gain)/loss at start of year	(346,601)	(346,601)	0	0
(Gain)/Loss in year	(140,163)	(140,163)	0	0
Transfer to Balance Sheet on Conversion		**486,764**	0	0
Amortization in year	(43,325)	0	0	0
Unamortized (gain)/loss at end of year	(443,439)	0	0	0
Deferred Expense/(Prepaid asset)				
Amount at start of year	2,711,308	2,711,308	2,208,500	2,154,028
Expense in year	96,646	139,971	128,213	126,575
Transfer to Balance Sheet on Conversion		(486,764)		
Employer contributions	156,015	(156,015)	182,685	196,843
Amount at end of year	2,651,939	2,208,500	2,154,028	2,083,760
Reconcile funded status to Prepaid asset				
Funded status	(2,208,500)	(2,208,500)	(2,154,028)	(2,083,760)
Unamortized transition amount	0	0	0	0
Unamortized prior service costs	0	0	0	0
Unamortized (gains) & losses	(443,439)	0	0	0
(Deferred expense)/Prepaid asset	(2,651,939)	(2,208,500)	(2,154,028)	(2,083,760)
Sensitivity Testing: Change in obligation				
1% increase in trend rates	119,000	119,000	116,000	112,000
1% decrease in trend rates	(106,000)	(106,000)	(103,000)	(100,000)

ENTEGRUS SERVICES INC.

Fiscal Year	Disclosed CICA Services 2014	IFRS Services 2014	Projection IFRS Services 2015	Projection IFRS Services 2016
Discount rate				
At start of year	4.88%	4.88%	4.88%	4.88%
At end of year	4.77%	4.77%	4.77%	4.77%
Interest rate on assets	N/A	N/A	N/A	N/A
CPI increase assumption	2.50%	2.50%	2.50%	2.50%
Termination rates used	Yes	Yes	Yes	Yes
Retirement Age	59.0	59.0	59.0	59.0
Health Care Initial Trend Rate	8.00%	8.00%	8.00%	8.00%
Ultimate Trend Rate	3.50%	3.50%	3.50%	3.50%
Dental Trend Rate	3.50%	3.50%	3.50%	3.50%
Expected Avg Remaining Service Lifetime	8.0			
Number of employees at start of year	42	42	42	42
Number of employees at end of year	42	42	42	42
Number of retirees at end of year	20	20	20	20
Reconcile Obligation				
Obligation at start of year	1,031,678	1,031,678	970,200	954,713
Obligation transfer from MSP				
Change in obligation from experience	0	0	0	0
Plan amendment	0	0	0	0
Current service cost	18,136	18,136	16,645	17,439
Member contributions	0	0	0	0
Benefit payments	(60,927)	(60,927)	(76,972)	(87,385)
Interest on obligation	49,302	49,302	44,840	43,872
Expected obligation at end of year	1,038,189	1,038,189	954,713	928,638
Actual obligation at end of year	970,200	970,200	954,713	928,638
Change in obligation from experience	68,520	68,520	0	0
Total (Gain)/Loss recognized in year	(67,989)	(67,989)	0	0

ENTEGRUS SERVICES INC.

Fiscal Year	Disclosed CICA Services 2014	IFRS Services 2014	Projection IFRS Services 2015	Projection IFRS Services 2016
Reconcile Assets				
Assets at start of year	0	0	0	0
Member contributions	0	0	0	0
Employer contributions	60,927	60,927	76,972	87,385
Benefit payments	(60,927)	(60,927)	(76,972)	(87,385)
Expected interest on assets	0	0	0	0
Expected asset at end of year	0	0	0	0
Actual asset at end of year	0	0	0	0
(Gain)/Loss recognized in year	0	0	0	0
Pension Expense				
Current service cost	18,136	18,136	16,645	17,439
Interest on obligation	49,302	49,302	44,840	43,872
Interest on assets	0	0	0	0
Amortize transition amount	0	0	0	0
Amortize plan improvements	0	0	0	0
Amortize gains and losses	(19,718)	0	0	0
Pension expense	47,720	67,438	61,485	61,311
Transition (Asset)/Liability				
Transition amount at start of year	0	0	0	0
Amortization in year	0	0	0	0
Transition amount at end of year	0	0	0	0
Unamortized Prior Service Costs				
Unamortized prior service at start of year	0	0	0	0
Benefits added in year	0	0	0	0
Amortization in year	0	0	0	0
Unamortized prior service at end of year	0	0	0	0

ENTEGRUS SERVICES INC.

Fiscal Year	Disclosed CICA Services 2014	IFRS Services 2014	Projection IFRS Services 2015	Projection IFRS Services 2016
Unamortized (Gains) & Losses				
Unamortized (gain)/loss at start of year	(210,981)	(210,981)	0	0
(Gain)/Loss in year	(67,989)	(67,989)	0	0
Transfer to Balance Sheet on Conversion		**278,970**	0	0
Amortization in year	(19,718)	0	0	0
Unamortized (gain)/loss at end of year	(259,252)	0	0	0
Deferred Expense/(Prepaid asset)				
Amount at start of year	1,242,659	1,242,659	970,200	954,713
Expense in year	47,720	67,438	61,485	61,311
Transfer to Balance Sheet on Conversion		(278,970)		
Employer contributions	60,927	(60,927)	76,972	87,385
Amount at end of year	1,229,452	970,200	954,713	928,638
Reconcile funded status to Prepaid asset				
Funded status	(970,200)	(970,200)	(954,713)	(928,638)
Unamortized transition amount	0	0	0	0
Unamortized prior service costs	0	0	0	0
Unamortized (gains) & losses	(259,252)	0	0	0
(Deferred expense)/Prepaid asset	(1,229,452)	(970,200)	(954,713)	(928,638)
Sensitivity Testing: Change in obligation				
1% increase in trend rates	59,000	59,000	58,000	56,000
1% decrease in trend rates	(53,000)	(53,000)	(52,000)	(51,000)

ATTACHMENT 4-H

Shared Services and
Corporate Cost Allocation

Board Appendix 2-N

Appendix 2-N
Shared Services and Corporate Cost Allocation [1]

Year: 2010 Board-Approved Proxy

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	**To**			**$**	**$**
EPI	Municipality of CK	Streetlight Maintenance	Actual cost	172,507	
ESI	EPI	General Finance Service	Fully allocated cost (hours and related costs)		2,328,833
ESI	EPI	Regulatory Service	Fully allocated cost (hours and related costs)		120,617
ESI	EPI	Customer Service	Fully allocated cost (hours and related costs)		1,722,815
Municipality of CK	EPI	Geographic Information System (GIS) Services	Fully allocated cost (hours and related costs)		152,560
				172,507	4,324,825

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	**To**			**%**	**$**
EPI	Entegrus Transmission	Rent	Not less than greater of market and fully allocated cost	0%	-
EPI	ESI	Rent	Not less than greater of market and fully allocated cost	89%	140,484
EPI	Entegrus	Rent	Not less than greater of market and fully allocated cost	11%	16,512
ESI	EPI	Board of Director Costs	N/A	100%	9,250
					166,246

Appendix 2-N
Shared Services and Corporate Cost Allocation [1]

Year: 2010 Actuals

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
EPI	Municipality of CK	Streetlight Maintenance	Actual cost	200,162	
ESI	EPI	General Finance Service	Fully allocated cost (hours and related costs)		2,354,603
ESI	EPI	Regulatory Service	Fully allocated cost (hours and related costs)		105,580
ESI	EPI	Customer Service	Fully allocated cost (hours and related costs)		1,732,945
Municipality of CK	EPI	Geographic Information System (GIS) Services	Fully allocated cost (hours and related costs)		152,560
				200,162	4,345,688

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	$
EPI	Entegrus Transmission	Rent	Not less than greater of market and fully allocated cost	0%	-
EPI	ESI	Rent	Not less than greater of market and fully allocated cost	89%	140,484
EPI	Entegrus	Rent	Not less than greater of market and fully allocated cost	11%	16,512
ESI	EPI	Board of Director Costs	N/A		15,375
					172,371

Appendix 2-N
Shared Services and Corporate Cost Allocation [1]

Year: 2011 Actuals

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	**To**			**$**	**$**
EPI	Municipality of CK	Streetlight Maintenance	Actual cost	203,571	
ESI	EPI	Finance and Admin	Fully allocated cost (hours and related costs)		2,345,500
ESI	EPI	Regulatory Affairs	Fully allocated cost (hours and related costs)		240,471
ESI	EPI	Human Resources	Fully allocated cost (hours and related costs)		41,920
ESI	EPI	Customer Service, Field and CIS Services	Fully allocated cost (hours and related costs)		2,113,527
ESI	EPI	Information Technology	Fully allocated cost (hours and related costs)		168,865
Municipality of CK	EPI	Geographic Information System (GIS) Services	Fully allocated cost (hours and related costs)		219,169
				203,571	5,129,452

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	**To**			**%**	**$**
EPI	Entegrus Transmission	Rent	Not less than greater of market and fully allocated cost	2%	3,644
EPI	ESI	Rent	Not less than greater of market and fully allocated cost	88%	154,668
EPI	Entegrus	Rent	Not less than greater of market and fully allocated cost	10%	17,289
ESI	EPI	Board of Director Costs	N/A	100%	19,090
					194,691

Appendix 2-N
Shared Services and Corporate Cost Allocation [1]

Year: 2012 Actuals

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	**To**			**$**	**$**
EPI	Municipality of CK	Streetlight Maintenance	Actual cost	190,764	
ESI	EPI	Finance and Admin	Fully allocated cost (hours and related costs)		2,305,180
ESI	EPI	Regulatory Affairs	Fully allocated cost (hours and related costs)		254,377
ESI	EPI	Human Resources	Fully allocated cost (hours and related costs)		60,380
ESI	EPI	Customer Service, Field and CIS Services	Fully allocated cost (hours and related costs)		2,267,347
ESI	EPI	Communications	Fully allocated cost (hours and related costs)		90,436
ESI	EPI	Information Technology	Fully allocated cost (hours and related costs)		185,967
Municipality of CK	EPI	Geographic Information System (GIS) Services	Fully allocated cost (hours and related costs)		226,406
				190,764	5,390,093

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	**To**			**%**	**$**
EPI	Entegrus Transmission	Rent	Not less than greater of market and fully allocated cost	2%	3,717
EPI	ESI	Rent	Not less than greater of market and fully allocated cost	88%	157,752
EPI	Entegrus	Rent	Not less than greater of market and fully allocated cost	10%	17,640
ESI	EPI	Board of Director Costs	N/A	100%	19,788
					198,897

Appendix 2-N
Shared Services and Corporate Cost Allocation [1]

Year: 2013 Actuals

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	**To**			**$**	**$**
EPI	Municipality of CK	Streetlight Maintenance	Actual cost	192,317	
ESI	EPI	Finance and Admin	Fully allocated cost (hours and related costs)		2,215,237
ESI	EPI	Regulatory Affairs	Fully allocated cost (hours and related costs)		292,531
ESI	EPI	Human Resources	Fully allocated cost (hours and related costs)		87,173
ESI	EPI	Customer Service, Field and CIS Services	Fully allocated cost (hours and related costs)		2,354,566
ESI	EPI	Communications	Fully allocated cost (hours and related costs)		143,155
ESI	EPI	Project Management Office	Fully allocated cost (hours and related costs)		5,002
ESI	EPI	Information Technology	Fully allocated cost (hours and related costs)		163,810
Municipality of CK	EPI	Geographic Information System (GIS) Services	Fully allocated cost (hours and related costs)		245,443
				192,317	5,506,917

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	**To**			**%**	**$**
EPI	Entegrus Transmission	Rent	Not less than greater of market and fully allocated cost	2%	3,796
EPI	ESI	Rent	Not less than greater of market and fully allocated cost	89%	174,672
EPI	Entegrus	Rent	Not less than greater of market and fully allocated cost	9%	18,000
ESI	EPI	Board of Director Costs	N/A	100%	18,809
					215,277

Appendix 2-N

Shared Services and Corporate Cost Allocation [1]

Year: 2014 Actuals

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
EPI	Municipality of CK	Streetlight Maintenance	Actual cost	201,163	
ESI	EPI	Finance and Admin	Fully allocated cost (hours and related costs)		2,161,790
ESI	EPI	Regulatory Affairs	Fully allocated cost (hours and related costs)		341,611
ESI	EPI	Human Resources	Fully allocated cost (hours and related costs)		144,366
ESI	EPI	Customer Service, Field and CIS Services	Fully allocated cost (hours and related costs)		2,318,583
ESI	EPI	Communications	Fully allocated cost (hours and related costs)		145,105
ESI	EPI	Project Management Office	Fully allocated cost (hours and related costs)		5,275
ESI	EPI	Information Technology	Fully allocated cost (hours and related costs)		183,752
Municipality of CK	EPI	Geographic Information System (GIS) Services	Fully allocated cost (hours and related costs)		245,745
				201,163	5,546,227

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	$
EPI	Entegrus Transmission	Rent	Not less than greater of market and fully allocated cost	2%	3,986
EPI	ESI	Rent	Not less than greater of market and fully allocated cost	89%	178,414
EPI	Entegrus	Rent	Not less than greater of market and fully allocated cost	9%	18,360
ESI	EPI	Board of Director Costs	N/A	100%	19,078
					219,838

Appendix 2-N
Shared Services and Corporate Cost Allocation [1]

Year: 2015 Bridge

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	**To**			**$**	**$**
EPI	ETI	Finance, HR, Communications and IT	Fully allocated cost (hours and related costs)	94,082	
EPI	ESI	Finance, HR, Communications and IT	Fully allocated cost (hours and related costs)	80,303	
EPI	CK PUC	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	2,214,364	
EPI	Municipality of CK	Streetlight Maintenance	Actual cost	204,180	
EI	EPI	Management, HR, Communication and Admin	Fully allocated cost (hours and related costs)		1,003,411
Municipality of CK	EPI	HR, IT and Treasury	Fully allocated cost (hours and related costs)		244,484
Municipality of CK	EPI	Geographic Information System (GIS) Services	Fully allocated cost (hours and related costs)		270,942
				2,592,929	1,518,837

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	**To**			**%**	**$**
EPI	ETI	Rent	Not less than greater of market and fully allocated cost	8%	4,080
EPI	ESI	Rent	Not less than fully allocated cost	54%	26,265
EPI	EI	Rent	Not less than greater of market and fully allocated cost	38%	18,727
					49,072

Appendix 2-N
Shared Services and Corporate Cost Allocation [1]

Year: 2016 Test

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
EPI	ETI	Finance, HR, Communications and IT	Fully allocated cost (hours and related costs)	95,493	
EPI	ESI	Finance, HR, Communications and IT	Fully allocated cost (hours and related costs)	81,508	
EPI	CK PUC	Water Billing & Collection and Administrative	Fully allocated cost (hours and related costs)	2,247,579	
EPI	Municipality of CK	Streetlight Maintenance	Actual cost	207,243	
EI	EPI	Management, HR, Communication and Admin	Fully allocated cost (hours and related costs)		1,018,462
Municipality of CK	EPI	HR, IT and Treasury	Fully allocated cost (hours and related costs)		194,554
Municipality of CK	EPI	Geographic Information System (GIS) Services	Fully allocated cost (hours and related costs)		276,361
				2,631,823	1,489,377

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	$
EPI	ETI	Rent	Not less than greater of market and fully allocated cost	8%	4,141
EPI	ESI	Rent	Not less than fully allocated cost	54%	26,659
EPI	EI	Rent	Not less than greater of market and fully allocated cost	38%	19,008
					49,808

Appendix 2-N
Shared Services and Corporate Cost Allocation [1]

Note:

1 **This appendix must be completed in relation to each service provided or received for the Historical (actuals), Bridge and Test years. The required information includes:**

· ***Type of Service:***

Services such as billing, accounting, payroll, etc. The applicant must identify any costs related to the Board of Directors of the parent company that are allocated to the applicant.

· ***Pricing Methodology:***

Pricing Methodology includes approaches such as cost-base, market-base, tendering, etc. The applicant must provide evidence demonstrating the pricing methodology used. The applicant must also provide a description of why that pricing methodology was chosen, whether or not it is in conformity with ARC, and why it is appropriate.

· ***% Allocation:***

The applicant must provide the percentage of the costs allocated to the entity for the service being offered. The Applicant must also provide a description of the allocator and why it is an appropriate allocator.

ATTACHMENT 4-I

EPI Purchasing Policy

OPERATING POLICIES & PROCEDURES

Subject: **Purchasing Policy**		**Department:** **Corporation**
Document No: 114 **Revision No: 1**	**Owner:** **Engineering & Operations**	
Effective Date: 6/23/2014	**Date to be Reviewed:** 10/14/2016	**Approved:** **6/23/2014**

1. PURPOSE

The procurement process strives to ensure the most cost effective and efficient products and services are purchased and that all purchased items meet regulatory and compliance requirements. Purchasing practices must include a review of potential health and safety hazards to ensure that potential hazards are adequately controlled.

2. SCOPE

This procedure applies to all Entegrus staff who are authorized to purchase materials, articles or things for use in the workplace.

3. OBJECTIVES

3.1. Obtaining goods or services for specified quality and quantity at the best price with sufficient lead time for delivery.

3.2. Issuing the required tenders and obtain quotations. On occasion when departments require cost estimates to determine whether or not to proceed with a purchase, suppliers must be advised that these are study estimates only, and that any purchases will go through the standard purchasing process. All information including alternate quotes, are to be submitted to the Purchaser unless otherwise instructed.

3.3. Completing traditional purchase transactions by ensuring that all purchases follow the requisition approval process and a purchase order is issued to ensure deliveries and schedules are met.

3.4. Non-traditional transactions, meaning those primarily handled through a credit card system which normally involves purchases of small value, less than $500 for non-supervisory staff and less than $1,500 for supervisors and managers. These are handled by the staff cardholder and reconciled through the normal approval system.

3.5. Maintaining inventory levels consistent with the needs and schedules of the department and to practical levels based on historical use and required emergency stock.

3.6. Safely disposing of all obsolete and surplus material after receiving notification from all affected departments.

3.7. Maintaining the highest professional, ethical and moral business practices.

3.8. Consulting with the Health and Safety Manager or other staff with expertise in order to obtain information relating to specialized technical or other purchasing specifications and needs.

3.9. Obtaining supplier or manufacturer catalogues, specifications and related information.

3.10. Sourcing potential suppliers, interviewing sales representatives, informing all applicable departments of the information received regarding new or existing materials, equipment, processes and techniques and retaining on file for reference.

3.11. Arranging for relevant training and/or demonstrations from the supplier as necessary.

3.12. Working closely with staff and others to ensure proper material specification and compliance with minimum legal and regulatory standards

4. DEFINITIONS

4.1. PURCHASE REQUISITION

A written or electronically produced request shall be used to initiate all non-inventory purchases. Requisitions are initiated by the user department and should include an industry description, and any applicable specifications. The requisitioning department shall be responsible for preparing functional and technical specifications for the goods and services to be acquired in a manner that will facilitate the achievement of the optimal combination of quality, cost, performance, time and choice.

4.2. REQUEST FOR QUOTATION (RFQ)

A request for prices on specific goods and/or services from selected vendors, which are submitted: verbally, in writing or electronically. The RFQ provides a detailed description of the goods and services to be purchased. The RFQ evaluation is usually based upon quality and price. RFQs are best suited to standardized products and services.

4.3. REQUEST FOR TENDER (RFT)

A document used to request sealed supplier responses for goods and/or services based on a defined need, such as delivery requirements, performance specifications, terms and conditions. An RFT usually focuses the evaluation criteria predominantly on quality, price and delivery requirements. Tenders may be “invitational” in which three or more suppliers are asked to submit a bid or “open” in which the bid document is available to any supplier that deems itself capable of meeting the needs and specifications defined in the RFT.

4.4. REQUEST FOR PROPOSAL (RFP)

A document used to request suppliers to supply solutions for the delivery of complex products or services or to provide alternative options or solutions. It is a process that uses predefined evaluation criteria in which price is not the only factor. The RFP usually leaves all or part of the precise structure and format of the response to the discretion of the proponents.

4.5. REQUEST FOR INFORMATION (RFI)

The purpose of an RFI is to gather general supplier or product information. This mechanism may be used when researching a contemplated procurement and it has not yet been determined what characteristics the ideal solution would have. RFIs normally contribute to the final version of a subsequent RFP.

4.6. PURCHASE ORDER

A purchasing document that is a legal contract and is used to formalize a transaction with a vendor.

4.7. BLANKET PURCHASE ORDER

A Blanket Purchase Order is one that is open for use for a specific period of time, generally a calendar year. This type of purchase order is intended for repetitive purchases of goods or services.

4.8. ENTEGRUS PURCHASING CARD (CREDIT CARD)

A company provided credit card intended to facilitate the purchase and payment of materials and/or services.

4.9. EMERGENCY MATERIALS OR SERVICES

Emergency requirements shall be defined as items or services, which have to be sourced quickly, generally outside normal working hours where time is of the essence. Examples of situations that may require emergency items are: correction of safety problems, loss of service, large economic loss, spill of pollutants, inconvenience to the public, etc. Emergency procedures may require temporary suspension of provisions of the Purchasing Policy as determined by a Director or Executive member of the Entegrus group of companies.

4.10. LIMITS OF AUTHORITY

Limits of Authority are set as per Section 6.1 below and represent the minimum authority required. Approval for purchasing supplies and services is based on the total estimated dollar value, including any agreed-upon renewals, and is exclusive of applicable taxes. Purchases shall not be split in order to bypass approval limits.

4.11. VERBAL AUTHORIZATION

Employees are advised that a verbal authorization or commitment on their part to a vendor to proceed with the supply of goods or services, can form a legal contract that is valid and enforceable under law the same as any written contract document. Employees may not enter into verbal agreements with other parties on behalf of the Company unless an emergency situation exists as defined in this policy.

5. PURCHASING METHODS

When possible materials and services with a value exceeding $10,000 and all vehicle purchases should be acquired through a competitive process such as RFQ or RPF/RFT except when the sole source procurement criteria described below are met or in cases of emergency.

5.1. REQUEST FOR QUOTATION

Quotations shall be obtained from approved suppliers for materials or services to maintain competitive pricing. Purchasing, at its discretion, may source materials based on email or facsimile quotations as dictated by circumstances. For non-administrative items over $2,500, an approved and signed Purchase Order is required.

Standard practice will be to solicit quotes from at least three vendors whenever possible. As a minimum, Formal Written Quotes shall be sought from any vendor when a Purchase exceeds $10,000.

5.2. RFT/RFP

A Request for Tender or Request for Proposal will be used for the purchases of goods and services. The user department may take the lead in development of the bid, but must consult Purchasing as part of the development process. Bids will include, as a minimum, the following information:

5.2.1. a description of the goods or services required

5.2.2. full disclosure of the evaluation criteria, process and methodology to be used in assessing submissions, including identification of criteria considered mandatory, any technical standards that need to be met, and methods of weighting and the criteria
5.2.3. a period of irrevocability where bids cannot be withdrawn
5.2.4. documents will have a minimum response time of 14 calendar days and must have a closing date set on a normal working day during normal business hours.
5.2.5. review committee consisting of the user department and purchasing.

5.3. SOLE SOURCE PROCUREMENT

Sole source items require documentation to justify the purchase and to ensure that the cost charged by the vendor is reasonable. Sole source suppliers may be considered in the following instances:

5.3.1 When the goods and services can be obtained only from one person or firm;
5.3.2 The expertise of an individual organization or individual is deemed to be specifically required by the company;
5.3.3 When competition is precluded because of the existence of patent rights, copyrights, secret processes, control of raw material or other such conditions;
5.3.4 When it is the only product or service that has been approved by the company for use in the distribution system;
5.3.5 When the procurement is for electric power or energy, gas, water or other utility services where is would not be practical to allow a contractor other than the utility company itself to work upon the system;
5.3.6 When the procurement is for technical services in connection with the assembly, installation or servicing of equipment of a highly technical or specialized nature;
5.3.7 When the procurement is for parts or components to be used as replacements in support of equipment specifically designed by the manufacturer;
5.3.8 The contractor is already at work on the site (based on an existing Purchase Order) and it would not be practical to engage another contractor; or,
5.3.9 Specific Health and Safety items as approved by the Manager of Health and Safety.

6. PURCHASING PROCEDURES

6.1 LIMITS OF AUTHORITY

President and CEO Entegrus Inc. – above $1,000,000
Vice Presidents and CFO – up to $1,000,000
Director in charge of Purchasing (or Alternate) up to $100,000
Director – up to $75,000

6.2 INVENTORY ITEMS – NEW

Purchases will be initiated based on established stock order points and advice from user departments. Vendor Contracts may be used for repeat purchases, for a specified period of time.

6.3 INVENTORY ITEMS – USED

Opportunities to purchase used material will come from a variety of sources. A list of material for sale will be obtained from the vendor and if Entegrus is interested in the items, a bid will be submitted to the vendor. Whenever feasible, the products should be inspected in person prior to submitting a bid. Purchases should be made subject to testing by Entegrus (possibly performed by a 3rd party in accordance with regulation 22/04, if applicable) and payment should not be made until after the products have tested satisfactorily.

6.4 NON-INVENTORY (includes Capital Purchases)

This category covers items that are not held in stock but are ordered based on requests from the user department. Examples of these types of items are furniture, office equipment, tools, IT equipment, Capital Projects for the utility infrastructure (such as Smart Meters) and services such as building repairs and maintenance. For any capital expenditures (goods or capital projects, an approved and signed Purchase Order is required. Included in this requirement are vehicles purchased. All Purchase Orders require approvals based on dollar limit (per 6.1).

For sub-contractor services, the sub-contractor shall be approved by the contractor pre-approval process which will supply evidence of sufficient insurance and WSIB clearance prior to commencing any work. Depending on the length of the project, the certificates may need to be updated on a regular basis (i.e. every 60 days for WSIB clearance).

6.6 EMERGENCY ITEMS / SERVICES

This category covers items that have to be sourced quickly, generally outside normal working hours where time is of the essence, and are not held in stock. Initiation of emergency purchases are the responsibility of the affected department, generally outside of normal working hours and may require suspension of the provisions of the Purchasing Policy. Any suspension of the Purchasing Policy shall be reported in writing or electronically by the affected department to the Director of Operations on the first regular working day following the emergency. Details on the purchase and determining factors for suspension of the Purchasing Policy shall be included in the information provided.

6.7 CONSULTING SERVICES

This category covers the sourcing of the services of outside consulting and legal firms to provide services that are included in the approved budget. The user department or Purchasing may source consulting/legal services but a purchase order will be issued in any case. If necessary, a Non-Disclosure Agreement (NDA) should be used.

For each agreement the following are to be defined in writing prior to any work beginning:

- clearly defined project scope
- deliverables with due dates
- payment schedule

All non-budgeted consulting/legal services require the approval of an executive for the company the consultant is working for.

6.8 SCRAP, OBSOLETE, OR SURPLUS ITEMS

Scrap, obsolete or surplus items shall be safely disposed of upon the advice of a user department by sale or otherwise as deemed appropriate in the best interest of the Company.

Sale of obsolete furniture and equipment etc., under $1,000 estimated value per item, may be offered to employees on sealed offer basis. The Purchasing Department, with direction from the Director of Operations, may specify a minimum bid. All items not sold to employees may be offered for sale to vendors, donated to charity, or may be scrapped by the Purchasing Department, if the items are of little or no commercial value.
<u>When completed an Asset Disposal Form must be filled out and handed in to Accounting.</u>

6.9 PERFORMANCE BONDS

Any requirement for performance bonds will be defined in the tender documents.

6.10 NEW MATERIALS AND EQUIPMENT

All materials purchased for use to construct a utility electrical distribution system must meet the requirements of Ontario Regulation 22/04. New equipment and material that has not previously been used must be brought to the attention of Engineering and Operations to ensure regulatory and operations requirements are satisfied.

When new health and safety related equipment is being proposed, it must be brought to the attention of the Manager of Health and Safety to ensure regulatory and health and safety requirements are satisfied.

6.11 SUPPLIER APPROVAL AND REVIEW

Materials, supplies, equipment or services may not be purchased from suppliers that are not on the Approved Suppliers List, except for administrative items and in Emergency situations as defined in Sections 4.9 and 6.6 of this policy. New suppliers may only be approved once a Supplier Approval Form has been satisfactorily completed. Any deviation from this requirement will require Director approval.

Supplier performance will be reviewed annually. Suppliers who repeatedly fail to deliver satisfactory products, and/or do not deliver on time despite previous requests for corrective actions, will be removed from the Approved Supplier List. Any supplier of goods or services who knowingly contravenes this policy may be prohibited from bidding on future contracts or performing work on behalf of the Company.

Any supplier of goods and/or services who knowingly misrepresents any detail pertaining to a good or service considered for purchase, or misrepresents the qualifications or experience of an employee may be prohibited from bidding on future contracts for the supply of goods and/or services.

6.12 PURCHASING CARDS

The Purchasing Card is used for the purchase of goods and services for Entegrus. Purchasing Cards may be used for training, travel, meals and accommodations. Restrictions and exemptions can apply to any card with a supervisor's approval.

Monthly Statements are sent to cardholders directly. Each cardholder is responsible to review and balance their monthly statements.

6.13 CONFIDENTIALITY

Sealed bids and quotes shall remain confidential from third parties.

6.14.1.1 Personal, proprietary and third party information will be protected.

6.14.1.2 The confidentiality of information received during the course of business must be respected and not used for personal gain

6.14.1.3 Any personal interest that may impinge or may be construed to impinge on an employee's impartiality in any circumstance in the performance of their duties must be reported to their Director and/or Vice President/President.

7. HEALTH & SAFETY

7.1 COMPLIANCE

All goods and/or services purchased by Entegrus must comply with all appropriate Federal, Provincial and Municipal legislation, regulations and standards as well as all Entegrus policies and procedures.

The requirements of the Regulations for Industrial Establishments with regard to Section 7, Pre-Start Safety Review shall be met.

The Purchaser, in consultation with the Health and Safety Manager or other knowledgeable staff person will ensure compliance with health and safety legal and regulatory requirements.

All chemical purchases must be administered by the purchasing department.

Safety Data Sheets (SDSs) and appropriate labels must be obtained with each delivery of any controlled product as defined by the Workplace Hazardous Material Information System (WHMIS) legislation. It is the responsibility of the Purchaser to ensure that a SDS is available and on file.

In addition to meeting ESA regulatory requirements, electrical equipment and conductors shall meet the Ontario Electrical Safety Code, CSA Standards, and other applicable legal and regulatory requirements.

7.2 ACCESSIBILITY FOR ONTARIANS WITH DISABILITIES

Entegrus will have regard for persons with disabilities in any decision to purchase goods and services. Entegrus is committed to accessibility principles in accordance with the Accessibility for Ontarians with Disabilities Act, 2005.

DOCUMENT APPROVAL FOR POLICY

6/23/2014

______________________________ _________________

Chris Cowell — Date

Chief Financial & Regulatory Officer and VP Administration

ATTACHMENT 4-J

Regulatory Cost Schedule

Board Appendix 2-M

File Number:	EB-2015-0061
Exhibit:	4
Attachment:	4-J
Page:	1 of 1
Date:	28-Aug-15

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 2014	2015 Bridge Year	Annual % Change	2016 Test Year	Annual % Change
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H) = [(G)-(F)]/(F)	(I)	(J) = [(I)-(G)]/(G)
Ongoing										
1	OEB Annual Assessment	5655		On-Going	$ 85,884	$ 108,373	$ 109,628	1.16%	$ 109,628	0.00%
2	OEB Section 30 Costs (Applicant-originated)									
3	OEB Section 30 Costs (OEB-initiated)	5655		On-Going	$ 6,067	$ 3,103	$ 11,078	257.04%	$ 11,078	0.00%
4	Expert Witness costs for regulatory matters									
5	Legal costs for regulatory matters	5655		On-Going	$ -	$ 9,196	$ 20,000	117.50%	$ 21,500	7.50%
6	Consultants' costs for regulatory matters	5655		On-Going	$ -	$ 30,669	$ 20,000	-34.79%	$ 21,500	7.50%
7	Operating expenses associated with staff resources allocated to regulatory matters	5655		On-Going	$ 162,100	$ 242,950	$ 293,383	20.76%	$ 304,462	3.78%
8	Operating expenses associated with other resources allocated to regulatory matters [1]			On-Going	$ -	$ 24,793	$ 19,800	-20.14%	$ 23,500	18.69%
9	Other regulatory agency fees or assessments	5655		On-Going	$ 800	$ 800	$ 800	0.00%	$ 800	0.00%
10	Any other costs for regulatory matters (please define)			On-Going	$ -	$ 38,340	$ 38,340	0.00%	$ -	-100.00%
11	2016 COS Expensed Over 5 Years	5655		On-Going	$ -	$ -	$ -		$ 86,999	
12	Intervenor costs	5655		On-Going	$ -	$ 1,035	$ 1,500	44.93%	$ 1,500	0.00%
13	Sub-total - Ongoing Costs [3]		$ -		$ 254,851	$ 459,258	$ 514,529	12.03%	$ 580,967	12.91%
One-Time										
14	Consultants' costs	5655		One-Time	$ 120,000	$ -	$ -		$ -	
15	Incremental operating expenses associated with staff resources allocated to this application.	5655		One-Time	$ -	$ 15,085	$ 211,352	1301.07%	$ 56,924	-73.07%
16	Incremental operating expenses associated with other resources allocated to this application. 1	5655		One-Time	$ -	$ -	$ 27,500		$ 5,000	-81.82%
17	Intervenor costs	5655		One-Time		$ 1,203	$ 28,929	2304.74%	$ 19,000	-34.32%
18	TOTAL	5655		One-Time	$ 80,000	$ -	$ -		$ 70,000	
19	Sub-total - One-time Costs [4]		$ -		$ 200,000	$ 16,288	$ 267,781	1544.04%	$ 150,924	-43.64%
20	Total		$ -		$ 454,851	$ 475,546	$ 782,310	64.51%	$ 731,891	-6.44%

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

		Historical Year(s)	2015 Bridge Year	2016 Test Year	Application Gross Cost	Amortized Over 5 Years
21	Expert Witness costs					
22	Legal costs					
23	Consultants' costs	15,085	211,352	56,924	283,361	56,672
24	Incremental operating expenses associated with staff resources allocated to this application.	-	27,500	5,000	32,500	6,500
25	Incremental operating expenses associated with other resources allocated to this application. [1]	1,203	28,929	19,000	49,132	9,826
26	Intervenor costs	-	-	70,000	70,000	14,000
	TOTAL	16,288	267,781	150,924	434,993	86,999

Notes:

[1] Please identify the resources involved.
[2] Where a category's costs include both one-time and ongoing costs, the applicant should prove a separate breakdown between one-time and ongoing costs.
[3] Sum of all ongoing costs identified in rows 1 to 11 inclusive.
[4] Sum of all one-time costs identified in rows 1 to 11 inclusive.

ATTACHMENT 4-K

EPI Useful Life Report

Prepared By Kinectrics Inc.

London Hydro, Woodstock Hydro & Chatham-Kent Hydro Useful Life of Assets

Kinectrics Inc. Report No: K-418027-RA-0001-R003

January 14, 2010

Kinectrics Inc.
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DISCLAIMER

Kinectrics Inc. has prepared this report in accordance with, and subject to, the terms and conditions of the agreement between Kinectrics Inc. and London Hydro, Woodstock Hydro & Chatham-Kent Hydro.

London Hydro, Woodstock Hydro & Chatham-Kent Hydro Useful Life of Assets

Kinectrics Inc. Report No: K-418027-RA-0001-R003

January 14, 2010

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Revision History

Revision Number	Date	Comments	Approved
R000	December 4, 2009	Initial Draft	N/A
R001	December 14, 2009	Finalized Draft	N/A
R002	December 22, 2009	Updated Finalized Draft (changes made to Cable Useful Life)	N/A
R003	January 14, 2010	Final Version	Y. Tsimberg

Table of Contents

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1 Executive Summary

1.1 Introduction

Ontario's Local Distribution Companies (LDCs) are switching to International Financial Reporting Standards (IFRS) methodology. One of the "tenants" of IFRS is the time period assets are amortized over should align with their actual useful life.

LDCs typically own and operate a large number of assets that are divided into different asset categories, each with its own degradation mechanism and useful life range. Furthermore, some assets are comprised of several components that may have differing useful life than the assets themselves. To facilitate conversion to IFRS, LDCs need to ensure that a) they track all relevant asset categories and their components and b) that the amortization period for these is adequately aligned with actual LDC-specific useful lives.

This report reviews the useful lives of the assets, and their components that are applicable to London Hydro, Woodstock Hydro and Chatham-Kent Hydro (the Consortium). The useful life values are compiled from several different sources, namely, industrial statistics, research studies and reports (either by individuals or working groups such as CIGRE), and Kinectrics experience, all listed in *Section 32* of this Report. Useful lives of assets are dependent on a number of utilization factors, specifically time-base maintenance, operating practices and utilization (electrical loading). These factors are described in detail in *Section 1.4* of this report and are used to decide where the LDC-specific typical asset/components lives should be relative to the typical lives based on the industry data. It is also worth noting that the useful lives of assets do not generally follow standard distribution curves as they are derived from empirical statistics.

1.2 Project Scope

This report provides an in-depth evaluation of the useful lives of the assets that are owned and operated by the Consortium. The typical parent system(s) to which the asset belongs is provided and these "parent" systems are: *Overhead Lines* (OH), *Municipal Stations* (MS), *Distribution Transformers* (DT), *Underground Systems* (UG) and *Monitoring and Control System* (S). The long term degradation mechanism is described for each asset category and when applicable assets are sub-categorized into components. Components are included when their cost is material enough and, at the same time, could be replaced without a need to replace the whole asset. For each asset or component, the following information is presented:

- End of life criteria
- Useful Life Range

- Typical Life
- Typical time-based maintenance intervals, if applicable
- Potential for impact from LDC-specific operating practices and utilization
- Functional Requirements

Section 1.4 provides definitions for the above terms, as well as descriptions of typical distribution system assets and asset components.

1.3 Project Execution Process

The project execution process entailed a number of steps to ensure that the industry-based information compiled by Kinectrics not only includes all the relevant assets and components used by Consortium, but also that it addresses the specific needs related to the IFRS review. The procedure is as follows:

- The initial list of assets and components was produced by the Consortium to Kinectrics for review.

- Upon review of the initial list, Kinectrics generated an intermediate asset list that had a somewhat different background, granularity, and componentization, based on industry practices and Kinectrics experience.

- The intermediate list was reviewed jointly by Consortium and Kinectrics to derive a “final” list.

- For each asset and component in the “final” list, Kinectrics then gathered the information described in *Section 1.2* of this report. A Draft Report that summarized the findings and provided detail descriptions, including degradation mechanisms and applicable assumptions for each asset, was then produced.

- This Draft Report was reviewed by Consortium and their feedback was incorporated in the Final Report.

1.4 Definition of Terms

1.4.1 *Typical Distribution System Asset*

Typical distribution system assets include transformers, breakers, switches, underground cables, poles, vaults, cable chambers, etc. Some of the assets, such as power transformers, are rather complex systems and include a number of components.

1.4.2 *Component*

For the purposes of this study, component refers to the sub-category of an asset that meets both of the following criteria:

- Its replacement value is significant enough, relative to the asset value.
- A need to replace the component does not necessarily warrant replacing the entire asset.

An *asset* may be comprised of more than one component, each with an independent failure mode and degradation mechanism that may result in a substantially different useful life than the overall asset. A component may also have an independent maintenance and replacement schedule.

1.4.3 *Useful Life*

Useful Life refers to an estimated range of years during which an electric utility asset or its component is expected to operate as designed, without experiencing major functional degradation that requires major refurbishment or replacement.

In this report, the useful life range, in years, is presented in terms of a minimum, maximum, and typical value. An overwhelming number of units within a population will perform their intended design functions for a period of time greater than or equal to the *minimum* life. Conversely, an overwhelming number of units will cease to perform as designed at or beyond the *maximum* life. A majority of the population will have useful lives of around the *typical* life. For example, consider an asset class with a useful life range of 20 to 40 years, and a typical life of 30 years. The majority of the units within this class will perform as required for at least 20 years and likewise the majority of the units will not operate beyond 40 years. Finally, a majority of the units within the population will operate for approximately 30 years. Note that an asset category can have a typical life that is equal to either the maximum or minimum life. This is simply an indication that the majority of the units within a population will be operational for either the minimum or maximum years; i.e. the statistical data is skewed towards either the maximum or minimum values. The range in useful lives reflects differences in various utilization factors including mechanical stress, electrical loading, and environmental conditions and operating practices.

1.4.4 *Typical Life*

Refers to the typical age at which the asset or component fails. This may vary depending on a utility's maintenance practices, environmental conditions, and operational stresses.

1.4.5 *Typical Time-based Maintenance Intervals*

For the purposes of this report, time-based maintenance refers to either *Routine Inspections* (RI) or *Routine Testing/Maintenance* (RTM). Other maintenance techniques such as Condition Based Maintenance, Reliability Centered Maintenance, and more intrusive periodic overhauls are very much dependent on individual utility's maintenance strategy and practices and, as such, could not be included in compiling industry-wide typical values.

Typical time-based maintenance intervals will be given only for assets that are proactively maintained, i.e. assets for which useful life is affected by regular planned maintenance. This excludes assets that are not routinely maintained.

1.4.6 *Potential for impact from LDC-specific operating practices and utilization*

For the purpose of this report, stress that impacts the assets refers Operating Practices and Electrical Loading utilization factors. Operating practices refers to how frequently an asset is subject to operating procedure (automatic or manual) that impacts its useful life, e.g. reclosers operations. This is a reflection of the operability of the system. Electrical loading refers to either constant loading that creates long term degradation or temporary overloading that may causes a severe degradation. It includes the asset's tolerance to over-loading.

1.4.7 *Functional Requirements*

For the purposes of this report, the only functional requirement being considered is assets that may become obsolete. This refers to assets in which the functional requirements are not being met even though the component may still be able to perform as originally designed. For the purposes of useful life both degradation and obsolescence have been taken into account. For example, substation relays have a maximum useful life of 15 years, as they become obsolete after that time. However, that particular device could have a maximum life of up to 25 years based on degradation alone.

1.5 Summary of Findings

Table 1-1 summarizes useful and typical lives, time based maintenance schedules, and impact of stress for Consortium assets.

Table 1-1 Summary of Componentized Assets

Sect.	Parent*	Asset Category	Componentization		Useful Life (years)			Maint. Type**	Maint. Sched. (years)	Impact of Operating Practices	Impact of Electrical Loading	Funct. Req.	References
					MIN	TYP	MAX						
2	OH	Wood Poles	Pole		40	44	80	RI	15				[1]-[14], [46]
			Cross Arm	Wood	20	40	50						
				Composite	40	60	80						
				Steel	20	70	100						
			Bracket	Galvanized Steel	20	40	50						
			Insulator	Composite	25	45	50						
				Porcelain	40	40	50						
			Anchors & Guying		20	40	50						
3	OH	Concrete Poles	Pole		50	60	80	RI	15				[1]-[14], [46]
			Componentization: refer to (2.2-2.5) Wood Poles										
4	OH	Steel Poles	Pole		60	60	80	RI	15				[1]-[14]
			Componentization: refer to (2.2-2.5) Wood Poles										
5	OH	Composite Poles	Pole		50	70	100	N/A	N/A				[1]-[14]
			Componentization: refer to (2.2-2.5) Wood Poles										
6	OH	Manual Overhead Switches			30	50	60	RTM	2	✓	✓		[6]

* OH = Overhead Lines MS=Municipal Stations DT = Distribution Transformers UG=Underground Systems S=Monitoring and Control Systems
** RI=Routine Inspection RTM=Routine Testing/Maintenance N/A=Not Applicable

Sect.	Parent*	Asset Category	Componentization		Useful Life (years)			Maint. Type**	Maint. Sched. (years)	Impact of Operating Practices	Impact of Electrical Loading	Funct. Req.	References
					MIN	TYP	MAX						
7	OH	Local Motorized Overhead Switches	Switch		30	50	60	RTM	2	✓	✓		[6]
			Motor		15	20	20						
8	OH	Remote Automated Overhead Switches	Switch		30	50	60	RTM	2	✓	✓	✓	[15]-[16]
			Motor		15	20	20						
			RTU		15	20	30						
9	OH	Reclosers	Oil		30	42	60	RTM	10	✓	✓		[5],[6], [15],[16]
			Solid Dielectric		30	40	60						
			SF6		30	40	60						
10	OH	Conductors (Primary / Secondary)	ACSR		50	60	77	N/A	N/A	✓	✓		[5], [17]
			AAC		50	60	77						
			Copper		50	60	77						
11	MS	MS Power Transformers	Winding		32	45	55	RTM	2	✓	✓		[18]-[24]
			Tap Changer		20	30	60						
			Bushing		10	15	25						
12	MS	MS Switchgear	Breaker	Oil	30	42	60	RTM	6	✓	✓		[1],[6], [25]-[26]
				Vacuum	30	40	60						
				Air Magnetic	25	40	60						
			Switchgear Assembly		40	50	60						
13	MS	Bus Work & Steel Structure	Steel Structure		35	50	100	N/A	N/A				[1]
			Busbar		30	60	60						
14	MS	Substation Relays	Electromechanical		20	30	50	N/A	N/A	✓	✓	✓	[1], [18], [39]-[41], [47]
			Solid State		10	30	50						
			Digital[1]		10	15	20						

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1 – *(14.3) Usually replace because of obsolescence but max life could be up to 25 years*

Sect.	Parent*	Asset Category	Componentization		Useful Life (years) MIN	TYP	MAX	Maint. Type**	Maint. Sched. (years)	Impact of Operating Practices	Impact of Electrical Loading	Funct. Req.	References
15	MS	Batteries	Battery Bank[2]		10	15	15	RTM	1	✓	✓		[6], [42]-[44]
			Charger		20	20	30						
16	MS	Distribution Buildings	Structure		30	50	80	RI	1				[19]
			Roof		15	20	30						
			Fence		30	35	60						
17	DT	Pole Top Transformers			30	40	60	N/A	N/A		✓		[5]
18	DT	Pad-Mounted Transformers[3]			30	40	40	N/A	N/A	✓	✓		[4]-[6]
19	DT	Network Transformer	Protectors[4]		20	35	40	RI	2	✓	✓		[1],[5], [38]
			Transformer Unit		20	35	50						
20	UG	Submersible Transformer			25	35	40	RI	2	✓	✓		[4]-[6]
21	UG	Primary Cables	PILC		70	75	80	N/A	N/A		✓		[6],[27], [28], [48]-[50]
			XLPE	Direct Buried	10	15	20						
				In Duct	20	20	25						
			TR-XLPE	Direct Buried	20	25	25						
				In Duct	40	40	60						
22	UG	Secondary Cables	XLPE[5]	Direct Buried	20	30	35	N/A	N/A		✓		[6],[27], [28],[53]
				In Duct	40	40	60						
23	UG	Network Vault	Overall		40	60	80	RTM	3				[1],[5], [38]
			Roof		20	25	40						
24	UG	Submersible Vault	Overall		40	60	80	RTM	3	✓	✓		[1],[5], [38]
			Roof		20	25	40						

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** RI=Routine Inspection RTM=Routine Testing/Maintenance N/A=Not Applicable

2 - *(15.1) For N-C battery banks, the useful life could be longer* 3 - *(18) DSC requires RI every 3 years, this should increase their typical life in Ontario*

4 - *(19.1) If the Protector is waterproof, max typical life could be 50 years* 5 – *(22) Assuming the use of insulation materials (i.e. TR-XLPE)*

Sect.	Parent*	Asset Category	Componentization		Useful Life (years) MIN	TYP	MAX	Maint. Type**	Maint. Sched. (years)	Impact of Operating Practices	Impact of Electrical Loading	Funct. Req.	References
25	UG	Pad-Mounted Switchgear	Air Insulated		20	20	40	RI	3				[29]-[31]
			Gas Insulated		30	30	50						
			Solid Dielectric		30	30	50						
26	UG	Cable Chamber	Overall		50	60	80	RTM	3				[5],[6], [32]
			Roof		20	25	40						
27	UG	Transformer & Switchgear Foundations			30	60	80	RTM	3				[5],[6]
28	UG	Duct Bank			30	50	80	N/A	N/A				[5],[6], [33]
29	S	Meters	Primary	OH	20	30	50	N/A	N/A			✓	[5],[34], [35],[52]
				Pad-mounted	20	30	50						
			Residential		20	30	45						
			Industrial/ Wholesale	Electromechanical	20	30	60						
				Interval	10	15	15						
			PTs		30	45	50						
			CTs		30	45	50						
30	S	Smart Meters	Meters		15	15	20	N/A	N/A			✓	[5], [36]
			Computer	Hardware	*Refer to (32.3) Admin Buildings*								
				Software									
			Data Concentrator (Collector)		10	20	20						
			Repeater		5	10	15						
			Communication Tower		35	63	100						
31	S	SCADA RTU			15	20	30	N/A	N/A	✓		✓	[1], [15], [16],[37]

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** RI=Routine Inspection RTM=Routine Testing/Maintenance N/A=Not Applicable

Sect.	Parent*	Asset Category	Componentization		Useful Life (years)			Maint. Type**	Maint. Sched. (years)	Impact of Operating Practices	Impact of Electrical Loading	Funct. Req.	References
					MIN	TYP	MAX						
32	N/A	Administrative Buildings	Building	Mechanical	12	20	30	RI	1				[19], [45]
				Civil	30	50-60	100						
				Electrical	12	20	40						
				Parking	15	20	30						
			Roof		15	20	30						
			Fence		30	35	60						

* OH = Overhead Lines MS=Municipal Stations DT = Distribution Transformers UG=Underground Systems S=Monitoring and Control Systems N/A=Not Applicable
** RI=Routine Inspection RTM=Routine Testing/Maintenance N/A=Not Applicable

2 Wood Poles

The asset referred to in this category is the fully dressed wood pole ranging in size from 30 to 75 feet. This includes the wood pole, cross arm, bracket, insulator, and anchor & guys. Wood poles are typically the most common form of support for overhead distribution feeders and low voltage secondary lines.

The most significant component of this asset is the wood pole itself. The wood species predominately used for distribution systems are Red Pine, Jack Pine, and Western Red Cedar (WRC), either butt treated or full length treated. Smaller numbers of Larch, Fir, White Pine and Southern Yellow Pine have also been used. Preservative treatments applied prior to 1980, range from none on some WRC poles, to butt treated and full length Creosote or Pentachlorophenol (PCP) in oil. The present day treatment, regardless of species, is CCA-Peg (Chromated Copper Arsenate, in a Polyethylene Glycol solution). Other treatments such as Copper Naphthenate and Ammoniacal Copper Arsenate have also been used, but these are relatively uncommon.

2.1 Degradation Mechanism

The end of life criteria for wood poles includes loss of strength, functionality, or safety (typically due to rot, decay, or physical damage). As wood is a natural material the degradation processes are somewhat different from those which affect other physical assets on the electricity distribution systems. The critical processes are biological, involving naturally occurring fungi that attack and degrade wood, resulting in decay. The nature and severity of the degradation depends both on the type of wood and the environment. Some fungi attack the external surfaces of the pole and some the internal heartwood. Therefore, the mode of degradation can be split into either external rot or internal rot. As a structural item the sole concern when assessing the condition for a wood pole is the reduction in mechanical strength due to degradation or damage.

2.2 System Hierarchy

Wood poles are considered to be a part of the Overhead Lines asset grouping.

2.3 Useful Life and Typical Life

The overall useful life of a wood pole is in the range of 40 to 80 years; the typical life is 44 years.

This asset also has several major components, each with a different useful life:

- Cross Arm (Wood, Composite, Steel)
- Bracket (Galvanized Steel)
- Insulator (Composite, Porcelain)
- Anchor and Guying

2.3.1 *Cross Arm*

The useful life of a wood cross arm is in the range of 20 to 50 years; the typical life is 40 years.

The useful life of a composite cross arm is in the range of 40 to 80 years; the typical life is 60 years.

The useful life of a steel cross arm is in the range of 20 to 100 years; the typical life is 70 years.

2.3.2 *Bracket (Galvanized Steel)*

The useful life of an aluminum bracket component ranges from 20 to 50 years, with a typical value of approximately 40 years.

2.3.3 *Insulator*

The useful life of a composite insulator is in the range of 25 to 50 years; the typical life is 45 years.

The useful life of a porcelain insulator is in the range of 40 to 50 years, with a typical life of 40 years.

2.3.4 *Anchors and Guying*

The useful life of anchors and guying is in the range of 20 to 50 years; the typical life is 40 years.

2.4 Time Based Maintenance Intervals

A typical routine inspection interval for this asset is every 15 years.

2.5 Utilization Factors

Wood poles asset category is not subject to the Utilization Factors discussed in this report.

2.6 Functional Requirements

Wood poles asset category is not subject to obsolescence.

3 Concrete Poles

This asset category includes the concrete pole with the same components as for the wood poles, namely cross arm, bracket, insulator, and anchor. These poles range in size from 35 to 80 feet, with the typical pole being 60 feet.

3.1 Degradation Mechanism

The most significant component in this class is the concrete pole itself. Concrete poles age in the same manner as any other concrete structure. Any moisture ingress inside the concrete pores would result in freezing during the winter and damage to concrete surface. Road salt spray can further accelerate the degradation process and lead to concrete spalling. Typical concrete mixes employ a washed-gravel aggregate and have extremely high resistance to downward compressive stresses (about 3,000 lb/sq in); however, any appreciable stretching or bending (tension) will break the microscopic rigid lattice, resulting in cracking and separation of the concrete. The spun concrete process used in manufacturing poles prevents moisture entrapment inside the pores. Spun, pre-stressed concrete is particularly resistant to corrosion problems common in a water-and-soil environment.

3.2 System Hierarchy

Concrete poles are considered to be a part of the Overhead Lines assets grouping.

3.3 Useful Life and Typical Life

The useful life range of the concrete pole component is 50 to 80 years; the typical life is 60 years.

For other componentization useful life (cross arm, bracket, insulator, and anchor), please refer to *Section 2.3*.

3.4 Time Based Maintenance Intervals

A typical routine inspection interval for this asset is every 15 years.

3.5 Utilization Factors

Concrete poles asset category is not subject to the Utilization Factors discussed in this report.

3.6 Functional Requirements

Concrete poles asset category is not subject to obsolescence.

4 Steel Poles

This asset category includes the directly buried steel pole, cross arm, bracket, insulator, and anchor.

4.1 Degradation Mechanism

The degradation of directly buried steel poles is mainly due to steel corrosion in-ground. In-ground situations are vastly different because of the wide local variations in soil chemistry, moisture content and conductivity that will affect the way coated or uncoated steel will perform in the ground.

There are two issues that determine the life of buried steel. The first is the life of the protective coating and the second is the corrosion rate of the steel. The item can be deemed to have failed when the steel loss is sufficient to prevent the steel performing its structural function. Where polymer coatings are applied to buried steel items, the failures are rarely caused by general deterioration of the coating. Localized failures due to defects in the coating, pin holing or large-scale corrosion related to electrolysis are common causes of failure in these installations.

Metallic coatings, specifically galvanizing, and to a lesser extent aluminum, fail through progressive consumption of the coating by oxidation or chemical degradation. The rate of degradation is approximately linear, and with galvanized coatings of known thickness, the life of the galvanized coating then becomes a function of the coating thickness and the corrosion rate.

4.2 System Hierarchy

Steel poles are considered a part of the Overhead Lines asset grouping.

4.3 Useful Life and Typical Life

The useful life of steel poles is in the range of 60 to 80 years; the typical life is 60 years.

For other componentization useful life (cross arm, bracket, insulator, and anchor), please refer to *Section 2.3*.

4.4 Time Based Maintenance Intervals

A typical routine inspection interval for this asset is every 15 years.

4.5 Utilization Factors

Steel poles asset category is not subject to the Utilization Factors discussed in this report.

4.6 Functional Requirements

Steel poles asset category is not subject to obsolescence.

5 Composite Poles

This asset category includes the composite pole, cross arm, bracket, insulator, and anchor. At Consortium the composite poles are fiberglass.

5.1 Degradation Mechanism

The most significant component in this class is the composite pole itself. The major degradation of composite poles is ultra violet (UV) degradation. It represents an attack from ultra-violet radiation, which might result in crack or disintegration in composite poles. It is a common problem in products exposed to sunlight. Continuous exposure is a more serious problem than intermittent exposure, since attack is dependent on the extent and degree of exposure. In fiber products like composite poles, useful life will be shortened because the outer fibers will be attacked first, and will easily be damaged by abrasion. This will end up with fiber blooming and fading.

5.2 System Hierarchy

Composite poles are considered to be a part of the Overhead Lines assets grouping.

5.3 Useful Life and Typical Life

The useful life range of the composite pole component is 50 to 100 years; the typical life is 70 years.

For other componentization useful life (cross arm, bracket, insulator, and anchor), please refer to *Section 2.3*.

5.4 Time Based Maintenance Intervals

Composite poles are not subject to planned maintenance.

5.5 Utilization Factors

Composite poles asset category is not subject to the Utilization Factors discussed in this report.

5.6 Functional Requirements

Composite poles asset category is not subject to obsolescence.

6 Manual Overhead Switches

This asset class consists of overhead line switches. The primary function of switches is to allow for isolation of line sections or equipment for maintenance, safety or other operating requirements. The operating control mechanism can be either a simple hook stick or manual gang.

6.1 Degradation Mechanism

The main degradation processes associated with manually operated line switches include the following, with rate and severity depending on operating duties and environment:

- Corrosion of steel hardware or operating rod
- Mechanical deterioration of linkages
- Switch blades falling out of alignment
- Loose connections
- Non functioning padlocks
- Insulators damage
- Missing ground connections
- Missing nameplates for proper identification

6.2 System Hierarchy

Overhead Switches asset category belongs to the Overhead Lines assets grouping.

6.3 Useful Life and Typical Life

The useful life of manually operated switches is in the range of 30 to 60 years; the typical life is 50 years.

6.4 Time Based Maintenance Intervals

The typical routine testing/maintenance schedule for manually operated overhead switches is two years.

6.5 Utilization Factors

Manual overhead switches are impacted by operating practices and electrical loading utilization factors.

6.6 Functional Requirements

Manual overhead switches category is not subject to obsolescence.

7 Local Motorized Overhead Switches

This asset class consists of overhead line three-phase, gang operated switches and a motor. The primary function of switches is to allow for isolation of line sections or equipment for maintenance, safety or other operating requirements. The operating control mechanism is controlled by a motor.

7.1 Degradation Mechanism

Like the remotely operated switch, the main degradation processes associated with local motorized overhead switches include the following:

- Corrosion of steel hardware or operating rod
- Mechanical deterioration of linkages
- Switch blades falling out of alignment
- Loose connections
- Non functioning padlocks
- Insulators damage
- Missing ground connections
- Missing nameplates for proper identification

The rate and severity of degradation are a function on operating duties and environment.

7.2 System Hierarchy

Local Motorized Overhead Switches category belongs to the Overhead Lines assets grouping.

7.3 Useful Life and Typical Life

The local motorized overhead switch can be componentized into two components:

- Switch
- Motor

7.3.1 *Switch*

The useful life of local motorized switches is in the range of 30 to 60 years; the typical life is 50 years.

7.3.2 *Motor*

The useful life of the motor of local motorized switches is in the range of 15 to 20 years; the typical life is about 20 years.

7.4 Time Based Maintenance Intervals

The typical routine testing/maintenance schedule for local motorized switches is every two years.

7.5 Utilization Factors

Local motorized overhead switches are impacted by operating practices and electrical loading utilization factors.

7.6 Functional Requirements

Local motorized overhead switches asset category is not subject to obsolescence.

8 Remote Automated Overhead Switches

This asset class consists of overhead line three-phase, gang operated switches. The primary function of switches is to allow for isolation of line sections or equipment for maintenance, safety or other operating requirements. While some categories of the switches are rated for load interruption, others are designed to operate under no load conditions and operate only when the current through the switch is zero. Most distribution line switches are rated 600 to 900 A continuous rating. Switches when used in conjunction with cutout fuses provide short circuit interruption rating. Disconnect switches are sometimes provided with padlocks to allow staff to obtain work permit clearance with the switch handle locked in open position. This component also consists of a remote terminal unit (RTU) component.

8.1 Degradation Mechanism

The main degradation processes associated with line switches include:

- Corrosion of steel hardware or operating rod
- Mechanical deterioration of linkages
- Switch blades falling out of alignment
- Loose connections
- Non functioning padlocks
- Insulators damage
- Missing ground connections
- Missing nameplates for proper identification

The rate and severity of these degradation processes depends on a number of inter-related factors including the operating duties and environment in which the equipment is installed. In most cases, corrosion or rust represents a critical degradation process. The rate of deterioration depends heavily on environmental conditions in which the equipment operates. Corrosion typically occurs around the mechanical linkages of these switches. Corrosion can cause seizing. When lubrication dries out, the switch operating mechanism may seize making the disconnect switch inoperable. In addition, when blades fall out of alignment, excessive arcing may result. While a lesser mode of degradation, air pollution also can affect support insulators. Typically, this occurs in heavy industrial areas or where road salt is used.

8.2 System Hierarchy

Remote Automated Overhead switches asset category belongs to the Overhead Lines assets grouping.

8.3 Useful Life and Typical Life

The remote automated overhead switch can be componentized into three components:

- Switch
- Motor
- Remote Terminal Unit (RTU)

8.3.1 *Switch*

The useful life of remote automated switches is in the range of 30 to 60 years; the typical life is 50 years.

8.3.2 *Motor*

The useful life of a motor is in the range of 15 to 20 years; the typical life is 20 years.

8.3.3 *Remote Terminal Unit (RTU)*

The useful life of an RTU is in the range of 15 to 30 years; the typical life is 20 years.

8.4 Time Based Maintenance Intervals

The typical routine testing/maintenance schedule for remote automated overhead switches is every two years.

8.5 Utilization Factors

Remote automated overhead switches are impacted by operating practices and electrical loading utilization factors.

8.6 Functional Requirements

Remote automated overhead switches are subject to obsolescence.

9 Reclosers

This asset class consists of light duty circuit breakers equipped with interrupters that use controllers. This is where the breaking and making of fault current takes place. The interrupters use oil of vacuum as the insulating agent. The controllers are either hydraulic or electric. It is designed for single phase or three phase use, depending on the model.

9.1 Degradation Mechanism

The degradation processes associated with reclosers involves the effects of making and breaking fault current, the mechanism itself and deterioration of components. The effects of making and breaking fault current affect suppression devices as well as the contacts, the oil, and the arc control. The degradation of these devices depends on the prevailing fault, if it is well below the rated capability of the recloser, the deteriorating effects will be small. For the mechanism itself, deterioration or mal-operation of the mechanism causes deterioration during operation. Typically lack of use, corrosion and poor lubrication are the main causes of mechanism mal-function. For deterioration, exposure to weather is a potentially significant degradation process – primarily corrosion of the tank and other metallic components and deterioration of bushings.

9.2 System Hierarchy

Recloser asset category belongs to the Overhead Lines assets grouping.

9.3 Useful Life and Typical Life

Recloser breakers can be categorized into three types and the useful life is dependent on the type:

- Oil
- Solid Dielectric
- Sulfur Hexafluoride Gas (SF6)

9.3.1 *Oil*

The useful life of oil breakers is in the range of 30 to 60 years; the typical life is 42 years.

9.3.2 *Solid Dielectric*

The useful life of solid dielectric breakers is in the range of 30 to 60 years; the typical life is 40 years.

9.3.3 *Sulfur Hexafluoride Gas (SF6)*

The useful life of SF6 breakers is in the range of 30 to 60 years; the typical life is 40 years.

9.4 Time Based Maintenance Intervals

The typical routine testing/maintenance schedule for the breaker component of reclosers is every ten years.

9.5 Utilization Factors

Reclosers are impacted by operating practices and electrical loading utilization factors.

9.6 Functional Requirements

Recloser asset category is not subject to obsolescence.

10 Conductors (Primary and Secondary)

Overhead conductors along with structures that support them constitute overhead lines or feeders that distribute electrical energy either directly to large customers or from Municipal Stations via distribution transformers to the end users. These conductors are sized to carry a specified maximum current and to meet other design criteria, i.e. mechanical loading.

The overhead conductors typically used by the Consortium are aluminum conductor steel reinforced (ACSR), all aluminum conductor (AAC), and copper.

10.1 Degradation Mechanism

To function properly, conductors must retain both their conductive properties and mechanical (i.e. tensile) strength. Aluminum conductors have three primary modes of degradation: corrosion, fatigue and creep. The rate of each degradation mode depends on several factors, including the size and construction of the conductor, as well as environmental and operating conditions. Most utilities find that corrosion and fatigue present the most critical forms of degradation.

Generally, corrosion represents the most critical life-limiting factor for aluminum-based conductors. Visual inspection cannot detect corrosion readily in conductors. Environmental conditions affect degradation rates from corrosion. Both aluminum and zinc-coated steel core conductors are particularly susceptible to corrosion from chlorine-based pollutants, even in low concentrations.

Fatigue degradation presents greater detection and assessment challenges than corrosion degradation. In extreme circumstances, under high tensions or inappropriate vibration or galloping control, fatigue can occur in very short timeframes. However, under normal operating conditions, with proper design and application of vibration control, fatigue degradation rates are relatively slow. Under normal circumstances, widespread fatigue degradation is not commonly seen in conductors less than 70 years of age. Also, in many cases detectable indications of fatigue may only exist during the last 10% of a conductor's life.

In designing transmission lines, engineers ensure that conductors receive no more than 60% of their rated tensile strength (RTS) during heaviest anticipated weather loads. The tensile strength of conductors gradually decreases over time. When conductors experience unexpectedly large mechanical loads and tensions beyond 50% of their RTS, they begin to undergo permanent stretching with noticeable increases in sagging.

Overloading lines beyond their thermal capacity causes elevated operating temperatures. When operating at elevated temperatures, aluminum conductors begin to anneal and lose tensile strength. Each elevated temperature event adds further damage to the conductor. After a loss of 10% of a conductor's RTS, significant sag occurs, requiring either resagging or replacement of the conductor.

Phase to phase power arcs can result from conductor galloping during severe storm events. This can cause localized burning and melting of a conductor's aluminum strands, reducing strength at those sites and potentially leading to conductor failures. Visual inspection readily detects arcing damage.

Other forms of conductor damage include:

- Broken strands (i.e., outer and inners)
- Strand abrasion
- Elongation (i.e., change in sags and tensions)
- Burn damage (i.e., power arc/clashing)
- Birdcaging

The degradation of copper wire is mostly due to corrosion. Oxidization gives copper a high resistance to corrosion. Derivatives of chlorine and sulfur contained in coastal atmospheres start the oxidation by forming a blackish or greenish film. The film is very dense, has low solubility, high electric resistance and high resistance to the chemical attack and to corrosion. Despite this, mechanical vibrations, abrasion, erosion and thermal variations may cause fissures and faults in this layer. When this happens, the metal is uncovered and corrosion may occur. Also electrolytes with low Cl contents could enter, causing a dislocation of the passivity. This may also be the result of a deficit of oxygen which would make the area anodic.

10.2 System Hierarchy

The Wire asset category belongs to the Overhead Lines assets grouping.

10.3 Useful Life and Typical Life

The useful life of conductors is dependent on the conductor type:

- Aluminum Conductor Steel Reinforced (ACSR)
- All Aluminum Conductor (AAC)
- Copper

10.3.1 *Aluminum Conductor Steel Reinforced (ACSR)*

The useful life of ACSR conductors in the range of 50 to 77 years; the typical life is 60 years.

10.3.2 *All Aluminum Conductor (AAC)*

The useful life of AAC conductors in the range of 50 to 77 years; the typical life is 60 years.

10.3.3 *Copper*

The useful life of copper conductors in the range of 50 to 77 years; the typical life is 60 years.

10.4 Time Based Maintenance Intervals

Conductors are not subject to planned maintenance.

10.5 Utilization Factors

Conductors are impacted by electrical loading utilization factors.

10.6 Functional Requirements

Conductors asset category is not subject to obsolescence.

11 MS Power Transformers

Substation power transformers at distribution stations typically step down voltage to distribution levels. Ratings typically range from 5 MVA to 30 MVA. The Consortium typically uses Substation Power Transformers rated 20/33.3 MVA.

11.1 Degradation Mechanism

The degradation of the power transformers at municipal stations or at customer sites is similar to that of the transformers at transmission stations. These transformers are subject to electrical, thermal, and mechanical aging. Degradation of the insulating oil, and more significantly, paper insulation, typically results in end of life. Insulation degradation is a result of oxidation, a process that occurs in the presence of oxygen, high temperature, and moisture. For oil cooled transformers, particles, acids, and static electricity will also deteriorate the insulation.

Tap changers and bushing are major components of the power transformer. Tap changers are prone to failure resulting from either mechanical or electrical degradation. Bushings are subject to aging from both electrical and thermal stresses.

11.2 System Hierarchy

MS Power Transformer asset category belongs to the Municipal Stations assets grouping.

11.3 Useful Life and Typical Life

The power transformer also has major components that have different useful lives. Componentization is as follows:

- Winding
- On Load Tap Changer
- Bushing

11.3.1 *Winding*

The useful life of windings is 32 to 55 years; the typical life is 45 years.

11.3.2 *On Load Tap Changer*

The useful life range of tap changers is 20 to 60 years; the typical life is 30 years.

11.3.3 *Bushing*

The useful life range of the bushing is 10 to 25 years; the typical life is 15 years.

11.4 Time Based Maintenance Intervals

The typical routine testing/maintenance interval for these transformers is two years.

11.5 Utilization Factors

MS power transformers are impacted by operating practices and electrical loading utilization factors.

11.6 Functional Requirements

MS power transformers asset category is not subject to obsolescence.

12 MS Switchgear

The switchgear asset category can be classified in three types: oil, vacuum, and air magnetic switchgear. The gear also is compartmentalized with separate compartments for breakers, control, incoming/outgoing cables or bus duct, and bus-bars associated with each cell.

12.1 Degradation Mechanism

Switchgear degradation is a function of a number of different factors: mechanism operation and performance, degradation of solid insulation, general degradation/corrosion, environmental factors, or post fault maintenance (condition of contacts and arc control devices). Degradation of the breaker used is also a factor.

12.2 System Hierarchy

Switchgear asset category belongs to the Municipal Stations assets grouping.

12.3 Useful Life and Typical Life

The overall useful life range of the breaker itself is dependent on the component, each of which has its own useful and typical life:

- Breaker (Oil, Vacuum, Air Magnetic)
- Switchgear Assembly

12.3.1 *Breaker*

The useful life range of <u>oil type</u> breaker in air insulated switchgear is 30 to 60 years; typical life is 42 years.

The useful life range of <u>vacuum type</u> breaker in air insulated switchgear is 30 to 60 years; typical life is 40 years.

The useful life range of <u>air magnetic</u> type breaker in air insulated switchgear is 25 to 60 years; typical life is 40 years.

12.3.2 *Switchgear Assembly*

The useful life range of switchgear assembly is 40 to 60 years; typical life is 50 years.

12.4 Time Based Maintenance Intervals

The typical routine testing/maintenance interval for this asset is six years.

12.5 Utilization Factors

MS switchgear is impacted by operating practices and electrical loading utilization factors.

12.6 Functional Requirements

MS Switchgear is subject to obsolescence.

13 Bus Work and Steel Structure

There are a number of different types of structures at distribution stations for supporting buses and equipment. The predominant types are galvanized steel, either lattice or hollow sections.

13.1 Degradation Mechanism

Degradation or reduction in strength of steel structures can result from corrosion, structural fatigue, or gradual deterioration of foundation components.

Corrosion of lattice steel members and hardware reduces their cross-sectional area causing a reduction in strength. Similarly, corrosion of tubular steel poles reduces the effectiveness of the tubular walls. Rates of corrosion may vary, depending upon environmental and climatic conditions (e.g., the presence of salt spray in coastal areas or heavy industrial pollution).

Structural fatigue results from repeated structural loading and unloading of support members. Temperature variations, plus wind and ice loadings lead to changes in conductor tension. Tension changes result in structural load variations on angle and dead end towers. Other changes such as foundation displacements and breaks in wires, guys and anchors may result in abnormal tower loading.

Typically, steel pole foundations are cylindrical steel reinforced concrete structures with anchor bolts connecting the pole to its base. Common degradation processes include corrosion of foundation rebar, concrete spalling and storm damage.

Rigid busbar degradation is mainly caused by thermal and mechanical stresses.

13.2 System Hierarchy

Bus Work and Steel Structures asset category belongs to the Municipal Stations assets grouping.

13.3 Useful Life and Typical Life

This asset group can be componentized into the following:

- Steel Structures
- Rigid Busbars

13.3.1 *Steel Structures*

The useful life of steel towers is in the range of 35 to100 years and the typical life is 50 years.

13.3.2 *Rigid Busbars*

The useful life range of rigid busbars is 30 to 60 years and the typical life is 60 years.

13.4 Time Based Maintenance Intervals

Bus Work and Steel Structures are not subject to planned maintenance.

13.5 Utilization Factors

Bus work and steel structure asset category is not subject to the Utilization Factors discussed in this report.

13.6 Functional Requirements

Bus work and steel structure asset category is not subject to obsolescence.

14 Substation Relays

This asset of substation relays is classified into of two types, electromechanical and digital. The function of these relays is to increase long term reliability. The protection relays work to detect and isolate faults on the system by opening and closing the circuit breakers.

14.1 Degradation Mechanism

The standard electromechanical relay consists of 3 sub-components:

- Relay coils
- Relay contacts
- Relay moving parts

Degradation on relay coils is mainly a thermal aging issue due to continuous energization or elevated cabinet temperatures. Excessive heat generated by coil or associated components may cause the coil to burn out or adversely affect other nearby components or components within the relay or nearby (e.g. chemical breakdown of varnishes causing contact contamination, or change in component dimensions).

Degradation of relay contacts is due to the following factors:

- Contact oxidation
- Contact welding or pitting due to excessive current
- Chemical corrosion

In the case of degradation of relay moving parts, such as wear of moving parts like spring/armature, the major contributing factor is the wear after numerous switching cycles.

As a consequence, the failure mode of an electromechanical relay can be:

- Failure to actuate when commanded
- Actuates without command
- Does not make or break current
- Failure to carry current
- High contact resistance
- Set-point shift
- Time delay shift

To assess the health status of an electromechanical relay, the following condition parameters are studied:

- Operating mechanism, including contact, coil, spring, insulation, connection and component replacement

- Recalibration, including recalibration record and relay functionality (e.g., over current, distance etc.)
- Reliability, including mal-operation count, loading and age

The standard digital relay consists of 3 major sub-components:

- Input sampling/filtering circuit
- Data processing module
- Software

Physical degradation of digital relays happen on hardware part of digital relays. Compared to solid state relays, digital relays are not sensitive to ambient environment. The major contributing factor of degradation is the electrical environment, i.e. inrush transient. Since digital relays have built-in self-supervision system, the settings with perfect long time stability is guaranteed.

The failure mode of a digital relay can be:

- Fail to trip because communication port is held by defective external equipment
- Mal-function due to hardware/firmware/software version mismatch
- Mal-function due to software design flaw causing software latched by external EMI interference
- On strike due to power supply failure

To assess the health status of a digital relay, the following condition parameters are studied:

- Operating mechanism, including power supply, insulation, connection
- Recalibration, including recalibration record and relay functionality (e.g., overcurrent, distance etc.)
- Reliability, including mal-operation count, loading and age

14.2 System Hierarchy

Substation Relays asset category belongs to the Municipal Stations assets grouping.

14.3 Useful Life and Typical Life

This asset is classified into three types, each of which has a different useful life:

- Electromechanical
- Solid State
- Digital

14.3.1 *Electromechanical*

The useful life range of the electromechanical type is 20 to 50 years; the typical life is 30 years.

14.3.2 *Solid State*

The useful life range of the solid state type is 10 to 50 years; the typical life is 30 years.

14.3.3 *Digital*

The useful life range of the digital type is 10 to 20 years; the typical life is 15 years. This type of substation relay is usually replaced because of obsolescence; however, the maximum life could potentially be up to 25 years.

14.4 Time Based Maintenance Intervals

Protection and control relays are not subject to planned maintenance.

14.5 Utilization Factors

Substation relays are impacted by operating practices and electrical loading utilization factors.

14.6 Functional Requirements

Substation relays are subject to obsolescence.

15 Batteries

Station battery systems are critical to the safe and efficient operation of transformer cooling, switchgear and protection & control. Maintaining batteries in a condition capable of delivering the necessary energy as required is essential.

Batteries can be componentized into two components: the battery bank and the charger. Battery banks consist of multiple individual cells. For the purposes of this report, these are lead-acid battery banks. Battery chargers are relatively simple electronic devices that have a high degree of reliability and a significantly longer lifetime than the battery banks.

15.1 Degradation Mechanism

The deterioration of a battery from an apparently healthy condition to a functional failure can be rapid. This makes condition assessment very difficult. However, careful inspection and testing of individual cells often enables the identification of high risk units in the short term.

Although battery deterioration is difficult to detect, any changes in the electrical characteristics or observation of significant internal damage can be used as sensitive measures of impending failure. While the significant deterioration/failure of an individual cell may be an isolated incident, detection of deterioration in a number of cells in a battery is usually the precursor to widespread failure and functional failure of the total battery. The ability to detect significant deterioration and pre-empt battery failure is especially critical if monitoring and alarm systems are not installed.

Historically, battery end-of-life was determined mainly by a number of factors including age, appearance (indication of physical deterioration) and the history of specific gravity and cell voltage measurements. Presently, the battery load test is now considered the “best” indicator of battery condition. This test is now used to identify and confirm the condition of suspect batteries identified from the previous tests.

Battery chargers are also critical to the satisfactory performance of the whole battery system. As with other electronic devices, it is difficult to detect deterioration prior to failure. It is normal practice during the regular maintenance and inspection process to check the functionality of the battery chargers, in particular the charging rates. Where any functional failures are detected it would be normal to replace the battery charger.

For battery chargers, diagnostic testing programs are coordinated with the battery maintenance program. This involves a number of functional tests and each test has a defined TP/TF criteria. Failure of any functional test may lead to further investigations or consideration of replacement.

Due to the critical functionality of batteries, most utilities take a conservative approach towards battery replacement: any significant evidence of battery deterioration usually leads to decisions to replace the battery.

15.2 System Hierarchy

Batteries asset category belongs to the Municipal Stations assets grouping.

15.3 Useful Life and Typical Life

This asset is classified into two major components, each of which has a different useful life:

- Battery Bank
- Charger

15.3.1 *Battery Bank*

The useful life range of the battery bank component is 10 to 15 years; the typical life is 15 years. This is the useful life for lead-acid battery banks. For N-C battery banks, the useful life could be longer.

15.3.2 *Charger*

The useful life range of the charger component is 20 to 30 years; the typical life is 20 years.

15.4 Time Based Maintenance Intervals

The typical routine testing/maintenance interval for this asset class is every year.

15.5 Utilization Factors

Batteries are impacted by operating practices and electrical loading utilization factors.

15.6 Functional Requirements

Batteries asset category is not subject to obsolescence.

16 Distribution Buildings

Buildings at major transformer and municipal stations house the switchgear, relays and controls and serve as a base for administrative and service work. This asset includes the building structure itself, the roof and fence.

16.1 Degradation Mechanism

The following contribute to the degradation of this asset:

- Building age
- Structural condition of loading members
- Condition of floors, walls and ceilings
- Protection against weather elements
- Environmental concerns
- Functional requirements

Buildings are a very maintainable asset. The capital cost of replacement is high enough that the lowest long term cost is achieved even with quite high levels of annual maintenance. Age alone is a very poor indicator of end of life. Rather impacts such as environmental rain, wind and snow storms contribute highly to the degradation of buildings.

Also, since the foundation materials typically consist of reinforced concrete designed to consider environmental elements including soil conditions and climate. Landscaping is used to control soil erosion, maintain site cleanliness and facilitate an efficient and safe work environment.

Preventative maintenance helps ensure long-term integrity of buildings. This type of maintenance should be done on a regular basis. As well the occasional refurbishment of doors, windows and roofs helps with the viability of the building.

The building roof is the most susceptible to degradation due to environmental factors. The roof is typically level and composed of tar and an aggregate that is designed to keep the wind from wearing at the tar. Nevertheless, the roof is still susceptible to environmental degradation and if not sealed properly can become a source of flooding. The maintenance of the roof is generally the largest undertaking for buildings.

16.2 System Hierarchy

Distribution building asset category belongs to the Municipal Stations assets grouping.

16.3 Useful Life and Typical Life

This asset has three major components, each of which has a different useful life. From a maintenance practice perspective, the building can be componentized into the following:

- Structure
- Roof
- Fence

16.3.1 *Structure*

The useful life of the structure component of the building can be in the range of 30 to 80 years, with a typical life of 50 years.

16.3.2 *Roof*

The useful life of the roof can be in the range of 15 to 30 years, with a typical life of 20 years.

16.3.3 *Fence*

The useful life range of the fence is 30 to 60 years, with a typical life of 35 years.

16.4 Time Based Maintenance Intervals

The typical routine inspection interval for this asset is every year.

16.5 Utilization Factors

The distribution buildings asset category is not subject to the Utilization Factors discussed in this report.

16.6 Functional Requirements

Buildings asset category is not subject to obsolescence.

17 Pole Top Transformers

Distribution pole top transformers change sub-transmission or primary distribution voltages to 120/240 V or other common voltages for use in residential and commercial applications.

17.1 Degradation Mechanism

It has been demonstrated that the life of the transformer's internal insulation is related to temperature-rise and duration. Therefore, transformer life is affected by electrical loading profiles and length of time in service. Other factors such as mechanical damage, exposure to corrosive salts, and voltage and current surges also have a strong effect. Therefore, a combination of condition, age and load based criteria is commonly used to determine the useful remaining life of distribution transformers.

The impacts of loading profiles, load growth, and ambient temperature on asset condition, loss-of-life, and life expectancy can be assessed using methods outlined in ANSI/IEEE Loading Guides. This also provides an initial baseline for the size of transformer that should be selected for a given number and type of customers to obtain optimal life.

17.2 System Hierarchy

The Pole Top Transformer asset category belongs to the Distribution Transformers assets grouping.

17.3 Useful Life and Typical Life

The useful life of the pole top transformer is in the range of 30 to 60 years, with an average value close to 40 years.

17.4 Time Based Maintenance Intervals

Pole top transformers are not subject to planned maintenance.

17.5 Utilization Factors

Pole top transformers are impacted by electrical loading utilization factors.

17.6 Functional Requirements

Pole top transformers asset category is not subject to obsolescence.

18 Pad-Mounted Transformers

Pad-Mounted transformers typically employ sealed tank construction and are liquid filled, with mineral insulating oil being the predominant liquid.

18.1 Degradation Mechanism

It has been demonstrated that the life of the transformer's internal insulation is related to temperature rise and duration. Therefore, the transformer life is affected by electrical loading profiles and length of service life. Other factors such as mechanical damage, exposure to corrosive salts, and voltage current surges also have strong effects. Therefore, a combination of condition, age, and load based criteria is commonly used to determine the useful remaining life.

In general, the following are considered when determining the health of the pad-mounted transformer:

- Tank corrosion, condition of paint
- Extent of oil leaks
- Condition of bushings
- Condition of padlocks, warning signs, etc.
- Transfer operating age and winding temperature profile

18.2 System Hierarchy

Pad-Mounted Transformers asset category belongs to the Distribution Transformers asset grouping.

18.3 Useful Life and Typical Life

The useful life range of pad mounted distribution transformers are 30 to 40 years; the typical life is 40 years. The Distribution System Code (DSC) requires a routine inspection every three years; this should increase the typical life of pad-mounted transformers in Ontario.

18.4 Time Based Maintenance Intervals

Pad-Mounted Transformers are not subject to planned maintenance.

18.5 Utilization Factors

Pad-mounted transformers are impacted by operating practices and electrical loading utilization factors.

18.6 Functional Requirements

Pad-mounted transformers asset category is not subject to obsolescence.

19 Network Transformers

Network transformers are special purpose distribution transformers, designed and constructed for successful operation in a parallel mode with a large number of transformers with similar characteristic. The primary winding of the transformers is connected in Delta configuration while the secondary is in grounded star configuration. The network transformers are provided with a primary disconnect, which has no current interrupting rating and is used merely as in isolating device after the transformer has been de-energized both from primary and secondary source. The secondary bushings are mounted on the side wall of the transformer in a throat, suitable for mounting of the network protector.

Network protectors are special purpose low voltage air circuit breakers, designed for successful parallel operation of network transformers. Network protectors are fully self contained units, equipped with protective relays and instrument transformers to allow automatic closing and opening of the protector. The relays conduct a line test before initiating close command and allow closing of the breaker only if the associated transformer has the correct voltage condition in relation to the grid to permit flow of power from the transformer to the grid. If the conditions are not right, protector closing is blocked. The protector is also equipped with a reverse current relay that trips if the power flow reverses from its normal direction, i.e. if the power flows from grid into the transformer.

19.1 Degradation Mechanism

Since in a majority of the applications transformers are installed in below grade vaults, the transformer is designed for partially submersible operation with additional protection against corrosion. While network transformers are available in dry-type (cast coil and epoxy impregnation) designs, a vast majority of the network transformers employ mineral oil for insulation and cooling. The network transformer has a similar degradation mechanism to other distribution transformers.

The life of the transformer’s internal insulation is related to temperature rise and duration. Therefore, the transformer life is affected by electrical loading profiles and length of service life. Other factors such as mechanical damage, exposure to corrosive salts, and voltage current surges also have strong effects. Therefore, a combination of condition, age, and load based criteria is commonly used to determine the useful remaining life.

The breaker design in network protectors employs mechanical linkages, rollers, springs and cams for operation which require periodic maintenance. All network protectors are equipped with special load-side fuses, mounted either internally or external to the network protector housing. The fuses are intended to allow normal load current and overloads while providing backup protection in the event that the protector fails to open on reverse fault current (due to faults internal to the protector or near transformer low voltage terminals). Every time arcing occurs in open air within the network protector housing, whether due to operation of the air breaker or because of fuse blowing (except silver sand), a certain amount of metal vapour is liberated and dispersed over insulating parts. Fuses evidently liberate more vapour than breaker operation. Over time, this buildup reduces the dielectric strength of insulating barriers. Eventually this may result in a breakdown, unless care is taken to clean the network protector internally, particularly after fuse operations.

Various parameters that impact the health and condition and eventually lead to end of life of a network include condition of mechanical moving parts, condition of inter phase barriers, number of protector operations (counter reading), accumulation of dirt or debris in protector housing, corrosion of protector housing, condition of fuses, condition of arc chutes and time period elapsed since last major overhaul of the protector.

The health of network protector is established by taking into account the following:

- Number of operations since last overhaul
- Operating age of protector
- Condition of operating mechanism
- Condition of fuses
- Condition of arc chutes
- Condition of protector relays
- Condition of gaskets and seals for submersible units

19.2 System Hierarchy

Network Transformers asset category belongs to the Distribution Transformers asset grouping.

19.3 Useful Life and Typical Life

This asset class can be componentized into the following:

- Protector
- Transformer

19.3.1 *Protector*

The useful life range of the protector, assuming it is not waterproof enclosed is 20 to 40 years; typical life is 35 years. If the protector is waterproof, maximum useful life could be 50 years.

19.3.2 *Transformer*

The useful life range of the transformer is 20 to 50 years; typical life is 35 years.

19.4 Time Based Maintenance Intervals

The typical routine inspection schedule for both the transformer and protector components is every two years.

19.5 Utilization Factors

Network transformers are impacted by operating practices and electrical loading utilization factors.

19.6 Functional Requirements

Network transformers asset category is not subject to obsolescence.

20 Submersible Transformers

Submersible transformers typically employ sealed tank construction and are liquid filled with mineral insulating oil.

20.1 Degradation Mechanism

The submersible transformer has a similar degradation mechanism to other distribution transformers. The life of the transformer's internal insulation is related to temperature rise and duration, so transformer life is affected by electrical loading profiles and length of service life. Mechanical damage, exposure to corrosive salts, and voltage current surges has strong effects. In general, a combination of condition, age, and load based criteria is commonly used to determine the useful remaining life.

20.2 System Hierarchy

Submersible Transformers asset category belongs to the Distribution Transformers asset grouping.

20.3 Useful Life and Typical Life

The useful life range of vault distribution transformers is 25 to 40 years; the typical life is 35 years.

20.4 Time Based Maintenance Intervals

Distribution Transformers are not subject to planned maintenance

20.5 Utilization Factors

Submersible transformers are impacted by operating practices and electrical loading utilization factors.

20.6 Functional Requirements

Submersible transformers asset category is not subject to obsolescence.

21 Primary Cables

Distribution underground cables are mainly used in urban areas where it is either impossible or extremely difficult to build overhead lines due to aesthetic, legal, environmental and safety reasons. The Consortium uses three cable types: paper insulated lead covered (PILC), cross linked polyethylene (XLPE) cable and tree retardant cross linked polyethylene (TR-XLPE) cable. XLPE and TR-XLPE underground cable can be installed in ducts it can also be directly buried.

21.1 Degradation Mechanism

For PILC cables, the two significant long-term degradation processes are corrosion of the lead sheath and dielectric degradation of the oil impregnated paper insulation. Isolated sites of corrosion resulting in moisture penetration or isolated sites of dielectric deterioration resulting in insulation breakdown can result in localized failures. However, if either of these conditions becomes widespread there will be frequent cable failures and the cable can be deemed to be at effective end-of-life.

Over the past 30 years XLPE insulated cables have all but replaced paper-insulated cables. These cables can be manufactured by a simple extrusion of the insulation over the conductor and therefore are much more economic to produce. In normal cable lifetime terms XLPE cables are still relatively young. Therefore, failures that have occurred can be classified as early life failures. Certainly in the early days of polymeric insulated cables their reliability was questionable. Many of the problems were associated with joints and accessories or defects introduced in the manufacturing process. Over the past 30 years many of these problems have been addressed and modern XLPE cables and accessories are generally very reliable.

Polymeric insulation is very sensitive to discharge activity. It is therefore very important that the cable, joints and accessories are discharge free when installed. Discharge testing is, therefore, an important factor for these cables. This type of testing is conducted during commissioning and is not typically used for detection of deterioration of the insulation. These commissioning tests are an area of some concern for polymeric cables because the tests themselves are suspected of causing permanent damage and reducing the life of polymeric cables.

TR-XLPE cables avoid degradation caused by water treeing. Water treeing is the most significant degradation process for polymeric cables. The original design of cables with polymeric sheaths allowed water to penetrate and come into contact with the insulation. In the presence of electric fields water migration can result in treeing and ultimately breakdown. The rate of growth of water trees is dependent on the quality of the polymeric insulation and the manufacturing process. Any contamination voids or discontinuities will accelerate degradation. This is assumed to be the reason for poor reliability and relatively short lifetimes of early polymeric cables. As manufacturing processes have improved the performance and ultimate life of this type of cable has also improved.

21.2 System Hierarchy

Underground Primary Cables asset category belongs to the Underground Systems assets grouping.

21.3 Useful Life and Typical Life

The overall useful life range of the cable itself is dependent on the cable type:

- Paper Insulated Lead Covered (PILC)
- Cross Linked Polyethylene (XLPE) (Direct Buried, In Duct)
- Tree Retardant (TR-XLPE) (Direct Buried, In Duct)

21.3.1 *Paper Insulated Lead Covered (PILC)*

The useful life range of PILC cable is 70 to 80 years; the typical life is 75 years.

21.3.2 *Cross Linked Polyethylene (XLPE)*

The useful life range of direct buried XLPE cable is 10 to 20 years; the typical life is 15 years.

The useful life range of in duct XLPE cable is 20 to 25 years; the typical life is 20 years.

21.3.3 *Tree Retardant (TR-XLPE)*

The useful life range of direct buried TR-XLPE cable is 20 to 25 years; the typical life is 25 years.

The useful life range of in duct TR-XLPE cable is 40 to 60 years; the typical life is 40 years.

21.4 Time Based Maintenance Intervals

Underground Primary Cables are not subject to planned maintenance.

21.5 Utilization Factors

Primary cables are impacted by electrical loading utilization factors.

21.6 Functional Requirements

Primary cables asset category is not subject to obsolescence.

22 Secondary Cables

Distribution underground cables are mainly used in urban areas where it is either impossible or extremely difficult to build overhead lines due to aesthetic, legal, environmental and safety reasons. Secondary underground cables are used to supply customer premises. The Consortium uses two secondary cable types: cross linked polyethylene (XLPE) cable and tree retardant cross linked polyethylene (TR-XLPE) cable. XLPE and TR-XLPE underground cable can be installed in ducts it can also be directly buried.

22.1 Degradation Mechanism

For XLPE cables, the polymeric insulation is very sensitive to discharge activity. It is therefore very important that the cable, joints and accessories are discharge free when installed. Discharge testing is, therefore, an important factor for these cables. This type of testing is conducted during commissioning and is not typically used for detection of deterioration of the insulation. These commissioning tests are an area of some concern for polymeric cables because the tests themselves are suspected of causing permanent damage and reducing the life of polymeric cables.

22.2 System Hierarchy

Underground Secondary Cables asset category belongs to the Underground Systems assets grouping.

22.3 Useful Life and Typical Life

The overall useful life range of the cable itself is dependent on the cable type (*these are based on the values for secondary XLPE cables that use insulation materials i.e. TR-XLPE*):

- Direct Buried
- In Duct

22.3.1 *Direct Buried*

The useful life range of direct buried XLPE cable is 20 to 35 years; the typical life is 30 years.

22.3.2 *In Duct*

The useful life range of in duct XLPE cable is 40 to 60 years; the typical life is 40 years.

22.4 Time Based Maintenance Intervals

Underground Secondary Cables are not subject to planned maintenance.

22.5 Utilization Factors

Secondary cables are impacted by electrical loading utilization factors.

22.6 Functional Requirements

Secondary cables asset category is not subject to obsolescence.

23 Network Vault

Equipment vaults permit installation of transformers, switchgear or other equipment. Utility vaults are often constructed out of reinforced or un-reinforced concrete. Vaults used for transformer installation are often equipped with ventilation grates to provide natural or forced cooling.

23.1 Degradation Mechanism

Vaults should be capable of bearing the loads that are applied on them. As such, mechanical strength is a basic end of life parameter for a vault. Although age is loosely related to the condition of underground civil structures, it is not a linear relationship. Other factors such as mechanical loading, exposure to corrosive salts, etc. have a stronger effect.

Degradation commonly includes corrosion of reinforcing steel, spalling of concrete, and rusting of covers or rings. Acidic salts (i.e. sulfates or chlorides) affect corrosion rates. In roadways, defects exist when covers are not level with street surfaces. Conditions that lead to flooding, clogged sumps, and non-functioning sump-pumps also represent major deficiencies. Similarly, units with lights that do not function properly constitute defective systems.

23.2 System Hierarchy

Network Vaults asset category belongs to the Underground Systems asset grouping.

23.3 Useful Life and Typical Life

This asset can be componentized as:

- Overall
- Roof

23.3.1 *Overall*

The overall useful life range of network vaults is 40 to 80 years; the typical life is 60 years.

23.3.2 *Roof*

The roof has a useful life range of 20 to 40 years, with a typical life of 25 years.

23.4 Time Based Maintenance Intervals

The typical routine testing/maintenance interval for this asset class is three years.

23.5 Utilization Factors

The Network Vault asset category is not subject to the Utilization Factors discussed in this report.

23.6 Functional Requirements

Network vault asset category is not subject to obsolescence.

24 Submersible Vault

As with other types of underground vaults, submersible vaults allow for the underground installation of equipment.

24.1 Degradation Mechanism

For submersible vaults, as with other underground civil structures, mechanical strength is an end of life parameter. Age, mechanical loading, and exposure to corrosive are factors. Degradation includes corrosion of reinforcing steel, spalling of concrete, and rusting of covers. Exposure to acidic salts affects corrosion rates. Improperly functioning sump pumps or lights also constitute defective systems.

24.2 System Hierarchy

Submersible Vaults asset category belongs to the Underground Systems asset grouping.

24.3 Useful Life and Typical Life

This asset can be componentized as:

- Overall
- Roof

24.3.1 *Overall*

The useful life range of this asset class is 40 to 80 years; the average life is 60 years

24.3.2 *Roof*

The roof has a useful life range of 20 to 40 years, with a typical life of 25 years.

24.4 Time Based Maintenance Intervals

The typical routine testing/maintenance interval for this asset class is three years.

24.5 Utilization Factors

The Submersible Vault asset category is not subject to the Utilization Factors discussed in this report.

24.6 Functional Requirements

Submersible vault asset category is not subject to obsolescence.

25 Pad-Mounted Switchgear

Pad-mounted switchgear is used for protection and switching in the underground distribution system. The switching assemblies can be classified into air insulated, solid dielectric and gas insulated.

25.1 Degradation Mechanism

The pad-mounted switchgear is very infrequently used for switching and often used to drop loads way below its rating. Therefore, switchgear aging and eventual end of life is often established by mechanical failures, e.g. rusting of the enclosures or ingress of moisture and dirt into the switchgear causing corrosion of operating mechanism and degradation of insulated barriers.

The first generation of pad mounted switchgear was first introduced in early 1970's and many of these units are still in good operating condition. The life expectancy of pad-mounted switchgear is impacted by a number of factors that include frequency of switching operations, load dropped, presence or absence of corrosive environmental and absence of existence of dampness at the installation site.

In the absence of specifically identified problems, the common industry practice for distribution switchgear is running it to end of life, just short of failure. To extend the life of these assets and to minimize in-service failures, a number of intervention strategies are employed on a regular basis: e.g. inspection with thermographic analysis and cleaning with CO_2 for air insulated pad-mounted switchgear. If problems or defects are identified during inspection, often the affected component can be replaced or repaired without a total replacement of the switchgear.

Failures of switchgear are most often not directly related to the age of the equipment, but are associated instead with outside influences. For example, pad-mounted switchgear is most likely to fail due to rodents, dirt/contamination, vehicle accidents, rusting of the case, and broken insulators caused by misalignment during switching. All of these causes are largely preventable with good design and maintenance practices. Failures caused by fuse malfunctions can result in a catastrophic switchgear failure.

Aging and end of life is established by mechanical failures, such as corrosion of operating mechanism from rusting of enclosure or moisture and dirt ingress. Switchgear failure is associated more with outside influences rather than age. For example, switchgear failure is more likely to be caused by rodents, dirt or contamination, vehicle accidents, rusting of the case, and broken insulators caused by misalignment during switching.

25.2 System Hierarchy

Pad-Mounted Switchgear asset category belongs to the Underground Systems assets grouping.

25.3 Useful Life and Typical Life

The overall useful life range of the switchgear itself is dependent on the pad mount switchgear type:

- Air Insulated
- Gas Insulated
- Solid Dielectric

25.3.1 *Air Insulated*

The useful life range of this air insulated pad-mounted switchgear is 20 to 40 years; the typical life is 20 years.

25.3.2 *Gas Insulated*

The useful life range of this gas insulated pad-mounted switchgear is 30 to 50 years; the typical life is 30 years.

25.3.3 *Solid Dielectric*

The useful life range of this solid dielectric pad-mounted switchgear is 30 to 50 years; the typical life is 30 years.

25.4 Time Based Maintenance Intervals

The typical routine inspection interval for this asset is three years.

25.5 Utilization Factors

Pad-mounted switchgear is impacted by operating practices and electrical loading utilization factors.

25.6 Functional Requirements

Pad-mounted switchgear asset category is not subject to obsolescence.

26 Cable Chamber

Cable Chambers facilitate cable pulling into underground ducts and provide access to splices and facilities that require periodic inspections or maintenance. They come in different styles, shapes and sizes according to the location and application. Pre-cast cable chambers are normally installed only outside the traveled portion of the road although some end up under the road surface after road widening. Cast-in-place cable chambers are used under the traveled portion of the road because of their strength and also because they are less expensive to rebuild if they should fail. Customer cable chambers are on customer property and are usually in a more benign environment. Although they supply a specific customer, system cables loop through these chambers so other customers could also be affected by any problems.

26.1 Degradation Mechanism

These assets must withstand the heaviest structural loadings that they might be subjected to. For example, when located in streets, cable chambers must withstand heavy loads associated with traffic in the street. When located in driving lanes, cable chamber chimney and collar rings must match street grading. Since utility chambers and vaults often experience flooding, they sometimes include drainage sumps and sump pumps. Nevertheless, environmental regulations in some jurisdictions may prohibit the pumping of utility chambers into sewer systems, without testing of the water for environmentally hazardous contaminants.

Although age is loosely related to the condition of underground civil structures, it is not a linear relationship. Other factors such as mechanical loading, exposure to corrosive salts, etc. have stronger effects. Cable chamber degradation commonly includes corrosion of reinforcing steel, spalling of concrete, and rusting of covers or rings. Acidic salts (i.e. sulfates or chlorides) affect corrosion rates. Cable chamber systems also may experience a number of deficiencies or defects. In roadways, defects exist when covers are not level with street surfaces. Conditions that lead to flooding, clogged sumps, and non-functioning sump-pumps also represent major deficiencies in a cable chamber system. Similarly, cable chamber systems with lights that do not function properly constitute defective systems. Deteriorating ductwork associated with cable chambers also requires evaluation in assessing the overall condition of a cable chamber system.

26.2 System Hierarchy

Cable Chambers asset category belongs to the Underground Systems assets grouping.

26.3 Useful Life and Typical Life

This asset can be componentized as:

- Overall
- Roof

26.3.1 *Overall*

Cable chambers have a useful life range of 50 to 80 years; the typical life range is 60 years.

26.3.2 *Roof*

The roof has a useful life range of 20 to 40 years, with a typical life of 25 years.

26.4 Time Based Maintenance Intervals

The typical routine testing/maintenance interval for this asset class is three years.

26.5 Utilization Factors

The Cable Chamber asset category is not subject to the Utilization Factors discussed in this report.

26.6 Functional Requirements

Cable chamber asset category is not subject to obsolescence.

27 Transformer and Switchgear Foundations

This asset is a buried pre cast concrete vault on which pad-mounted transformers or switchgear are mounted. The foundation itself is buried; however the top portion is above ground.

27.1 Degradation Mechanism

These assets must withstand the heaviest structural loadings that they might be subjected to. For example, when located in streets, transformer and switchgear foundation must withstand heavy loads associated with traffic in the boulevard. When located in driving lanes, concrete vault must match street grading. Since vaults often experience flooding, they sometimes include drainage sumps and sump pumps. Nevertheless, environmental regulations in some jurisdictions may prohibit the pumping into sewer systems, without testing of the water for environmentally hazardous contaminants.

Although age is loosely related to the condition of underground civil structures, it is not a linear relationship. Other factors such as mechanical loading, exposure to corrosive salts, etc. have stronger effects. Transformer and switchgear foundation degradation commonly includes corrosion of reinforcing steel, spalling of concrete, and rusting of covers or rings. Acidic salts (i.e. sulfates or chlorides) affect corrosion rates. Transformer and switchgear foundation also may experience a number of deficiencies or defects. In roadways, defects exist when covers are not level with street surfaces. Conditions that lead to flooding, clogged sumps, and non-functioning sump-pumps also represent major deficiencies in a transformer and switchgear foundation. Similarly, transformer and switchgear foundation with lights that do not function properly constitute defective systems.

27.2 System Hierarchy

Transformer and Switchgear Foundations asset category belongs to the Underground Systems assets grouping.

27.3 Useful Life and Typical Life

The overall useful life range of Transformer and switchgear foundation is 30 to 80 years; the typical life is 60 years.

27.4 Time Based Maintenance Intervals

The typical routine testing/maintenance interval for this asset class is three years.

27.5 Utilization Factors

The Transformer and Switchgear Foundations asset category is not subject to the Utilization Factors discussed in this report.

27.6 Functional Requirements

Transformer & switchgear foundations asset category is not subject to obsolescence.

28 Duct Bank

In areas such as road crossings, ducts provide a conduit for underground cables to travel. They are comprised of a number of ducts, in trench, and typically encased in concrete. Ducts are sized as required and are usually two to six inches in diameter.

28.1 Degradation Mechanism

The ducts connecting one utility chamber to another cannot easily be assessed for condition without excavating areas suspected of suffering failures. However, water ingress to a utility chamber that is otherwise in sound condition is a good indicator of a failure of a portion of the ductwork. Since there are no specific tests that can be conducted to determine duct integrity at reasonable cost, the duct system is typically treated on an ad hoc basis and repaired or replaced as is determined at the time of cable replacement or failure.

28.2 System Hierarchy

Duct Banks asset category belongs to the Underground Systems assets grouping.

28.3 Useful Life and Typical Life

The useful life range of the duct bank type is 30 to 80 years; the typical life is 50 years.

28.4 Time Based Maintenance Intervals

Duct banks are not subject to planned maintenance.

28.5 Utilization Factors

The Duct Bank asset category is not subject to the Utilization Factors discussed in this report.

28.6 Functional Requirements

Duct bank asset category is not subject to obsolescence.

29 Meters

The metering is how electricity providers measure billable services by measuring various aspects of power usage. When used in electricity retailing, the utilities record the values measured by these meters to generate an invoice for the electricity. This report focuses on those meters used for residential meters, industrial/commercial meters and wholesale meters. This asset consists of three components: the meter itself, the current transformer (CT) and the potential transformer (PT).

29.1 Degradation Mechanism

The major degradation mechanism of traditional meters is listed as follows:

- Electronic component aging due to long-term power quality impact, for solid-state meters
- Meter creep due to high temperature for induction type meters. This occurs when the meter disc rotates continuously with potential applied and the load terminals open circuited
- Magnetization alteration due to overload or short-circuited conditions
- Mechanical damage due to vibration of meter mounting
- Other adverse operating environment that might expedite the aging of components, such as humidity or dirt

29.2 System Hierarchy

Metering asset category belongs to the Monitoring and Control Systems assets grouping.

29.3 Useful Life and Typical Life

The overall useful life range of the meter itself is dependent on the meter type and component, which can be broken down into the following:

- Primary (Overhead, Pad-mounted)
- Residential
- Industrial/Wholesale (Electromechanical, Interval)
- Transformer (CT,PT)

29.3.1 *Primary*

The useful life range of the overhead primary meter components is 20 to 50 years; typical life is 30 years.

The useful life range of the pad-mounted primary meter components is 20 to 50 years; typical life is 30 years.

29.3.2 *Residential*

The useful life range of residential type meter is 20 to 45 years; typical life is 30 years.

29.3.3 *Industrial/ Wholesale*

The useful life range of electromechanical industrial/wholesale type meter is 20 to 60 years; typical life is 30 years.

The useful life range of interval industrial/wholesale type meter is 10 to 15 years; typical life is 15 years.

29.3.4 *Transformer*

The useful life range of the current transformer components is 30 to 50 years; typical life is 45 years.

The useful life range of the potential transformer components is 30 to 50 years; typical life is 45 years.

29.4 Time Based Maintenance Intervals

Meters are not subject to planned maintenance.

29.5 Utilization Factors

The Meters asset category is not subject to the Utilization Factors discussed in this report.

29.6 Functional Requirements

Meters are subject to obsolescence.

30 Smart Meters

A smart meter is an advanced meter is an electrical meter that identifies consumption in more detail than a conventional meter; and communicates that information via some network back to the local utility for monitoring and billing purposes.

30.1 Degradation Mechanism

The major degradation mechanism of smart metering system is listed as follows:

- Wiring insulation deterioration due to corrosion, moisture or overheating
- Poor electrical connections due to corrosion, vibration or other physical problems
- Cabinetry or rack damage or wear
- Faulty electronic components

The rate and severity of degradation in the equipment depend on its operational duties and environmental factors. Corrosion and moisture ingress, or combinations of these, represent the most critical degradation processes in microwave equipment of smart metering system.

Environmental conditions in relay and switch-rooms can affect microwave equipment's condition and reliability. Humidity, temperature, dust and pollution can cause component degradation. When plant temperatures fall below the dew point condensation can occur. When water enters equipment rooms through roof or other leaks, it can affect performance and aggravate corrosion.

30.2 System Hierarchy

Smart Metering asset category belongs to the Monitoring and Control Systems assets grouping.

30.3 Useful Life and Typical Life

There are several components of the smart meter which have their own useful and typical life:

- Smart Meter
- Computer (Hardware, Software)
- Data Concentrator (Collector)
- Repeater
- Communication Tower

30.3.1 *Smart Meter*

The useful life range of the smart meter is 15 to 20 years; typical life is 15 years.

30.3.2 *Computer*

Please see Section 32.3.3 Electrical*, for Computer component information.*

30.3.3 *Data Concentrator (Collector)*

The useful life range of the data concentrator (collector) is 10 to 20 years; typical life is 20 years.

30.3.4 *Repeater*

The useful life range of the repeater is 5 to 15 years; typical life is 10 years.

30.3.5 *Communication Tower*

The useful life range of the repeater is 35 to 100 years; typical life is 63 years.

30.4 Time Based Maintenance Intervals

Smart Meters are not subject to planned maintenance.

30.5 Utilization Factors

The Smart Meters asset category is not subject to the Utilization Factors discussed in this report.

30.6 Functional Requirements

Smart meters are subject to obsolescence.

31 SCADA RTU

Supervisory Control and Data Acquisition (SCADA) refers to the centralized monitoring and control system of a facility. SCADA remote terminal units (RTUs) allow the master SCADA system to communication, often wirelessly, with field equipment. In general, RTUs collect digital and analog data from equipment, exchange information to the master system, and perform control functions on field devices. They are typically comprised of the following: power supply, CPU, I/O Modules, housing and chassis, communications interface, and software.

31.1 Degradation Mechanism

There are many factors that contribute to the end-of-life of RTUs. Utilities may choose to upgrade or replace older units that are no longer supported by vendors or where spare parts are no longer available. Because RTUs are essentially computer devices, they are prone to obsolescence. For example, older units may lack the ability to interface with Intelligent Electronic Devices (IEDs), be unable to support newer or modern communications media and/or protocols, or not allow for the quantity, resolution, and accuracy of modern data acquisition. Legacy units may have limited ability of multiple master communication ports and protocols, or have an inability to segregate data into multiple RTU addresses based on priority.

31.2 System Hierarchy

SCADA RTUs asset category belongs to the Monitoring and Control Systems assets grouping.

31.3 Useful Life and Typical Life

The useful life of SCADA RTUs is in the range of 15 to 30 years; the typical life is 20 years.

31.4 Time Based Maintenance Intervals

SCADA RTUs are not subject to planned maintenance.

31.5 Utilization Factors

SCADA RTU is impacted by the operating practices utilization factor.

31.6 Functional Requirements

SCADA RTU is subject to obsolescence.

32 Administrative Buildings

Buildings at major transformer and municipal stations house the switchgear, relays and controls and serve as a base for administrative and service work. This asset includes the mechanical, civil, electrical and parking components. The electrical component includes control systems, security systems and computer networks.

32.1 Degradation Mechanism

The following contribute to the degradation of this asset:

- Moisture
- Heat
- Settlement
- Chemicals
- Biological

Moisture is by far the most common cause for deterioration. Almost all deterioration processes involve the physical transport of deleterious agents into the building materials and chemical or biological reactions that break down the integrity of the material. Moisture is required for almost all such actions. Hence, keeping building materials in a dry state will greatly reduce the rate of deterioration. In fact, conditions under which wetting and drying take place are the worst for the durability of building materials. If materials are always under water (e.g. in some foundations), deterioration can be very slow, because they will be starved of oxygen, which is another ingredient required for degradation, whether the corrosion of steel or the biological (insect and fungal) attack on timber. Masonry is the material that is probably least affected by moisture, although continued exposure to moisture could soften it. Masonry of course traps a lot of moisture (i.e. it dried out very slowly) and this can affect timber, steel or reinforced concrete elements that are connected to masonry walls. Buildings can experience moisture from external sources (e.g. rainwater) as well as internal sources (e.g. toilet areas, leaks from pipes and condensation in air conditioning systems). Moisture in buildings can also impair electrical systems, thus compromising serviceability.

Heat will accelerate all deterioration processes. In addition, heat can cause expansion (and subsequent contraction when the heat source is absent). Such thermal movements can weaken materials with low tensile strengths such as masonry, and cause cracking. Heat (especially in combination with direct solar radiation) can also weaken some waterproofing materials, and cause them to lose their flexibility or even to crack.

The settlement of building will also affect mainly masonry walls. In addition, if pipes are damaged during settlement, leakage of water will ensue, with the consequent potential for deterioration.

Common chemical agents can affect the degradation of buildings. Atmospheric carbon dioxide reduces the alkalinity of concrete and will lead to depassivation of steel reinforcement. Chlorides (the main source of which is from sea spray near the coastline) will also lead to such reduction in alkalinity, and also promote electrolytic corrosion processes in both reinforced concrete and steel. Sulphates (which are found in some groundwater) can attack the concrete itself, causing cracking and weakening in foundations. Sulphates and chlorides can also get into concrete through impure mixing water.

Deterioration of timber is mainly a biological process. In particular, termite attack can be very damaging. If mosses are allowed to grow on damp building elements, they will trap further moisture, thus accelerating the deterioration processes associated with moisture (see above). Apart from this, if plants are allowed to take root in buildings, they can cause severe cracks, not only in masonry, but also in concrete.

32.2 System Hierarchy

Administrative building asset category does not to an assets grouping.

32.3 Useful Life and Typical Life

This asset has three major components, each of which has a different useful life. From a maintenance practice perspective, the building can be componentized into the following:

- Building (Mechanical, Civil, Electrical, Parking)
- Roof
- Fence

32.3.1 *Building*

The useful life of the mechanical components of the building can be in the range of 12 to 30 years, with a typical life of 20 years.

The useful life of the civil components of the building can be in the range of 30 to 100 years, with a typical life of 50-60 years.

The useful life of the electrical components of the building can be in the range of 12 to 40 years, with a typical life of 20 years.

The useful life of the parking components of the building can be in the range of 15 to 30 years, with a typical life of 20 years.

32.3.2 *Roof*

The useful life of the roof can be in the range of 15 to 30 years, with a typical life of 20 years.

32.3.3 *Fence*

The useful life range of the fence is 30 to 60 years, with a typical life of 35 years.

32.4 Time Based Maintenance Intervals

The typical routine inspection interval for this asset is every year.

32.5 Utilization Factors

The Buildings asset category is not subject to the Utilization Factors discussed in this report.

32.6 Functional Requirements

Administrative buildings asset category is not subject to obsolescence.

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ATTACHMENT 4-L

Service Life Comparison

Board Appendix 2-BB

File Number:	EB-2015-0061
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Appendix 2-BB
Service Life Comparison
Table F-1 from Kinetrics Report[1]

Note: Useful lives changed from the generic Kinectrics Report have been highlighted in yellow

		Asset Details			Useful Life			USoA Account Number	USoA Account Description	Current		Proposed		Outside Range of Min, Max TUL?	
Parent*	#	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		40	44	80	1830/1835	Poles, Towers & Fixtures (wood poles)	25	4%	45	2%	No	No
			Cross Arm	Wood	20	40	50								
				Steel	20	70	100								
	2	Fully Dressed Concrete Poles	Overall		50	60	80	1830/1835	Poles, Towers & Fixtures (concrete poles)	25	4%	50	2%	No	No
			Cross Arm	Wood	20	40	50								
				Steel	20	70	100								
	3	Fully Dressed Steel Poles	Overall		60	60	80	1830/1835	Poles, Towers & Fixtures (steel poles)	25	4%	60	2%	No	No
			Cross Arm	Wood	20	40	50								
				Steel	20	70	100								
	4	OH Line Switch			30	50	60								
	5	OH Line Switch Motor			15	20	20								
	6	OH Line Switch RTU			15	20	30								
	7	OH Integral Switches			35	45	60								
	8	OH Conductors			50	60	77	1855	Services (Overhead & Underground) (direct)	25	4%	50	2%	No	No
	9	OH Transformers & Voltage Regulators			30	40	60								
	10	OH Shunt Capacitor Banks			25	30	40								
	11	Reclosers			30	40	60								
TS & MS	12	Power Transformers	Overall		32	45	55	1820	Distribution Station Equipment (power transformer)	30	3%	45	2%	No	No
			Bushing		10	15	25								
			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								
			Removable Breaker		25	40	60								
	17	Station Independent Breakers			35	45	65								
	18	Station Switch			30	50	60								
	19	Electromechanical Relays			20	30	50								
	20	Solid State Relays			10	30	50								
	21	Digital & Numeric Relays			10	15	20								
	22	Rigid Busbars			30	60	60								
	23	Steel Structure			35	50	100								
UG	24	Primary Paper Insulated Lead Covered (PILC) Cables			70	75	80								
	25	Primary Ethylene-Propylene Rubber (EPR) Cables			20	25	25								
	26	Primary Non-Tree Retardant (TR) Cross Linked Polyethylene (XLPE) Cables Direct Buried			10	15	20	1845	UG Conductors (primary direct)	25	4%	20	5%	No	No
	27	Primary Non-TR XLPE Cables in Duct			20	20	25	1845	UG Conductors (primary duct)	25	4%	25	4%	No	No
	30	Secondary PILC Cables			70	75	80								
	31	Secondary Cables Direct Buried			20	30	35	1845	UG Conductors (secondary direct)	25	4%	35	3%	No	No
	32	Secondary Cables in Duct			40	40	60	1855	Services (Overhead & Underground) (duct)	25	4%	40	3%	No	No
	33	Network Tranformers	Overall		20	35	50								
			Protector		20	35	40								
	34	Pad-Mounted Transformers			25	40	45	1850	Line Transformers (pad mount, pole mount)	25	4%	40	3%	No	No
	35	Submersible/Vault Transformers			25	35	40	1850	Line Transformers (submersible)	25	4%	40	3%	No	No
	35	Submersible/Vault Transformers			25	35	40	1850	Line Transformers (submersible vault)	25	4%	35			
	36	UG Foundation			35	55	70	1845	UG Conductors (trans switch)	25	4%	55	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	80	1845	UG Conductors (duct bank)	25	4%	50	2%	No	No
	41	Concrete Encased Duct Banks			35	55	80	1840	UG Conduit	25	4%	50	2%	No	No
	42	Cable Chambers			50	60	80								
S	43	Remote SCADA			15	20	30	1980	System Supervisory Equipment	15	7%	20	5%	No	No
	43	Remote SCADA			15	20	30	1908	Buildings (SCADA Tower)	25	4%	25	4%	No	No
	43	Remote SCADA			15	20	30	1990	Other Tangible Property (GIS)	15	7%	15	7%	No	No

Table F-2 from Kinetics Report[1]

	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	Transportation Equipment (trucks, trailers)	8	13%	10	10%	No	No
		Trailers	5	20								
		Vans	5	10	1930	Transportation Equipment (vans)	8	13%	7	14%	No	No
3	Administrative Buildings	Building - Mechanical	12	30	1908	Buildings & Fixtures (mechanical)	25	4%	20	5%	No	No
		Building - Civil	30	100	1908	Buildings & Fixtures	25	4%	50	2%	No	No
		Building - Electrical	12	40								
		Parking	15	30								
		Roof	15	30	1908	Buildings & Fixtures (roof)	25	4%	20	5%	No	No
		Fence	30	60								
4	Leasehold Improvements		Lease dependent									
5	Station Buildings	Station Buildings	30	80	1808	Buildings	50	2%	40	3%	No	No
		Parking	25	30								
		Fence	30	60								
		Roof	15	30	1808	Buildings (mechanical, roof)	50	2%	20	5%	No	No
6	Computer Equipment	Hardware	3	5	1920	Computer Hardware	5	20%	3	33%	No	No
		Software	2	5	1611	Computer Software (application software)	5	20%	3	33%	No	No
		Software	2	5	1611	Computer Software (systems software)	5	20%	5	20%	No	No
		Software	2	5	1611	Computer Software (foundational software)	5	20%	10	10%	No	Yes
7	Equipment	Power Operated	5	10								
		Stores	5	10								
		Tools, Shop, Garage Equipment	5	10	1940	Tools, Shop & Garage Equipment	10	10%	5	20%	No	No
		Measurement & Testing Equipment	5	10								
8	Communication	Towers	60	70								
		Wireless	2	10								
9	Residential Energy Meters		20	45	1860	Meters	25	4%	25	4%	No	No
10	Industrial/Commercial Energy Meters		25	35								
11	Wholesale Energy Meters		15	30	1820	Distribution Station Equipment (wholesale meter)	30	3%	15	7%	No	No
12	Current & Potential Transformer (CT & PT)		30	50								
13	Smart Meters		15	20	1860	Meters (Smart Meters)	15	7%	15	7%	No	No
14	Repeaters - Smart Metering		5	15								
15	Data Collectors - Smart Metering		15	20								

*** TS & MS = Transformer and Municipal Stations UG = Underground Systems S = Monitoring and Control Systems**

Note 1: Tables F-1 and F-2 above are to be used as a reference in order to complete columns J, K, L and N.
See pages 17-19 of Kinetrics Report

ATTACHMENT 4-M

Depreciation and Amortization Expense (2013 CGAAP)

Board Appendix 2-CG

File Number:	EB-2015-0061
Exhibit:	4
Attachment:	4-M
Page:	1 of 1
Date:	28-Aug-15

Appendix 2-CG
Depreciation and Amortization Expense

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

Year 2013 Former CGAAP

Account	Description	Opening Regulatory Gross PP&E as at Jan 1, 2013 (a)	Less Fully Depreciated (b)	Net for Depreciation (c)	Additions (d)	Total for Depreciation [1] (e) = (c) + ½ x (d)	Years (f)	Depreciation Rate (g) = 1 / (f)	Depreciation Expense (h) = (e) / (f)	2013 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance [2] (m) = (h) - (l)
1611	Computer Software (Formally known as Account 1925)	$ 987,436	$ 628,718	$ 358,718	$ 988,848	$ 853,142	5.00	20.00%	$ 170,628	$ 181,091	$ (10,462)
1612	Land Rights (Formally known as Account 1906)	$ -	$ -	$ -	$ -	$ -	-	0.00%	$ -	$ -	$ -
1805	Land	$ 452,262	$ -	$ 452,262	$ -	$ 452,262	-	0.00%	$ -	$ -	$ -
1808	Buildings	$ 904,693	$ 12,339	$ 892,354	$ 4,517	$ 894,613	50.00	2.00%	$ 17,892	$ 14,398	$ 3,494
1810	Leasehold Improvements	$ -	$ -	$ -	$ -	$ -	-	0.00%	$ -	$ -	$ -
1815	Transformer Station Equipment >50 kV	$ -	$ -	$ -	$ -	$ -	-	0.00%	$ -	$ -	$ -
1820	Distribution Station Equipment <50 kV	$ 1,625,439	$ 483,592	$ 1,141,847	$ 305,667	$ 1,294,680	30.00	3.33%	$ 43,156	$ 45,546	$ (2,390)
1825	Storage Battery Equipment	$ -	$ -	$ -	$ -	$ -	-	0.00%	$ -	$ -	$ -
1830	Poles, Towers & Fixtures	$ 10,183,983	$ 2,217,171	$ 7,966,812	$ 1,139,724	$ 8,536,674	25.00	4.00%	$ 341,467	$ 346,248	$ (4,781)
1835	Overhead Conductors & Devices	$ 28,652,463	$ 1,261,613	$ 27,390,850	$ 1,774,159	$ 28,277,930	25.00	4.00%	$ 1,131,117	$ 1,267,332	$ (136,215)
1840	Underground Conduit	$ 3,815,056	$ 991,055	$ 2,824,001	$ 253,768	$ 2,950,885	25.00	4.00%	$ 118,035	$ 119,434	$ (1,399)
1845	Underground Conductors & Devices	$ 19,822,500	$ 939,536	$ 18,882,964	$ 780,329	$ 19,273,128	25.00	4.00%	$ 770,925	$ 924,730	$ (153,805)
1850	Line Transformers	$ 21,439,194	$ 2,042,481	$ 19,396,713	$ 1,383,196	$ 20,088,311	25.00	4.00%	$ 803,532	$ 903,316	$ (99,784)
1855	Services (Overhead & Underground)	$ 5,442,112	$ 33,405	$ 5,408,707	$ 664,982	$ 5,741,198	25.00	4.00%	$ 229,648	$ 231,950	$ (2,302)
1860	Meters	$ 3,940,117	$ 866,849	$ 3,073,268	$ -	$ 3,073,268	25.00	4.00%	$ 122,931	$ 162,783	$ (39,852)
1860	Meters (Smart Meters)	$ 7,874,222	$ -	$ 7,874,222	$ 731,314	$ 8,239,880	15.00	6.67%	$ 549,325	$ 560,729	$ (11,404)
1905	Land	$ 953,909	$ -	$ 953,909	$ -	$ 953,909	-	0.00%	$ -	$ -	$ -
1908	Buildings & Fixtures	$ 4,699,524	$ -	$ 4,699,524	$ 282,556	$ 4,840,803	25.00	4.00%	$ 193,632	$ 162,331	$ 31,301
1910	Leasehold Improvements	$ -	$ -	$ -	$ -	$ -	-	0.00%	$ -	$ -	$ -
1915	Office Furniture & Equipment (10 years)	$ 325,888	$ 132,086	$ 193,802	$ 14,709	$ 201,157	10.00	10.00%	$ 20,116	$ 20,053	$ 63
1915	Office Furniture & Equipment (5 years)	$ -	$ -	$ -	$ -	$ -	-	0.00%	$ -	$ -	$ -
1920	Computer Equipment - Hardware	$ 325,659	$ 325,659	$ -	$ -	$ -	-	0.00%	$ -	$ -	$ -
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ 75,616	$ 75,616	$ -	$ -	$ -	-	0.00%	$ -	$ -	$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ 707,499	$ 169,858	$ 537,641	$ 84,281	$ 579,782	5.00	20.00%	$ 115,956	$ 155,361	$ (39,405)
1930	Transportation Equipment	$ 4,051,932	$ 1,813,181	$ 2,238,751	$ 1,001,940	$ 2,739,720	8.00	12.50%	$ 342,465	$ 413,619	$ (71,154)
1935	Stores Equipment	$ 35,460	$ 35,460	$ -	$ -	$ -	-	0.00%	$ -	$ -	$ -
1940	Tools, Shop & Garage Equipment	$ 1,249,436	$ 782,643	$ 466,793	$ 45,833	$ 489,709	10.00	10.00%	$ 48,971	$ 46,937	$ 2,034
1945	Measurement & Testing Equipment	$ 8,719	$ 8,719	$ -	$ -	$ -	-	0.00%	$ -	$ -	$ -
1950	Power Operated Equipment	$ -	$ -	$ -	$ -	$ -	-	0.00%	$ -	$ -	$ -
1955	Communications Equipment	$ 5,873	$ 5,873	$ -	$ -	$ -	-	0.00%	$ -	$ -	$ -
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	$ 931,094	$ 492,909	$ 438,185	$ 210,726	$ 543,548	15.00	6.67%	$ 36,237	$ 35,781	$ 456
1985	Miscellaneous Fixed Assets	$ -	$ -	$ -	$ -	$ -	-	0.00%	$ -	$ -	$ -
1990	Other Tangible Property	$ 2,364,407	$ 184,232	$ 2,180,175	$ 502,153	$ 2,431,251	15.00	6.67%	$ 162,083	$ 183,936	$ (21,852)
1995	Contributions & Grants	$ (6,594,753)	$ -	$ (6,594,753)	$ (777,718)	$ (6,983,612)	25.00	4.00%	$ (279,344)	$ (277,238)	$ (2,106)
	Total	**$ 114,279,741**	**$ 13,502,995**	**$ 100,776,746**	**$ 9,390,984**	**$ 105,472,238**			**$ 4,938,773**	**$ 5,498,337**	**$ (559,564)**

Notes:

1 Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.

2 The applicant must provide an explanation of material variances in evidence.

General **Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Asset Retirement Obligations (AROs), depreciation and accretion expense should be disclosed separately consistent with the Notes of historical Audited Financial Statements.**

ATTACHMENT 4-N

Depreciation and Amortization Expense (2013 Revised CGAAP)

Board Appendix 2-CH

Appendix 2-CH
Depreciation and Amortization Expense

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

Year 2013 Revised CGAAP

Account	Description	Opening NBV as at Jan 1, 2013 [5] (a)	Additions (d)	Average Remaining Life of Opening NBV [4] (i)	Years (new additions only) [3] (f)	Depreciation Rate on New Additions (g) = 1 / (f)	Depreciation Expense on Opening NBV (j) = (a) / (i)	Depreciation Expense on Additions [1] (h)=((d)*0.5)/(f)	2013 Depreciation Expense (k) = (j) + (h)	2013 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance [2] (m) = (k) - (l)	Depreciation Expense on 2013 Full Year Additions (n) = (d)/(f)	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2013 Full Year Depreciation [6] (p) = (j) + (n) - (o)
1611	Computer Software (Formally known as Account 1925) (application software)	$ 173,289	$ 988,848	1.12	3.00	33.33%	$ 154,172	$ 164,808	$ 318,980	$ 484,589	$ (165,609)	$ 329,616	$ 133,123	$ 350,665
1611	Computer Software (Formally known as Account 1925) (systems software)	$ -	$ -	-	5.00	20.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1611	Computer Software (Formally known as Account 1925) (foundational software)	$ -	$ -	-	10.00	10.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1612	Land Rights (Formally known as Account 1906)	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1805	Land	$ 452,262	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1808	Buildings	$ 638,864	$ 2,750	33.13	40.00	2.50%	$ 19,284	$ 34	$ 19,318	$ 9,045	$ 10,273	$ 69	$ -	$ 19,352
1808	Buildings (mechanical, roof)	$ 51,617	$ -	12.17	20.00	5.00%	$ 4,241	$ -	$ 4,241	$ 4,240	$ 1	$ -	$ -	$ 4,241
1810	Leasehold Improvements	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1815	Transformer Station Equipment >50 kV	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1820	Distribution Station Equipment <50 kV (power transformer, switch gear)	$ 182,264	$ 305,667	36.02	45.00	2.22%	$ 5,060	$ 3,396	$ 8,456	$ 8,022	$ 434	$ 6,793	$ -	$ 11,853
1820	Distribution Station Equipment <50 kV (wholesale meter)	$ 574,259	$ -	10.91	15.00	6.67%	$ 52,636	$ -	$ 52,636	$ 52,653	$ (17)	$ -	$ -	$ 52,636
1825	Storage Battery Equipment	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1830	Poles, Towers & Fixtures (composite poles, concrete poles)	$ 451,149	$ 70,313	43.96	50.00	2.00%	$ 10,263	$ 703	$ 10,966	$ 10,964	$ 2	$ 1,406	$ -	$ 11,669
1830	Poles, Towers & Fixtures (steel poles)	$ 956,375	$ 149,056	54.02	60.00	1.67%	$ 17,704	$ 1,242	$ 18,946	$ 18,947	$ (1)	$ 2,484	$ -	$ 20,188
1830	Poles, Towers & Fixtures (wood poles)	$ 4,689,221	$ 895,687	39.03	45.00	2.22%	$ 120,159	$ 9,952	$ 130,111	$ 130,111	$ (0)	$ 19,904	$ -	$ 140,063
1835	Overhead Conductors & Devices (composite poles, concrete poles)	$ 7,030,007	$ 636,009	40.22	50.00	2.00%	$ 174,773	$ 6,360	$ 181,133	$ 181,133	$ 0	$ 12,720	$ -	$ 187,493
1835	Overhead Conductors & Devices (steel poles)	$ 1,334,381	$ 112,514	50.43	60.00	1.67%	$ 26,460	$ 938	$ 27,398	$ 27,398	$ (0)	$ 1,875	$ -	$ 28,335
1835	Overhead Conductors & Devices (wood poles)	$ 7,313,636	$ 764,563	35.09	45.00	2.22%	$ 208,434	$ 8,495	$ 216,929	$ 216,929	$ 0	$ 16,990	$ -	$ 225,424
1840	Underground Conduit	$ 2,184,458	$ 252,738	44.67	50.00	2.00%	$ 48,902	$ 2,527	$ 51,430	$ 51,427	$ 3	$ 5,055	$ -	$ 53,957
1845	Underground Conductors & Devices	$ 3,420,688	$ 240,447	4.52	20.00	5.00%	$ 756,789	$ 6,011	$ 762,801	$ 827,072	$ (64,271)	$ 12,022	$ 382,045	$ 386,767
1845	Underground Conductors & Devices (primary PILC, primary duct)	$ 4,283,315	$ 301,995	17.99	25.00	4.00%	$ 238,131	$ 6,040	$ 244,171	$ 244,171	$ (0)	$ 12,080	$ -	$ 250,211
1845	Underground Conductors & Devices (secondary direct)	$ 687,199	$ 50,259	29.09	35.00	2.86%	$ 23,625	$ 718	$ 24,343	$ 24,343	$ (0)	$ 1,436	$ -	$ 25,061
1845	Underground Conductors & Devices (duct bank)	$ 799,678	$ 52,373	39.51	50.00	2.00%	$ 20,240	$ 524	$ 20,764	$ 20,767	$ (3)	$ 1,047	$ -	$ 21,287
1845	Underground Conductors & Devices (trans switch)	$ 144,472	$ 10,076	44.60	55.00	1.82%	$ 3,239	$ 92	$ 3,331	$ 3,331	$ (0)	$ 183	$ -	$ 3,422
1850	Line Transformers (pad mount, pole mount)	$ 9,128,539	$ 1,126,439	29.99	40.00	2.50%	$ 304,374	$ 14,080	$ 318,454	$ 318,454	$ 0	$ 28,161	$ -	$ 332,535
1850	Line Transformers (submersible)	$ 1,018,746	$ 105,759	35.24	40.00	2.50%	$ 28,906	$ 1,322	$ 30,228	$ 30,228	$ (0)	$ 2,644	$ -	$ 31,550
1850	Line Transformers (submersible vault)	$ 1,091,044	$ 113,264	24.55	35.00	2.86%	$ 44,442	$ 1,618	$ 46,060	$ 46,060	$ (0)	$ 3,236	$ -	$ 47,678
1855	Services (Overhead & Underground) (direct)	$ 2,375,572	$ 373,271	33.18	40.00	2.50%	$ 71,597	$ 4,666	$ 76,262	$ 12,402	$ 63,860	$ 9,332	$ -	$ 80,928
1855	Services (Overhead & Underground) (duct)	$ 1,566,369	$ 270,031	43.38	50.00	2.00%	$ 36,108	$ 2,700	$ 38,808	$ 39,017	$ (209)	$ 5,401	$ -	$ 41,509
1860	Meters	$ 2,429,303	$ -	13.95	25.00	4.00%	$ 174,144	$ -	$ 174,144	$ 174,270	$ (127)	$ -	$ 7,420	$ 166,724
1860	Meters (Smart Meters)	$ 5,317,434	$ 695,392	10.77	15.00	6.67%	$ 493,726	$ 23,180	$ 516,906	$ 516,893	$ 13	$ 46,359	$ -	$ 540,086
1905	Land	$ 953,909	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1908	Buildings & Fixtures	$ 2,323,238	$ 220,490	42.00	50.00	2.00%	$ 55,315	$ 2,205	$ 57,520	$ 63,185	$ (5,665)	$ 4,410	$ -	$ 59,725
1908	Buildings & Fixtures (mechanical, roof)	$ 1,217,835	$ 62,066	12.97	20.00	5.00%	$ 93,878	$ 1,552	$ 95,430	$ 95,430	$ 0	$ 3,103	$ -	$ 96,982
1908	Buildings & Fixtures (SCADA tower)	$ 29,530	$ -	12.00	25.00	4.00%	$ 2,461	$ -	$ 2,461	$ 2,461	$ (0)	$ -	$ -	$ 2,461
1910	Leasehold Improvements	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Furniture & Equipment (10 years)	$ 123,991	$ 14,709	5.96	10.00	10.00%	$ 20,804	$ 735	$ 21,539	$ 21,465	$ 74	$ 1,471	$ 3,757	$ 18,518
1915	Office Furniture & Equipment (5 years)	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Equipment - Hardware	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ 3,430	$ -	1.00	-	0.00%	$ 3,430	$ -	$ 3,430	$ 3,430	$ 0	$ -	$ 3,430	$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ 319,477	$ 201,324	1.04	3.00	33.33%	$ 308,373	$ 33,554	$ 341,927	$ 341,927	$ (0)	$ 67,108	$ 219,097	$ 156,384
1930	Transportation Equipment (van)	$ 324,226	$ 937,976	4.35	7.00	14.29%	$ 74,535	$ 66,998	$ 141,533	$ 140,771	$ 762	$ 133,997	$ -	$ 208,531
1930	Transportation Equipment (trucks, trailers)	$ 904,346	$ 63,964	5.41	10.00	10.00%	$ 167,162	$ 3,198	$ 170,360	$ 169,400	$ 960	$ 6,396	$ -	$ 173,558
1935	Stores Equipment	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1940	Tools, Shop & Garage Equipment	$ 262,488	$ 45,833	1.66	5.00	20.00%	$ 158,125	$ 4,583	$ 162,709	$ 160,047	$ 2,662	$ 9,167	$ 92,389	$ 74,903
1945	Measurement & Testing Equipment	$ (0)	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1950	Power Operated Equipment	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1955	Communications Equipment	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1955	Communication Equipment (Smart Meters)	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1960	Miscellaneous Equipment	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1970	Load Management Controls - Customer Premises	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1975	Load Management Controls Utility Premises	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1980	System Supervisor Equipment	$ 240,203	$ 92,195	13.08	20.00	5.00%	$ 18,364	$ 2,305	$ 20,669	$ 20,673	$ (4)	$ 4,610	$ -	$ 22,974
1985	Miscellaneous Fixed Assets	$ -	$ -	-	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1990	Other Tangible Property	$ 874,848	$ 502,153	5.01	15.00	6.67%	$ 174,699	$ 16,738	$ 191,437	$ 191,437	$ (0)	$ 33,477	$ 17,974	$ 190,201
1995	Contributions & Grants	$ (4,644,062)	$ (777,719)	17.75	25.00	4.00%	$ (261,637)	$ (15,554)	$ (277,192)	$ (277,238)	$ 47	$ (31,109)	$ -	$ (292,746)
	Total	$ 61,227,598	$ 8,880,443				$ 3,852,917	$ 375,722	$ 4,228,639	$ 4,385,454	$ (156,815)	$ 751,444	$ 859,235	$ 3,745,126

Notes:

1 Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.

2 The applicant must provide an explanation of material variances in evidence.

3 The applicant should ensure that the years for new additions of assets are the asset useful lives determined by management in accordance with the Board's regulatory accounting policies. The capitalization and depreciation expense accounting changes should be implemented consistent with the Board's regulatory accounting policies as set out for MIFRS as contained in the Report of the Board, Transition to International Financial Reporting Standards, EB-2008-0408, the Kinectrics Report, and the Revised 2012 Accounting Procedures Handbook for Electricity Distributors.

4 A recalculation should be performed to determine the average remaining life of opening balance of assets (i.e. excluding 2013 additions) under the change in policies under CGAAP. For example, Asset A had a useful life of 20 years under CGAAP without the change in policies. On January 1, 2013, the effective date of the changes in policies, Asset A was 3 years depreciated. As a result, Asset A would have a remaining service life of 17 years (20 years less 3 years) as of January 1, 2013. Due to making the change in policies under CGAAP, management re-assessed the asset useful lives and concluded that the revised useful life of Asset A is now 30 years. Therefore, the average remaining useful life of the opening balance of Asset A is determined to be 27 years (30 years less 3 years) under the revised CGAAP as of January 1, 2013.

5 NBV must exclude assets still on the books but which have been fully amortized or depreciated.

6 This column refers to the calculated full year depreciation but excludes the depreciation expense on assets fully depreciated during the year. This column is used for the purpose of calculating depreciation expense in the following year on the next worksheet.

General: **Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Asset Retirement Obligations (AROs), depreciation and accretion expense should be disclosed separately consistent with the Notes of historical Audited Financial Statements.**

ATTACHMENT 4-O

Depreciation and Amortization Expense (2014 MIFRS)

Board Appendix 2-CI

File Number:	EB-2015-0061
Exhibit:	4
Attachment:	4-O
Page:	1 of 1
Date:	28-Aug-15

Appendix 2-CI
Depreciation and Amortization Expense

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

2014 MIFRS

Account	Description	Additions (d)	Years (new additions only) (f)	Depreciation Rate on New Additions (g) = 1 / (f)	2014 Depreciation Expense [1] (h)=2013 Full Year Deprecation + ((d)*0.5)/(f)	2014 Depreciation Expense per Apppendix 2-BA Fixed Assets, Column J (l)	Variance [2] (m) = (h) - (l)	Depreciation Expense on 2014 Full Year Additions (n)=((d))/(f)	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2014 Full Year Depreciation [3] (p) = 2013 Full Year Depreciation + (n) - (o)
1611	Computer Software (Formally known as Account 1925) (application software)	$ (988,848)	3.00	33.33%	$ 21,049	$ (141,211)	$ 162,260	$ -	$ 21,849	$ -
1611	Computer Software (Formally known as Account 1925) (systems software) - no half-year (assets were transferred from ESI)	$1,084,949	5.00	20.00%	$ 216,990	$ 216,990	$ (0)	$ 216,990	$ -	$ 216,990
1611	Computer Software (Formally known as Account 1925) (foundational software)	$ 480,087	10.00	10.00%	$ 24,004	$ 24,004	$ 0	$ 48,009	$ -	$ 48,009
1611	Computer Software (Formally known as Account 1925) (foundational software) - no half-year (correction of PY error)	$ 988,848	10.00	10.00%	$ 98,885	$ 98,885	$ (0)	$ 98,885	$ -	$ 98,885
1612	Land Rights (Formally known as Account 1906)	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1805	Land	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1808	Buildings	$ 11,676	40.00	2.50%	$ 19,498	$ 6,243	$ 13,256	$ 292	$ -	$ 19,644
1808	Buildings (mechanical, roof)	$ 5,004	20.00	5.00%	$ 4,366	$ 4,365	$ 1	$ 250	$ -	$ 4,492
1810	Leasehold Improvements	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1815	Transformer Station Equipment >50 kV	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1820	Distribution Station Equipment <50 kV (power transformer, switch gear)	$ 0	45.00	2.22%	$ 11,853	$ 11,418	$ 434	$ 0	$ -	$ 11,853
1820	Distribution Station Equipment <50 kV (wholesale meter)	$ 76,681	15.00	6.67%	$ 55,192	$ 55,209	$ (17)	$ 5,112	$ -	$ 57,748
1825	Storage Battery Equipment	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1830	Poles, Towers & Fixtures (composite poles, concrete poles)	$ 77,085	50.00	2.00%	$ 12,440	$ 12,439	$ 1	$ 1,542	$ -	$ 13,211
1830	Poles, Towers & Fixtures (steel poles)	$ 163,410	60.00	1.67%	$ 21,550	$ 21,551	$ (1)	$ 2,724	$ -	$ 22,912
1830	Poles, Towers & Fixtures (wood poles)	$ 789,898	45.00	2.22%	$ 148,840	$ 147,833	$ 1,007	$ 17,553	$ -	$ 157,616
1835	Overhead Conductors & Devices (composite poles, concrete poles)	$ 688,248	50.00	2.00%	$ 194,376	$ 194,145	$ 231	$ 13,765	$ -	$ 201,258
1835	Overhead Conductors & Devices (steel poles)	$ 130,404	60.00	1.67%	$ 29,422	$ 29,422	$ (0)	$ 2,173	$ -	$ 30,509
1835	Overhead Conductors & Devices (wood poles)	$ 718,871	45.00	2.22%	$ 233,412	$ 232,519	$ 893	$ 15,975	$ -	$ 241,399
1840	Underground Conduit	$ 413,519	50.00	2.00%	$ 58,092	$ 58,087	$ 5	$ 8,270	$ -	$ 62,227
1845	Underground Conductors & Devices	$ 292,544	20.00	5.00%	$ 394,080	$ 392,001	$ 2,080	$ 14,627	$ 63,732	$ 337,662
1845	Underground Conductors & Devices (primary PILC, primary duct)	$ 369,489	25.00	4.00%	$ 257,601	$ 257,601	$ (0)	$ 14,780	$ -	$ 264,990
1845	Underground Conductors & Devices (secondary direct)	$ 62,557	35.00	2.86%	$ 25,955	$ 25,955	$ (0)	$ 1,787	$ -	$ 26,848
1845	Underground Conductors & Devices (duct bank)	$ 61,719	50.00	2.00%	$ 21,905	$ 21,908	$ (3)	$ 1,234	$ -	$ 22,522
1845	Underground Conductors & Devices (trans switch)	$ 12,264	55.00	1.82%	$ 3,534	$ 3,534	$ (0)	$ 223	$ -	$ 3,645
1850	Line Transformers (pad mount, pole mount)	$ 924,963	40.00	2.50%	$ 344,097	$ 342,482	$ 1,615	$ 23,124	$ -	$ 355,659
1850	Line Transformers (submersible)	$ 90,520	40.00	2.50%	$ 32,681	$ 32,680	$ 1	$ 2,263	$ -	$ 33,813
1850	Line Transformers (submersible vault)	$ 96,944	35.00	2.86%	$ 49,063	$ 49,063	$ (0)	$ 2,770	$ -	$ 50,448
1855	Services (Overhead & Underground) (direct)	$ 348,310	40.00	2.50%	$ 85,282	$ 85,285	$ (2)	$ 8,708	$ -	$ 89,636
1855	Services (Overhead & Underground) (duct)	$ 251,462	50.00	2.00%	$ 44,023	$ 44,054	$ (31)	$ 5,029	$ -	$ 46,538
1860	Meters	$ -	25.00	4.00%	$ 166,724	$ 159,989	$ 6,734	$ -	$ 7,492	$ 159,232
1860	Meters (Smart Meters)	$ 403,511	15.00	6.67%	$ 553,536	$ 561,967	$ (8,430)	$ 26,901	$ -	$ 566,987
1905	Land	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1908	Buildings & Fixtures	$ 122,039	50.00	2.00%	$ 60,945	$ 68,296	$ (7,350)	$ 2,441	$ -	$ 62,166
1908	Buildings & Fixtures (mechanical, roof)	$ 318,122	20.00	5.00%	$ 104,935	$ 129,048	$ (24,113)	$ 15,906	$ -	$ 112,888
1908	Buildings & Fixtures (SCADA tower)	$ -	25.00	4.00%	$ 2,461	$ 2,461	$ (0)	$ -	$ -	$ 2,461
1910	Leasehold Improvements	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Furniture & Equipment (10 years)	$ 178,788	10.00	10.00%	$ 27,457	$ 45,984	$ (18,526)	$ 17,879	$ 1,224	$ 35,173
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)	$ 443,973	3.00	33.33%	$ 230,380	$ 220,640	$ 9,740	$ 147,991	$ 108,819	$ 195,556
1930	Transportation Equipment (van)	$ 144,296	7.00	14.29%	$ 218,838	$ 220,258	$ (1,420)	$ 20,614	$ 4,054	$ 225,091
1930	Transportation Equipment (trucks, trailers)	$ 405,441	10.00	10.00%	$ 193,830	$ 195,017	$ (1,187)	$ 40,544	$ 4,489	$ 209,613
1935	Stores Equipment	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1940	Tools, Shop & Garage Equipment	$ 154,240	5.00	20.00%	$ 90,327	$ 90,266	$ 61	$ 30,848	$ 38,546	$ 67,205
1945	Measurement & Testing Equipment	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1950	Power Operated Equipment	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1955	Communications Equipment	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1955	Communication Equipment (Smart Meters)	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1960	Miscellaneous Equipment	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1970	Load Management Controls - Customer Premises	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1975	Load Management Controls Utility Premises	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1980	System Supervisor Equipment	$ (41,198)	20.00	5.00%	$ 21,944	$ 24,879	$ (2,935)	$ (2,060)	$ -	$ 20,914
1985	Miscellaneous Fixed Assets	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1990	Other Tangible Property	$ 197,157	15.00	6.67%	$ 196,773	$ 186,437	$ 10,336	$ 13,144	$ 60,508	$ 142,837
1995	Contributions & Grants	$ (462,145)	25.00	4.00%	$ (301,989)	$ (302,036)	$ 47	$ (18,486)	$ -	$ (311,232)
	Total	**$9,014,831**			**$ 3,974,351**	**$ 3,829,667**	**$ 144,684**	**$ 801,807**	**$ 310,713**	**$ 3,907,404**
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets)									
	Total Depreciation Expense				**$ 3,974,351**					

Notes:

1 Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.

2 The applicant must provide an explanation of material variances in evidence.

3 This column refers to the calculated full year depreciation but excludes the depreciation expense on assets fully depreciated during the year. This column is used for the purpose of calculating depreciation expense in the following year on the next worksheet.

General: **Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Asset Retirement Obligations (AROs), depreciation and accretion expense should be disclosed separately consistent with the Notes of historical Audited Financial Statements.**

ATTACHMENT 4-P

Depreciation and Amortization Expense (2015 MIFRS)

Board Appendix 2-CJ

File Number:	EB-2015-0061
Exhibit:	4
Attachment:	4-P
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Appendix 2-CJ
Depreciation and Amortization Expense

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013 and has adopted 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 (l)	Variance [2] (m) = (h) - (l)	Depreciation Expense on 2015 Full Year Additions (n)=((d))/(f)	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2015 Full Year Depreciation [3] (p) = 2014 Full Year Depreciation + (n) - (o)
1611	Computer Software (Formally known as Account 1925) (application software)	$ 346,000	3.00	33.33%	$ 57,667	$ 107,738	$ (50,071)	$ 115,333	$ -	$ 115,333
1611	Computer Software (Formally known as Account 1925) (systems software)	$ 150,000	5.00	20.00%	$ 231,990	$ 216,990	$ 15,000	$ 30,000	$ -	$ 246,990
1611	Computer Software (Formally known as Account 1925) (foundational software)	$ -	10.00	10.00%	$ 146,894	$ 141,949	$ 4,945	$ -	$ -	$ 146,894
1612	Land Rights (Formally known as Account 1906)	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1805	Land	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1808	Buildings	$ -	40.00	2.50%	$ 19,644	$ 19,017	$ 627	$ -	$ -	$ 19,644
1808	Buildings (mechanical, roof)	$ -	20.00	5.00%	$ 4,492	$ 8,203	$ (3,711)	$ -	$ -	$ 4,492
1810	Leasehold Improvements	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1815	Transformer Station Equipment >50 kV	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1820	Distribution Station Equipment <50 kV (power transformer, switch gear)	$ -	45.00	2.22%	$ 11,853	$ 9,715	$ 2,137	$ -	$ -	$ 11,853
1820	Distribution Station Equipment <50 kV (wholesale meter)	$ -	15.00	6.67%	$ 57,748	$ 57,765	$ (17)	$ -	$ -	$ 57,748
1825	Storage Battery Equipment	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1830	Poles, Towers & Fixtures (composite poles, concrete poles)	$ 91,808	50.00	2.00%	$ 14,129	$ 5,351	$ 8,777	$ 1,836	$ -	$ 15,047
1830	Poles, Towers & Fixtures (steel poles)	$ 153,281	60.00	1.67%	$ 24,189	$ 24,190	$ (1)	$ 2,555	$ -	$ 25,467
1830	Poles, Towers & Fixtures (wood poles)	$ 845,542	45.00	2.22%	$ 167,011	$ 166,005	$ 1,006	$ 18,790	$ -	$ 176,406
1835	Overhead Conductors & Devices (composite poles, concrete poles)	$ 700,300	50.00	2.00%	$ 208,261	$ 201,386	$ 6,876	$ 14,006	$ -	$ 215,264
1835	Overhead Conductors & Devices (steel poles)	$ 601,691	60.00	1.67%	$ 35,523	$ 35,523	$ (0)	$ 10,028	$ -	$ 40,537
1835	Overhead Conductors & Devices (wood poles)	$ 566,990	45.00	2.22%	$ 247,699	$ 246,807	$ 892	$ 12,600	$ -	$ 253,999
1840	Underground Conduit	$ 354,459	50.00	2.00%	$ 65,772	$ 64,102	$ 1,670	$ 7,089	$ -	$ 69,316
1845	Underground Conductors & Devices	$ 264,251	20.00	5.00%	$ 344,268	$ 290,815	$ 53,453	$ 13,213	$ 46,424	$ 304,451
1845	Underground Conductors & Devices (primary PILC, primary duct)	$ 472,255	25.00	4.00%	$ 274,436	$ 274,436	$ (0)	$ 18,890	$ -	$ 283,881
1845	Underground Conductors & Devices (secondary direct)	$ 76,469	35.00	2.86%	$ 27,941	$ 27,941	$ (0)	$ 2,185	$ -	$ 29,033
1845	Underground Conductors & Devices (duct bank)	$ 86,612	50.00	2.00%	$ 23,388	$ 23,392	$ (4)	$ 1,732	$ -	$ 24,254
1845	Underground Conductors & Devices (trans switch)	$ 15,886	55.00	1.82%	$ 3,790	$ 3,790	$ (0)	$ 289	$ -	$ 3,934
1850	Line Transformers (pad mount, pole mount)	$ 965,870	40.00	2.50%	$ 367,732	$ 354,706	$ 13,027	$ 24,147	$ -	$ 379,806
1850	Line Transformers (submersible)	$ 101,764	40.00	2.50%	$ 35,085	$ 35,085	$ 0	$ 2,544	$ -	$ 36,357
1850	Line Transformers (submersible vault)	$ 108,986	35.00	2.86%	$ 52,005	$ 52,005	$ (0)	$ 3,114	$ -	$ 53,562
1855	Services (Overhead & Underground) (direct)	$ 372,723	40.00	2.50%	$ 94,295	$ 125,386	$ (31,091)	$ 9,318	$ -	$ 98,954
1855	Services (Overhead & Underground) (duct)	$ 275,636	50.00	2.00%	$ 49,294	$ 49,325	$ (31)	$ 5,513	$ -	$ 52,051
1860	Meters	$ -	25.00	4.00%	$ 159,232	$ 211,474	$ (52,243)	$ -	$ 7,457	$ 151,775
1860	Meters (Smart Meters)	$ 458,233	15.00	6.67%	$ 582,261	$ 568,478	$ 13,783	$ 30,549	$ -	$ 597,536
1905	Land	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1908	Buildings & Fixtures	$ 400,500	50.00	2.00%	$ 66,171	$ 62,714	$ 3,457	$ 8,010	$ -	$ 70,176
1908	Buildings & Fixtures (mechanical, roof)	$ 64,500	20.00	5.00%	$ 114,500	$ 128,736	$ (14,236)	$ 3,225	$ -	$ 116,113
1908	Buildings & Fixtures (SCADA tower)	$ -	25.00	4.00%	$ 2,461	$ 2,461	$ (0)	$ -	$ -	$ 2,461
1910	Leasehold Improvements	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Furniture & Equipment (10 years)	$ 20,000	10.00	10.00%	$ 36,173	$ 46,791	$ (10,618)	$ 2,000	$ 128	$ 37,045
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)	$ 35,000	3.00	33.33%	$ 201,389	$ 136,439	$ 64,950	$ 11,667	$ -	$ 207,223
1930	Transportation Equipment (van)	$ 495,000	7.00	14.29%	$ 260,448	$ 223,675	$ 36,773	$ 70,714	$ 16,976	$ 278,829
1930	Transportation Equipment (trucks, trailers)	$ 140,000	10.00	10.00%	$ 216,613	$ 233,527	$ (16,914)	$ 14,000	$ 30,715	$ 192,898
1935	Stores Equipment	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1940	Tools, Shop & Garage Equipment	$ 132,000	5.00	20.00%	$ 80,405	$ 73,854	$ 6,551	$ 26,400	$ 6,958	$ 86,647
1945	Measurement & Testing Equipment	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1950	Power Operated Equipment	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1955	Communications Equipment	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1955	Communication Equipment (Smart Meters)	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1960	Miscellaneous Equipment	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1970	Load Management Controls	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1975	Load Management Controls Utility Premises	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1980	System Supervisor Equipment	$ 105,900	20.00	5.00%	$ 23,561	$ 28,739	$ (5,178)	$ 5,295	$ -	$ 26,209
1985	Miscellaneous Fixed Assets	$ -	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1990	Other Tangible Property	$ 200,000	15.00	6.67%	$ 149,504	$ 135,742	$ 13,762	$ 13,333	$ 16,390	$ 139,781
1995	Contributions & Grants	$ (375,000)	25.00	4.00%	$ (318,732)	$ (313,753)	$ (4,979)	$ (15,000)	$ -	$ (326,232)
	Total	**$8,226,657**			**$ 4,139,091**	**$ 4,080,500**	**$ 58,591**	**$ 463,375**	**$ 125,048**	**$ 4,245,730**
	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				**$ 4,139,091**					

Notes:

1 Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.

2 The applicant must provide an explanation of material variances in evidence.

3 This column refers to the calculated full year depreciation but excludes the depreciation expense on assets fully depreciated during the year. This column is used for the purpose of calculating depreciation expense in the following year on the next worksheet.

General: **Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Asset Retirement Obligations (AROs), depreciation and accretion expense should be disclosed separately consistent with the Notes of historical Audited Financial Statements.**

ATTACHMENT 4-Q

Depreciation and Amortization Expense (2016 MIFRS)

Board Appendix 2-CK

Appendix 2-CK
Depreciation and Amortization Expense

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

2016 MIFRS

Account	Description	Additions (d)	Years (new additions only) (f)	Depreciation Rate on New Additions (g) = 1 / (f)	2016 Depreciation Expense [1] (h)=2015 Full Year Depreciation + ((d)*0.5)/(f)	2016 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance [2] (m) = (h) - (l)
1611	Computer Software (Formally known as Account 1925) (application software)	$ 402,000	3.00	33.33%	**$ 182,333**	$ 105,843	**$ 76,490**
1611	Computer Software (Formally known as Account 1925) (systems software)	$ -	5.00	20.00%	**$ 246,990**	$ 246,990	**$ (0)**
1611	Computer Software (Formally known as Account 1925) (foundational software)	$ -	10.00	10.00%	**$ 146,894**	$ 146,894	**$ (1)**
1612	Land Rights (Formally known as Account 1906)	$ -	-	0.00%	**$ -**	$ -	**$ -**
1805	Land	$ -	-	0.00%	**$ -**	$ -	**$ -**
1808	Buildings	$ -	40.00	2.50%	**$ 19,644**	$ 24,010	**$ (4,366)**
1808	Buildings (mechanical, roof)	$ -	20.00	5.00%	**$ 4,492**	$ 8,203	**$ (3,711)**
1810	Leasehold Improvements	$ -	-	0.00%	**$ -**	$ -	**$ -**
1815	Transformer Station Equipment >50 kV	$ -	-	0.00%	**$ -**	$ -	**$ -**
1820	Distribution Station Equipment <50 kV (power transformer, switch gear)	$ -	45.00	2.22%	**$ 11,853**	$ 11,419	**$ 434**
1820	Distribution Station Equipment <50 kV (wholesale meter)	$ -	15.00	6.67%	**$ 57,748**	$ 57,765	**$ (17)**
1825	Storage Battery Equipment	$ -	-	0.00%	**$ -**	$ -	**$ -**
1830	Poles, Towers & Fixtures (composite poles, concrete poles)	$ 70,219	50.00	2.00%	**$ 15,749**	$ 15,358	**$ 391**
1830	Poles, Towers & Fixtures (steel poles)	$ 148,855	60.00	1.67%	**$ 26,707**	$ 26,708	**$ (1)**
1830	Poles, Towers & Fixtures (wood poles)	$ 798,492	45.00	2.22%	**$ 185,278**	$ 184,272	**$ 1,006**
1835	Overhead Conductors & Devices (composite poles, concrete poles)	$ 742,275	50.00	2.00%	**$ 222,687**	$ 227,060	**$ (4,372)**
1835	Overhead Conductors & Devices (steel poles)	$ 134,106	60.00	1.67%	**$ 41,654**	$ 41,655	**$ (1)**
1835	Overhead Conductors & Devices (wood poles)	$ 854,934	45.00	2.22%	**$ 263,498**	$ 262,605	**$ 893**
1840	Underground Conduit	$ 346,937	50.00	2.00%	**$ 72,786**	$ 72,616	**$ 169**
1845	Underground Conductors & Devices	$ 323,966	20.00	5.00%	**$ 312,550**	$ 271,751	**$ 40,799**
1845	Underground Conductors & Devices (primary PILC, primary duct)	$ 406,393	25.00	4.00%	**$ 292,009**	$ 292,009	**$ (0)**
1845	Underground Conductors & Devices (secondary direct)	$ 65,954	35.00	2.86%	**$ 29,975**	$ 29,975	**$ 0**
1845	Underground Conductors & Devices (duct bank)	$ 74,200	50.00	2.00%	**$ 24,996**	$ 24,999	**$ (3)**
1845	Underground Conductors & Devices (trans switch)	$ 13,662	55.00	1.82%	**$ 4,059**	$ 4,059	**$ (0)**
1850	Line Transformers (pad mount, pole mount)	$ 913,140	40.00	2.50%	**$ 391,220**	$ 388,820	**$ 2,400**
1850	Line Transformers (submersible)	$ 97,979	40.00	2.50%	**$ 37,582**	$ 37,582	**$ (0)**
1850	Line Transformers (submersible vault)	$ 104,932	35.00	2.86%	**$ 55,061**	$ 55,061	**$ (0)**
1855	Services (Overhead & Underground) (direct)	$ 358,395	40.00	2.50%	**$ 103,434**	$ 141,143	**$ (37,709)**
1855	Services (Overhead & Underground) (duct)	$ 256,360	50.00	2.00%	**$ 54,614**	$ 54,645	**$ (31)**
1860	Meters	$ -	25.00	4.00%	**$ 151,775**	$ 209,354	**$ (57,579)**
1860	Meters (Smart Meters)	$ 567,580	15.00	6.67%	**$ 616,455**	$ 617,597	**$ (1,142)**
1905	Land	$ -	-	0.00%	**$ -**	$ -	**$ -**
1908	Buildings & Fixtures	$ 203,000	50.00	2.00%	**$ 72,206**	$ 74,205	**$ (1,999)**
1908	Buildings & Fixtures (mechanical, roof)	$ 72,000	20.00	5.00%	**$ 117,913**	$ 128,736	**$ (10,823)**
1908	Buildings & Fixtures (SCADA tower)	$ -	25.00	4.00%	**$ 2,461**	$ 2,461	**$ (0)**
1910	Leasehold Improvements	$ -	-	0.00%	**$ -**	$ -	**$ -**
1915	Office Furniture & Equipment (10 years)	$ 20,000	10.00	10.00%	**$ 38,045**	$ 50,270	**$ (12,226)**
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)	$ 116,000	3.00	33.33%	**$ 226,556**	$ 149,718	**$ 76,838**
1930	Transportation Equipment (van)	$ 260,000	7.00	14.29%	**$ 297,401**	$ 297,681	**$ (280)**
1930	Transportation Equipment (trucks, trailers)	$ 340,000	10.00	10.00%	**$ 209,898**	$ 200,233	**$ 9,665**
1935	Stores Equipment	$ -	-	0.00%	**$ -**	$ -	**$ -**
1940	Tools, Shop & Garage Equipment	$ 155,500	5.00	20.00%	**$ 102,197**	$ 93,414	**$ 8,783**
1945	Measurement & Testing Equipment	$ -	-	0.00%	**$ -**	$ -	**$ -**
1950	Power Operated Equipment	$ -	-	0.00%	**$ -**	$ -	**$ -**
1955	Communications Equipment	$ -	-	0.00%	**$ -**	$ -	**$ -**
1955	Communication Equipment (Smart Meters)	$ -	-	0.00%	**$ -**	$ -	**$ -**
1960	Miscellaneous Equipment	$ -	-	0.00%	**$ -**	$ -	**$ -**
1970	Load Management Controls - Customer Premises	$ -	-	0.00%	**$ -**	$ -	**$ -**
1975	Load Management Controls Utility Premises	$ -	-	0.00%	**$ -**	$ -	**$ -**
1980	System Supervisor Equipment	$ 106,809	20.00	5.00%	**$ 28,879**	$ 34,818	**$ (5,939)**
1985	Miscellaneous Fixed Assets	$ -	-	0.00%	**$ -**	$ -	**$ -**
1990	Other Tangible Property	$ 260,000	15.00	6.67%	**$ 148,447**	$ 138,112	**$ 10,336**
1995	Contributions & Grants	$ (375,000)	25.00	4.00%	**$ (333,732)**	$ (313,753)	**$ (19,979)**
	Total	**$7,838,688**			**$ 4,482,312**	**$ 4,414,289**	**$ 68,023**
	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				**$ 4,482,312**		

Notes:

1 Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.

2 The applicant must provide an explanation of material variances in evidence.

General: **Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Asset Retirement Obligations (AROs), depreciation and accretion expense should be disclosed separately consistent with the Notes of historical Audited Financial Statements.**

ATTACHMENT 4-R

EPI Federal and Provincial Income Tax Returns

December 31, 2014

200

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

055 **Do not use this area**

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

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

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

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

Identification

Business number (BN) 001 89429 0014 RC0002

Corporation's name
002 ENTEGRUS POWERLINES INC.

Address of head office
Has this address changed since the last time we were notified? 010 1 Yes ☐ 2 No X
(**If yes**, complete lines 011 to 018.)
011 320 QUEEN STREET
012 P.O. BOX 70
City: 015 CHATHAM
Province, territory, or state: 016 ON
Country (other than Canada): 017
Postal code/Zip code: 018 N7M 5K2

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? 020 1 Yes ☐ 2 No X
(**If yes**, complete lines 021 to 028.)
021 c/o
022
023
City: 025
Province, territory, or state: 026
Country (other than Canada): 027
Postal code/Zip code: 028

Location of books and records (if different from head office address)
Has the location of books and records changed since the last time we were notified? 030 1 Yes ☐ 2 No X
(**If yes**, complete lines 031 to 038.)
031 320 QUEEN STREET
032 P.O. BOX 70
City: 035 CHATHAM
Province, territory, or state: 036 ON
Country (other than Canada): 037
Postal code/Zip code: 038 N7M 5K2

040 **Type of corporation at the end of the tax year**
1 X Canadian-controlled private corporation (CCPC)
2 ☐ Other private corporation
3 ☐ Public corporation
4 ☐ Corporation controlled by a public corporation
5 ☐ Other corporation (specify, below)

If the type of corporation changed during the tax year, provide the effective date of the change 043 YYYY MM DD

To which tax year does this return apply?
Tax year start 060 2014-01-01 (YYYY MM DD)
Tax year-end 061 2014-12-31 (YYYY MM DD)

Has there been an acquisition of control to which subsection 249(4) applies since the tax year start on line 060? 063 1 Yes ☐ 2 No X

If yes, provide the date control was acquired 065 YYYY MM DD

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? 066 1 Yes ☐ 2 No X

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

Is this the first year of filing after:
Incorporation? 070 1 Yes ☐ 2 No X
Amalgamation? 071 1 Yes ☐ 2 No X
If **yes**, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? 072 1 Yes ☐ 2 No X
If **yes**, complete and attach Schedule 24.

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

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

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

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

Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes ☐ 2 No X
If **yes**, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:
085
1 ☐ Exempt under paragraph 149(1)(e) or (l)
2 ☐ Exempt under paragraph 149(1)(j)
3 ☐ Exempt under paragraph 149(1)(t)
4 ☐ Exempt under other paragraphs of section 149

Do not use this area
095 096 898

Attachments

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

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164	X	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	X	15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal *Income Tax Regulations*?	170		29
Did the corporation have a total amount over $1 million of reportable transactions with non-arm's length non-residents?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		
Does the corporation earn income from one or more Internet webpages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; gifts of cultural or ecological property; or gifts of medicine?	202	X	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	X	3
Is the corporation claiming any type of losses?	204	X	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	X	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) does the corporation have aggregate investment income at line 440?	207		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210	X	10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves (other than transitional reserves under section 34.2)?	213	X	13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231	X	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	
Is the corporation claiming a surtax credit?	237		37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments – continued from page 2

		Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		T1134
Did the corporation own specified foreign property in the year with a cost amount over $100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265	X	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268	X	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269		54

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	1 Yes	2 No X
Is the corporation inactive?	280	1 Yes	2 No X

What is the corporation's main revenue-generating business activity? 221122 Electric Power Distribution

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 DISTRIB.	285	100.000 %
286		287	%
288		289	%

Did the corporation immigrate to Canada during the tax year?	291	1 Yes	2 No X
Did the corporation emigrate from Canada during the tax year?	292	1 Yes	2 No X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	1 Yes	2 No
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	294	YYYY MM DD	
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	1 Yes	2 No

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI			300	-1,332,568 A
Deduct: Charitable donations from Schedule 2	311			
Gifts to Canada, a province, or a territory from Schedule 2	312			
Cultural gifts from Schedule 2	313			
Ecological gifts from Schedule 2	314			
Gifts of medicine from Schedule 2	315			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320			
Part VI.1 tax deduction*	325			
Non-capital losses of previous tax years from Schedule 4	331			
Net capital losses of previous tax years from Schedule 4	332			
Restricted farm losses of previous tax years from Schedule 4	333			
Farm losses of previous tax years from Schedule 4	334			
Limited partnership losses of previous tax years from Schedule 4	335			
Taxable capital gains or taxable dividends allocated from a central credit union	340			
Prospector's and grubstaker's shares	350			
Subtotal			▶	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")				C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions			355	D
Taxable income (amount C **plus** amount D)			360	
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 ______ A

Taxable income from line 360 on page 3, **minus** 100/28 3.57143 of the amount on line 632* on page 7, **minus** 4 times the amount on line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax . . . . . . 405 ______ B

Business limit (see notes 1 and 2 below) . . . . . . 410 ______ C

Notes:

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

Business limit reduction:

Amount C ______ x 415 *** 174,679 D = ... ______ E
11,250

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

Small business deduction

Amount A, B, C, or F, whichever is the least ______ x 17 % = ... 430 ______ G

Enter amount G on line I on page 7.

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

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

*** **Large corporations**

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

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from page 3 (line 360 or amount Z, whichever applies)				A
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27		B		
Amount QQ from Part 13 of Schedule 27		C		
Personal service business income	432	D		
Amount used to calculate the credit union deduction (amount F from Schedule 17)		E		
Amount from line 400, 405, 410, or 425 on page 4, whichever is the least		F		
Aggregate investment income from line 440 on page 6*		G		
Subtotal (**add** amounts B to G)			▶	H
Amount A **minus** amount H (if negative, enter "0")				I
General tax reduction for Canadian-controlled private corporations – Amount I **multiplied** by 13 %				J

Enter amount J on line 638 on page 7.

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

General tax reduction

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

Taxable income from page 3 (line 360 or amount Z, whichever applies)				K
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27		L		
Amount QQ from Part 13 of Schedule 27		M		
Personal service business income	434	N		
Amount used to calculate the credit union deduction (amount F from Schedule 17)		O		
Subtotal (**add** amounts L to O)			▶	P
Amount K **minus** amount P (if negative, enter "0")				Q
General tax reduction – Amount Q **multiplied** by 13 %				R

Enter amount R on line 639 on page 7.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 . . . . **440** ________ x 26 2 / 3 % = ... ________ A

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

Deduct:
Foreign investment income from Schedule 7 . . . . **445** ________ x 9 1 / 3 % = ________ C
(if negative, enter "0") ________ ▶ ________ D

Amount A **minus** amount D (if negative, enter "0") . . . . ________ E

Taxable income from line 360 on page 3 . . . . ________ F

Deduct:
Amount from line 400, 405, 410, or 425 on page 4, whichever is the least . . . . ________ G

Foreign non-business income tax credit from line 632 on page 7 . . . ________ x 100 / 35 = ________ H

Foreign business income tax credit from line 636 on page 7 . . . . ________ x 4 = ________ I

Subtotal ________ ▶ ________ J

________ K

x 26 2 / 3 % = ________ L

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 8) . . . . ________ M

Refundable portion of Part I tax – Amount E, L, or M, whichever is the least . . . . **450** ________ N

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the previous tax year **460** 5,989

Deduct: Dividend refund for the previous tax year **465** 5,989

________ ▶ ________ O

Add the total of:

Refundable portion of Part I tax from line 450 above . . . . ________ P

Total Part IV tax payable from Schedule 3 . . . . ________ Q

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

________ ▶ ________ R

Refundable dividend tax on hand at the end of the tax year – Amount O **plus** amount R . . . . **485** ________

Dividend refund

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

Taxable dividends paid in the tax year from line 460 on page 2 of Schedule 3 . . . . 1,400,000 x 1 / 3 = 466,667 S

Refundable dividend tax on hand at the end of the tax year from line 485 above . . . . ________ T

Dividend refund – Amount S or T, whichever is less . . . . ________ U

Enter amount U on line 784 on page 8.

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) **multiplied** by 38 % . . . **550** ______ A

Recapture of investment tax credit from Schedule 31 . . . . **602** ______ B

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

Aggregate investment income from line 440 on page 6 . . . . ______ C

Taxable income from line 360 on page 3 . . . . ______ D

Deduct:

Amount from line 400, 405, 410, or 425 on page 4, whichever is the least . . . . ______ E

Net amount (amount D **minus** amount E) . . . . ► ______ F

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

Subtotal (**add** amounts A, B, and G) ______ H

Deduct:

Small business deduction from line 430 on page 4		I
Federal tax abatement	**608**	
Manufacturing and processing profits deduction from Schedule 27	**616**	
Investment corporation deduction	**620**	
Taxed capital gains **624** ______		
Additional deduction – credit unions from Schedule 17	**628**	
Federal foreign non-business income tax credit from Schedule 21	**632**	
Federal foreign business income tax credit from Schedule 21	**636**	
General tax reduction for CCPCs from amount J on page 5	**638**	
General tax reduction from amount R on page 5	**639**	
Federal logging tax credit from Schedule 21	**640**	
Eligible Canadian bank deduction under section 125.21	**641**	
Federal qualifying environmental trust tax credit	**648**	
Investment tax credit from Schedule 31	**652**	

Subtotal ______ ► ______ J

Part I tax payable – Amount H **minus** amount J . . . . ______ K

Enter amount K on line 700 on page 8.

Summary of tax and credits

Federal tax

Part I tax payable from amount K on page 7	700	
Part II surtax payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		

Add provincial or territorial tax:

Provincial or territorial jurisdiction . . . 750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial or territorial tax payable (except Quebec and Alberta)	760	71,601
Total tax payable	770	71,601 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from amount U on page 6	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld 801		
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	379,000
Total credits	890	379,000 ► 379,000 B

Refund code 894 1 Overpayment 307,399 ◄ Balance (amount A **minus** amount B) -307,399

If the result is positive, you have a **balance unpaid**. If the result is negative, you have an **overpayment**. Enter the amount on whichever line applies. Generally, we do not charge or refund a difference of $2 or less.

Balance unpaid . . . . . .

For information on how to make your payment, go to **www.cra-arc.gc.ca/payments**.

Direct deposit request

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

__ Start __ Change information 910 Branch number

914 Institution number 918 Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes 2 No X

If this return was prepared by a tax preparer for a fee, provide their EFILE number 920 A6315

Certification

I, 950 COWELL (Last name (print)) 951 CHRIS (First name (print)) 954 CFO (Position, office, or rank)

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

955 2015-07-07 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation 956 (519) 352-6300 Telephone number

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

958 Name (print) 959 Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français. 990 1

Schedule of Instalment Remittances

Name of corporation contact

Telephone number

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
	Total instalments for 2014	379,000
	Total amount of instalments claimed (carry the result to line 840 of the T2 Return)	379,000 A
	Total instalments credited to the taxation year per T9	379,000 B

Transfer

	Account number	Taxation year end	Amount	Effective interest date	Description
From:					
To:					
From:					
To:					
From:					
To:					
From:					
To:					
From:					
To:					

Canada Revenue Agency | Agence du revenu du Canada

SCHEDULE 100

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
	Assets				
	Total current assets	1599	+	26,422,969	29,368,279
	Total tangible capital assets	2008	+	71,658,460	66,526,334
	Total accumulated amortization of tangible capital assets	2009	–		
	Total intangible capital assets	2178	+	367,304	367,304
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+	8,140,155	6,218,269
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	106,588,888	102,480,186
	Liabilities				
	Total current liabilities	3139	+	17,224,700	25,785,381
	Total long-term liabilities	3450	+	56,606,129	46,374,497
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	73,830,829	72,159,878
	Shareholder equity				
	Total shareholder equity (mandatory field)	3620	+	32,758,059	30,320,308
	Total liabilities and shareholder equity	3640	=	106,588,888	102,480,186
	Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849	=	4,603,436	2,165,685

* Generic item

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SCHEDULE 125

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

Income statement information

Description	GIFI	
Operating name	0001	
Description of the operation	0002	
Sequence number	0003	01

Account	Description	GIFI		Current year	Prior year
	Income statement information				
	Total sales of goods and services	8089	+	122,399,740	115,419,048
	Cost of sales	8518	–	103,652,003	96,951,040
	Gross profit/loss	8519	=	18,747,737	18,468,008
	Cost of sales	8518	+	103,652,003	96,951,040
	Total operating expenses	9367	+	16,951,577	16,261,969
	Total expenses (mandatory field)	9368	=	120,603,580	113,213,009
	Total revenue (mandatory field)	8299	+	124,081,698	116,757,109
	Total expenses (mandatory field)	9368	–	120,603,580	113,213,009
	Net non-farming income	9369	=	3,478,118	3,544,100
	Farming income statement information				
	Total farm revenue (mandatory field)	9659	+		
	Total farm expenses (mandatory field)	9898	–		
	Net farm income	9899	=		
	Net income/loss before taxes and extraordinary items	9970	=	3,478,118	3,544,100
	Total other comprehensive income	9998	=		
	Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–		
	Current income taxes	9990	–	-359,633	866,315
	Future (deferred) income tax provision	9995	–		
	Total – Other comprehensive income	9998	+		
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	3,837,751	2,677,785

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Schedule 141

Notes Checklist

Corporation's name	Business number	Tax year-end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

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

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

Does the accountant have a professional designation? .... **095** 1 Yes X 2 No

Is the accountant connected* with the corporation? .... **097** 1 Yes 2 No X

Note

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

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

Part 2 – Type of involvement with the financial statements

Choose the option that represents the highest level of involvement of the accountant: **198**

Completed an auditor's report .... 1 X

Completed a review engagement report 2

Conducted a compilation engagement 3

Part 3 – Reservations

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

Has the accountant expressed a reservation? .... **099** 1 Yes 2 No X

Part 4 – Other information

If you have a professional designation and are not the accountant associated with the financial statements in Part 1 above, choose one of the following options: **110**

Prepared the tax return (financial statements prepared by client) .... 1 X

Prepared the tax return and the financial information contained therein (financial statements have not been prepared) 2

Were notes to the financial statements prepared? .... **101** 1 Yes X 2 No

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

Are subsequent events mentioned in the notes? .... **104** 1 Yes 2 No X

Is re-evaluation of asset information mentioned in the notes? .... **105** 1 Yes 2 No X

Is contingent liability information mentioned in the notes? .... **106** 1 Yes 2 No X

Is information regarding commitments mentioned in the notes? .... **107** 1 Yes X 2 No

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

Part 4 – Other information (continued)

Impairment and fair value changes

In any of the following assets, was an amount recognized in net income or other comprehensive income (OCI) as a result of an impairment loss in the tax year, a reversal of an impairment loss recognized in a previous tax year, or a change in fair value during the tax year? . . . . . **200** 1 Yes ☐ 2 No X

If **yes**, enter the amount recognized:

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

Financial instruments

		1 Yes	2 No
Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)?	250		X
Did the corporation apply hedge accounting during the tax year?	255		X
Did the corporation discontinue hedge accounting during the tax year?	260		X

Adjustments to opening equity

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year? . . . . . **265** 1 Yes ☐ 2 No X

If **yes**, you have to maintain a separate reconciliation.

T2 BAR CODE RETURN

Name: ENTEGRUS POWERLINES INC.

BN: 89429 0014 RC 0002

Tax Year Start: 2014-01-01

Tax Year End: 2014-12-31

The taxpayer is electing to include additions of $265,251 as a separate class for the purposes of claiming the additional 2% depreciation rate on the building.

SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

Assets – lines 1000 to 2599

1000	3,714,286	1060	19,662,987	1064	375,346
1120	756,533	1483	1,636,515	1484	277,302
1599	26,422,969	1774	2,043,918	1900	69,614,542
2008	71,658,460	2010	367,304	2178	367,304
2420	6,663,041	2421	1,477,114	2589	8,140,155
2599	106,588,888				

Liabilities – lines 2600 to 3499

2620	15,690,447	2770	175,267	2920	1,358,986
3139	17,224,700	3140	2,573,293	3300	47,073,326
3320	6,959,510	3450	56,606,129	3499	73,830,829

Shareholder equity – lines 3500 to 3640

3500	28,154,623	3600	4,603,436	3620	32,758,059
3640	106,588,888				

Retained earnings – lines 3660 to 3849

3660	2,165,685	3680	3,837,751	3700	-1,400,000
3849	4,603,436				

SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

Description

Sequence number 0003 01

Revenue – lines 8000 to 8299

8000	122,399,740	8089	122,399,740	8210	38,787
8230	1,643,171	8299	124,081,698		

Cost of sales – lines 8300 to 8519

8320	103,652,003	8518	103,652,003	8519	18,747,737

Operating expenses – lines 8520 to 9369

8670	3,601,671	8710	2,351,208	8810	2,274,499
9270	5,866,830	9284	2,857,369	9367	16,951,577
9368	120,603,580	9369	3,478,118		

Extraordinary items and taxes – lines 9970 to 9999

9970	3,478,118	9990	-359,633	9999	3,837,751

Canada Revenue Agency / Agence du revenu du Canada

Net Income (Loss) for Income Tax Purposes

SCHEDULE 1

Corporation's name	Business Number	Tax year end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

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

Amount calculated on line 9999 from Schedule 125				3,837,751 A
Add:				
Provision for income taxes – current		101	-359,633	
Amortization of tangible assets		104	3,601,671	
Charitable donations and gifts from Schedule 2		112	207,363	
Non-deductible meals and entertainment expenses		121	14,358	
Other reserves on lines 270 and 275 from Schedule 13		125	4,881,617	
Reserves from financial statements – balance at the end of the year		126	6,935,134	
Subtotal of additions			15,280,510 ▶	15,280,510
Other additions:				
Miscellaneous other additions:				
600 Cy Federal Apprenticeship Tax Credits		290	4,286	
601 Cy Ontario Apprenticeship Tax Credits		291	22,308	
604 RSVA costs previously deducted	2,596,249			
Total	2,596,249	294	2,596,249	
Subtotal of other additions		199	2,622,843 ▶	2,622,843
Total additions		500	17,903,353 ▶	17,903,353 B
Amount A **plus** amount B				21,741,104
Deduct:				
Gain on disposal of assets per financial statements		401	38,787	
Capital cost allowance from Schedule 8		403	7,631,877	
Cumulative eligible capital deduction from Schedule 10		405	56,819	
Other reserves on line 280 from Schedule 13		413	4,268,135	
Reserves from financial statements – balance at the beginning of the year		414	7,607,925	
Subtotal of deductions			19,603,543 ▶	19,603,543
Other deductions:				
Miscellaneous other deductions:				
701 Deductible costs included in regulatory assets		391	3,470,129	
704				
Total		394		
Subtotal of other deductions		499	3,470,129 ▶	3,470,129
Total deductions		510	23,073,672 ▶	23,073,672
Net income (loss) for income tax purposes – enter on line 300 of the T2 return				-1,332,568

T2 SCH 1 E (12)

Canada

Attached Schedule with Total

Meals and entertainment expenses

Title Meals and entertainment expenses

Description	Amount
Balance at TB-39	36,560 50
Adjust for TB-19	-5,775 18
Adjust for TB-22	-2,068 93
Total	28,716 39

Canada Revenue Agency | Agence du revenu du Canada

Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

- For use by corporations to claim any of the following:
  - the eligible amount of charitable donations to qualified donees;
  - the Ontario community food program donation tax credit for farmers;
  - the eligible amount of gifts to Canada, a province, or a territory;
  - the eligible amount of gifts of certified cultural property;
  - the eligible amount of gifts of certified ecologically sensitive land; or
  - the additional deduction for gifts of medicine.
- All legislative references are the federal *Income Tax Act*, unless otherwise specified.
- The eligible amount of a gift is the amount by which the fair market value of the gifted property exceeds the amount of an advantage, if any, for the gift.
- The donations and gifts are eligible for a 5-year carryforward except for gifts of certified ecologically sensitive land made after February 10, 2014, which are eligible for a 10-year carryforward.
- Use this schedule to show a transfer of unused amounts from previous years following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1) of the federal *Act*.
- Subsection 110.1(1.2) of the federal Act provides as follows:
  - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control.
  - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- An eligible medical gift to a qualifying organization for activities outside of Canada may be eligible for an additional deduction. Calculate the additional deduction in Part 6.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation - Income Tax Guide*.

Part 1 – Charitable donations

Charity/Recipient		Amount ($100 or more only)
Four Counties Health Services Foundation		2,000
Salvation Army		5,363
St Clair College		171,000
YMCA of Chatham-Kent		29,000
	Subtotal	207,363
	Add: Total donations of less than $100 each	
	Total donations in current tax year	207,363

Part 1 – Charitable donations

	Line	Federal		Québec	Alberta
Charitable donations at the end of the previous tax year			A		
Deduct: Charitable donations expired after five tax years*	239				
Charitable donations at the beginning of the current tax year	240		B		
Add:					
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250				
Total charitable donations made in the current year (enter this amount on line 112 of Schedule 1)	210	207,363		207,363	207,363
Subtotal (line 250 **plus** line 210)		207,363	C	207,363	207,363
Subtotal (amount B **plus** amount C)		207,363	D	207,363	207,363
Deduct: Adjustment for an acquisition of control	255				
Total charitable donations available (amount D **minus** amount on line 255)		207,363	E	207,363	207,363
Deduct: Amount applied in the current year against taxable income (cannot be more than amount O in Part 2) (enter this amount on line 311 of the T2 return)	260				
Charitable donations closing balance (amount E **minus** amount on line 260)	280	207,363		207,363	207,363
Ontario community food program donation for farmers included in the amount on line 260 (for donations made after December 31, 2013)	262				
Ontario community food program donation tax credit for farmers (amount on line 262 **multiplied** by 25 %)			1		

Enter the amount from line 1 on line 420 of Schedule 5, *Tax Calculation Supplementary – Corporations*. The maximum amount you can claim in the current year is whichever is less; the Ontario income tax otherwise payable or the amount on line 1. For more information, see section 103.1.2 of the *Taxation Act, 2007* (Ontario).

* For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2013-12-31			
2nd prior year	2012-12-31			
3rd prior year	2011-12-31			
4th prior year	2010-12-31			
5th prior year	2009-12-31			
6th prior year*	2008-12-31			
7th prior year	2007-12-31			
8th prior year	2006-12-31			
9th prior year	2005-12-31			
10th prior year	2004-12-31			
11th prior year	2003-12-31			
12th prior year	2002-12-31			
13th prior year	2001-12-31			
14th prior year	2001-09-30			
15th prior year				
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total (to line A)				

* For the federal and Alberta, the 6th prior year gifts expire in the current year. For Québec, the 6th prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21st prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

Part 2 – Calculation of the maximum allowable deduction for charitable donations

Net income for tax purposes* **multiplied** by 75 %			F
Taxable capital gains arising in respect of gifts of capital property included in Part 1 **	225		G
Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01)	227		H
The amount of the recapture of capital cost allowance in respect of charitable donations	230		
Proceeds of disposition, **less** outlays and expenses**			I
Capital cost**			J
Amount I or J, whichever is less	235		
Amount on line 230 or 235, whichever is less			K
Subtotal (**add** amounts G, H, and K)			L
Amount L **multiplied** by 25 %			M
Subtotal (amount F **plus** amount M)			N
Maximum allowable deduction for charitable donations (enter amount E from Part 1, amount N, or net income for tax purposes, whichever is less)			O

* For credit unions, subsection 137(2) states that this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

** This amount must be prorated by the following calculation: eligible amount of the gift **divided by** the proceeds of disposition of the gift.

Part 3 – Gifts to Canada, a province, or a territory

Gifts to Canada, a province, or a territory at the end of the previous tax year			A
Deduct: Gifts to Canada, a province, or a territory expired after five tax years	339		
Gifts to Canada, a province, or a territory at the beginning of the current tax year	340		B
Add:			
Gifts to Canada, a province, or a territory transferred on an amalgamation or the wind-up of a subsidiary	350		
Total gifts made to Canada, a province, or a territory in the current year*	310		
Subtotal (line 350 **plus** line 310)		▶	C
Subtotal (amount B **plus** amount C)			D
Deduct:			
Adjustment for an acquisition of control	355		
Amount applied in the current year against taxable income (enter this amount on line 312 of the T2 return)	360		
Subtotal (line 355 **plus** line 360)		▶	E
Gifts to Canada, a province, or a territory closing balance (amount D **minus** amount E)	380		

* Not applicable for gifts made after February 18, 1997, unless a written agreement was made before this date. If no written agreement exists, enter the amount on line 210 and complete Part 2.

Part 4 – Gifts of certified cultural property

		Federal		Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year			F		
Deduct: Gifts of certified cultural property expired after five tax years*	439				
Gifts of certified cultural property at the beginning of the current tax year	440		G		
Add:					
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary	450				
Total gifts of certified cultural property in the current year	410				
Subtotal (line 450 **plus** line 410)			H		
Subtotal (amount G **plus** amount H)			I		
Deduct:					
Adjustment for an acquisition of control	455				
Amount applied in the current year against taxable income (enter this amount on line 313 of the T2 return)	460				
Subtotal (line 455 **plus** line 460)			J		
Gifts of certified cultural property closing balance (amount I **minus** amount J)	480				

* For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2013-12-31			
2nd prior year	2012-12-31			
3rd prior year	2011-12-31			
4th prior year	2010-12-31			
5th prior year	2009-12-31			
6th prior year*	2008-12-31			
7th prior year	2007-12-31			
8th prior year	2006-12-31			
9th prior year	2005-12-31			
10th prior year	2004-12-31			
11th prior year	2003-12-31			
12th prior year	2002-12-31			
13th prior year	2001-12-31			
14th prior year	2001-09-30			
15th prior year				
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

* For the federal and Alberta, the 6th prior year gifts expire in the current year. For Québec, the 6th prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21st prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

Part 5 – Gifts of certified ecologically sensitive land

	Line	Federal		Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year			K		
Deduct: Gifts of certified ecologically sensitive land expired after 5 tax years, or after 10 tax years for gifts made after February 10, 2014*	539				
Gifts of certified ecologically sensitive land at the beginning of the current tax year	540		L		
Add:					
Gifts of certified ecologically sensitive land transferred on an amalgamation or the wind-up of a subsidiary	550				
Total current-year gifts of certified ecologically sensitive land made before February 11, 2014	510				
Total current-year gifts of certified ecologically sensitive land made after February 10, 2014	520				
Subtotal (**add** lines 550, 510, and 520)			M		
Subtotal (amount L **plus** amount M)			N		
Deduct:					
Adjustment for an acquisition of control	555				
Amount applied in the current year against taxable income (enter this amount on line 314 of the T2 return)	560				
Subtotal (line 555 **plus** line 560)			O		
Gifts of certified ecologically sensitive land closing balance (amount N **minus** amount O)	580				

* For the federal and Alberta, gifts made before February 11, 2014 , expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. For Québec, gifts made during a tax year that ended before March 24, 2006, expire after five tax years and gifts made during a tax year that ended after March 23, 2006 expire after twenty tax years.

Amounts carried forward – Gifts of certified ecologically sensitive land

Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date

Year of origin:		Federal	Québec	Alberta
1st prior year	2013-12-31			
2nd prior year	2012-12-31			
3rd prior year	2011-12-31			
4th prior year	2010-12-31			
5th prior year	2009-12-31			
6th prior year*	2008-12-31			
7th prior year	2007-12-31			
8th prior year	2006-12-31			
9th prior year	2005-12-31			
10th prior year	2004-12-31			
11th prior year*	2003-12-31			
12th prior year	2002-12-31			
13th prior year	2001-12-31			
14th prior year	2001-09-30			
15th prior year				
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

* For the federal and Alberta, gifts made before February 11, 2014, expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. The field "Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date" is used to determine the portion of the gifts made in the tax year straddling February 11, 2014, that expires after ten tax years.
For Québec, gifts made during a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Part 6 – Additional deduction for gifts of medicine

		Federal		Québec		Alberta
Additional deduction for gifts of medicine at the end of the previous tax year			P			
Deduct: Additional deduction for gifts of medicine expired after five tax years	639					
Additional deduction for gifts of medicine at the beginning of the current tax year	640		Q			
Add:						
Additional deduction for gifts of medicine transferred on an amalgamation or the wind-up of a subsidiary	650					
Additional deduction for gifts of medicine for the current year:						
Proceeds of disposition	602		1		1	
Cost of gifts of medicine	601		2		2	
Subtotal (line 1 **minus** line 2)			3		3	
Line 3 **multiplied** by 50 %			4		4	
Eligible amount of gifts	600		5		5	

(Alberta column lines: 1, 2, 3, 4, 5)

Federal

$a \_\_\_\_ \times \left(\frac{b}{c}\right) =$ Additional deduction for gifts of medicine for the current year **610** ____

Québec

$a \_\_\_\_ \times \left(\frac{b}{c}\right) =$ Additional deduction for gifts of medicine for the current year ____

Alberta

$a \_\_\_\_ \times \left(\frac{b}{c}\right) =$ Additional deduction for gifts of medicine for the current year ____

where:
a is the **lesser** of line 2 and line 4
b is the eligible amount of gifts (line 600)
c is the proceeds of disposition (line 602)

		Federal		Québec	Alberta
Subtotal (line 650 **plus** line 610)			R		
Subtotal (amount Q **plus** amount R)			S		
Deduct:					
Adjustment for an acquisition of control	655				
Amount applied in the current year against taxable income (enter this amount on line 315 of the T2 return)	660				
Subtotal (line 655 **plus** line 660)			T		
Additional deduction for gifts of medicine closing balance (amount S **minus** amount T)	680				

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2013-12-31			
2nd prior year	2012-12-31			
3rd prior year	2011-12-31			
4th prior year	2010-12-31			
5th prior year	2009-12-31			
6th prior year*	2008-12-31			
Total				

* These donations expired in the current year.

Québec – Gifts of musical instruments

Gifts of musical instruments at the end of the previous tax year		A
Deduct: Gifts of musical instruments expired after twenty tax years		B
Gifts of musical instruments at the beginning of the tax year		C
Add:		
Gifts of musical instruments transferred on an amalgamation or the wind-up of a subsidiary		D
Total current-year gifts of musical instruments		E
Subtotal (line D **plus** line E)		F
Deduct: Adjustment for an acquisition of control		G
Total gifts of musical instruments available		H
Deduct: Amount applied against taxable income		I
Gifts of musical instruments closing balance		J

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2013-12-31	
2nd prior year	2012-12-31	
3rd prior year	2011-12-31	
4th prior year	2010-12-31	
5th prior year	2009-12-31	
6th prior year*	2008-12-31	
7th prior year	2007-12-31	
8th prior year	2006-12-31	
9th prior year	2005-12-31	
10th prior year	2004-12-31	
11th prior year	2003-12-31	
12th prior year	2002-12-31	
13th prior year	2001-12-31	
14th prior year	2001-09-30	
15th prior year		
16th prior year		
17th prior year		
18th prior year		
19th prior year		
20th prior year		
21st prior year*		
Total		

* These gifts expired in the current year.

T2 SCH 2 E (12/2014)

Canadä

Attached Schedule with Total

Amount ($100 or more only)

Title Amount ($100 or more only)

Description	Amount
Salvation Army	4,362 54
Salvation Army	1,000 00
Total	5,362 54

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DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND PART IV TAX CALCULATION

SCHEDULE 3

Name of corporation	Business Number	Tax year-end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

- This schedule is for the use of any corporation to report:
  - non-taxable dividends under section 83;
  - deductible dividends under subsection 138(6);
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (b) or (d); or
  - taxable dividends paid in the tax year that qualify for a dividend refund.
- The calculations in this schedule apply only to private or subject corporations.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act*.
- A recipient corporation is connected with a payer corporation at any time in a tax year, if at that time the recipient corporation:
  - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
  - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- Column A – Enter "X" if dividends received from a foreign source (connected corporation only).
- Column F1 – Enter the amount of dividends received reported in column 240 that are eligible.
- Column F2 – Enter the code that applies to the deductible taxable dividend.
- Column F3 – Enter if dividends have been received or not after December 20, 2012. This information is required for corporations that must complete Schedules 71 and 72. For more details with regards to this column, consult the Help.

Part 1 – Dividends received in the tax year

Do not include dividends received from foreign non-affiliates.

	A	B	C	D	E
		Complete if payer corporation is connected			
Name of payer corporation (from which the corporation received the dividend)		Enter 1 if payer corporation is connected	Business Number of connected corporation	Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYY/MM/DD (See note)	Non-taxable dividend under section 83
200		205	210	220	230

Total (enter on line 402 of Schedule 1)

Note: If your corporation's tax year-end is different than that of the connected payer corporation, your corporation could have received dividends from more than one tax year of the payer corporation. If so, use a separate line to provide the information for each tax year of the payer corporation. For more details, consult the Help.

F	F1	F2	F3	G	H	I
				Complete if payer corporation is connected		
Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (b), or (d)*	Eligible dividends (included in column F)			Total taxable dividends paid by connected payer corporation (for tax year in column D)	Dividend refund of the connected payer corporation (for tax year in column D)**	Part IV tax before deductions F x 1 / 3 ***
240				250	260	270

J

Total (enter the amount from column F on line 320 of the T2 return and amount J in Part 2)

* If taxable dividends are received, enter the amount in column 240, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column 270. Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

** If the connected payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.

*** For dividends received from connected corporations: Part IV tax = $\frac{\text{Column F} \times \text{Column H}}{\text{Column G}}$

Part 2 – Calculation of Part IV tax payable

Part IV tax before deductions (amount J in Part 1)

Deduct:

Part IV.I tax payable on dividends subject to Part IV tax ... 320

Subtotal

Deduct:

Current-year non-capital loss claimed to reduce Part IV tax	330	
Non-capital losses from previous years claimed to reduce Part IV tax	335	
Current-year farm loss claimed to reduce Part IV tax	340	
Farm losses from previous years claimed to reduce Part IV tax	345	
Total losses applied against Part IV tax		x 1 / 3 =

Part IV tax payable (enter amount on line 712 of the T2 return) ... 360

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund

	A	B	C	D	D1
	Name of connected recipient corporation	Business Number	Tax year end of connected recipient corporation in which the dividends in column D were received YYYY/MM/DD (See note)	Taxable dividends paid to connected corporations	Eligible dividends (included in column D)
	400	410	420	430	
1	Entegrus Inc.	89428 6012 RC0001	2014-12-31	1,400,000	

Note

If your corporation's tax year-end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information for each tax year of the recipient corporation. For more details, consult the Help.

Total 1,400,000

Total taxable dividends paid in the tax year to other than connected corporations ... 450

Eligible dividends (included in line 450) ... 450a

Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column D above **plus** line 450) ... 460 1,400,000

Part 4 – Total dividends paid in the tax year

Complete this part if the total taxable dividends paid in the tax year that qualify for a dividend refund (line 460 above) is different from the total dividends paid in the tax year.

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above) ... 1,400,000

Other dividends paid in the tax year (total of 510 to 540) ...

Total dividends paid in the tax year ... 500 1,400,000

Deduct:

Dividends paid out of capital dividend account	510	
Capital gains dividends	520	
Dividends paid on shares described in subsection 129(1.2)	530	
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year	540	
Subtotal		▶

Total taxable dividends paid in the tax year that qualify for a dividend refund ... 1,400,000

Canada Revenue Agency / Agence du revenu du Canada

Schedule 4

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

- Use this form to determine the continuity and use of available losses; to determine a current-year non-capital loss, farm loss, restricted farm loss, or limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that can be applied in a year; and to ask for a loss carryback to previous years.
- A corporation can choose whether or not to deduct an available loss from income in a tax year. The corporation can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- According to subsection 111(4) of the *Income Tax Act*, when control has been acquired, no amount of capital loss incurred for a tax year ending 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 *Income Tax Act*.

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes		-1,332,568	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 subsections 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")		-1,332,568	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)		-1,332,568	E
Add: (decrease a loss)			
Current-year farm loss (whichever is less: the net loss from farming or fishing included in the income, or the non-capital loss before deducting the farm loss)			F
Current-year non-capital loss (amount E **plus** amount F; if positive, enter "0")		-1,332,568	G

If amount G is negative, enter it on line 110 as a positive.

Continuity of non-capital losses and request for a carryback

	Line				
Non-capital loss at the end of the previous tax year			e		
Deduct: Non-capital loss expired*	100		f		
Non-capital losses at the beginning of the tax year (amount e **minus** amount f)	102		►		H
Add:					
Non-capital losses transferred on an amalgamation or the wind-up of a subsidiary corporation	105		g		
Current-year non-capital loss (from amount G)	110	1,332,568	h		
Subtotal (amount g **plus** amount h)		1,332,568	►	1,332,568	I
Subtotal (amount H **plus** amount I)				1,332,568	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 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		
Subsection 111(10) – Adjustments for fuel tax rebate			j.1		
Non-capital losses of previous tax years applied in the current tax year Enter amount k on line 331 of the T2 Return.	130		k		
Current and previous year non-capital losses applied against current-year taxable dividends subject to Part IV tax**	135		l		
Subtotal (total of amounts i to l)			▶		K
Non-capital losses before any request for a carryback (amount J **minus** amount K)				1,332,568	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	85,985	n		
Third previous tax year to reduce taxable income	903	1,246,583	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)		1,332,568	▶	1,332,568	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		a		
Capital losses transferred on the amalgamation or the wind-up of a subsidiary corporation	205		b		
Subtotal (amount a **plus** amount b)			▶		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)					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 e or f, whichever is less	215		g		
ABILs expired as non-capital loss: line 215 **divided** by 0.500000	220				E
Subtotal (total of amounts C to E)					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.

Part 2 – Capital losses (continued)

Deduct: Capital losses from previous tax years applied against the current-year net capital gain***			225		G
Capital losses before any request for a carryback (amount F **minus** amount G)					H

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

	Capital gain (100%)		Amount carried back (100%)			
First previous tax year	44,915	951		h		
Second previous tax year		952		i		
Third previous tax year		953		j		
Subtotal (total of amounts h to j)				▶		I
Closing balance of capital losses to be carried forward to future tax years (amount H **minus** amount I)				280		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 = ______ a

Amount a or $ 15,000 *, whichever is less ..... ______ ▶ ______ b

2,500 c

Subtotal (amount b **plus** amount c) 2,500 ▶ 2,500 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) ..... 410 ______ g

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

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 ..... 430 ______ h

Enter amount h on line 333 of the T2 return.

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	530		c		
Enter amount c on line 655 of Schedule 6.					
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 7 – Limited partnership losses

Current-year limited partnership losses

1	2	3	4	5	6	7
Partnership identifier	Tax year ending YYYY/MM/DD	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses	Column 4 **minus** column 5 (if negative, enter "0")	Current-year limited partnership losses (column 3 **minus** 6)
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

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

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

1	2	3	4	5	6
Partnership identifier	Limited partnership losses at the end of the previous tax year	Limited partnership losses transferred on an amalgamation or the windup of a subsidiary	Current-year limited partnership losses (from line 620)	Limited partnership losses applied in the current year (cannot be more than line 650)	Current year limited partnership losses closing balance to be carried forward to future years (column 2 **plus** column 3 **plus** column 4 **minus** column 5)
660	662	664	670	675	680

Total (enter this amount on line 335 of the T2 return)

Note

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

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

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

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

Note

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

Non-Capital Loss Continuity Workchart

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

Non-capital losses – losses that can be carried forward over 20 years

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce Taxable income	Applied to reduce Part IV tax	Balance at end of year
Current	N/A	1,332,568		1,332,568	N/A		
1st preceding taxation year 2013-12-31		N/A		N/A			
2nd preceding taxation year 2012-12-31		N/A		N/A			
3rd preceding taxation year 2011-12-31		N/A		N/A			
4th preceding taxation year 2010-12-31		N/A		N/A			
5th preceding taxation year 2009-12-31		N/A		N/A			
6th preceding taxation year 2008-12-31		N/A		N/A			
7th preceding taxation year 2007-12-31		N/A		N/A			
8th preceding taxation year 2006-12-31		N/A		N/A			
9th preceding taxation year 2005-12-31		N/A		N/A			
10th preceding taxation year 2004-12-31		N/A		N/A			
11th preceding taxation year 2003-12-31		N/A		N/A			
12th preceding taxation year 2002-12-31		N/A		N/A			
13th preceding taxation year 2001-12-31		N/A		N/A			
14th preceding taxation year 2001-09-30		N/A		N/A			
15th preceding taxation year		N/A		N/A			
16th preceding taxation year		N/A		N/A			
17th preceding taxation year		N/A		N/A			
18th preceding taxation year		N/A		N/A			
19th preceding taxation year		N/A		N/A			
20th preceding taxation year		N/A		N/A			*
Total		1,332,568		1,332,568			

* **This balance expires this year and will not be available next year.**

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Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

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

Part 1 – Allocation of taxable income

100 Enter the Regulation that applies (402 to 413).

A Jurisdiction Tick yes if the corporation had a permanent establishment in the jurisdiction during the tax year. *		B Total salaries and wages paid in jurisdiction	C (B x taxable income**) / G	D Gross revenue	E (D x taxable income**) / H	F Allocation of taxable income (C + E) x 1/2*** (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	003 1 Yes	103		143		
Newfoundland and Labrador Offshore	004 1 Yes	104		144		
Prince Edward Island	005 1 Yes	105		145		
Nova Scotia	007 1 Yes	107		147		
Nova Scotia Offshore	008 1 Yes	108		148		
New Brunswick	009 1 Yes	109		149		
Quebec	011 1 Yes	111		151		
Ontario	013 1 Yes	113		153		
Manitoba	015 1 Yes	115		155		
Saskatchewan	017 1 Yes	117		157		
Alberta	019 1 Yes	119		159		
British Columbia	021 1 Yes	121		161		
Yukon	023 1 Yes	123		163		
Northwest Territories	025 1 Yes	125		165		
Nunavut	026 1 Yes	126		166		
Outside Canada	027 1 Yes	127		167		
Total		129	G	169	H	

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

** If the corporation has income or loss from an international banking centre: the taxable income is the amount on line 360 or line Z of the T2 return **plus** the total amount not required to be included, or **minus** the total amount not allowed to be deducted, in calculating the corporation's income under section 33.1 of the federal *Income Tax Act*. This does not apply to tax years starting after March 20, 2013.

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

Notes:

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

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

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits

	Line	Amount		Total	Ref
Ontario basic income tax (from Schedule 500)	270				
Deduct: Ontario small business deduction (from Schedule 500)	402				
Subtotal			▶		A6
Add:					
Ontario additional tax re Crown royalties (from Schedule 504)	274				
Ontario transitional tax debits (from Schedule 506)	276				
Recapture of Ontario research and development tax credit (from Schedule 508)	277				
Subtotal			▶		B6
Subtotal (amount A6 **plus** amount B6)					C6
Deduct:					
Ontario resource tax credit (from Schedule 504)	404				
Ontario tax credit for manufacturing and processing (from Schedule 502)	406				
Ontario foreign tax credit (from Schedule 21)	408				
Ontario credit union tax reduction (from Schedule 500)	410				
Ontario transitional tax credits (from Schedule 506)	414				
Ontario political contributions tax credit (from Schedule 525)	415				
Subtotal			▶		D6
Subtotal (amount C6 **minus** amount D6) (if negative, enter "0")					E6
Deduct: Ontario research and development tax credit (from Schedule 508)	416				
Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount E6 **minus** amount on line 416) (if negative, enter "0")					F6
Deduct:					
Ontario corporate minimum tax credit (from Schedule 510)	418				
Ontario community food program donation tax credit for farmers (from Schedule 2)	420				
Ontario corporate income tax payable (amount F6 **minus** amounts on line 418 and line 420) (if negative, enter "0")					G6
Add:					
Ontario corporate minimum tax (from Schedule 510)	278	93,909			
Ontario special additional tax on life insurance corporations (from Schedule 512)	280				
Subtotal		93,909	▶	93,909	H6
Total Ontario tax payable before refundable credits (amount G6 **plus** amount H6)				93,909	I6
Deduct:					
Ontario qualifying environmental trust tax credit	450				
Ontario co-operative education tax credit (from Schedule 550)	452				
Ontario apprenticeship training tax credit (from Schedule 552)	454	22,308			
Ontario computer animation and special effects tax credit (from Schedule 554)	456				
Ontario film and television tax credit (from Schedule 556)	458				
Ontario production services tax credit (from Schedule 558)	460				
Ontario interactive digital media tax credit (from Schedule 560)	462				
Ontario sound recording tax credit (from Schedule 562)	464				
Ontario book publishing tax credit (from Schedule 564)	466				
Ontario innovation tax credit (from Schedule 566)	468				
Ontario business-research institute tax credit (from Schedule 568)	470				
Subtotal		22,308	▶	22,308	J6
Net Ontario tax payable or refundable credit (amount I6 **minus** amount J6) (if a credit, enter a negative amount) Include this amount on line 255.	290			71,601	K6

Summary

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

Net provincial and territorial tax payable or refundable credits	255	71,601

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.
If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.

Schedule 8

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Capital Cost Allowance (CCA)

Corporation's name	Business Number	Tax year end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

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

Is the corporation electing under *Regulation* 1101(5q)? 101 1 Yes 2 No X

	1 Class number (See Note)	Description	2 Undepreciated capital cost at the beginning of the year (amount from column 12 of last year's schedule 8)	3 Cost of acquisitions during the year (new property must be available for use)*	4 Adjustments and transfers**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)***	7 Reduced undepreciated capital cost	8 CCA rate % ****	9 Recapture of capital cost allowance***** (line 107 of Schedule 1)	10 Terminal loss (line 404 of Schedule 1)	11 Capital cost allowance (for declining balance method, column 7 **multiplied** by column 8, or a lower amount) (line 403 of Schedule 1) ******	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11)
	200		201	203	205	207	211		212	213	215	217	220
1.	1	Build & Dist. Equip	34,031,157			0		34,031,157	4	0	0	1,361,246	32,669,911
2.	8	Office Equip & Tools	490,688	350,277		0	101,539	739,426	20	0	0	147,885	693,080
3.	10	Rolling Stock & Computers pre c	1,367,836	549,737		45,646	217,480	1,654,447	30	0	0	496,334	1,375,593
4.	17	Yard Improvements	154,908	174,341		0	87,171	242,078	8	0	0	19,366	309,883
5.	12	Computer Software	494,425	1,565,037		0	370,665	1,688,797	100	0	0	1,688,797	370,665
6.	45	Computer Hardware	2,679			0		2,679	45	0	0	1,206	1,473
7.	47	Electricity Tranmission Equipmer	32,263,578	5,510,256		0	2,755,128	35,018,706	8	0	0	2,801,496	34,972,338
8.	46	System Servers	146,562			0		146,562	30	0	0	43,969	102,593
9.	50	Computers > 3/18/07	678,728	599,932		0	239,782	1,038,878	55	0	0	571,383	707,277
10.	95	Work in progress	62,000			2,000		60,000	0	0	0		60,000
11.	43.2	Solar generation	603,526			8,608		594,918	50	0	0	297,459	297,459
12.	1b	Non-Res Buildings >March 18, 2	1,573,499	265,251		0	132,626	1,706,124	6	0	0	102,367	1,736,383
13.	6	Fence	13,500			0		13,500	10	0	0	1,350	12,150
14.	2		1,650,316			0		1,650,316	6	0	0	99,019	1,551,297
		Totals	73,533,402	9,014,831		56,254	3,904,391	78,587,588				7,631,877	74,860,102

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

* Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see *Regulation* 1100(2) and (2.2).

** Enter in column 4, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost.
Items that **increase** the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that **reduce** the undepreciated capital cost include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the *T2 Corporation Income Tax Guide* for other examples of adjustments and transfers to include in column 4.

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

**** Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 11.

***** For every entry in column 9, the "Recapture of capital cost allowance" there must be a corresponding entry in column 5, "Proceeds of dispositions during the year". The recapture and terminal loss rules do not apply to passenger vehicles in Class 10.1.

****** If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the *T2 Corporation Income Tax Guide* for more information.

Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return.

Tax return

Additions for tax purposes – Schedule 8 regular classes		9,014,831		
Additions for tax purposes – Schedule 8 leasehold improvements	+			
Operating leases capitalized for book purposes	+			
Capital gain deferred	+			
Recapture deferred	+			
Deductible expenses capitalized for book purposes – Schedule 1	+			
Other (specify):				
	+			
Total additions per books	=	9,014,831	►	9,014,831
Proceeds up to original cost – Schedule 8 regular classes		56,254		
Proceeds up to original cost – Schedule 8 leasehold improvements	+			
Proceeds in excess of original cost – capital gain	+			
Recapture deferred – as above	+			
Capital gain deferred – as above	+			
Pre V-day appreciation	+			
Other (specify):				
Capitalized Depreciation	+	263,566		
IMM ADJUSTMENT	+	1		
Total proceeds per books	=	319,821	►	319,821
Depreciation and amortization per accounts – Schedule 1			–	3,601,671
Loss on disposal of fixed assets per accounts			–	
Gain on disposal of fixed assets per accounts			+	38,787
Net change per tax return			=	5,132,126

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		71,658,460
Opening net book value	–	66,526,334
Net change per financial statements	=	5,132,126

If the amounts from the tax return and the financial statements differ, explain why below.

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

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

	Name	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.	ENTEGRUS INC.		89428 6012 RC0001	1					
2.	ENTEGRUS SERVICES INC.		86356 0967 RC0001	3					
3.	THE CORPORATION OF THE MUNIC		86633 7058 RC0001	3					
4.	Entegrus Transmission Inc.		84884 4916 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

T2 SCH 9 (11)

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SCHEDULE 10

CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Name of corporation	Business Number	Tax year-end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

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

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

Cumulative eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0")		200	811,707	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	811,707	F
Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	242			G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244			H
Other adjustments	246			I
(add amounts G,H, and I)	x 3 / 4 =	248		J
Cumulative eligible capital balance (amount F minus amount J)			811,707	K
(if amount K is negative, enter "0" at line M and proceed to Part 2)				
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business	249			
amount K	811,707			
less amount from line 249				
Current year deduction	811,707 x 7.00 % =	250	56,819 *	
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)	56,819	▶	56,819	L
Cumulative eligible capital – Closing balance (amount K minus amount L) (if negative, enter "0")		300	754,888	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

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

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

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SCHEDULE 13

CONTINUITY OF RESERVES

Name of corporation	Business number	Tax year end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- File one completed copy of this schedule with the corporation's *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation Income Tax Guide*.

Part 1 – Capital gains reserves

	Description of property	Balance at the beginning of the year $	Transfer on an amalgamation or the wind-up of a subsidiary $	Add $	Deduct $	Balance at the end of the year $
	001	002	003			004
1						
	Totals	008	009			010

The amount from line 008 **plus** the amount from line 009 should be entered on line 880 of Schedule 6, *Summary of Dispositions of Capital Property*. The amount from line 010 should be entered on line 885 of Schedule 6.

Part 2 – Other reserves

Description		Balance at the beginning of the year $	Transfer on an amalgamation or the wind-up of a subsidiary $	Add $	Deduct $	Balance at the end of the year $
Reserve for doubtful debts	X	110 136,670	115	160,589	136,670	120 160,589
Reserve for undelivered goods and services not rendered	X	130 4,397,336	135	3,932,279	4,397,336	140 3,932,279
Reserve for prepaid rent		150	155			160
Reserve for refundable containers		190	195			200
Reserve for unpaid amounts		210	215			220
Other tax reserves	X	230 347,611	235	175,267	347,611	240 175,267
Totals		270 4,881,617	275	4,268,135	4,881,617	280 4,268,135

Enter "X" in the column above if the tax reserve has also been reported on the corporation's financial statements. This allows offsetting entries on Schedule 1, resulting in a zero effect on net income for tax purposes.

The amount from line 270 **plus** the amount from line 275 should be entered on line 125 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*, as an addition. The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Employee Future Benefits	2,711,308		2,651,999	2,711,308	2,651,999
2	Asset Retirement Reserve	15,000		15,000	15,000	15,000
	Reserves from Part 2 of Schedule 13	4,881,617		4,268,135	4,881,617	4,268,135
	Totals	7,607,925		6,935,134	7,607,925	6,935,134

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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SCHEDULE 14

MISCELLANEOUS PAYMENTS TO RESIDENTS

Name of corporation	Business Number	Tax year end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

- This schedule must be completed by all corporations who made the following payments to residents of Canada: royalties for which the corporation has not filed a T5 slip; research and development fees; management fees; technical assistance fees; and similar payments.
- Please enter the name and address of the recipient and the amount of the payment in the applicable column. If several payments of the same type (i.e., management fees) were made to the same person, enter the total amount paid. If similar types of payments have been made, but do not fit into any of the categories, enter these amounts in the column entitled "Similar payments".

	Name of recipient 100	Address of recipient 200	Royalties 300	Research and development fees 400	Management fees 500	Technical assistance fees 600	Similar payments 700
1	Municipality of Chatham-Kent	315 King St W Chatham ON CA N7M 5K8					245,745
2	Entegrus Services Inc.	320 Queen St Chatham ON CA N7M 5K2					5,347,896

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Schedule 15

Deferred Income Plans

Corporation's name	Business number	Tax year end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

- Complete the information below if the corporation deducted payments from its income made to a registered pension plan (RPP), a registered supplementary unemployment benefit plan (RSUBP), a deferred profit sharing plan (DPSP), a pooled registered pension plan (PRPP), or an employee profit sharing plan (EPSP).
- If the trust that governs an employee profit sharing plan is **not resident** in Canada, please indicate if the T4PS, *Statement of Employees Profit Sharing Plan Allocations and Payments*, Supplementary slip(s) were filed for the last calendar year, and whether they were filed by the trustee or the employer.

	Type of plan (see note 1)	Amount of contribution $ (see note 2)	Registration number (RPP, RSUBP, PRPP, and DPSP only)	Name of EPSP trust	Address of EPSP trust	T4PS slip(s) (see note 3)
	100	200	300	400	500	600
1	1	99,415	112291			

Note 1

Enter the applicable code number:

1 – RPP
2 – RSUBP
3 – DPSP
4 – EPSP
5 – PRPP

Note 2

You do not need to add to Schedule 1 any payments you made to deferred income plans.
To reconcile such payments, calculate the following amount:

Total of all amounts indicated in column 200 of this schedule	99,415	A
Less:		
Total of all amounts for deferred income plans deducted in your financial statements	99,415	B
Deductible amount for contributions to deferred income plans (amount A **minus** amount B) (if negative, enter "0")		C

Enter amount C on line 417 of Schedule 1

Note 3

T4PS slip(s) filed by: 1 – Trustee
2 – Employer
(EPSP only)

T2 SCH 15 (13)

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SCHEDULE 23

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year, is required to file an agreement for each tax year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group. Include non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the *Income Tax Act* (ITA) not to be associated for purposes of the small business deduction.

Column 2: Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the association code that applies to each corporation:

1 – Associated for purposes of allocating the business limit (unless code 5 applies)
2 – CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
3 – Non-CCPC that is a "third corporation" as defined in subsection 256(2)
4 – Associated non-CCPC
5 – Associated CCPC to which code 1 does not apply because of a subsection 256(2) election made by a "third corporation"

Column 4: Enter the business limit for the year of each corporation in the associated group. The business limit is computed at line 4 on page 4 of each respective corporation's T2 return.

Column 5: Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A falls within the range for the calendar year to which the agreement applies:

Calendar year	Acceptable range	Calendar year	Acceptable range
2006	maximum $300,000	2008	maximum $400,000
2007	$300,001 to $400,000	2009	$400,001 to $500,000

If the calendar year to which this agreement applies is after 2009, ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . . **025** Year Month Day

Enter the calendar year to which the agreement applies . . . . . **050** Year 2014

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

	1 Names of associated corporations **100**	2 Business Number of associated corporations **200**	3 Association code **300**	4 Business limit for the year (before the allocation) $	5 Percentage of the business limit % **350**	6 Business limit allocated* $ **400**
1	ENTEGRUS POWERLINES INC.	89429 0014 RC0002	1	500,000		
2	ENTEGRUS INC.	89428 6012 RC0001	1	500,000		
3	ENTEGRUS SERVICES INC.	86356 0967 RC0001	1	500,000	100.0000	500,000
4	THE CORPORATION OF THE MUNICIPALITY OI	86633 7058 RC0001	1	500,000		
5	Entegrus Transmission Inc.	84884 4916 RC0001	1	500,000		
				Total	100.0000	500,000 **A**

Business limit reduction under subsection 125(5.1) of the ITA

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "Large corporation amount" at line 415 of the T2 return. If the corporation is a member of an associated group** of corporations in the current tax year, the amount at line 415 of the T2 return is equal to 0.225% x (A - $10,000,000) where, "A" is the total of taxable capital employed in Canada*** of each corporation in the associated group for its last tax year ending in the preceding calendar year.

* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules apply if a CCPC has more than one tax year ending in a calendar year and is associated in more than one of those years with another CCPC that has a tax year ending in the same calendar year. If the tax year straddles January 1, 2009, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit that would have been determined for the first tax year ending in the calendar year, if $500,000 was used in allocating the amounts among associated corporations and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year. Otherwise, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit determined for the first tax year ending in the calendar year and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year.

** The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

*** "Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the ITA.

Canada Revenue Agency / Agence du revenu du Canada

Schedule 31

Investment Tax Credit – Corporations

General information

- Use this schedule:
  - to calculate an investment tax credit (ITC) earned during the tax year;
  - to claim a deduction against Part I tax payable;
  - to claim a refund of credit earned during the current tax year;
  - to claim a carryforward of credit from previous tax years;
  - to transfer a credit following an amalgamation or wind-up of a subsidiary, as described under subsections 87(1) and 88(1) of the federal *Income Tax Act*;
  - to request a credit carryback to one or more previous years; or
  - if you are subject to a recapture of ITC.
- The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a twenty-year carryforward.
- All legislative references are to the federal *Income Tax Act* and *Income Tax Regulations*.
- Investments or expenditures, described in subsection 127(9) of the Act and Part XLVI of the Regulations, that earn an ITC are:
  - qualified property and qualified resource property (Parts 4 to 7 of this schedule);
  - expenditures that are part of the SR&ED qualified expenditure pool (Parts 8 to 17). File Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim;*
  - pre-production mining expenditures (Parts 18 to 20);
  - apprenticeship job creation expenditures (Parts 21 to 23); and
  - child care spaces expenditures (Parts 24 to 28).
- Include a completed copy of this schedule with the *T2 Corporation Income Tax Return*. If you need more space, attach additional schedules.
- For more information on ITCs, see "Investment Tax Credit" in Guide T4012, *T2 Corporation – Income Tax Guide*, Information Circular IC 78-4, *Investment Tax Credit Rates*, and its related Special Release.
- For more information on SR&ED, see Brochure RC4472, *Overview of the Scientific Research and Experimental Development Program (SR&ED) Tax Incentive Program*; Brochure RC4467, *Support for your R&D in Canada*, and T4088, *Guide to Form T661 – Scientific Research and Experimental Development (SR&ED) Expenditures Claim*. Also see the *Eligibility of Work for SR&ED Investment Tax Credits Policy* at **www.cra.gc.ca/txcrdt/sred-rsde/clmng/lgbltywrkfrsrdnvstmnttxcrdts-eng.html**.

Detailed information

- For the purpose of this schedule, **investment** means the capital cost of the property (excluding amounts added by an election under section 21 of the Act), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property when it files the income tax return for the year in which the property was acquired.
- An ITC deducted or refunded in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces the capital cost of that property in the next tax year. It also reduces the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
- Property acquired has to be **available for use** before a claim for an ITC can be made. See subsections 127(11.2) and 248(19) for more information.
- Expenditures for SR&ED and capital costs for a property qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 is not applicable for the agreement to share any income or loss. Special rules apply to specified and limited partners. For more information, see Guide T4068, *Guide for the Partnership Information Return*.
- For SR&ED expenditures, the expression **in Canada** includes the "exclusive economic zone" (as defined in the *Oceans Act* to generally consist of an area that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil for that zone.
- For the purpose of this schedule, the expression **Atlantic Canada** includes the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulation 4609).
- For the purpose of this schedule, **qualified property** means property in Atlantic Canada that is used primarily for manufacturing and processing, farming or fishing, logging, storing grain, or harvesting peat. Property in Atlantic Canada that is used primarily for oil and gas, and mining activities is considered qualified property only if acquired by the taxpayer **before** March 29, 2012. Qualified property includes new buildings and new machinery and equipment (prescribed in Regulation 4600), and if acquired by the taxpayer **after** March 28, 2012, new energy generation and conservation property (prescribed in Regulation 4600). Qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as described in Regulation 4610). See the definition of **qualified property** in subsection 127(9) of the Act for more information.
- For the purpose of this schedule, **qualified resource property** means property in Atlantic Canada that is used primarily for oil and gas, and mining activities, if acquired by the taxpayer **after** March 28, 2012, and **before** January 1, 2016. Qualified resource property includes new buildings and new machinery and equipment (prescribed in Regulation 4600). See the definition of **qualified resource property** in subsection 127(9) of the Act for more information.

Detailed information (continued)

- For the purpose of this schedule, **pre-production mining exploration expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to determine the existence, location, extent, or quality of certain mineral resources in Canada, excluding expenses incurred in the exploration of an oil or gas well. See subparagraph (a)(i) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining development expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to bring a new mineral resource mine in Canada into production, excluding expenses in the development of a bituminous sands deposit or an oil shale deposit. See subparagraph (a)(ii) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.

Part 1 – Investments, expenditures, and percentages

	Specified percentage
Investments	
Qualified property acquired primarily for use in Atlantic Canada	10 %
Qualified resource property acquired primarily for use in Atlantic Canada and acquired:	
– after March 28, 2012, and before 2014	10 %
– after 2013 and before 2016	5 %
– after 2015*	0 %
Expenditures	
If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %
Note: If your current year's qualified expenditures are more than the corporation's expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 20 % rate**.	
If you are a corporation that is not a CCPC and have incurred qualified expenditures for SR&ED in any area in Canada:	
– before 2014**	20 %
– after 2013**	15 %
If you are a taxable Canadian corporation that incurred pre-production mining expenditures before March 29, 2012	10 %
If you are a taxable Canadian corporation that incurred pre-production mining exploration expenditures***:	
– after March 28, 2012, and before 2013	10 %
– in 2013	5 %
– after 2013***	0 %
If you are a taxable Canadian corporation that incurred pre-production mining development expenditures****:	
– after March 28, 2012, and before 2014****	10 %
– in 2014	7 %
– in 2015	4 %
– after 2015****	0 %
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment	10 %
If you incurred eligible expenditures after March 18, 2007, for the creation of licensed child care spaces for the children of your employees and, potentially, for other children	25 %

* A transitional relief rate of 10% may apply to property acquired after 2013 and before 2017, if the property is acquired under a written agreement entered into before March 29, 2012, or the property is acquired as part of a **phase** of a project where the construction or the engineering and design work for the construction started before March 29, 2012. See paragraph (a.1) of the definition of **specified percentage** in subsection 127(9) for more information.

** The reduction of the rate from 20% to 15% applies to 2014 and later tax years, except that, for 2014 tax years that start before 2014, the reduction is pro-rated based on the number of days in the tax year that are after 2013.

*** Pre-production mining exploration expenditures are described in subparagraph (a)(i) of the definition of **pre-production mining expenditure** in subsection 127(9).

**** A transitional relief rate of 10% may apply to expenditures incurred after 2013 and before 2016, if the expenditure is incurred under a written agreement entered into before March 29, 2012, or the expenditure is incurred as part of the development of a new mine where the construction or the engineering and design work for the construction of the new mine started before March 29, 2012. See subparagraph (k)(ii) of the definition of **specified percentage** in subsection 127(9) for more information. Pre-production mining development expenditures are described in subparagraph (a)(ii) of the definition of **pre-production mining expenditure** in subsection 127(9).

Corporation's name	Business number	Tax year-end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

– Part 2 – Determination of a qualifying corporation

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

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

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

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

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

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

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

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

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

– Part 3 – Corporations in the farming industry

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

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

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

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

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

Qualified Property and Qualified Resource Property

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

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

Total of investments for qualified property and qualified resource property ______ A

* CCA: capital cost allowance

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

ITC at the end of the previous tax year				B
Deduct:				
Credit deemed as a remittance of co-op corporations	210			
Credit expired	215			
Subtotal (line 210 **plus** line 215)				C
ITC at the beginning of the tax year (amount B **minus** amount C)			220	
Add:				
Credit transferred on amalgamation or wind-up of subsidiary	230			
ITC from repayment of assistance	235			
Qualified property; and qualified resource property acquired after March 28, 2012, and before January 1, 2014* (applicable part of amount A from Part 4) ______ x 10 % =	240			
Qualified resource property acquired after December 31, 2013, and before January 1, 2016 (applicable part of amount A from Part 4) ______ x 5 % =	242			
Credit allocated from a partnership	250			
Subtotal (total of lines 230 to 250)				D
Total credit available (line 220 **plus** amount D)				E
Deduct:				
Credit deducted from Part I tax (enter at amount D in Part 30)	260			
Credit carried back to the previous year(s) (amount H from Part 6)		a		
Credit transferred to offset Part VII tax liability	280			
Subtotal (total of line 260, amount a, and line 280)				F
Credit balance before refund (amount E **minus** amount F)				G
Deduct:				
Refund of credit claimed on investments from qualified property and qualified resource property (from Part 7)			310	
ITC closing balance of investments from qualified property and qualified resource property (amount G **minus** line 310)			320	

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

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

	Year	Month	Day			
1st previous tax year				Credit to be applied	901	
2nd previous tax year				Credit to be applied	902	
3rd previous tax year				Credit to be applied	903	
				Total (enter at amount a in Part 5)		H

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

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

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

SR&ED

Part 8 – Qualified SR&ED expenditures

Current expenditures

Current expenditures (from line 557 on Form T661)				
Contributions to agricultural organizations for SR&ED				
Deduct:				
Government assistance, non-government assistance, or contract payment				
Contributions to agricultural organizations for SR&ED for the federal ITC (this amount is updated to line 103 of Part 3. For more details, consult the Help.)*		+		
Current expenditures (line 557 on Form T661 **plus** line 103 from Part 3)*			350	
Capital expenditures incurred **before** 2014 (from line 558 on Form T661)**			360	
Repayments made in the year (from line 560 on Form T661)			370	
Qualified SR&ED expenditures (total of lines 350 to 370)			380	

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

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

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

Part 9 only applies if the corporation is a CCPC.

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

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

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

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

Enter your taxable income for the previous tax year* (prior to any loss carry-backs applied)		390	1,539,746
Enter your taxable capital employed in Canada for the previous tax year minus $10 million. If this amount is nil or negative, enter "0". If this amount is over $40 million, enter $40 million	83,785,635	398	40,000,000

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

Part 10 – SR&ED expenditure limit for a CCPC

For a stand-alone corporation:		$ 8,000,000	
Deduct:			
Taxable income for the previous tax year (line 390 from Part 9) or $500,000, whichever is more	1,539,746 x 10 =	15,397,460	A
Excess ($8,000,000 **minus** amount A; if negative, enter "0")			B
$ 40,000,000 **minus** line 398 from Part 9	a		
Amount a **divided** by $ 40,000,000			C
Expenditure limit for the stand-alone corporation (amount B **multiplied** by amount C)			D*
For an associated corporation:			
If associated, the allocation of the SR&ED expenditure limit as provided on Schedule 49	400		E*

Where the tax year of the corporation is less than 51 weeks, calculate the amount of the expenditure limit as follows:

Amount D or E x Number of days in the tax year / 365 = 365 = F

Your SR&ED expenditure limit for the year (enter the amount from line D, E, or F, whichever applies)	410		

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

Part 11 – Investment tax credits on SR&ED expenditures

Current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10), whichever is less*	420		x	35 %	=	G
Line 350 **minus** line 410 (if negative, enter "0")**	430		x	15 %	=	H
Line 410 **minus** line 350 (if negative, enter "0")			b			
Capital expenditures (line 360 from Part 8) or amount b above, whichever is less*	440		x	35 %	=	I
Line 360 **minus** amount b above (if negative, enter "0")**	450		x	15 %	=	J
Repayments (amount from line 370 in Part 8)						

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit at the rate that would have applied to the repaid amount. Enter the amount of the repayment on the line that corresponds to the appropriate rate.**

460		x	35 %	=	c
480		x	15 %	=	d
	Subtotal (amount c **plus** amount d)			►	K

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

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

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

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

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

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

	Year	Month	Day				
1st previous tax year				Credit to be applied	911		
2nd previous tax year				Credit to be applied	912		
3rd previous tax year				Credit to be applied	913		
				Total (enter at amount e in Part 12)			S

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

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

Is the corporation an excluded corporation as defined under subsection 127.1(2)? 650 1 Yes ☐ 2 No X

Current-year ITC (lines 540 **plus** 550 from Part 12 **minus** amount K from Part 11) .... f

Refundable credits (amount f above or amount R from Part 12, whichever is less)* .... T

Deduct:

Amount T or amount G from Part 11, whichever is less .... U

Net amount (amount T **minus** amount U; if negative, enter "0") V

Amount V **multiplied** by 40 % .... W

Add:

Amount U X

Refund of ITC (amount W **plus** amount X – enter this, or a lesser amount, on line 610 in Part 12) .... Y

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

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

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

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

Credit balance before refund (amount R from Part 12) .... Z

Deduct:

Amount Z or amount G from Part 11, whichever is less .... AA

Net amount (amount Z **minus** amount AA; if negative, enter "0") .... BB

Amount BB or amount I from Part 11, whichever is less CC

Amount CC **multiplied** by 40 % .... DD

Add :

Amount AA .... EE

Refund of ITC (amount DD **plus** amount EE) .... FF

Enter FF, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

Recapture – SR&ED

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

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

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

Note:

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

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

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

Calculation 1 – If you meet all of the above conditions

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

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

Calculation 2 – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil in amount B in Part 16 on page 9.

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

Calculation 2 (continued) – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil in amount B below.

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

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

Calculation 3

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

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

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

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

Enter amount F at amount A in Part 29.

Pre-Production Mining

Part 18 – Pre-production mining expenditures

Exploration information

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

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

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

List of minerals 800	Project name 805

Mineral title 806	Mining division 807

Pre-production mining expenditures*

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

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

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

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

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

Description 825	Amount 826

Add amounts in column 826	▶		A
Total pre-production mining expenditures (total of lines 810 to 821 and amount A)	830		
Deduct:			
Total of all assistance (grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to at line 830 above	832		
Excess (line 830 **minus** line 832) (if negative, enter "0")			B
Add:			
Repayments of government and non-government assistance	835		
Pre-production mining expenditures (amount B **plus** line 835)			C

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

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

ITC at the end of the previous tax year .... D

Deduct:

Credit deemed as a remittance of co-op corporations 841

Credit expired 845

Subtotal (line 841 **plus** line 845) ▶ E

ITC at the beginning of the tax year (amount D **minus** amount E) 850

Add:

Credit transferred on amalgamation or wind-up of subsidiary 860

Pre-production mining expenditures* incurred before January 1, 2013 (applicable part of amount C from Part 18)	870	x	10 %	=	a
Pre-production mining exploration expenditures incurred in 2013 (applicable part of amount C from Part 18)	872	x	5 %	=	b
Pre-production mining development expenditures incurred in 2014 (applicable part of amount C from Part 18)	874	x	7 %	=	c
Pre-production mining development expenditures incurred in 2015 (applicable part of amount C from Part 18)	876	x	4 %	=	d

Current year credit (total of amounts a to d) 880 ▶ F

Total credit available (total of lines 850, 860, and amount F) .... G

Deduct:

Credit deducted from Part I tax (enter at amount F in Part 30) 885

Credit carried back to the previous year(s) (amount I from Part 20) .... e

Subtotal (line 885 **plus** amount e) ▶ H

ITC closing balance from pre-production mining expenditures (amount G **minus** amount H) 890

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

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

	Year	Month	Day		
1st previous tax year				Credit to be applied	921
2nd previous tax year				Credit to be applied	922
3rd previous tax year				Credit to be applied	923

Total (enter at amount e in Part 19) I

Apprenticeship Job Creation

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

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number or name) appears below? (If not, you cannot claim the tax credit.) .... 611 1 Yes 2 No

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

	A Contract number (SIN or name of apprentice)	B Name of eligible trade	C Eligible salary and wages*	D Column C x 10 %	E Lesser of column D or $ 2,000
	601	602	603	604	605
1.	Erik Stewart (BA0237)	Powerline Technician	32,198	3,220	2,000
2.	Ken Elgie (CA4147)	Powerline Technician	11,783	1,178	1,178

A Contract number (SIN or name of apprentice) 601	B Name of eligible trade 602	C Eligible salary and wages* 603	D Column C x 10 % 604	E Lesser of column D or $ 2,000 605
3. Michael Somlai (CA4146)	Powerline Technician	11,075	1,108	1,108

Total current-year credit (enter at line 640 in Part 22) 4,286 A

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

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

ITC at the end of the previous tax year				B
Deduct:				
Credit deemed as a remittance of co-op corporations	612			
Credit expired after 20 tax years	615			
Subtotal (line 612 **plus** line 615)				C
ITC at the beginning of the tax year (amount B **minus** amount C)	625			
Add:				
Credit transferred on amalgamation or wind-up of subsidiary	630			
ITC from repayment of assistance	635			
Total current-year credit (amount A from Part 21)	640	4,286		
Credit allocated from a partnership	655			
Subtotal (total of lines 630 to 655)		4,286	4,286	D
Total credit available (line 625 **plus** amount D)			4,286	E
Deduct:				
Credit deducted from Part I tax (enter at amount G in Part 30)	660			
Credit carried back to the previous year(s) (amount G from Part 23)		4,286		a
Subtotal (line 660 **plus** amount a)		4,286	4,286	F
ITC closing balance from apprenticeship job creation expenditures (amount E **minus** amount F)	690			

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

	Year Month Day			
1st previous tax year		Credit to be applied	931	
2nd previous tax year		Credit to be applied	932	
3rd previous tax year	2011-12-31	Credit to be applied	933	4,286
		Total (enter at amount a in Part 22)		4,286 G

Child Care Spaces

Part 24 – Eligible child care spaces expenditures

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

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

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

Cost of depreciable property from the current tax year

	CCA* class number 665	Description of investment 675	Date available for use 685	Amount of investment 695
1.				

Total cost of depreciable property from the current tax year 715 ____

Add:

Specified child care start-up expenditures from the current tax year . . . . . 705 ____

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

Deduct:

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

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

Add:

Repayments by the corporation of government and non-government assistance . . . . . 735 ____

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

* CCA: capital cost allowance

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

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

Eligible expenditures (from line 745) . . . . . x 25 % = ____ C

Number of child care spaces . . . . . 755 x $ 10,000 = ____ D

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

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

ITC at the end of the previous tax year				F
Deduct:				
Credit deemed as a remittance of co-op corporations	765			
Credit expired after 20 tax years	770			
Subtotal (line 765 **plus** line 770)		►		G
ITC at the beginning of the tax year (amount F **minus** amount G)		775		
Add:				
Credit transferred on amalgamation or wind-up of subsidiary	777			
Total current-year credit (amount E from Part 25)	780			
Credit allocated from a partnership	782			
Subtotal (total of lines 777 to 782)		►		H
Total credit available (line 775 **plus** amount H)				I
Deduct:				
Credit deducted from Part I tax (enter at amount H in Part 30)	785			
Credit carried back to the previous year(s) (amount K from Part 27)		a		
Subtotal (line 785 **plus** amount a)		►		J
ITC closing balance from child care spaces expenditures (amount I **minus** amount J)		790		

– Part 27 – Request for carryback of credit from child care space expenditures

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

Recapture – Child Care Spaces

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

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

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

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

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

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

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

Amount from line 795 or line 797, whichever is less ..... ______ A

Corporate partnerships

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

Corporate partner's share of the excess of ITC **799** ______

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

Enter amount B at amount B in Part 29.

Summary of Investment Tax Credits

Part 29 – Total recapture of investment tax credit

Recaptured SR&ED ITC (from amount F in Part 17) ..... ______ A

Recaptured child care spaces ITC (from amount B in Part 28) ..... ______ B

Total recapture of investment tax credit (amount A **plus** amount B) ..... ______ C

Enter amount C on line 602 of the T2 return.

Part 30 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 5) ..... ______ D

ITC from SR&ED expenditures deducted from Part I tax (from line 560 in Part 12) ..... ______ E

ITC from pre-production mining expenditures deducted from Part I tax (from line 885 in Part 19) ..... ______ F

ITC from apprenticeship job creation expenditures deducted from Part I tax (from line 660 in Part 22) ..... ______ G

ITC from child care space expenditures deducted from Part I tax (from line 785 in Part 26) ..... ______ H

Total ITC deducted from Part I tax (total of amounts D to H) ..... ______ I

Enter amount I at line 652 of the T2 return.

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Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 97 Apprenticeship job creation ITC

Current year

Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
4,286			4,286	

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2013-12-31				
2012-12-31				
2011-12-31				
2010-12-31				
2009-12-31				
2008-12-31				
2007-12-31				
2006-12-31				
2005-12-31				
2004-12-31				*
2003-12-31				
2002-12-31				
2001-12-31				
2001-09-30				
				*
Total				

B+C+D+G **Total ITC utilized** 4,286

* The **ITC end of year** includes the amount of ITC expired from the 10th preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20th preceding year if it is after December 31, 1997. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than $10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than $10,000,000, file a completed Schedule 33 with your T2 Corporation Income Tax Return no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

	Line	Amount		Total
Reserves that have not been deducted in computing income for the year under Part I	101	4,151,826		
Capital stock (or members' contributions if incorporated without share capital)	103	28,154,623		
Retained earnings	104	4,603,436		
Contributed surplus	105			
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	51,005,605		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is an amount under paragraph 181.2(3)(g) for a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112			
Subtotal (**add** lines 101 to 112)		87,915,490	►	87,915,490 A

Deduct the following amounts:

	Line	Amount		Total
Deferred tax debit balance at the end of the year	121	1,477,114		
Any deficit deducted in computing its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122			
Any amount deducted under subsection 135(1) in computing income under Part I for the year, as long as the amount may reasonably be regarded as being included in any of lines 101 to 112 above	123			
Deferred unrealized foreign exchange losses at the end of the year	124			
Subtotal (**add** lines 121 to 124)		1,477,114	►	1,477,114 B
Capital for the year (amount A **minus** amount B) (if negative, enter "0")	190			86,438,376

Note: Line 112 is determined as follows:

- An amount for a partnership is the proportion of the amount, if any, by which the total of those amounts—for the partnership's last fiscal period that ends at or before the tax year-end of the corporation—that would be determined for lines 101, 107, 108, 109, and 111 as if they apply to the partnership in the same way that they apply to corporations exceed the partnership's deferred unrealized foreign exchange losses at the end of the fiscal period.
- In determining an amount for a partnership, do not include amounts owing by the partnership
  - to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership.
  - to any partnership in which a corporation described above held a membership interest either directly or indirectly through another partnership.
- The proportion of an amount for a partnership is determined by the amount that the corporation's share of the partnership's income or loss for the fiscal period—to which the corporation is entitled either directly or indirectly through another partnership—is of the partnership's income or loss for the period.

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	652,648
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend payable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1).	406	
An interest in a partnership (see note 2 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	652,648

Notes:

1. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
2. Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation, refer to to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190)		86,438,376	C
Deduct: Investment allowance for the year (line 490)		652,648	D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	85,785,728	

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500) 85,785,728 x Taxable income earned in Canada **610** 1,000 / Taxable income 1,000 = **Taxable capital employed in Canada** **690** 85,785,728

Notes:
1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada	701		
Deduct the following amounts:			
Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada	711		
Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada	712		
Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below)	713		
Total deductions (**add** lines 711, 712, and 713)		▶	E
Taxable capital employed in Canada (line 701 **minus** amount E) (if negative, enter "0")	790		

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (line 690 or 790, whichever applies)		F
Deduct:	10,000,000	G
Excess (amount F **minus** amount G) (if negative, enter "0")		H
Calculation for purposes of the small business deduction (amount H x 0.225%)		I

Enter this amount at line 415 of the T2 return.

Attached Schedule with Total

Part 1 – Reserves that have not been deducted in computing income for the year under Part I

Title Part 1 – Reserves that have not been deducted in computing income for th

Description	Amount
Employee future benefits	2,651,999 00
Regulatory future income tax liability	1,499,827 00
Total	4,151,826 00

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Part 1 – All loans and advances to the corporation

Description	Amount
Customer deposits (short-term + long-term)	3,932,279 00
Note payable	47,073,326 00
Total	51,005,605 00

Attached Schedule with Total

Part 2 – A loan or advance to another corporation (other than a financial institution)

Title Part 2 – A loan or advance to another corporation (other than a financial ir

Description	Amount
Eligible prepaid expenses	277,302 00
Due from RP	375,346 00
Total	652,648 00

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SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

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

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Provide only one number per shareholder: Business Number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
	100	200	300	350	400	500
1	Entegrus Inc.	89428 6012 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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SCHEDULE 53

GENERAL RATE INCOME POOL (GRIP) CALCULATION

Name of corporation	Business Number	Tax year-end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

On: 2014-12-31

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- When an eligible dividend was paid in the tax year, file a completed copy of this schedule with your *T2 Corporation Income Tax Return*. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsections referred to in this schedule are from the *Income Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool, and low rate income pool.

Eligibility for the various additions

Answer the following questions to determine the corporation's eligibility for the various additions:

2006 addition

1. Is this the corporation's first taxation year that includes January 1, 2006? . . . . . Yes [ ] No [X]
2. If not, what is the date of the taxation year end of the corporation's first year that includes January 1, 2006? Enter the date and go directly to question 4 2006-12-31
3. During that first year, was the corporation a CCPC or would it have been a CCPC if not for the election of subsection 89(11) ITA? . . . . . Yes [X] No [ ]
   If the answer to question 3 is yes, complete Part "GRIP addition for 2006".

Change in the type of corporation

4. Was the corporation a CCPC during its preceding taxation year? . . . . . Yes [X] No [ ]
5. Corporations that become a CCPC or a DIC . . . . . Yes [ ] No [X]
   If the answer to question 5 is yes, complete Part 4.

Amalgamation (first year of filing after amalgamation)

6. Corporations that were formed as a result of an amalgamation . . . . . Yes [ ] No [X]
   If the answer to question 6 is yes, answer questions 7 and 8. If the answer is no, go to question 9.
7. Was one or more of the predecessor corporations neither a CCPC nor a DIC? . . . . . Yes [ ] No [ ]
   If the answer to question 7 is yes, complete Part 4.
8. Was one or more of the predecessor corporation a CCPC or a DIC during the taxation year that ended immediately before amalgamation? . . . . . Yes [ ] No [ ]
   If the answer to question 8 is yes, complete Part 3.

Winding-up

9. Has the corporation wound-up a subsidiary in the preceding taxation year? . . . . . Yes [ ] No [X]
   If the answer to question 9 is yes, answer questions 10 and 11. If the answer is no, go to Part 1.
10. Was the subsidiary neither a CCPC nor a DIC during its last taxation year? . . . . . Yes [ ] No [ ]
    If the answer to question 10 is yes, complete Part 4.
11. Was the subsidiary a CCPC or a DIC during its last taxation year? . . . . . Yes [ ] No [ ]
    If the answer to question 11 is yes, complete Part 3.

Part 1 – Calculation of general rate income pool (GRIP)

GRIP at the end of the previous tax year			100	18,455,652 A
Taxable income for the year (DICs enter "0") *		110	B	
Income for the credit union deduction * (amount E in Part 3 of Schedule 17)	120			
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less *	130			
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income *	140			
Subtotal (**add** lines 120, 130, and 140)		▶	C	
Income taxable at the general corporate rate (line B **minus** line C) (if negative enter "0")		150		
After-tax income (line 150 x general rate factor for the tax year ** 0.72)			190	D
Eligible dividends received in the tax year		200		
Dividends deductible under section 113 received in the tax year		210		
Subtotal (**add** lines 200 and 210)			▶	E
GRIP addition:				
Becoming a CCPC (line PP from Part 4)		220		
Post-amalgamation (total of lines EE from Part 3 and lines PP from Part 4)		230		
Post-wind-up (total of lines EE from Part 3 and lines PP from Part 4)		240		
Subtotal (**add** lines 220, 230, and 240)			▶ 290	F
Subtotal (**add** lines A, D, E, and F)				18,455,652 G
Eligible dividends paid in the previous tax year		300		
Excessive eligible dividend designations made in the previous tax year		310		
Note: If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.				
Subtotal (line 300 **minus** line 310)			▶	H
GRIP before adjustment for specified future tax consequences (line G **minus** line H) (amount can be negative)			490	18,455,652
Total GRIP adjustment for specified future tax consequences to previous tax years (amount W from Part 2)			560	959,449
GRIP at the end of the tax year (line 490 **minus** line 560) Enter this amount on line 160 of Schedule 55.			590	17,496,203

* For lines 110, 120, 130, and 140, the income amount is the amount before considering specified future tax consequences. This phrase is defined in subsection 248(1). It includes the deduction of a loss carryback from subsequent tax years, a reduction of Canadian exploration expenses and Canadian development expenses that were renounced in subsequent tax years (e.g., flow-through share renunciations), reversals of income inclusions where an option is exercised in subsequent tax years, and the effect of certain foreign tax credit adjustments.

** The **general rate factor** for a tax year is 0.68 for any portion of the tax year that falls before 2010, 0.69 for any portion of the tax year that falls in 2010, 0.70 for any portion of the tax year that falls in 2011, and 0.72 for any portion of the tax year that falls after 2011. Calculate the general rate factor in Part 5 for tax years that straddle these dates.

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560.

First previous tax year 2013-12-31

Taxable income before specified future tax consequences from the current tax year		1,539,746 J1	
Enter the following amounts before specified future tax consequences from the current tax year:			
Income for the credit union deduction (amount E in Part 3 of Schedule 17)	K1		
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less	L1		
Aggregate investment income (line 440 of the T2 return)	22,458 M1		
Subtotal (**add** lines K1, L1, and M1)	22,458 ▶	22,458 N1	
Subtotal (line J1 **minus** line N1) (if negative, enter "0")		1,517,288 ▶	1,517,288 O1

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences . . . . ______ P1

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ______ Q1

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ______ R1

Aggregate investment income (line 440 of the T2 return) . . . . ______ S1

Subtotal (**add** lines Q1, R1, and S1) ______ ▶ ______ T1

Subtotal (line P1 **minus** line T1) (if negative, enter "0") ______ ▶ ______ U1

Subtotal (line O1 **minus** line U1) (if negative, enter "0") ______ V1

GRIP adjustment for specified future tax consequences to the first previous tax year

(line V1 **multiplied by** the general rate factor for the tax year 0.72) . . . . **500** ______

Second previous tax year 2012-12-31

Taxable income before specified future tax consequences from the current tax year 4,412,435 J2

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ______ K2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ______ L2

Aggregate investment income (line 440 of the T2 return) . . . . ______ M2

Subtotal (**add** lines K2, L2, and M2) ______ ▶ ______ N2

Subtotal (line J2 **minus** line N2) (if negative, enter "0") 4,412,435 ▶ 4,412,435 O2

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**
85,985					85,985

Taxable income after specified future tax consequences 4,326,450 P2

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ______ Q2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ______ R2

Aggregate investment income (line 440 of the T2 return) . . . . ______ S2

Subtotal (**add** lines Q2, R2, and S2) ______ ▶ ______ T2

Subtotal (line P2 **minus** line T2) (if negative, enter "0") 4,326,450 ▶ 4,326,450 U2

Subtotal (line O2 **minus** line U2) (if negative, enter "0") 85,985 V2

GRIP adjustment for specified future tax consequences to the second previous tax year

(line V2 **multiplied by** the general rate factor for the tax year 0.72) **520** 61,909

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Third previous tax year 2011-12-31

Taxable income before specified future tax consequences from the current tax year 1,746,583 J3

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ______ K3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ______ L3

Aggregate investment income (line 440 of the T2 return) . . . . ______ M3

Subtotal (**add** lines K3, L3, and M3) ______ ▶ ______ N3

Subtotal (line J3 **minus** line N3) (if negative, enter "0") 1,746,583 ▶ 1,746,583 O3

Future tax consequences that occur for the current year

Amount carried back from the current year to a prior year

Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks
1,246,583					1,246,583

Taxable income after specified future tax consequences 500,000 P3

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ______ Q3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ______ R3

Aggregate investment income (line 440 of the T2 return) . . . . ______ S3

Subtotal (**add** lines Q3, R3, and S3) ______ ▶ ______ T3

Subtotal (line P3 **minus** line T3) (if negative, enter "0") 500,000 ▶ 500,000 U3

Subtotal (line O3 **minus** line U3) (if negative, enter "0") 1,246,583 V3

GRIP adjustment for specified future tax consequences to the third previous tax year
(line V3 **multiplied by** the general rate factor for the tax year 0.72) **540** 897,540

Total GRIP adjustment for specified future tax consequences to previous tax years:
(**add** lines 500, 520, and 540) (if negative, enter "0") . . . . 959,449 W

Enter amount W on line 560.

Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)

nb. 1 Post amalgamation . . . ___ Post wind-up . . . . . . ___

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or a DIC in its last tax year. In the calculation below, **corporation** means a predecessor or a subsidiary. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year . . . . ______ AA

Eligible dividends paid by the corporation in its last tax year . . . . ______ BB

Excessive eligible dividend designations made by the corporation in its last tax year . . . . . ______ CC

Subtotal (line BB **minus** line CC) ______ ▶ ______ DD

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)
(line AA **minus** line DD) . . . . ______ EE

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the EE lines. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC

nb. 1 Corporation becoming a CCPC ☐ Post amalgamation ☐ Post wind-up ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year. Also, use this part for a corporation becoming a CCPC. In the calculation below, **corporation** means a corporation becoming a CCPC, a predecessor, or a subsidiary.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was not a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year ______ FF

The corporation's money on hand immediately before the end of its previous/last tax year ______ GG

Unused and unexpired losses at the end of the corporation's previous/last tax year:

- Non-capital losses ______
- Net capital losses ______
- Farm losses ______
- Restricted farm losses ______
- Limited partnership losses ______

Subtotal ______ ▶ ______ HH

Subtotal (**add** lines FF, GG, and HH) ______ II

All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year ______ JJ

Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year ______ KK

All the corporation's reserves deducted in its previous/last tax year ______ LL

The corporation's capital dividend account immediately before the end of its previous/last tax year ______ MM

The corporation's low rate income pool immediately before the end of its previous/last tax year ______ NN

Subtotal (**add** lines JJ, KK, LL, MM, and NN) ______ ▶ ______ OO

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC (line II **minus** line OO) (if negative, enter "0") ______ PP

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the PP lines. Enter this total amount on:

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 5 – General rate factor for the tax year

Complete this part to calculate the general rate factor for the tax year.

0.68	x	number of days in the tax year before January 1, 2010 / number of days in the tax year	/ 365	. . . . =		QQ
0.69	x	number of days in the tax year in 2010 / number of days in the tax year	/ 365	. . . . =		RR
0.7	x	number of days in the tax year in 2011 / number of days in the tax year	/ 365	. . . . =		SS
0.72	x	number of days in the tax year after December 31, 2011 / number of days in the tax year	365 / 365	. . . . =	0.720000000	TT

General rate factor for the tax year (total of lines QQ to TT) . . . . 0.72000 UU

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SCHEDULE 55

PART III.1 TAX ON EXCESSIVE ELIGIBLE DIVIDEND DESIGNATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

Do not use this area

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, *General Rate Income Pool (GRIP) Calculation*, or Schedule 54, *Low Rate Income Pool (LRIP) Calculation*, whichever is applicable.
- File the completed schedules with your *T2 Corporation Income Tax Return* no later than six months from the end of the tax year.
- All legislative references on this schedule are to the federal *Income Tax Act.*
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool (GRIP), and low rate income pool (LRIP).
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year **not included** in Schedule 3					
Taxable dividends paid in the tax year **included** in Schedule 3		1,400,000			
Total taxable dividends paid in the tax year	100	1,400,000			
Total eligible dividends paid in the tax year			150		A
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")			160	17,496,203	B
Excessive eligible dividend designation (line 150 **minus** line 160)					C
Deduct:					
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends*			180		D
Subtotal (amount C **minus** amount D)					E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E **multiplied** by 20 %)			190		F

Enter the amount from line 190 on line 710 of the T2 return.

Part 2 – Other corporations

Taxable dividends paid in the tax year **not included** in Schedule 3					
Taxable dividends paid in the tax year **included** in Schedule 3					
Total taxable dividends paid in the tax year	200				
Total excessive eligible dividend designations in the tax year (amount from line A of Schedule 54)					G
Deduct:					
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends*			280		H
Subtotal (amount G **minus** amount H)					I
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I **multiplied** by 20 %)			290		J

Enter the amount from line 290 on line 710 of the T2 return.

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax. For more information on how to make this election, go to **www.cra.gc.ca/eligibledividends**.

Canada Revenue Agency / Agence du revenu du Canada

Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
  1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
  2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
  3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
  4) a congregation or business agency to which section 143 of the federal Act applies;
  5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
  6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	112	106,588,888
Share of total assets from partnership(s) and joint venture(s) *	114	
Total assets of associated corporations (amount from line 450 on Schedule 511)	116	63,612,462
Total assets (total of lines 112 to 116)		170,201,350
Total revenue of the corporation for the tax year **	142	124,081,698
Share of total revenue from partnership(s) and joint venture(s) **	144	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	13,262,620
Total revenue (total of lines 142 to 146)		137,344,318

The corporation is subject to CMT if:
- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than $5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than $10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than $50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than $100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

* **Rules for total assets**
- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

** **Rules for total revenue**
- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

Part 2 – Adjusted net income/loss for CMT purposes

Net income/loss per financial statements *			210	3,837,751
Add (to the extent reflected in income/loss):				
Provision for current income taxes/cost of current income taxes	220			
Provision for deferred income taxes (debits)/cost of future income taxes	222			
Equity losses from corporations	224			
Financial statement loss from partnerships and joint ventures	226			
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230			
Other additions (see note below):				
Share of adjusted net income of partnerships and joint ventures **	228			
Total patronage dividends received, not already included in net income/loss	232			
281	282			
283	284			
Subtotal				A
Deduct (to the extent reflected in income/loss):				
Provision for recovery of current income taxes/benefit of current income taxes	320	359,633		
Provision for deferred income taxes (credits)/benefit of future income taxes	322			
Equity income from corporations	324			
Financial statement income from partnerships and joint ventures	326			
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330			
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332			
Gain on donation of listed security or ecological gift	340			
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342			
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344			
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346			
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348			
Other deductions (see note below):				
Share of adjusted net loss of partnerships and joint ventures **	328			
Tax payable on dividends under subsection 191.1(1) of the federal Act **multiplied** by 3	334			
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336			
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338			
381	382			
383	384			
385	386			
387	388			
389	390			
Subtotal		359,633		359,633 B
Adjusted net income/loss for CMT purposes (line 210 **plus** amount A **minus** amount B)			490	3,478,118

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

Note

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

- exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
- include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

* **Rules for net income/loss**

- Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)

– Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.

– Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.

– Corporations, other than insurance corporations, should report net income from line 9999 of the GIFI (Schedule 125) on line 210.

** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.

*** A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.

**** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.

***** A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive)	515	3,478,118	
Deduct:			
CMT loss available (amount R from Part 7)			
Minus: Adjustment for an acquisition of control *	518		
Adjusted CMT loss available	▶		C
Net income subject to CMT calculation (if negative, enter "0")	520	3,478,118	

Amount from line 520 3,478,118 × (Number of days in the tax year before July 1, 2010 / Number of days in the tax year 365) × 4 % = ______ 1

Amount from line 520 3,478,118 × (Number of days in the tax year after June 30, 2010 365 / Number of days in the tax year 365) × 2.7 % = 93,909 2

Subtotal (amount 1 **plus** amount 2) 93,909 3

Gross CMT: amount on line 3 above x OAF **	540	93,909	
Deduct:			
Foreign tax credit for CMT purposes ***	550		
CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0")		93,909	D
Deduct:			
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)			
Net CMT payable (if negative, enter "0")		93,909	E

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

* Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act.

*** Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

** **Calculation of the Ontario allocation factor (OAF):**

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

Ontario taxable income **** / Taxable income ***** = ______

Ontario allocation factor 1.00000 F

**** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were $1,000.

***** Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *				G
Deduct:				
CMT credit expired *	600			
CMT credit carryforward at the beginning of the current tax year * (see note below)			620	
Add:				
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)			650	
CMT credit available for the tax year (amount on line 620 **plus** amount on line 650)				H
Deduct:				
CMT credit deducted in the current tax year (amount P from Part 5)				I
Subtotal (amount H **minus** amount I)				J
Add:				
Net CMT payable (amount E from Part 3)		93,909		
SAT payable (amount O from Part 6 of Schedule 512)				
Subtotal		93,909	93,909	K
CMT credit carryforward at the end of the tax year (amount J **plus** amount K)			670 93,909	L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line G or line 600;
- for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4)				M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)			1	
For a corporation that is not a life insurance corporation:				
CMT after foreign tax credit deduction (amount D from Part 3)	93,909	2		
For a life insurance corporation:				
Gross CMT (line 540 from Part 3)		3		
Gross SAT (line 460 from Part 6 of Schedule 512)		4		
The **greater** of amounts 3 and 4		5		
Deduct: line 2 or line 5, whichever applies:			93,909	6
Subtotal (if negative, enter "0")				N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)				
Deduct:				
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 **minus** line 450 from Schedule 5)			22,308	
Subtotal (if negative, enter "0")				O
CMT credit deducted in the current tax year (least of amounts M, N, and O)				P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? 675 1 Yes __ 2 No X

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:
- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year * . . . . Q

Deduct:

CMT loss expired * 700

CMT loss carryforward at the beginning of the tax year * (see note below) . . . . ► 720

Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below) 750

CMT loss available (line 720 **plus** line 750) . . . . R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) . . . .

Subtotal (if negative, enter "0") S

Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) 760

CMT loss carryforward balance at the end of the tax year (amount S **plus** line 760) . . . . 770 T

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

** Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

Note: If you entered an amount on line 720 or line 750, complete Part 8.

Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:

– the tax year includes January 1, 2009; or
– the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

*** The total of these two columns must equal the total of the amounts entered on lines 720 and 750.

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SCHEDULE 511

ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS AND REVENUE FOR ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return*.

	Names of associated corporations 200	Business number (Canadian corporation only) (see Note 1) 300	Total assets* (see Note 2) 400	Total revenue** (see Note 2) 500
1	ENTEGRUS INC.	89428 6012 RC0001	52,847,470	3,940,831
2	ENTEGRUS SERVICES INC.	86356 0967 RC0001	3,813,468	8,522,410
3	THE CORPORATION OF THE MUNICIPALITY OF CHAT	86633 7058 RC0001	0	0
4	Entegrus Transmission Inc.	84884 4916 RC0001	6,951,524	799,379
		Total	450 63,612,462	550 13,262,620

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.
Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

Note 1: Enter "NR" if a corporation is not registered.

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

*** Rules for total assets**

- Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
- Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

**** Rules for total revenue**

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
- If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
- Include the associated corporation's share of the total revenue of partnerships and joint ventures.
- If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.

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SCHEDULE 546

CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit **www.ServiceOntario.ca** for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record)
ENTEGRUS POWERLINES INC.

Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	**110** Date of incorporation or amalgamation, whichever is the most recent (Year Month Day)	**120** Ontario Corporation No.
Ontario	2000-09-22	7265360

Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)

200 Care of (if applicable)

210 Street number: 320
220 Street name/Rural route/Lot and Concession number: Queen St
230 Suite number:

240 Additional address information if applicable (line 220 must be completed first)
PO Box 70

250 Municipality (e.g., city, town): Chatham
260 Province/state: ON
270 Country: CA
280 Postal/zip code: N7M 5K2

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit **www.ServiceOntario.ca**.

300 1 If there have been no changes, enter **1** in this box and then go to "Part 4 – Certification."
If there are changes, enter **2** in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 COWELL — Last name
451 CHRIS — First name

454 — Middle name(s)

460 2 Please enter one of the following numbers in this box for the above-named person: **1** for director, **2** for officer, or **3** for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter **1** or **2**.

Note: Sections 13 and 14 of the Ontario *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500 Please enter one of the following numbers in this box:
1 - Show no mailing address on the MGS public record.
2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule.
3 - The corporation's complete mailing address is as follows:

510 Care of (if applicable)

520 Street number **530** Street name/Rural route/Lot and Concession number **540** Suite number

550 Additional address information if applicable (line 530 must be completed first)

560 Municipality (e.g., city, town) **570** Province/state **580** Country **590** Postal/zip code

Part 6 – Language of preference

600 Indicate your language of preference by entering **1** for English or **2** for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.

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SCHEDULE 552

ONTARIO APPRENTICESHIP TRAINING TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
ENTEGRUS POWERLINES INC.	89429 0014 RC0002	2014-12-31

- Use this schedule to claim an Ontario apprenticeship training tax credit (ATTC) under section 89 of the *Taxation Act, 2007* (Ontario).
- The ATTC is a refundable tax credit that is equal to a specified percentage (25% to 45%) of the eligible expenditures incurred by a corporation for a qualifying apprenticeship. Before March 27, 2009, the maximum credit for each apprentice is $5,000 per year to a maximum credit of $15,000 over the first 36-month period of the qualifying apprenticeship. After March 26, 2009, the maximum credit for each apprentice is $10,000 per year to a maximum credit of $40,000 over the first 48-month period of the qualifying apprenticeship. The maximum credit amount is prorated for an employment period of an apprentice that straddles March 26, 2009.
- Eligible expenditures are salaries and wages (including taxable benefits) paid to an apprentice in a qualifying apprenticeship or fees paid to an employment agency for the provision of services performed by the apprentice in a qualifying apprenticeship. These expenditures must be:
  - paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario;
  - for services provided by the apprentice during the first 36 months of the apprenticeship program, if incurred before March 27, 2009; and
  - for services provided by the apprentice during the first 48 months of the apprenticeship program, if incurred after March 26, 2009.
- An expenditure is not eligible for an ATTC if:
  - the same expenditure was used, or will be used, to claim a co-operative education tax credit; or
  - it is more than an amount that would be paid to an arm's length apprentice.
- An apprenticeship must meet the following conditions to be a qualifying apprenticeship:
  - the apprenticeship is in a qualifying skilled trade approved by the Ministry of Training, Colleges and Universities (Ontario); and
  - the corporation and the apprentice must be participating in an apprenticeship program in which the training agreement has been registered under the *Ontario College of Trades and Apprenticeship Act, 2009* or the *Apprenticeship and Certification Act, 1998* or in which the contract of apprenticeship has been registered under the *Trades Qualification and Apprenticeship Act*.
- Make sure you keep a copy of the training agreement or contract of apprenticeship to support your claim. Do not submit the training agreement or contract of apprenticeship with your *T2 Corporation Income Tax Return*.
- File this schedule with your *T2 Corporation Income Tax Return*.

Part 1 – Corporate information (please print)

110 Name of person to contact for more information: CHRIS COWELL

120 Telephone number including area code: (519) 352-6300

Is the claim filed for an ATTC earned through a partnership? * .... **150** 1 Yes ___ 2 No X

If **yes** to the question at line 150, what is the name of the partnership? **160**

Enter the percentage of the partnership's ATTC allocated to the corporation .... **170** ___ %

* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 552 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 552 to claim the partner's share of the partnership's ATTC. The total of the partners' allocated amounts can never exceed the amount of the partnership's ATTC.

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year? .... **200** 1 Yes X 2 No ___
2. Was the corporation exempt from tax under Part III of the *Taxation Act, 2007* (Ontario)? .... **210** 1 Yes ___ 2 No X

If you answered **no** to question 1 or **yes** to question 2, then you are **not eligible** for the ATTC.

Part 3 – Specified percentage

Corporation's salaries and wages paid in the previous tax year * **300** 600,001

For eligible expenditures incurred before March 27, 2009:
- If line 300 is $400,000 or less, enter 30% on line 310.
- If line 300 is $600,000 or more, enter 25% on line 310.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 310 using the following formula:

$$\text{Specified percentage} = 30\,\% - \left[5\,\% \times \left(\frac{\text{amount on line 300} \quad \textbf{minus} \quad 400{,}000}{200{,}000} \right) \right]$$

Specified percentage . . . . **310** 25.000 %

For eligible expenditures incurred after March 26, 2009:
- If line 300 is $400,000 or less, enter 45% on line 312.
- If line 300 is $600,000 or more, enter 35% on line 312.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 312 using the following formula:

$$\text{Specified percentage} = 45\,\% - \left[10\,\% \times \left(\frac{\text{amount on line 300} \quad \textbf{minus} \quad 400{,}000}{200{,}000} \right) \right]$$

Specified percentage . . . . **312** 35.000 %

* If this is the first tax year of an amalgamated corporation and subsection 89(6) of the *Taxation Act, 2007* (Ontario) applies, enter salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Calculation of the Ontario apprenticeship training tax credit

Complete a **separate entry** for each apprentice that is in a qualifying apprenticeship with the corporation. When claiming an ATTC for repayment of government assistance, complete a **separate entry** for each repayment, and complete columns A to G and M and N with the details for the employment period in the previous tax year in which the government assistance was received.

	A Trade code 400	B Apprenticeship program/ trade name 405	C Name of apprentice 410
1.	434a	Powerline Technician	Erik Stewart
2.	434a	Powerline Technician	Ken Elgie
3.	434a	Powerline Technician	Michael Somlai
4.			

	D Original contract or training agreement number 420	E Original registration date of apprenticeship contract or training agreement (see note 1 below) 425	F Start date of employment as an apprentice in the tax year (see note 2 below) 430	G End date of employment as an apprentice in the tax year (see note 3 below) 435
1.	BA0237	2013-05-21	2014-01-01	2014-12-31
2.	CA4147	2014-05-14	2014-04-29	2014-12-31
3.	CA4146	2014-05-14	2014-04-29	2014-12-31
4.				

Note 1: Enter the original registration date of the apprenticeship contract or training agreement in all cases, even when multiple employers employed the apprentice.

Note 2: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the first day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the start date of employment as an apprentice for the tax year in which the government assistance was received.

Note 3: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the last day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the end date of employment as an apprentice for the tax year in which the government assistance was received.

Part 4 – Calculation of the Ontario apprenticeship training tax credit (continued)

	H1 Number of days employed as an apprentice in the tax year before March 27, 2009 (see note 1 below) 441	H2 Number of days employed as an apprentice in the tax year after March 26, 2009 (see note 1 below) 442	H3 Number of days employed as an apprentice in the tax year (column H1 **plus** column H2) 440	I Maximum credit amount for the tax year (see note 2 below) 445
1.		365	365	10,000
2.		246	246	6,740
3.		246	246	6,740
4.				

	J1 Eligible expenditures before March 27, 2009 (see note 3 below) 451	J2 Eligible expenditures after March 26, 2009 (see note 3 below) 452	J3 Eligible expenditures for the tax year (column J1 **plus** column J2) 450	K Eligible expenditures **multiplied** by specified percentage (see note 4 below) 460
1.		49,536	49,536	17,338
2.		18,127	18,127	6,344
3.		17,040	17,040	5,964
4.				

	L ATTC on eligible expenditures (lesser of columns I and K) 470	M ATTC on repayment of government assistance (see note 5 below) 480	N ATTC for each apprentice (column L or column M, whichever applies) 490
1.	10,000		10,000
2.	6,344		6,344
3.	5,964		5,964
4.			

Ontario apprenticeship training tax credit (total of amounts in column N) 500 22,308 O

or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount O:

Amount O ________ x percentage on line 170 in Part 1 ________ % = ________ P

Enter amount O or P, whichever applies, on line 454 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 552, add the amounts from line O or P, whichever applies, on all the schedules, and enter the total amount on line 454 of Schedule 5.

Note 1: When there are multiple employment periods as an apprentice in the tax year with the corporation, do not include days in which the individual was not employed as an apprentice.
For H1: The days employed as an apprentice must be within 36 months of the registration date provided in column E.
For H2: The days employed as an apprentice must be within 48 months of the registration date provided in column E.

Note 2: Maximum credit = ($5,000 x H1/365*) + ($10,000 x H2/365*)
* 366 days, if the tax year includes February 29

Note 3: Reduce eligible expenditures by all government assistance, as defined under subsection 89(19) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, in respect of the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.
For J1: Eligible expenditures before March 27, 2009, must be for services provided by the apprentice during the first 36 months of the apprenticeship program.
For J2: Eligible expenditures after March 26, 2009, must be for services provided by the apprentice during the first 48 months of the apprenticeship program.

Note 4: Calculate the amount in column K as follows:
Column K = (J1 x line 310) + (J2 x line 312)

Note 5: Include the amount of government assistance repaid in the tax year multiplied by the specified percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the ATTC in that tax year.
Complete a **separate entry** for each repayment of government assistance.

Corporate Taxpayer Summary

Corporate information

Corporation's name: ENTEGRUS POWERLINES INC.

Taxation Year: 2014-01-01 to 2014-12-31

Jurisdiction: Ontario

BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
				X											

Corporation is associated: Y

Corporation is related: Y

Number of associated corporations: 4

Type of corporation: Canadian-Controlled Private Corporation

Total amount due (refund) federal and provincial*: -307,399

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensative help.

Summary of federal information

Net income		-1,332,568
Taxable income		
Donations		207,363
Calculation of income from an active business carried on in Canada		
Dividends paid		1,400,000
Dividends paid – Regular	1,400,000	
Dividends paid – Eligible		
Balance of the low rate income pool at the end of the previous year		
Balance of the low rate income pool at the end of the year		
Balance of the general rate income pool at the end of the previous year		18,455,652
Balance of the general rate income pool at the end of the year		17,496,203
Part I tax (base amount)		

Credits against part I tax		**Summary of tax**		**Refunds/credits**	
Small business deduction		Part I		ITC refund	
M&P deduction		Part IV		Dividends refund	
Foreign tax credit		Part III.1		Instalments	379,000
Investment tax credits		Other*		Surtax credit	
Abatement/Other*		Provincial or territorial tax	71,601	Other*	
				Balance due/refund (–)	-307,399

* The amounts displayed on lines "Other" are all listed in the Help. Press F1 to consult the context-sensitive help.

Summary of federal carryforward/carryback information

Carryback amounts

Investment tax credits	4,286
Non-capital losses	1,332,568

Carryforward balances

Charitable donations	207,363
Capital dividend amount	83,698
Cumulative eligible capital	754,888
Financial statement reserve	6,935,134
Other reserves	4,268,135

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	-1,332,568		
Taxable income			
% Allocation	100.00		
Attributed taxable income			
Tax payable before deduction*			
Deductions and credits			
Net tax payable			
Attributed taxable capital	N/A		N/A
Capital tax payable**	N/A		N/A
Total tax payable***	93,909		
Instalments and refundable credits	22,308		
Balance due/Refund (-)	71,601		
Logging tax payable (COZ-1179)			
Tax payable	N/A		N/A

* For Québec, this includes special taxes.

** For Québec, this includes compensation tax and registration fee.

*** For Ontario, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations. The Balance due/Refund is included in the federal Balance due/refund.

Summary of provincial carryforward amounts

Other carryforward amounts

Ontario

Corporate minimum tax credit that can be carried forward over 20 years – Schedule 510	93,909

Summary – taxable capital

Federal

Corporate name	Taxable capital used to calculate the business limit reduction (T2, line 415)	Taxable capital used to calculate the SR&ED expenditure limit for a CCPC (Schedules 31 and 49)	Taxable capital used to calculate line 233 of the T2 return	Taxable capital used to calculate line 234 of the T2 return
ENTEGRUS POWERLINES INC.	83,785,635	83,785,635	85,785,728	85,785,728
ENTEGRUS INC.				
ENTEGRUS SERVICES INC.	3,849,312	3,849,312	2,057,066	2,057,066
THE CORPORATION OF THE MUNICIPALITY OF CHATHAM-KENT				
Entegrus Transmission Inc.			4,225,666	4,225,666
Total	87,634,947	87,634,947	92,068,460	92,068,460

Québec

Corporate name	Paid-up capital used to calculate the Québec business limit reduction (CO-771 and CO-771.1.3)	Paid-up capital used to calculate the tax credit for investment (CO-1029.8.36.IN)	Paid-up capital used to calculate the 1 million deduction (CO-1137.A and CO-1137.E)
Total			

Ontario

Corporate name	Specified capital used to calculate the expenditure limit – Ontario innovation tax credit (Schedule 566)
Total	

Other provinces

Corporate name	Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306)
Total	

Five-Year Comparative Summary

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Federal information (T2)					
Taxation year end	**2014-12-31**	**2013-12-31**	**2012-12-31**	**2011-12-31**	**2010-12-31**
Net income	-1,332,568	1,752,209	4,453,798	1,946,633	3,423,687
Taxable income		1,539,746	4,412,435	1,746,583	3,223,687
Active business income		1,729,751	4,453,798	1,946,633	3,417,437
Dividends paid	1,400,000	1,300,000	2,600,000	300,000	7,750,000
Dividends paid – Regular	1,400,000	1,300,000	2,600,000	300,000	7,750,000
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year	18,455,652	17,363,205	14,186,252	12,963,644	10,743,612
GRIP – end of the year	17,496,203	18,455,652	17,363,205	14,186,252	12,963,644
Donations	207,363	212,463	41,363	200,050	200,000
Balance due/refund (-)	-307,399	-859,057	-77,277	-607,506	44,710
Line 996 – Amended tax return	☐	☐	☐	☐	☐

Loss carrybacks requested in prior years					
Taxation year end	**2014-12-31**	**2013-12-31**	**2012-12-31**	**2011-12-31**	**2010-12-31**
Taxable income before loss carrybacks	N/A	N/A	4,412,435	1,746,583	3,223,687
Non-capital losses	N/A	N/A			
Net capital losses (50%)	N/A	N/A			
Restricted farm losses	N/A	N/A			
Farm losses	N/A	N/A			
Listed personal property losses (50%)	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			
Adjusted taxable income after loss carrybacks	N/A	N/A	4,412,435	1,746,583	3,223,687

Losses in the current year carried back to previous years (according to Schedule 4)					
Taxation year end	**2014-12-31**	**2013-12-31**	**2012-12-31**	**2011-12-31**	**2010-12-31**
Adjusted taxable income before current year loss carrybacks*	N/A	1,539,746	4,412,435	1,746,583	N/A
Non-capital losses	N/A		85,985	1,246,583	N/A
Net capital losses (50%)	N/A				N/A
Restricted farm losses	N/A				N/A
Farm losses	N/A				N/A
Listed personal property losses (50%)	N/A				N/A
Total current year losses carried back to prior years	N/A		85,985	1,246,583	N/A
Adjusted taxable income after loss carrybacks	N/A	1,539,746	4,326,450	500,000	N/A

* The adjusted taxable income before current year loss carryback takes into account loss carrybacks that were made in prior taxation years.

Federal taxes

Taxation year end	2014-12-31	2013-12-31	2012-12-31	2011-12-31	2010-12-31
Part I		235,378	661,864	280,187	566,923
Part IV					
Part III.1					
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Credits against part I tax

Taxation year end	2014-12-31	2013-12-31	2012-12-31	2011-12-31	2010-12-31
Small business deduction					
M&P deduction					
Foreign tax credit					
Political contribution					
Investment tax credit				8,000	14,382
Abatement/other*		351,222	1,014,861	375,515	644,113

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Refunds/credits

Taxation year end	2014-12-31	2013-12-31	2012-12-31	2011-12-31	2010-12-31
ITC refund					
Dividend refund		5,989			1,667
Instalments	379,000	1,230,000	1,171,000	1,016,113	947,736
Surtax credit					
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Ontario

Taxation year end	2014-12-31	2013-12-31	2012-12-31	2011-12-31	2010-12-31
Net income	-1,332,568	1,752,209	4,453,798	1,946,633	3,423,687
Taxable income		1,539,746	4,412,435	1,746,583	3,223,687
% Allocation	100.00	100.00	100.00	100.00	100.00
Attributed taxable income		1,539,746	4,412,435	1,746,583	3,223,687
Surtax					39,979
Income tax payable before deduction		177,071	507,430	205,188	418,815
Income tax deductions /credits		35,517	35,571	36,768	42,802
Net income tax payable		141,554	471,859	168,420	415,992
Taxable capital					59,630,969
Capital tax payable					33,198
Total tax payable*	93,909	141,554	471,859	168,420	449,190
Instalments and refundable credits	22,308		40,000	40,000	22,000
Balance due/refund**	71,601	141,554	431,859	128,420	427,190

* For taxation years ending before January 1, 2009, this includes the corporate minimum tax and the premium tax. For taxation years ending after December 31, 2008, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations.

** For taxation years ending after December 31, 2008, the Balance due/Refund is included in the federal Balance due/refund.

Attached Notes – Summary

Name of the cell: Part 1 – Financial statement reserves – Federal – Balance at the

Form: Sch. 13S - Continuity of financial statement reserves (not deduc

Keep this note when rolling forward the file: X

Description of the attached note

Included in trade payables on the financial statements and unchanged from the prior year. On leadsheet this is reflected as an immaterial unreconciled difference of $14,999.

ATTACHMENT 4-S

Test Year Income Tax/PILs

Work Form

Board Model

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Version **1.0**

Utility Name	Entegrus Powerlines Inc.
Assigned EB Number	EB-2015-0061
Name and Title	Andrya Eagen, Senior Regulatory Specialist
Phone Number	519-352-6300, Ext 243
Email Address	regulatory@entegrus.com
Date	28-Aug-15
Last COS Re-based Year	**2010**

Note: Drop-down lists are shaded blue; Input cells are shaded green.

Instructions

Purpose
The purpose of
calculation of P

Tab S Summar
Requirement W

Methodology
To calculate the

1) input the ba
2) input the ba
Inputs should
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- capital ad
- cumulativ
- non-dedu

3) make any o
reasonable.

Other Notes
Tabs H1 to H13
Tabs B1 to B13
Tabs T1 to T13

The amounts o
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calculated on ta

On tab "A. Data

For the 2016 A

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

No inputs required on this worksheet.

Inputs on Service Revenue Requirement Worksheet

The Service Revenue Requirement is in the 'Revenue Requirement Workform' - Tab 3.

Item	Working Paper Reference		
Adjustments required to arrive at taxable income	as below	**-2,583,928**	
Test Year - Payments in Lieu of Taxes (PILs)	T0	**117,534**	
Test Year - Grossed-up PILs	T0	**159,910**	
Federal Tax Rate	T0	**15.0%**	
Ontario Tax Rate	T0	**11.5%**	
Calculation of Adjustments required to arrive at Taxable Income			
Regulatory Income (before income taxes)	T1	3,219,905	
Taxable Income	T1	635,977	
Difference	calculated	-2,583,928	as above

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Rate Base		S	**$**	**86,556,573**	
Return on Ratebase					
Deemed ShortTerm Debt %	4.00%	T	$	3,462,263	*W = S * T*
Deemed Long Term Debt %	56.00%	U	$	48,471,681	*X = S * U*
Deemed Equity %	40.00%	V	$	34,622,629	*Y = S * V*
Short Term Interest Rate	2.16%	Z	$	74,785	*AC = W * Z*
Long Term Interest	4.77%	AA	$	2,312,099	*AD = X * AA*
Return on Equity (Regulatory Income)	9.30%	AB	**$**	**3,219,905**	*AE = Y * AB* T1
Return on Rate Base			**$**	**5,606,789**	*AF = AC + AD + AE*

Questions that must be answered

	Historical	Bridge	Test Year
1. Does the applicant have any Investment Tax Credits (ITC)?	No	No	No
2. Does the applicant have any SRED Expenditures?	No	No	No
3. Does the applicant have any Capital Gains or Losses for tax purposes?	No	No	No
4. Does the applicant have any Capital Leases?	No	No	No
5. Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?	No	No	No
6. Since 1999, has the applicant acquired another regulated applicant's assets?	Yes	Yes	Yes
7. Did the applicant pay dividends? *If Yes, please describe what was the tax treatment in the manager's summary.*	Yes	Yes	Yes
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?	No	No	No

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Tax Rates **Federal & Provincial** **As of June 15, 2015**	**Effective January 1, 2012**	**Effective January 1, 2013**	**Effective January 1, 2014**	**Effective January 1, 2015**	**Effective January 1, 2016**
Federal income tax					
General corporate rate	38.00%	38.00%	38.00%	38.00%	38.00%
Federal tax abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted federal rate	28.00%	28.00%	28.00%	28.00%	28.00%
Rate reduction	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%
Federal Income Tax	15.00%	15.00%	15.00%	15.00%	15.00%
Ontario income tax	11.50%	11.50%	11.50%	11.50%	11.50%
Combined federal and Ontario	26.50%	26.50%	26.50%	26.50%	26.50%
Federal & Ontario Small Business					
Federal small business threshold	500,000	500,000	500,000	500,000	500,000
Ontario Small Business Threshold	500,000	500,000	500,000	500,000	500,000
Federal small business rate	11.00%	11.00%	11.00%	11.00%	10.50%
Ontario small business rate	4.50%	4.50%	4.50%	4.50%	4.50%

Notes
1. The Ontario Energy Board's proxy for taxable capital is rate base.
2. If taxable capital exceds $15 million the maximum tax rates apply.
3. If taxable capital is below $10 million the minimum tax rates apply.
4. Where taxable capital is between $10 million and $15 million, the tax rate will be calculated.

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

PILs Tax Provision - Historical Year

Note: Input the actual information from the tax returns for the historical year.

					Wires Only	
Regulatory Taxable Income				H1	-$ 1,174,299	**A**
Combined Tax Rate and PILs	Ontario Tax Rate (Maximum 11.5%)	11.50%	**B**			
	Federal tax rate (Maximum 15%)	15.00%	**C**			
	Combined tax rate (Maximum 26.5%)				26.50%	**M = K + L**
Total Income Taxes					**-$ 311,189**	**E = A * D**
Investment Tax Credits						**F**
Miscellaneous Tax Credits					$ 26,594	**G**
Total Tax Credits					**$ 26,594**	**H = F + G**
Corporate PILs/Income Tax Provision for Historical Year					**$ -**	**I = H + E**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	A	3,478,118	103,619	3,374,499
Additions:				
Interest and penalties on taxes	103			0
Amortization of tangible assets	104	3,601,671	35,571	3,566,100
Amortization of intangible assets	106			0
Recapture of capital cost allowance from Schedule 8	107			0
Gain on sale of eligible capital property from Schedule 10	108			0
Income or loss for tax purposes- joint ventures or partnerships	109			0
Loss in equity of subsidiaries and affiliates	110			0
Loss on disposal of assets	111			0
Charitable donations	112	207,363		207,363
Taxable Capital Gains	113			0
Political Donations	114			0
Deferred and prepaid expenses	116			0
Scientific research expenditures deducted on financial statements	118			0
Capitalized interest	119			0
Non-deductible club dues and fees	120			0
Non-deductible meals and entertainment expense	121	14,358		14,358
Non-deductible automobile expenses	122			0
Non-deductible life insurance premiums	123			0
Non-deductible company pension plans	124			0
Tax reserves deducted in prior year	125	4,881,617		4,881,617
Reserves from financial statements- balance at end of year	126	6,935,134		6,935,134
Soft costs on construction and renovation of buildings	127			0
Book loss on joint ventures or partnerships	205			0
Capital items expensed	206			0
Debt issue expense	208			0
Development expenses claimed in current year	212			0
Financing fees deducted in books	216			0
Gain on settlement of debt	220			0
Non-deductible advertising	226			0
Non-deductible interest	227			0
Non-deductible legal and accounting fees	228			0
Recapture of SR&ED expenditures	231			0
Share issue expense	235			0
Write down of capital property	236			0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237			0
Other Additions				
Interest Expensed on Capital Leases	290			0
Realized Income from Deferred Credit Accounts	291			0
Pensions	292			0
Non-deductible penalties	293			0
	294			0
	295			0
ARO Accretion expense				0
Capital Contributions Received (ITA 12(1)(x))				0
Lease Inducements Received (ITA 12(1)(x))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
Current Year Federal Apprenticeship Tax Credits		4,286		4,286

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Adjusted Taxable Income - Historical Year

Current Year Ontario Apprenticeship Tax Credits		22,308		22,308
RSVA Costs Previously Deducted		2,596,249		2,596,249
				0
				0
				0
				0
				0
				0
				0
Total Additions		**18,262,986**	**35,571**	**18,227,415**
Deductions:				
Gain on disposal of assets per financial statements	401	38,787		38,787
Dividends not taxable under section 83	402			0
Capital cost allowance from Schedule 8	403	7,631,877	297,459	7,334,418
Terminal loss from Schedule 8	404			0
Cumulative eligible capital deduction from Schedule 10	405	56,819		56,819
Allowable business investment loss	406			0
Deferred and prepaid expenses	409			0
Scientific research expenses claimed in year	411			0
Tax reserves claimed in current year	413	4,268,135		4,268,135
Reserves from financial statements - balance at beginning of year	414	7,607,925		7,607,925
Contributions to deferred income plans	416			0
Book income of joint venture or partnership	305			0
Equity in income from subsidiary or affiliates	306			0
Other deductions: (Please explain in detail the nature of the item)				
Interest capitalized for accounting deducted for tax	390			0
Capital Lease Payments	391			0
Non-taxable imputed interest income on deferral and variance accounts	392			0
	393			0
	394			0
ARO Payments - Deductible for Tax when Paid				0
ITA 13(7.4) Election - Capital Contributions Received				0
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds				0
Deferred Revenue - ITA 20(1)(m) reserve				0
Principal portion of lease payments				0
Lease Inducement Book Amortization credit to income				0
Financing fees for tax ITA 20(1)(e) and (e.1)				0
Deductible Costs Included in Regulatory Assets		3,470,129		3,470,129
				0
				0
				0
				0
				0
				0
Total Deductions		**23,073,672**	**297,459**	**22,776,213**
Net Income for Tax Purposes		**-1,332,568**	**-158,269**	**-1,174,299**
Charitable donations from Schedule 2	311			0
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320			0
Non-capital losses of preceding taxation years from Schedule 4	331			0
Net-capital losses of preceding taxation years from Schedule 4 *(Please include explanation and calculation in Manager's summary)*	332			0
Limited partnership losses of preceding taxation years from Schedule 4	335			0
TAXABLE INCOME		**-1,332,568**	**-158,269**	**-1,174,299**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 7-1 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance	
Actual Historical			0	B4

Net Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance	
Actual Historical			0	B4

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 8 - Historical Year

Class	Class Description	UCC End of Year Historical per tax returns	Less: Non-Distribution Portion	UCC Regulated Historical Year
1	Distribution System - post 1987	32,669,911		32,669,911
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	1,736,383		1,736,383
2	Distribution System - pre 1988	1,551,297		1,551,297
8	General Office/Stores Equip	693,080	74,787	618,293
10	Computer Hardware/ Vehicles	1,375,593	40,898	1,334,695
10.1	Certain Automobiles			0
12	Computer Software	370,665	55,514	315,151
13 1	Lease # 1			0
13 2	Lease #2			0
13 3	Lease # 3			0
13 4	Lease # 4			0
14	Franchise			0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	309,883		309,883
42	Fibre Optic Cable			0
43.1	Certain Energy-Efficient Electrical Generating Equipment			0
43.2	Certain Clean Energy Generation Equipment	297,459	297,459	0
45	Computers & Systems Software acq'd post Mar 22/04	1,473		1,473
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	102,593		102,593
47	Distribution System - post February 2005	34,972,338		34,972,338
50	Data Network Infrastructure Equipment - post Mar 2007	707,277	76,556	630,721
52	Computer Hardware and system software			0
95	CWIP	60,000		60,000
6	Fence	12,150		12,150
				0
				0
				0
				0
				0
				0
				0
				0
				0
	SUB-TOTAL - UCC	**74,860,102**	**545,214**	**74,314,888**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filer

Schedule 10 CEC - Historical Year

Cumulative Eligible Capital				**811,707**
Additions				
Cost of Eligible Capital Property Acquired during Test Year	0			
Other Adjustments	0			
Subtotal	0	**x 3/4 =**	0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0	**x 1/2 =**	0	
			0	**0**
Amount transferred on amalgamation or wind-up of subsidiary	0			**0**
Subtotal				**811,707**
Deductions				
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year				
Other Adjustments	0			
Subtotal	0	**x 3/4 =**		**0**
Cumulative Eligible Capital Balance				**811,707**
Current Year Deduction		**811,707**	**x 7% =**	**56,819**
Cumulative Eligible Capital - Closing Balance				**754,888**

Ontario Energy Board

Income Tax/PILs Workform for 2

Schedule 13 Tax Reserves - Historical

Continuity of Reserves

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only
Capital Gains Reserves ss.40(1)			0
Tax Reserves Not Deducted for accounting purposes			
Reserve for doubtful accounts ss. 20(1)(l)	160,589		160,589
Reserve for goods and services not delivered ss. 20(1)(m)	3,932,279		3,932,279
Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & Share Issue Expenses ss. 20(1)(e)			0
Other tax reserves	175,267	175,267	0
			0
			0
			0
			0
			0
Total	**4,268,135**	**175,267**	**4,092,868**
Financial Statement Reserves (not deductible for Tax Purposes)			
General Reserve for Inventory Obsolescence (non-specific)			0
General reserve for bad debts			0
Accrued Employee Future Benefits:			0
- Medical and Life Insurance			0
-Short & Long-term Disability			0
-Accmulated Sick Leave			0
- Termination Cost			0
- Other Post-Employment Benefits	2,651,999		2,651,999
Provision for Environmental Costs			0
Restructuring Costs			0
Accrued Contingent Litigation Costs			0
Accrued Self-Insurance Costs			0
Other Contingent Liabilities			0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0
Other	15,000		15,000
			0
			0
Total	**2,666,999**	**0**	**2,666,999**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

PILS Tax Provision - Bridge Year

			Reference	Wires Only	
Regulatory Taxable Income			B1	$ 366,931	**A**
Combined Tax Rate and PILs	Effective Ontario Tax Rate	11.50%	**B**		
	Federal tax rate (Maximum 15%)	15.00%	**C**		
	Combined tax rate			26.50%	**D = B + C**
Total Income Taxes			calculated	**$ 97,237**	**E = A * D**
Investment Tax Credits					**F**
Miscellaneous Tax Credits				$ 39,000	**G**
Total Tax Credits				**$ 39,000**	**H = F + G**
Corporate PILs/Income Tax Provision for Bridge Year				**$ 58,237**	**I = H + E**

Note:

1. This is for the derivation of Bridge year PILs income tax expense and should not be used for Test year revenue requirement calculations.

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	**A**		2,863,037
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets	104		3,568,445
Amortization of intangible assets	106		
Recapture of capital cost allowance from Schedule 8	107		
Gain on sale of eligible capital property from Schedule 10	108		
Income or loss for tax purposes- joint ventures or partnerships	109		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		
Charitable donations	112		207,500
Taxable Capital Gains	113		
Political Donations	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment expense	121		15,000
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves deducted in prior year	125	B13	4,092,868
Reserves from financial statements- balance at end of year	126	B13	2,169,028
Soft costs on construction and renovation of buildings	127		
Book loss on joint ventures or partnerships	205		
Capital items expensed	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in books	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property	236		
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		
Other Additions			
Interest Expensed on Capital Leases	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		
Non-deductible penalties	293		
IFRS adj to opening EFB recorded in R/E	294		443,439
	295		

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Adjusted Taxable Income - Bridge Year

ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
Total Additions			**10,496,280**
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	B8	6,179,677
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10	405	B10	52,842
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves claimed in current year	413	B13	4,092,868
Reserves from financial statements - balance at beginning of year	414	B13	2,666,999
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
Other deductions: (Please explain in detail the nature of the item)			
Interest capitalized for accounting deducted for tax	390		
Capital Lease Payments	391		
Non-taxable imputed interest income on deferral and variance accounts	392		
	393		
	394		
ARO Payments - Deductible for Tax when Paid			
ITA 13(7.4) Election - Capital Contributions Received			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			

Adjusted Taxable Income - Bridge Year

Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
Total Deductions		calculated	**12,992,386**
Net Income for Tax Purposes		calculated	**366,931**
Charitable donations from Schedule 2	311		
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320		
Non-capital losses of preceding taxation years from Schedule 4	331	B4	0
Net-capital losses of preceding taxation years from Schedule 4 *(Please include explanation and calculation in Manager's summary)*	332		
Limited partnership losses of preceding taxation years from Schedule 4	335		
TAXABLE INCOME		calculated	**366,931**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Corporation Loss Continuity and Application

Schedule 4 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction		Total	
Actual Historical	H4	0	
Application of Loss Carry Forward to reduce taxable income in Bridge Year			
Other Adjustments Add (+) Deduct (-)	B1	0	
Balance available for use in Test Year	calculated	0	
Amount to be used in Bridge Year	B1	0	
Balance available for use post Bridge Year	calculated	0	T4

Net Capital Loss Carry Forward Deduction		Total	
Actual Historical	H4	0	
Application of Loss Carry Forward to reduce taxable income in Bridge Year			
Other Adjustments Add (+) Deduct (-)			
Balance available for use in Test Year	calculated	0	
Amount to be used in Bridge Year			
Balance available for use post Bridge Year	calculated	0	T4

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 8 CCA - Bridge Year

Class	Class Description	Working Paper Reference	UCC Regulated Historical Year	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Bridge Year CCA		UCC End of Bridge Year
1	Distribution System - post 1987	H8	$ 32,669,911			$ 32,669,911	$ -	$ 32,669,911	4%	$ 1,306,796		$ 31,363,115
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	H8	$ 1,736,383	$ 445,000		$ 2,181,383	$ 222,500	$ 1,958,883	6%	$ 117,533		$ 2,063,850
2	Distribution System - pre 1988	H8	$ 1,551,297			$ 1,551,297	$ -	$ 1,551,297	6%	$ 93,078		$ 1,458,219
8	General Office/Stores Equip	H8	$ 618,293	$ 172,000		$ 790,293	$ 86,000	$ 704,293	20%	$ 140,859		$ 649,434
10	Computer Hardware/ Vehicles	H8	$ 1,334,695	$ 635,000		$ 1,969,695	$ 317,500	$ 1,652,195	30%	$ 495,659		$ 1,474,037
10.1	Certain Automobiles	H8				$ -	$ -	$ -	30%	$ -		$ -
12	Computer Software	H8	$ 315,151	$ 246,000		$ 561,151	$ 123,000	$ 438,151	100%	$ 438,151		$ 123,000
13 1	Lease # 1	H8				$ -	$ -	$ -		$ -		$ -
13 2	Lease #2	H8				$ -	$ -	$ -		$ -		$ -
13 3	Lease # 3	H8				$ -	$ -	$ -		$ -		$ -
13 4	Lease # 4	H8				$ -	$ -	$ -		$ -		$ -
14	Franchise	H8				$ -	$ -	$ -		$ -		$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	H8	$ 309,883			$ 309,883	$ -	$ 309,883	8%	$ 24,791		$ 285,092
42	Fibre Optic Cable	H8				$ -	$ -	$ -	12%	$ -		$ -
43.1	Certain Energy-Efficient Electrical Generating Equipment	H8				$ -	$ -	$ -	30%	$ -		$ -
43.2	Certain Clean Energy Generation Equipment	H8	$ -			$ -	$ -	$ -	50%	$ -		$ -
45	Computers & Systems Software acq'd post Mar 22/04	H8	$ 1,473			$ 1,473	$ -	$ 1,473	45%	$ 663		$ 810
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	H8	$ 102,593			$ 102,593	$ -	$ 102,593	30%	$ 30,778		$ 71,815
47	Distribution System - post February 2005	H8	$ 34,972,338	$ 6,233,657		$ 41,205,995	$ 3,116,829	$ 38,089,167	8%	$ 3,047,133		$ 38,158,862
50	Data Network Infrastructure Equipment - post Mar 2007	H8	$ 630,721	$ 495,000		$ 1,125,721	$ 247,500	$ 878,221	55%	$ 483,022		$ 642,699
52	Computer Hardware and system software	H8				$ -	$ -	$ -	100%	$ -		$ -
95	CWIP	H8	$ 60,000			$ 60,000	$ -	$ 60,000		$ -		$ 60,000
6	Fence		$ 12,150			$ 12,150	$ -	$ 12,150	10%	$ 1,215		$ 10,935
						$ -	$ -	$ -	10%	$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
	TOTAL		$ 74,314,888	$ 8,226,657	$ -	$ 82,541,545	$ 4,113,329	$ 78,428,217		$ 6,179,677	B1	$ 76,361,868

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filer

Schedule 10 CEC - Bridge Year

				Reference	
Cumulative Eligible Capital				H10	**754,888**
Additions					
Cost of Eligible Capital Property Acquired during Test Year					
Other Adjustments	0				
Subtotal	0	x 3/4 =	0		
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0	x 1/2 =	0		
			0		**0**
Amount transferred on amalgamation or wind-up of subsidiary	0				**0**
Subtotal					**754,888**
Deductions					
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year					
Other Adjustments	0				
Subtotal	0	**x 3/4 =**			**0**
Cumulative Eligible Capital Balance					**754,888**
Current Year Deduction		**754,888**	**x 7% =**		**52,842**
Cumulative Eligible Capital - Closing Balance					**702,045**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 13 Tax Reserves - Bridge Year

Continuity of Reserves

Description	Reference	Historical Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance		Bridge Year Adjustments		Balance for Bridge Year		Change During the Year	Disallowed Expenses
						Additions	Disposals				
Capital Gains Reserves ss.40(1)	H13	0		0				0	T13	0	
Tax Reserves Not Deducted for accounting purposes											
Reserve for doubtful accounts ss. 20(1)(l)	H13	160,589		160,589		160,589	160,589	160,589	T13	0	
Reserve for goods and services not delivered ss. 20(1)(m)	H13	3,932,279		3,932,279		3,932,279	3,932,279	3,932,279	T13	0	
Reserve for unpaid amounts ss. 20(1)(n)	H13	0		0				0	T13	0	
Debt & Share Issue Expenses ss. 20(1)(e)	H13	0		0				0	T13	0	
Other tax reserves	H13	0		0				0	T13	0	
		0		0				0		0	
		0		0				0		0	
Total		**4,092,868**	**0**	**4,092,868**	B1	**4,092,868**	**4,092,868**	**4,092,868**	B1	**0**	**0**
Financial Statement Reserves (not deductible for Tax Purposes)											
General Reserve for Inventory Obsolescence (non-specific)	H13	0		0				0	T13	0	
General reserve for bad debts	H13	0		0				0	T13	0	
Accrued Employee Future Benefits:	H13	0		0				0	T13	0	
- Medical and Life Insurance	H13	0		0				0	T13	0	
-Short & Long-term Disability	H13	0		0				0	T13	0	
-Accmulated Sick Leave	H13	0		0				0	T13	0	
- Termination Cost	H13	0		0				0	T13	0	
- Other Post-Employment Benefits	H13	2,651,999		2,651,999		2,154,028	2,651,999	2,154,028	T13	-497,971	
Provision for Environmental Costs	H13	0		0				0	T13	0	
Restructuring Costs	H13	0		0				0	T13	0	
Accrued Contingent Litigation Costs	H13	0		0				0	T13	0	
Accrued Self-Insurance Costs	H13	0		0				0	T13	0	
Other Contingent Liabilities	H13	0		0				0	T13	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	H13	0		0				0	T13	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	H13	0		0				0	T13	0	
Other	H13	15,000		15,000				15,000	T13	0	
		0		0				0		0	
		0		0				0		0	
Total		**2,666,999**	**0**	**2,666,999**	B1	**2,154,028**	**2,651,999**	**2,169,028**	B1	**-497,971**	**0**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

PILs Tax Provision - Test Year

					Wires Only		
Regulatory Taxable Income				T1	$ 635,977	A	
Combined Tax Rate and PILs	Ontario Tax Rate (Maximum 11.5%)	11.50%	B				
	Federal tax rate (Maximum 15%)	15.00%	C				
	Combined tax rate (Maximum 26.5%)				26.50%	D = B + C	
Total Income Taxes					**$ 168,534**	E = A * D	
Investment Tax Credits						F	
Miscellaneous Tax Credits					$ 51,000	G	
Total Tax Credits					**$ 51,000**	H = F + G	
Corporate PILs/Income Tax Provision for Test Year					**$ 117,534**	I = H + E	S. Su
Corporate PILs/Income Tax Provision Gross Up [1]		73.50%	J		**$ 42,376**	K = J * I	
Income Tax (grossed-up)					**$ 159,910**	L = K + I	S. Su

Note:

1. This is for the derivation of revenue requirement and should not be used for sufficiency/deficiency calculations.

Ontario Energy Board

Income Tax/PILs Workform for 2016 File

Taxable Income - Test Year

	T2 S1 line #	Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes		A.	3,219,905
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets *2-4 ADJUSTED ACCOUNTING DATA P489*	104		3,849,791
Amortization of intangible assets *2-4 ADJUSTED ACCOUNTING DATA P490*	106		
Recapture of capital cost allowance from Schedule 8	107		
Gain on sale of eligible capital property from Schedule 10	108		
Income or loss for tax purposes- joint ventures or partnerships	109		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		
Charitable donations	112		
Taxable Capital Gains	113		
Political Donations	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment expense	121		15,000
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves beginning of year	125	T13	4,092,868
Reserves from financial statements- balance at end of year	126	T13	2,098,760
Soft costs on construction and renovation of buildings	127		
Book loss on joint ventures or partnerships	205		
Capital items expensed	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in books	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property	236		
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		
Other Additions: (please explain in detail the nature of the item)			
Interest Expensed on Capital Leases	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		
Non-deductible penalties	293		
	294		

	295		
	296		
	297		
ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
Total Additions			**10,056,419**
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	T8	6,329,308
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10 CEC	405	T10	49,143
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves end of year	413	T13	4,092,868
Reserves from financial statements - balance at beginning of year	414	T13	2,169,028
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
Other deductions: (Please explain in detail the nature of the item)			
Interest capitalized for accounting deducted for tax	390		
Capital Lease Payments	391		
Non-taxable imputed interest income on deferral and variance accounts	392		
	393		
	394		
	395		
	396		
	397		
ARO Payments - Deductible for Tax when Paid			

ITA 13(7.4) Election - Capital Contributions Received			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
Total Deductions		calculated	**12,640,347**
NET INCOME FOR TAX PURPOSES		calculated	**635,977**
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of preceding taxation years from Schedule 7-1	331	T4	0
Net-capital losses of preceding taxation years (Please show calculation)	332		
Limited partnership losses of preceding taxation years from Schedule 4	335		
REGULATORY TAXABLE INCOME		calculated	**635,977**

T0

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 7-1 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Working Paper Reference	Total	Non-Distribution Portion	Utility Balance
Actual/Estimated Bridge Year	B4	0		0
				0
Other Adjustments Add (+) Deduct (-)	T1	0		0
Balance available for use in Test Year	calculated	0	0	0
Amount to be used in Test Year	T1	0		0
Balance available for use post Test Year	calculated	0	0	0

Net Capital Loss Carry Forward Deduction		Total	Non-Distribution Portion	Utility Balance
Actual/Estimated Bridge Year	B4	0		0
				0
Other Adjustments Add (+) Deduct (-)				0
Balance available for use in Test Year	calculated	0	0	0
Amount to be used in Test Year				0
Balance available for use post Test Year	calculated	0	0	0

Income Tax/PILs Workform for 2016 Filers

Schedule 8 CCA - Test Year

Class	Class Description	Working Paper Reference	UCC Test Year Opening Balance	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Test Year CCA		UCC End of Test Year
1	Distribution System - post 1987	B8	$ 31,363,115			$ 31,363,115	$ -	$ 31,363,115	4%	$ 1,254,525		$ 30,108,590
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	B8	$ 2,063,850	275,000		$ 2,338,850	$ 137,500	$ 2,201,350	6%	$ 132,081		$ 2,206,769
2	Distribution System - pre 1988	B8	$ 1,458,219			$ 1,458,219	$ -	$ 1,458,219	6%	$ 87,493		$ 1,370,726
8	General Office/Stores Equip	B8	$ 649,434	125,500		$ 774,934	$ 62,750	$ 712,184	20%	$ 142,437		$ 632,498
10	Computer Hardware/ Vehicles	B8	$ 1,474,037	600,000		$ 2,074,037	$ 300,000	$ 1,774,037	30%	$ 532,211		$ 1,541,826
10.1	Certain Automobiles	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
12	Computer Software	B8	$ 123,000	402,000		$ 525,000	$ 201,000	$ 324,000	100%	$ 324,000		$ 201,000
13 1	Lease # 1	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 2	Lease #2	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 3	Lease # 3	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 4	Lease # 4	B8	$ -			$ -	$ -	$ -		$ -		$ -
14	Franchise	B8	$ -			$ -	$ -	$ -		$ -		$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bl	B8	$ 285,092			$ 285,092	$ -	$ 285,092	8%	$ 22,807		$ 262,285
42	Fibre Optic Cable	B8	$ -			$ -	$ -	$ -	12%	$ -		$ -
43.1	Certain Energy-Efficient Electrical Generating Equipment	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
43.2	Certain Clean Energy Generation Equipment	B8	$ -			$ -	$ -	$ -	50%	$ -		$ -
45	Computers & Systems Software acq'd post Mar 22/04	B8	$ 810			$ 810	$ -	$ 810	45%	$ 365		$ 446
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	B8	$ 71,815			$ 71,815	$ -	$ 71,815	30%	$ 21,545		$ 50,271
47	Distribution System - post February 2005	B8	$ 38,158,862	5,810,189		$ 43,969,051	$ 2,905,095	$ 41,063,956	8%	$ 3,285,116		$ 40,683,934
50	Data Network Infrastructure Equipment - post Mar 2007	B8	$ 642,699	626,000		$ 1,268,699	$ 313,000	$ 955,699	55%	$ 525,635		$ 743,065
52	Computer Hardware and system software	B8	$ -			$ -	$ -	$ -	100%	$ -		$ -
95	CWIP	B8	$ 60,000			$ 60,000	$ -	$ 60,000	0%	$ -		$ 60,000
6	Fence		$ 10,935			$ 10,935	$ -	$ 10,935	10%	$ 1,094		$ 9,842
			$ -			$ -	$ -	$ -	10%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
	TOTAL		$ 76,361,868	$ 7,838,689	$ -	$ 84,200,557	$ 3,919,345	$ 80,281,213		$ 6,329,308	T1	$ 77,871,250

Schedule 10 CEC - Test Year

Cumulative Eligible Capital				B10	**702,045**
Additions					
Cost of Eligible Capital Property Acquired during Test Year		0			
Other Adjustments		0			
	Subtotal	0	**x 3/4 =**	0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002		0	**x 1/2 =**	0	
				0	**0**
Amount transferred on amalgamation or wind-up of subsidiary		0			**0**
	Subtotal				**702,045**
Deductions					
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year		0			
Other Adjustments		0			
	Subtotal	0	**x 3/4 =**		**0**
Cumulative Eligible Capital Balance					**702,045**
Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income")			**702,045**	**x 7% =**	**49,143**
Cumulative Eligible Capital - Closing Balance					**652,902**

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

Description	Working Paper Reference	Bridge Year	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance		Test Year Adjustments		Balance for Test Year		Change During the Year	Disallowed Expenses
						Additions	Disposals				
Capital Gains Reserves ss.40(1)	B13	0		0				0		0	
Tax Reserves Not Deducted for accounting purposes											
Reserve for doubtful accounts ss. 20(1)(l)	B13	160,589		160,589		160,589	160,589	160,589		0	
Reserve for goods and services not delivered ss. 20(1)(m)	B13	3,932,279		3,932,279		3,636,856	3,636,856	3,932,279		0	
Reserve for unpaid amounts ss. 20(1)(n)	B13	0		0				0		0	
Debt & Share Issue Expenses ss. 20(1)(e)	B13	0		0				0		0	
Other tax reserves	B13	0		0		96,909	96,909	0		0	
		0		0				0		0	
		0		0				0		0	
Total		**4,092,868**	**0**	**4,092,868**	T1	**3,894,354**	**3,894,354**	**4,092,868**	T1	**0**	**0**
Financial Statement Reserves (not deductible for Tax Purposes)											
General Reserve for Inventory Obsolescence (non-specific)	B13	0		0				0		0	
General reserve for bad debts	B13	0		0				0		0	
Accrued Employee Future Benefits:	B13	0		0				0		0	
- Medical and Life Insurance	B13	0		0				0		0	
-Short & Long-term Disability	B13	0		0				0		0	
-Accmulated Sick Leave	B13	0		0				0		0	
- Termination Cost	B13	0		0				0		0	
- Other Post-Employment Benefits	B13	2,154,028		2,154,028		2,083,760	2,154,028	2,083,760		-70,268	
Provision for Environmental Costs	B13	0		0				0		0	
Restructuring Costs	B13	0		0				0		0	
Accrued Contingent Litigation Costs	B13	0		0				0		0	
Accrued Self-Insurance Costs	B13	0		0				0		0	
Other Contingent Liabilities	B13	0		0				0		0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	B13	0		0				0		0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	B13	0		0				0		0	
Other	B13	15,000		15,000				15,000		0	
		0		0				0		0	
		0		0				0		0	
Total		**2,169,028**	**0**	**2,169,028**	T1	**2,083,760**	**2,154,028**	**2,098,760**	T1	**-70,268**	**0**

ATTACHMENT 4-T

EPI Summary of Historic LRAM and LRAMVA Claims

Entegrus Powerlines Inc.
2016 Cost of Service Application, EB-2015-0061
LRAMVA / LRAM Claim Summary (Including Carrying Charges)

Rate Class	Program Years	Type	Chatham-Kent ("CK") Rate Zone									Strathroy, Mt. Brydges, Parkhill ("SMP") Rate Zone								
			Year Lost Revenue Took Place									Year Lost Revenue Took Place								
			2006	2007	2008	2009	2010	2011	2012	2013	2014	2006	2007	2008	2009	2010	2011	2012	2013	2014
Residential	2006	LRAM	Note 1				n/a - see Note 3					Note 5					Note 7		Note 9	Claimed in Current Application (LRAM)
	2007	LRAM					n/a - see Note 3													
	2008	LRAM					n/a - see Note 3													
	2009	LRAM	---			Note 2	n/a - see Note 3					---				Note 6				
	2010	LRAM	---				n/a - see Note 3					---								
	2011	LRAMVA	---					Note 4		Note 8	Claimed in Current Application	---					Note 4		Note 8	Claimed in Current Application
	2012	LRAMVA	---						Note 4			---						Note 4		
	2013	LRAMVA	---									---								
	2014	LRAMVA	---									---								
GS<50	2006	LRAM	Note 1				n/a - see Note 3					Note 5					Note 7		Note 9	Claimed in Current Application (LRAM)
	2007	LRAM					n/a - see Note 3													
	2008	LRAM					n/a - see Note 3													
	2009	LRAM	---			Note 2	n/a - see Note 3					---				Note 6				
	2010	LRAM	---				n/a - see Note 3					---								
	2011	LRAMVA	---					Note 4		Note 8	Claimed in Current Application	---					Note 4		Note 8	Claimed in Current Application
	2012	LRAMVA	---						Note 4			---						Note 4		
	2013	LRAMVA	---									---								
	2014	LRAMVA	---									---								
GS>50	2006	LRAM	Note 1				n/a - see Note 3					Note 5					Note 7		Note 9	Claimed in Current Application (LRAM)
	2007	LRAM					n/a - see Note 3													
	2008	LRAM					n/a - see Note 3													
	2009	LRAM	---			Note 2	n/a - see Note 3					---				Note 6				
	2010	LRAM	---				n/a - see Note 3					---								
	2011	LRAMVA	---					Note 4		Note 8	Claimed in Current Application	---					Note 4		Note 8	Claimed in Current Application
	2012	LRAMVA	---						Note 4			---						Note 4		
	2013	LRAMVA	---									---								
	2014	LRAMVA	---									---								
Intermediate / Large	2006	LRAM	Note 1				n/a - see Note 3					Note 5					Note 7		Note 9	Claimed in Current Application (LRAM)
	2007	LRAM					n/a - see Note 3													
	2008	LRAM					n/a - see Note 3													
	2009	LRAM	---			Note 2	n/a - see Note 3					---				Note 6				
	2010	LRAM	---				n/a - see Note 3					---								
	2011	LRAMVA	---					Note 4		Note 8	Claimed in Current Application	---					Note 4		Note 8	Claimed in Current Application
	2012	LRAMVA	---						Note 4			---						Note 4		
	2013	LRAMVA	---									---								
	2014	LRAMVA	---									---								
Intermediate with Self Gen	2006	LRAM	Note 1				n/a - see Note 3					n/a								
	2007	LRAM					n/a - see Note 3													
	2008	LRAM					n/a - see Note 3													
	2009	LRAM	---			Note 2	n/a - see Note 3													
	2010	LRAM	---				n/a - see Note 3													
	2011	LRAMVA	---					Note 4		Note 8	Claimed in Current Application									
	2012	LRAMVA	---						Note 4											
	2013	LRAMVA	---																	
	2014	LRAMVA	---																	

Notes:

1: CK LRAM program years 2006-2008, with persistence through Dec 31, 2009, were claimed and approved for CK Hydro in EB-2009-0261.
2: CK LRAM program year 2009, with persistence through Dec 31, 2009 was claimed and granted to CK Hydro EB-2011-0163.
3: CK LRAM claims related to the 2010 program year and persistence from 2009 programs in 2010 were denied in Entegrus EB-2011-0163.
4: CK and SMP LRAMVA program years 2011-2012, with persistence through Dec 31, 2012, were claimed and approved in Entegrus EB-2013-0120
5: SMP LRAM program years 2006-2009, with persistence through Dec 31, 2010, were claimed and approved in MPDC EB-2010-0098.
6: SMP LRAM program year 2010, with persistence through Dec 31, 2010, was claimed and approved in MPDC EB-2011-0148.
7: SMP LRAM program years 2006-2010, with persistence through Dec 31, 2012, were claimed and approved in Entegrus EB-2013-0120.
8: CK and SMP LRAMVA program years 2011-2013, with persistence through December 31, 2013 were claimed and approved in Entegrus 2015 IRM Application (EB-2014-0064).
9: SMP LRAM program years 2006-2010, with persistence through December 31, 2013 were claimed and approved in Entegrus 2015 IRM Application (EB-2014-0064)

ATTACHMENT 4-U

EPI SMP LRAM Report

Prepared by IndEco Strategic Consulting Inc.

IndEco

Strategic Solutions for a Changing World™

Middlesex Power Distribution Corp. 2014 lost revenues

Third party review:

Middlesex Power Distribution Corp.

2014 lost revenues from 2006-2010 CDM programs

IndEco

This document was prepared for Entegrus Powerlines by IndEco Strategic Consulting Inc.

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IndEco report B3856 (MPDC 2014 LRAM)

30 June 2015

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Executive summary

A third party review of the Conservation and Demand Management (CDM) programs run by Middlesex Power Distribution Corp. (MPDC) was required as part of its application to the Ontario Energy Board (OEB) for collection of Lost Revenue Adjustment Mechanism (LRAM) claims.

IndEco Strategic Consulting Inc. (IndEco) acted as third party reviewer by examining the lost revenue associated with MPDC's CDM portfolio. The review was completed as detailed in the OEB *Guidelines for Electricity Distributor Conservation and Demand Management*.

The third party review included lost revenue estimates from MPDC's CDM activities in 2006, 2007, 2008, 2009 and 2010 supported through Ontario Power Authority (OPA) funding for the period between January 1 and December 31, 2014. Carrying charges for these losses are calculated through April 30, 2016. For these programs, the period up to December 31, 2013 was covered in a previous LRAM claims.[1]

Lost revenues are calculated using estimated energy savings or monthly peak demand savings using the best available and most current input assumptions. Energy savings and peak demand reductions are those from the results of OPA's program evaluations. In the span of the LRAM claim, these savings totalled approximately 830 MWh in the residential rate class and 821 MWh in the GS < 50 kW rate class. Demand reductions in the GS 50 to 4,999 kW rate class totalled approximately 407 kW-months. None of these reductions related to CDM were accounted for in load forecasts prepared at the time of MPDC's last cost of service application in 2006.

IndEco concludes that the value of lost distribution revenue in 2014 from MPDC's CDM programs offered between 2006 and 2010 was $16,320.23.

[1] See OEB case numbers EB-2010-0098, EB-2011-0148, EB-2013-0120, and EB-2014-0064.

Introduction

What is the lost revenue adjustment mechanism (LRAM)

Lost Revenue Adjustment Mechanism claims can benefit a local distribution company (LDC) by removing the disincentive for energy conservation.

LRAM is designed to ensure that the LDC does not have a disincentive to promote energy efficiency and energy conservation by compensating the LDC for revenues lost as a result of its conservation initiatives. The calculation of energy savings requires information on what the electricity use would have been in the absence of the LDC initiatives, and what it was with the LDC initiative. Some of the inputs to the calculation include: hours the equipment is used, wattage rating of the old and new equipment, and lifetime of the equipment if it is less than the period over which the LRAM is being claimed. Also required are the number of participants, or pieces of equipment installed, and an estimate of the free-rider rate, which is the fraction of the savings that would have occurred anyway, in the absence of the program. These savings are estimated for each rate class, and revenue losses are determined by multiplying those losses by the cost of distribution per unit for each rate class. Carrying charges are calculated using deferral and variance account interest rates prescribed by the OEB.[2]

[2] For prescribed interest rates, see http://www.oeb.gov.on.ca/OEB/Industry/Rules+and+Requirements/Rules+Codes+Guidelines+and+Forms/Prescribed+Interest+Rates

Scope

This review examines the lost revenue in 2014 from programs run under contract to the Ontario Power Authority (OPA – now the Independent Electricity System Operator) in 2006, 2007, 2008, 2009 and 2010. For all 2006-2010 programs, lost revenues from CDM programs between January 1 of the program launch year and December 31, 2013 were covered in previous LRAM claims.[3]

[3] See OEB case numbers EB-2010-0098, EB-2011-0148, EB-2013-0120, and EB-2014-0064.

Requested LRAM amounts

LRAM inputs

IndEco finds that appropriate measure specifications were used to calculate program energy savings, demand reductions, and lost revenues. For the calculation of LRAM claims, the '2006-2010 Final CDM Results Summary Middlesex Power Distribution Corp.' was used as a source of inputs for OPA-funded CDM programs. These evaluated results have been adopted in accordance with Board recommendations that "The Board would consider an evaluation by the OPA or a third party designated by the OPA to be sufficient."[4] OPA advises that these estimates are prepared in a manner consistent with OPA current practice, and are the same values used to report progress against provincial conservation targets.

Table 1 shows the net energy savings or demand reductions of each program by rate class that persisted through 2014. OPA program energy savings in Table 1 were acquired directly from spreadsheets provided by the OPA. As one would expect, overall savings from these programs in 2014 are lower than those for 2013 and earlier years because some of the technologies reached the end of their useful life, and therefore savings from these are no longer accruing.

Lost revenues were calculated by multiplying net energy savings or demand reductions by MPDC distribution rates for the appropriate rate class. Distribution rates are in Table 2.

A summary of lost revenues is presented in Table 3. The carrying charges are presented in Table 4. Tables 5-7 show the lost revenue without carrying charges, the carrying charges, and the lost revenue including carrying charges broken down by rate class and program year for 2014.

[4] OEB 2008a. Guidelines for Electricity Distributor Conservation and Demand Management. p.28

Table 1 –Net program energy savings and demand savings by rate class for 2014

Funding source	Program	Year	Residential (kWh)	GS < 50 kW (kWh)	GS > 50 kW (kW-mo)[1]
OPA	Cool & Hot Savings Rebate	2006	15,591		
		2007	29,344		
	Cool Savings Rebate	2008	33,080		
		2009	42,674		
		2010	66,185		
	Electricity Retrofit Incentive Program[2]	2008		583	3
		2010		8,073	33
	Every Kilowatt Counts	2006	70,700		
		2007	176,168		
	Every Kilowatt Counts Power Savings Event	2008	115,577		
		2009	68,872		
		2010	25,983		
	Great Refrigerator Roundup	2007	38,992		
		2008	44,146		
		2010	64,706		
	High Performance New Construction	2008			7
		2009			74
		2010			290
	Multifamily Energy Efficiency Rebates	2010		19,429	
	peaksaver®	2009	127		
		2010	130		
	Power Savings Blitz	2009		365,535	
		2010		427,064	
	Social Housing Pilot	2007	16,783		
	Summer Savings	2007	15,580		
	Summer Sweepstakes	2008	5,189		
Total			**829,828**	**820,685**	**407**

1. Rates for general service rate class of customers rated at greater than 50 kW are on a monthly demand basis (kW), not an energy one (kWh). Lost revenue results when the customer's monthly peak demand is lower than it otherwise would be as a result of the CDM initiatives. These are measured in kW-month, which is the reduction within one month of the peak kilowatt demand. (So a 2 kW-month reduction could be realized by reducing the peak demand in the month by 1 kW for two months, or by 2 kW for one month.) The OPA results are provided in kW of peak demand reduction. These results have been multiplied by 12 to provide the kW-mo of demand reduction over the course of the year. Excluded are peak demand reductions associated with demand response programs, which are not anticipated to impact on revenues.
2. MPDC calculated that 34% of the Electricity Retrofit Incentive Program results were attributed to the GS < 50 kW rate class and 66% were attributed to the GS > 50 kW rate class.

Table 2 – Distribution rates per rate class

Rate Class	Units	2014
Residential	$/kWh	0.0141
GS < 50 kW	$/kWh	0.0049
GS 50 to 4,999 kW	$/kW	1.4708

NOTES: Distribution rates are from OEB approved rate schedules averaged from the rate year to the calendar year. Only the Distribution Volumetric Rate and the Rate Rider for Application of Tax Change are used.

Table 3 – Summary of lost revenues

Funding	Program	Year	Residential	GS < 50 kW	GS 50 - 4,999 kW	Total
OPA	Cool & Hot Savings Rebate	2006	$219.84			$219.84
		2007	$413.75			$413.75
	Cool Savings Rebate	2008	$466.43			$466.43
		2009	$601.71			$601.71
		2010	$933.20			$933.20
	Electricity Retrofit Incentive Program (ERIP)	2008		$2.86	$3.93	$6.79
		2010		$39.56	$49.03	$88.59
	Every Kilowatt Counts	2006	$996.87			$996.87
		2007	$2,483.97			$2,483.97
	Every Kilowatt Counts Power Savings Event	2008	$1,629.63			$1,629.63
		2009	$971.10			$971.10
		2010	$366.36			$366.36
	Great Refrigerator Roundup	2007	$549.79			$549.79
		2008	$622.46			$622.46
		2010	$912.35			$912.35
	High Performance New Construction	2008			$9.88	$9.88
		2009			$109.13	$109.13
		2010			$426.33	$426.33
	Multifamily Energy Efficiency Rebates	2010		$95.20		$95.20
	peaksaver®	2009	$1.79			$1.79
		2010	$1.84			$1.84
	Power Savings Blitz	2009		$1,791.12		$1,791.12
		2010		$2,092.61		$2,092.61
	Social Housing Pilot	2007	$236.64			$236.64
	Summer Savings	2007	$219.68			$219.68
	Summer Sweepstakes	2008	$73.17			$73.17
Total			**$11,700.57**	**$4,021.36**	**$598.30**	**$16,320.23**

Table 4 - Carrying charges on lost revenue for 2014

Month	Residential	GS < 50 kW	GS 50 to 4,999 kW	Total
Jan-14	$1.19	$0.41	$0.06	$1.67
Feb-14	$2.39	$0.82	$0.12	$3.33
Mar-14	$3.58	$1.23	$0.18	$5.00
Apr-14	$4.78	$1.64	$0.24	$6.66
May-14	$5.97	$2.05	$0.31	$8.33
Jun-14	$7.17	$2.46	$0.37	$10.00
Jul-14	$8.36	$2.87	$0.43	$11.66
Aug-14	$9.56	$3.28	$0.49	$13.33
Sep-14	$10.75	$3.69	$0.55	$14.99
Oct-14	$11.94	$4.11	$0.61	$16.66
Nov-14	$13.14	$4.52	$0.67	$18.33
Dec-14	$14.33	$4.93	$0.73	$19.99
Jan-15	$14.33	$4.93	$0.73	$19.99
Feb-15	$14.33	$4.93	$0.73	$19.99
Mar-15	$14.33	$4.93	$0.73	$19.99
Apr-15	$10.73	$3.69	$0.55	$14.96
May-15	$10.73	$3.69	$0.55	$14.96
Jun-15	$10.73	$3.69	$0.55	$14.96
Jul-15	$10.73	$3.69	$0.55	$14.96
Aug-15	$10.73	$3.69	$0.55	$14.96
Sep-15	$10.73	$3.69	$0.55	$14.96
Oct-15	$10.73	$3.69	$0.55	$14.96
Nov-15	$10.73	$3.69	$0.55	$14.96
Dec-15	$10.73	$3.69	$0.55	$14.96
Jan-16	$10.73	$3.69	$0.55	$14.96
Feb-16	$10.73	$3.69	$0.55	$14.96
Mar-16	$10.73	$3.69	$0.55	$14.96
Apr-16	$10.73	$3.69	$0.55	$14.96
Total	**$275.60**	**$94.72**	**$14.09**	**$384.41**

"NOTES: Carrying charges are simple interest (not compound) calculated using rates specified by the OEB at: http://www.ontarioenergyboard.ca/OEB/Industry/Rules+and+Requirements/Rules+Codes+Guidelines+and+Forms/Prescribed+Interest+Rates

Annual savings are assumed to be distributed equally over the year and carrying charges are applied to the balance in the account each month.

Findings

IndEco has reviewed the results associated with 2006, 2007, 2008, 2009, and 2010 OPA-funded programs. IndEco has concluded that sufficient detail and documentation exists to conclude that Middlesex Power Distribution Corp. has $16,320.23 in lost revenue in 2014 from these programs. The lost revenue broken down by program year and rate class is shown in Table 5. IndEco has calculated $384.41 in carrying charges from January 1, 2014 to April 30, 2016 on these lost revenues. The carrying charges broken down by program year and rate class are shown in Table 6. The total of the lost revenue and carrying charges is $16,704.64, as shown in Table 7, broken down by program year and rate class.

Table 5 – Lost revenues by program year and rate class

Residential programs	Year that lost revenues took place 2014
2006 programs	$1,216.71
2007 programs	$3,903.83
2008 programs	$2,791.69
2009 programs	$1,574.59
2010 programs	$2,213.75
Residential total	**$11,700.57**
GS < 50 kW	**2014**
2006 programs	$0.00
2007 programs	$0.00
2008 programs	$2.86
2009 programs	$1,791.12
2010 programs	$2,227.38
GS < 50 kW total	**$4,021.36**
GS > 50 kW	**2014**
2006 programs	$0.00
2007 programs	$0.00
2008 programs	$13.81
2009 programs	$109.13
2010 programs	$475.36
GS > 50 kW total	**$598.30**
Grand total	**$16,320.23**

Table 6 – Carrying charges by program year and rate class

Residential programs	For calendar year 2014	2015	Jan 1 to Apr 30 2016	Total
2006 programs	$9.14	$14.19	$4.46	$27.80
2007 programs	$27.52	$44.50	$14.31	$86.34
2008 programs	$22.66	$33.54	$10.24	$66.43
2009 programs	$17.04	$21.37	$5.77	$44.18
2010 programs	$16.81	$25.93	$8.12	$50.85
Residential total	**$93.17**	**$139.53**	**$42.90**	**$275.60**

GS < 50 kW	2014	2015	Jan 1 to Apr 30 2016	Total
2006 programs	$0.00	$0.00	$0.00	$0.00
2007 programs	$0.00	$0.00	$0.00	$0.00
2008 programs	$0.02	$0.03	$0.01	$0.07
2009 programs	$14.27	$21.37	$6.57	$42.21
2010 programs	$17.72	$26.55	$8.17	$52.45
GS < 50 kW total	**$32.02**	**$47.95**	**$14.74**	**$94.72**

GS > 50 kW	2014	2015	Jan 1 to Apr 30 2016	Total
2006 programs	$0.00	$0.00	$0.00	$0.00
2007 programs	$0.00	$0.00	$0.00	$0.00
2008 programs	$0.11	$0.16	$0.05	$0.33
2009 programs	$0.87	$1.30	$0.40	$2.57
2010 programs	$3.78	$5.67	$1.74	$11.19
GS > 50 kW total	**$4.76**	**$7.13**	**$2.19**	**$14.09**
Grand total	**$129.95**	**$194.62**	**$59.84**	**$384.41**

Table 7 – Total of lost revenue and carrying charges by program year and rate class

Residential programs	**Total**
2006 programs	$1,244.51
2007 programs	$3,990.17
2008 programs	$2,858.11
2009 programs	$1,618.77
2010 programs	$2,264.61
Residential total	**$11,976.17**

GS < 50 kW	**Total**
2006 programs	$0.00
2007 programs	$0.00
2008 programs	$2.93
2009 programs	$1,833.33
2010 programs	$2,279.82
GS < 50 kW total	**$4,116.08**

GS > 50 kW	**Total**
2006 programs	$0.00
2007 programs	$0.00
2008 programs	$14.14
2009 programs	$111.70
2010 programs	$486.56
GS > 50 kW total	**$612.39**
Grand total	**$16,704.64**

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ATTACHMENT 4-V

EPI CK LRAMVA Report

Prepared by IndEco Strategic Consulting Inc.

Strategic Solutions for a Changing World™

Entegrus (Chatham-Kent) 2014 LRAMVA

Entegrus (Chatham-Kent) lost revenue related to Conservation and Demand Management

2014

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25 August 2015

Contents

Introduction

The Lost Revenue Adjustment Mechanism (LRAM) was developed to remove a disincentive to electricity local distribution companies (LDCs) from conservation and demand management (CDM) programs. CDM programs are designed to provide energy savings and peak demand reductions for the customers of LDCs, which would directly impact the LDC's revenue. The LRAM allows LDCs to be compensated for any lost revenue that may have resulted from CDM programs the LDC offers to its customers.

For the 2011-2014 CDM period, the Ontario Energy Board (OEB) has authorized LDCs to establish an LRAM variance account (LRAMVA) to capture the impact of CDM programs on the revenue of LDCs. The variance in the LRAMVA is between the lost revenue due to independently verified load impacts of CDM and the lost revenue from any CDM impacts an LDC included in the LDC's load forecast.[1]

Entegrus Powerlines is an amalgamation of Middlesex Power Distribution Corporation (MPDC) with Chatham-Kent Hydro that came into effect in 2012. Entegrus (Chatham-Kent) and Entegrus (MPDC) will be dealt with separately for LRAMVA purposes, as they each have different rates and rate classes.

Entegrus contracted with the Ontario Power Authority (OPA, which has now been merged into the Independent Electricity System Operator) to offer a suite of CDM programs to customers in a variety of rate classes for the 2011-2014 period. The CDM Guidelines (Appendix A) show that LDCs are entitled to claim lost revenues from 2014 programs and persisting losses from 2011–2013 programs in 2014 as part of their 2016 rate applications.

Entegrus submitted a claim for lost revenues from 2013 programs in its 2015 Incentive Regulation Mechanism (IRM) application. This report accounts for lost revenues resulting from 2013 adjustments to CDM results in 2013, and results in 2014 from 2014 programs, and results persisting in 2014 from programs delivered in 2011, 2012 and 2013. Previous lost revenues were dealt with in earlier proceedings. This report involves a determination of the variance account balance for the following revenue losses:

- Lost revenues in 2013 related to adjustments to results from programs offered in 2013,
- Lost revenues in 2014 related to programs offered in 2011,
- Lost revenues in 2014 related to programs offered in 2012,
- Lost revenues in 2014 related to programs offered in 2013, and
- Lost revenues in 2014 related to programs offered in 2014.

[1] *Guidelines for Electricity Distributor Conservation and Demand Management*. Ontario Energy Board. April 26, 2012 (EB-2012-0003).

The carrying charges on the above lost revenues through April 2016 are also reported.

Methodology

In principle, the determination of lost revenues is a simple calculation:

LR = (CDM results – CDM results in the load forecast) * rate

In practice, it is somewhat more complicated than that because of the limitations of the information available to calculate CDM results, the different time periods of results data and the rate year, and the need to determine carrying charges on the lost revenues.

CDM results

From 2011 through 2014, Entegrus (Chatham-Kent) offered provincial programs that were offered in partnership with the Ontario Power Authority (OPA[2]). Entegrus (Chatham-Kent) did not offer custom programs beyond the OPA programs.

OPA evaluation results

The OPA performs evaluations of all of its programs, which examine gross energy savings from the programs, and the net-to-gross ratio (NTGR), and then from those calculates net energy savings by initiative within program group (residential, business, industrial and low-income). Peak load reductions are also calculated, and reported in the same way.

Provincial results are allocated to individual LDCs based on each LDC's individual performance where possible, or through an allocation process.

The OPA reports energy savings and peak demand reductions, by initiative in the current year, adjustments to the previous year, based on updated validation, and contribution to total savings or reductions to the end of the 2011 to 2014 period. The savings and demand reductions for a particular year for a number of programs persist in the following years up to and including 2014. The savings and demand reductions for demand response programs do not persist beyond the year in which those particular savings and demand reductions occur.

For some programs, savings or demand reductions in a particular year persist into subsequent years, but do not persist fully through 2014. In these cases, the OPA was requested to provide estimates by year of the persistence of savings or reductions in each year.

These are the best, most definitive and defensible estimates of results associated with these programs, and incorporate the most appropriate estimates of results from the measures installed.

[2] The Ontario Power Authority was merged into the Independent Electricity System Operator (IESO) on January 1, 2015. References to the OPA in this document are inclusive of the IESO, where applicable.

However, these data have some limitations, and require some adjustments for use in lost revenue calculations.

Allocating results to rate classes

The OPA reports results by 'program', within four main programs: residential, business, industrial and low-income. These only partially map onto rate classes. For initiatives that apply to more than one rate class, Entegrus staff estimated the split by rate class, drawing on participant-specific information where available.

Adjustments for results that do not affect revenues

As previously mentioned, the OPA reports both energy savings and reductions in [system] peak demand. Depending on the rate class, distribution revenue is based on either kilowatt-hours used, or the customer's monthly peak kilowatt use. For rate classes where the customer is charged for distribution by energy use (kWh), the OPA-reported energy savings are directly relevant.

For customer classes where the LDC charges for distribution based on the customer's peak monthly demand (kW in the month), the system peak reductions are only partially relevant. For initiatives like lighting upgrades in businesses operating during normal business hours, the peak demand reductions are likely to be maintained throughout the year, including during the customer's monthly peaks, and so may be used to estimate lost revenue.

In the case of demand response programs in rate classes billed by monthly peak kW, in particular DR3, there have been arguments advanced for why this program does not impact on LDC revenues. However, the OEB has considered these arguments and ruled that LDCs may claim for lost revenues related to these programs based on the OPA reported demand reductions.[3]

Load reductions accounted for in the load forecast

In recent years, LDCs have tried to account for load losses due to CDM programs in their load forecasts, submitted as part of their Cost of Service applications. These forecasted reductions need to be deducted from load losses attributable to CDM programs, to determine the final impact of CDM on revenues. That is, the impact is the *variance* between the results accounted for in the load forecast and the results attributable to the programs.

Overall impact of CDM on load, by rate class

The overall impact of CDM energy savings and demand reductions on load is calculated from the OPA energy savings and peak demand reductions, allocated by rate class. Finally the difference is calculated

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[3] See PowerStream 2014 rate decision, EB-2014-0108, pp. 5-6.

between the overall estimated impact on loads and the load reductions attributable to CDM that were captured in the most recent load forecast.

Distribution rates

Lost revenues for the LDC associated with CDM arise from reductions in the volumetric distribution rate. Most other rate components (e.g. service charges, global adjustment, transmission charges) are either fixed charges, or are just pass-throughs for the utility, so do not affect the LDC's revenues. An exception is for certain rate riders related to taxes, and these are added to the volumetric distribution charges, where applicable.

For most electricity distribution utilities in Ontario, including Entegrus (Chatham-Kent), distribution rates are set for the period from 1 May to 30 April of the next year. CDM results are reported for the calendar year, so average rates for the calendar year need to be calculated. For simplicity, the average rate is estimated based on the rate being four twelfths of the previous year's rate (for January through April), and eight twelfths of the current year's rate (for May through December).

Lost revenues variance

Lost revenues in a particular rate class are the product of the savings or demand reductions in that class, less what was accounted for in the load forecast, multiplied by the average rate for that class in the calendar year for which the energy savings or demand reductions were reported.[4] The variance is the difference between these lost revenues and the quantity of CDM in the load forecast.

Because these revenues are lost throughout the year, and are only recovered through rate riders in subsequent years, the Ontario Energy Board has permitted the LDCs to claim carrying charges on these lost revenues at a rate prescribed by the OEB, and published on the Board's website. The carrying charges are simple interest, not compounded and are calculated on the monthly variance account opening balance. Because the OPA final results estimates are reported annually, and monthly estimates are not available, the incremental results are assumed to be equally distributed across the months. So 1/12 of the annual results are allocated to January, and 12/12 of the annual results to December.

Carrying charges accrue from the time of the results, until disposition.

These lost revenues are reported by the LDC in its financial statements in Account 1568, and the associated rate class-specific sub-accounts.

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[4] Where distribution rates are monthly rates for the peak kW in that month, the annual loss of revenue is the monthly rate times the number of months it applies to – usually twelve.

Results

Following the methodology described above, lost revenues were calculated for Entegrus (Chatham-Kent).

CDM results

OPA evaluation results

CDM results reported by the OPA are in Appendix A. The Appendix consists of the following tables:

- The draft 2011, 2012, 2013, and 2014 results for Entegrus as a whole are shown in Table 1; and
- The draft adjustments to verified 2011, 2012, and 2013 results for Entegrus as a whole are shown in Table 2.[5]

The gross results were provided by the OPA, but are not included in this report, as only net results are relevant for the purposes of estimating lost revenues.

Table A-1 in Appendix A shows the persistence of 2011, 2012, and 2013 CDM program results and 2011, 2012, and 2013 adjustments into 2014. The OPA has provided Entegrus with persistence data for all results and adjustments except for 2013 adjustments. The persistence of 2013 adjustments is expected to be provided by the IESO with the final verified 2014 results report expected by September 1, 2015. For this draft report, it has been assumed that the 2013 adjustments persist fully through 2014.

The OPA provided 2011 results for Chatham-Kent Hydro and Middlesex Power Distribution Corporation separately, but provided 2012, 2013, and 2014 results and 2011, 2012, and 2013 adjustments for Entegrus as a whole. As the subsets of Entegrus' service territory that were previously Chatham-Kent Hydro and Middlesex Power Distribution Corporation have different rate classes and rates, they must be handled as separate rate zones for lost revenue purposes. The percentages of load in each rate class for each year were used to allocate the results and adjustments between the previous service territories of Chatham-Kent Hydro and Middlesex Power Distribution Corporation. The percentage allocation of load (in kW or kWh, depending on the billing units of each rate class) by rate class for the previous service territories of Chatham-Kent Hydro and Middlesex Power Distribution Corporation is shown in Tables A-2 (2013) and A-3 (2014) in Appendix A. Where rate classes match, the totals do not always add up to 100%, as Entegrus also includes two very small additional amalgamated previous service territories of Dutton and Newbury. The populations in both Dutton and Newbury are so small

[5] *ENTEGRUS Draft 2011-2014 Final Results Report*. Independent Electricity System Operator. July 31, 2015.

that it was assumed that they did not significantly contribute to CDM results.

Allocating results to rate classes

Entegrus staff provided information on the allocation of results to rate classes. In most cases, the allocation is straightforward. Initiatives that can span multiple rate classes include Retrofit, Building Commissioning, New Construction, Energy Audit, Demand Response 3, Process & Systems Upgrades, Monitoring & Targeting, Energy Manager, Electricity Retrofit Incentive Program and High Performance New Construction. No allocation was provided for programs for which Entegrus (Chatham-Kent) has no program results.

Entegrus (Chatham-Kent) bills customers in different rate classes using different volumetric units, either kilowatt hours (kWh), or customer peak monthly kilowatts (kW). The rate classes (and billing unit) for Entegrus (Chatham-Kent) are:

- Residential (kWh)
- GS <50 kW (kWh)
- GS 50 to 999 kW (kW)
- GS 1,000 TO 4,999 kW (kW)
- Intermediate with Self Generation (kW)
- Unmetered Scattered Load (kWh)
- Standby Power (kW)
- Sentinel Lighting (kW)
- Street Lighting (kW)
- Microfit Generator (N/A).

Table B-1 in Appendix B shows the percentage allocation by rate class for 2011 results and adjustments. Table B-2 in Appendix B shows the percentage allocation by rate class for 2012 results and adjustments. Table B-3 in Appendix B shows the percentage allocation by rate class for 2013 results and adjustments. Table B-4 in Appendix B shows the percentage allocation by rate class for 2014 results.

Load reductions accounted for in the load forecast

Entegrus (Chatham-Kent)'s last cost of service application was filed in 2010. The load forecast associated with that application did not account for load losses from 2011 – 2014 CDM programs.

Overall impact of CDM on load, by rate class

Multiplying the energy savings or demand reduction reported for Entegrus (Chatham-Kent) for each program by the allocation by rate class provides the impact on load of that CDM program within the appropriate rate class. The sum of the energy savings and demand reductions for all of the programs for each rate class, with adjustments for results that do not affect revenue provides the overall impact of CDM on load by rate class.

Table B-5 in Appendix B shows the impact of CDM on load by rate class for 2013 by 2013 adjustments.

Table B-6 in Appendix B shows the persisted impact of CDM on load by rate class for 2014 by programs in 2011-2013.

Table B-7 in Appendix B shows the overall impact of CDM on load by rate class for 2014.

Distribution rates

The distribution rates that impact lost revenue for each rate class for Entegrus (Chatham-Kent) are shown in Table C-1 in Appendix C. The distribution rates for the period from 1 May of each year to 30 April of the next year are pro-rated by number of months to each calendar year in the 2011 to 2014 time period.

Lost revenues

The lost revenues for 2013 and 2014 by rate class for Entegrus (Chatham-Kent) calculated from adjustments to 2013 results, persistence into 2014 from 2011-2013 program results, and final 2014 CDM program results are shown in Table C-2 in Appendix C. The lost revenue for 2013 is based on the CDM program results plus the persistence of the 2011 and 2012 program results in 2013 allocated by rate class and multiplied by the 2013 rate for that rate class. The lost revenue for 2014 is based on the 2014 CDM program results plus the persistence of the 2011 to 2013 program results and adjustments in 2014 allocated by rate class and multiplied by the 2014 rate for that rate class. The breakdown of these amounts by rate class is also shown in Table C-2.

This report accounts for lost revenues resulting from 2013 adjustments to results in 2013, results in 2014 from 2014 programs, and results persisting in 2014 from programs delivered in 2011, 2012 and 2013. Previous lost revenues were dealt with in earlier proceedings. The lost revenue for 2014 and 2013 is based on final verified results provided by the OPA and IESO.

Carrying charges

The monthly carrying charges by rate class on Entegrus (Chatham-Kent)'s lost revenue variance are shown in Table C-3 in Appendix C. The carrying charges are reported monthly, from the time the lost revenues resulted, through to April 30, 2016.

Conclusions

The LRAMVA balance at the end of December 2014 for Entegrus (Chatham-Kent) that includes results from CDM programs in 2014 and adjustments to 2013 results in 2013 is $193,144.53. The total carrying charges on this LRAMVA balance accumulated to April 30, 2016 are $4,316.25. These balances are attributable to individual rate classes according to the following table:

Rate class	LRAMVA	Carrying charges	Total
Residential	$33,844.68	$763.98	$34,608.65
GS < 50 kW	$62,030.98	$1,405.93	$63,436.92
GS 50 to 999 kW	$59,774.16	$1,362.39	$61,136.55
GS 1,000 TO 4,999 kW	$10,667.57	$244.58	$10,912.15
Intermediate with Self Generation	$26,827.14	$539.37	$27,366.51
Unmetered Scattered Load	$0.00	$0.00	$0.00
Standby Power	$0.00	$0.00	$0.00
Sentinel Lighting	$0.00	$0.00	$0.00
Street Lighting	$0.00	$0.00	$0.00
Microfit Generator	$0.00	$0.00	$0.00
Total	**$193,144.53**	**$4,316.25**	**$197,460.78**

Appendix A. CDM results reported by the OPA

Table 1: ENTEGRUS Initiative and Program Level Net Savings by Year (Scenario 1)

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR) 2014 Net Annual Peak Demand Savings (kW)	Program-to-Date Verified Progress to Target (excludes DR) 2011-2014 Net Cumulative Energy Savings (kWh)
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	421	301	182	189	24	18	12	12	177,892	119,701	76,967	82,742	66	1,307,144
Appliance Exchange	Appliances	32	28	35	64	3	4	7	13	3,098	7,322	12,930	23,644	25	81,705
HVAC Incentives	Equipment	1,040	870	838	994	318	182	160	188	569,794	303,127	264,990	344,593	848	4,063,129
Conservation Instant Coupon Booklet	Items	3,719	223	2,515	7,463	9	2	4	15	136,065	10,104	55,697	203,469	29	889,432
Bi-Annual Retailer Event	Items	6,880	7,666	6,827	34,865	12	11	9	58	212,360	193,530	124,145	888,122	90	2,566,444
Retailer Co-op	Items	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential Demand Response	Devices	232	0	765	1,697	130	0	341	625	336	0	603	0	625	940
Residential Demand Response (IHD)	Devices	0	0	765	1,683	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	0	0	0
Consumer Program Total						**495**	**216**	**533**	**912**	**1,099,545**	**633,784**	**535,332**	**1,542,570**	**1,683**	**8,908,794**
Business Program															
Retrofit	Projects	43	82	99	188	112	711	458	836	520,887	4,149,424	2,612,541	5,045,085	2,067	24,614,038
Direct Install Lighting	Projects	53	253	117	110	58	201	134	109	144,062	782,496	466,827	394,100	488	4,200,978
Building Commissioning	Buildings	0	0	0	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	0	0	0
Energy Audit	Audits	0	0	2	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	0	0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	1	1	1	1	68	68	69	35	2,636	984	917	0	35	4,536
Business Program Total						**237**	**980**	**661**	**981**	**667,585**	**4,932,904**	**3,080,285**	**5,439,185**	**2,590**	**28,819,552**
Industrial Program															
Process & System Upgrades	Projects	0	0	0	1	0	0	0	337	0	0	0	3,537,600	337	3,537,600
Monitoring & Targeting	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Energy Manager	Projects	0	5	6	5	0	141	101	23	0	246,600	176,580	314,228	265	1,407,188
Retrofit	Projects	4	0	0	0	10	0	0	0	70,196	0	0	0	10	280,785
Demand Response 3	Facilities	2	0	1	5	754	0	0	677	44,275	0	0	0	677	44,275
Industrial Program Total						**765**	**141**	**101**	**1,037**	**114,471**	**246,600**	**176,580**	**3,851,828**	**1,290**	**5,269,849**
Home Assistance Program															
Home Assistance Program	Homes	0	163	1,201	173	0	18	58	18	0	228,459	773,555	172,172	92	2,383,581
Home Assistance Program Total						**0**	**18**	**58**	**18**	**0**	**228,459**	**773,555**	**172,172**	**92**	**2,383,581**
Aboriginal Program															
Home Assistance Program	Homes	0	0	0	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	0	0	0
Aboriginal Program Total						**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	18	0	0	0	111	0	0	0	707,984	0	0	0	111	2,831,935
High Performance New Construction	Projects	0	0	0	0	1	1	0	0	2,786	791	0	0	1	13,519
Toronto Comprehensive	Projects	0	0	0	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	0	0	0
LDC Custom Programs	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pre-2011 Programs completed in 2011 Total						**112**	**1**	**0**	**0**	**710,770**	**791**	**0**	**0**	**113**	**2,845,454**
Other															
Program Enabled Savings	Projects	0	0	0	1	0	0	0	45	0	0	0	134,467	45	134,467
Time-of-Use Savings	Homes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Total						**0**	**0**	**0**	**45**	**0**	**0**	**0**	**134,467**	**45**	**134,467**
Adjustments to 2011 Verified Results							**-26**	**0**	**0**		**-3,240**	**0**	**0**	**-27**	**-14,890**
Adjustments to 2012 Verified Results								**21**	**2**			**177,421**	**20,292**	**23**	**610,761**
Adjustments to 2013 Verified Results									**7**				**508,376**	**7**	**1,021,407**
Energy Efficiency Total						**657**	**1,288**	**944**	**1,655**	**2,545,124**	**6,041,553**	**4,564,232**	**11,140,221**	**4,475**	**48,311,945**
Demand Response Total (Scenario 1)						**952**	**68**	**409**	**1,337**	**47,247**	**984**	**1,520**	**0**	**1,337**	**49,751**
Adjustments to Previous Years' Verified Results Total						**0**	**-26**	**21**	**8**	**0**	**-3,240**	**177,421**	**528,668**	**2**	**1,617,278**
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						**1,609**	**1,329**	**1,374**	**3,000**	**2,592,371**	**6,039,297**	**4,743,174**	**11,668,889**	**5,814**	**49,978,974**
													Full OEB Target:	**12,120**	**46,530,000**
													% of Full OEB Target Achieved to Date (Scenario 1):	**48.0%**	**107.4%**

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

*Includes adjustments after Final Reports were issued

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

Table 2: Adjustments to ENTEGRUS 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)				Program-to-Date Verified Progress to Target (excludes DR): 2014 Net Annual Peak Demand Savings (kW)	Program-to-Date Verified Progress to Target (excludes DR): 2011-2014 Net Cumulative Energy Savings (kWh)
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	0	0	0		0	0	0		0	0	0		0	0
Appliance Exchange	Appliances	0	0	0		0	0	0		0	0	0		0	0
HVAC Incentives	Equipment	-145	22	28		-39	4	6		-69,288	7,786	10,288		-29	-233,219
Conservation Instant Coupon Booklet	Items	59	0	8		0	0	0		1,992	0	170		0	8,308
Bi-Annual Retailer Event	Items	591	0	0		1	0	0		15,778	0	0		1	63,111
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						**-38**	**4**	**6**		**-51,519**	**7,786**	**10,458**		**-28**	**-161,801**
Business Program															
Retrofit	Projects	4	8	13		10	14	78		41,693	159,424	483,842		101	1,609,571
Direct Install Lighting	Projects	2	4	0		2	3	0		6,585	10,883	0		4	57,061
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	2		0	0	18		0	0	96,966		18	193,932
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						**12**	**17**	**95**		**48,278**	**170,307**	**580,808**		**123**	**1,860,564**
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	3	4		0	2	-101		0	28,431	-155,645		-100	-234,807
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**	**2**	**-101**		**0**	**28,431**	**-155,645**		**-100**	**-234,807**
Home Assistance Program															
Home Assistance Program	Homes	0	0	64		0	0	7		0	0	77,409		7	153,322
Home Assistance Program Total						**0**	**0**	**7**		**0**	**0**	**77,409**		**7**	**153,322**
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		0	0	0		0	0
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**		**0**	**0**	**0**		**0**	**0**
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						**-26**				**-3,240**				**-27**	**-14,890**
Adjustments to 2012 Verified Results							**24**				**206,524**			**23**	**610,761**
Adjustments to 2013 Verified Results								**8**				**513,030**		**7**	**1,021,407**
Total Adjustments to Previous Years' Verified Results						**-26**	**24**	**8**		**-3,240**	**206,524**	**513,030**		**2**	**1,617,278**

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).

Adjustments to previous years' results shown in this table will not align to adjustments shown in Table 1 as the information presented above is presented in the implementation year. Adjustements in Table 1 reflect persisted savings in the year in which that adjustment is verified.

Table A-1: Persistence in 2014 of results from previous years

#	Initiative	2011 programs		2012 programs		2013 programs		2013 adjustments	
#	Initiative	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)
Consumer Program									
1	Appliance Retirement	24	177,689	18	119,701	12	76,967		
2	Appliance Exchange	1	941	4	7,322	7	12,930		
3	HVAC Incentives	279	500,506	186	310,241	160	264,990	6	10,288
4	Conservation Instant Coupon Booklet	9	138,057	2	10,104	4	55,697	0	170
5	Bi-Annual Retailer Event	13	228,138	11	193,530	9	124,145		
6	Retailer Co-Op								
7	Residential Demand Response								
8	Residential Demand Response (IHD)								
9	Residential New Construction								
Business Program									
10	Retrofit	122	562,580	690	4,191,985	443	2,565,528	78	483,842
11	Direct Install Lighting	49	119,030	199	772,555	134	466,827		
12	Building Commissioning								
13	New Construction								
14	Energy Audit							18	96,966
15	Small Commercial Demand Response (switch/pstat)								
16	Small Commercial Demand Response (IHD)								
17	Demand Response 3								
Industrial Program									
18	Process & System Upgrades								
19	Monitoring & Targeting								
20	Energy Manager			141	246,600	101	176,580	-101	-155,645
21	Retrofit	10	70,196						
22	Demand Response 3								
Home Assistance Program									
23	Home Assistance Program			17	217,283	57	752,478	7	77,409
Pre-2011 Programs completed in 2011									
24	Electricity Retrofit Incentive Program	111	707,984						
25	High Performance New Construction	1	2,786	1	791				

Note: Persistence of results and adjustments is as reported by the OPA/IESO.

Table A-2: Percentage allocation of load by rate class for the previous service territories of Chatham-Kent Hydro and Middlesex Power Distribution Corporation for 2013

					Chatham-Kent Hydro					
	Residential	**GS < 50 kW**	**GS 50 to 999 kW**	**GS 1,000 TO 4,999 kW**	**Intermediate with Self Generation**	**Unmetered Scattered Load**	**Standby Power**	**Sentinel Lighting**	**Street Lighting**	**Microfit Generator**
Allocation	77%	79%	79%	79%	100%	74%	100%	89%	79%	
					Middlesex Power Distribution Corporation					
	Residential	**GS < 50 kW**	**GS 50 to 4,999 kW**	**Large Use**		**Unmetered Scattered Load**		**Sentinel Lighting**	**Street Lighting**	**MicroFIT Generator**
Allocation	21%	17%	21%	100%		26%		11%	19%	

Note: The percentage allocation for each rate class by previous service service territory is based on the proportion of Entegrus' total loss-adjusted billed kWh or billed kW.

Table A-3: Percentage allocation of load by rate class for the previous service territories of Chatham-Kent Hydro and Middlesex Power Distribution Corporation for 2014

Chatham-Kent Hydro										
	Residential	**GS < 50 kW**	**GS 50 to 999 kW**	**GS 1,000 TO 4,999 kW**	**Intermediate with Self Generation**	**Unmetered Scattered Load**	**Standby Power**	**Sentinel Lighting**	**Street Lighting**	**Microfit Generator**
Allocation	78%	81%	74%	100%	100%	74%	100%	89%	78%	0%

Middlesex Power Distribution Corporation								
	Residential	**GS < 50 kW**	**GS 50 to 4,999 kW**	**Large Use**	**Unmetered Scattered Load**	**Sentinel Lighting**	**Street Lighting**	**MicroFIT Generator**
Allocation	20%	16%	26%	100%	26%	11%	19%	0%

Note: The percentage allocation for each rate class by previous service service territory is based on the proportion of Entegrus' total loss-adjusted billed kWh or billed kW.

Appendix B. CDM results breakdown by rate class

Table B-1: Percentage allocation by rate class for 2011 results and adjustments

#	Initiative	Residential	GS < 50 kW	GS 50 to 999 kW	GS 1,000 TO 4,999 kW	Intermediate with Self Generation	Unmetered Scattered Load	Standby Power	Sentinel Lighting	Street Lighting	Microfit Generator
Consumer Program											
1	Appliance Retirement	100%									
2	Appliance Exchange	100%									
3	HVAC Incentives	100%									
4	Conservation Instant Coupon Booklet	100%									
5	Bi-Annual Retailer Event	100%									
6	Retailer Co-op	100%									
7	Residential Demand Response	100%									
8	Residential New Construction	100%									
Business Program											
9	Efficiency: Equipment Replacement		51%	49%							
10	Direct Install Lighting		100%								
11	Existing Building Commissioning Incentive										
12	New Construction and Major Renovation Incentive										
13	Energy Audit										
14	Commercial Demand Response (part of the Residential program schedule)										
15	Demand Response 3 (part of the Industrial program schedule)										
Industrial Program											
16	Process & System Upgrades										
17	Monitoring & Targeting										
18	Energy Manager										
19	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)			93%	7%						
20	Demand Response 3										
Home Assistance Program											
21	Home Assistance Program	100%									
Pre-2011 Programs completed in 2011											
22	Electricity Retrofit Incentive Program		29%	71%							
23	High Performance New Construction			100%							

Source: Entegrus

Table B-2: Percentage allocation by rate class for 2012 results and adjustments

#	Initiative	Residential	GS < 50 kW	GS 50 to 999 kW	GS 1,000 TO 4,999 kW	Intermediate with Self Generation	Unmetered Scattered Load	Standby Power	Sentinel Lighting	Street Lighting	Microfit Generator
Consumer Program											
1	Appliance Retirement	100%									
2	Appliance Exchange	100%									
3	HVAC Incentives	100%									
4	Conservation Instant Coupon Booklet	100%									
5	Bi-Annual Retailer	100%									
6	Retailer Co-Op	100%									
7	Residential Demand Response	100%									
8	Residential Demand Response (IHD)	100%									
9	Residential New Construction	100%									
Business Program											
10	Retrofit		56%	44%							
11	Direct Install Lighting		100%								
12	Building Commissioning										
13	New Construction										
14	Energy Audit										
15	Small Commercial Demand Response (switch/pstat)										
16	Small Commercial Demand Response (IHD)										
17	Demand Response 3										
Industrial Program											
18	Process & System Upgrades										
19	Monitoring & Targeting										
20	Energy Manager				100%						
21	Retrofit		1%	8%	75%	16%					
22	Demand Response 3										
Home Assistance Program											
23	Home Assistance Program	100%									
Pre-2011 Programs completed in 2011											
24	Electricity Retrofit Incentive Program										
25	High Performance New Construction										

Source: Entegrus

Table B-3: Percentage allocation by rate class for 2013 results and adjustments

#	Initiative	Residential	GS < 50 kW	GS 50 to 999 kW	GS 1,000 TO 4,999 kW	Intermediate with Self Generation	Unmetered Scattered Load	Standby Power	Sentinel Lighting	Street Lighting	Microfit Generator
Consumer Program											
1	Appliance Retirement	100%									
2	Appliance Exchange	100%									
3	HVAC Incentives	100%									
4	Conservation Instant Coupon Booklet	100%									
5	Bi-Annual Retailer Event	100%									
6	Retailer Co-Op	100%									
7	Residential Demand Response (switch/pstat)	100%									
8	Residential Demand Response (IHD)	100%									
9	Residential New Construction	100%									
Business Program											
10	Retrofit		33%	54%	13%	0.3%					
11	Direct Install Lighting		100%								
12	Building Commissioning			100%							
13	New Construction			100%							
14	Energy Audit			100%							
15	Small Commercial Demand Response (switch/pstat)										
16	Small Commercial Demand Response (IHD)		100%								
17	Demand Response 3										
Industrial Program											
18	Process & System Upgrades					100%					
19	Monitoring & Targeting										
20	Energy Manager					100%					
21	Retrofit		50%	50%							
22	Demand Response 3										
Home Assistance Program											
23	Home Assistance Program	100%									

Source: Entegrus

Table B-4: Percentage allocation by rate class for 2014 results

#	Initiative	Residential	GS < 50 kW	GS 50 to 999 kW	GS 1,000 TO 4,999 kW	Intermediate with Self Generation	Unmetered Scattered Load	Standby Power	Sentinel Lighting	Street Lighting	Microfit Generator
Consumer Program											
1	Appliance Retirement	100%									
2	Appliance Exchange	100%									
3	HVAC Incentives	100%									
4	Conservation Instant Coupon Booklet	100%									
5	Bi-Annual Retailer Event	100%									
6	Retailer Co-Op	100%									
7	Residential Demand Response (switch/pstat)	100%									
8	Residential Demand Response (IHD)	100%									
9	Residential New Construction	100%									
Business Program											
10	Retrofit		15%	68%	2%						
11	Direct Install Lighting		100%								
12	Building Commissioning			100%							
13	New Construction			100%							
14	Energy Audit			100%							
15	Small Commercial Demand Response (switch/pstat)										
16	Small Commercial Demand Response (IHD)										
17	Demand Response 3			100%							
Industrial Program											
18	Process & System Upgrades					100%					
19	Monitoring & Targeting										
20	Energy Manager					100%					
21	Retrofit										
22	Demand Response 3			28%		58%					
Home Assistance Program											
23	Home Assistance Program	100%									
Other											
29	Program Enabled Savings			100%							

Source: Entegrus. Rate class allocation percentage totals may not add up to 100% in cases where results are allocated to rate classes across rate zones based on specific project results. The total for both rate zones will add up to 100%.

Table B-5: Impact of CDM on load in 2013 by rate class for 2013 adjustments

#	Initiative	Residential	GS < 50 kW	GS 50 to 999 kW	GS 1,000 TO 4,999 kW	Intermediate with Self Generation	Unmetered Scattered Load	Standby Power	Sentinel Lighting	Street Lighting	Microfit Generator
	Units	**kWh**	**kWh**	**kW**	**kW**	**kW**	**kWh**	**kW**	**kW**	**kW**	**NA**
Consumer Program											
1	Appliance Retirement										
2	Appliance Exchange										
3	HVAC Incentives	7,919									
4	Conservation Instant Coupon Booklet	131									
5	Bi-Annual Retailer Event										
6	Retailer Co-Op										
7	Residential Demand Response (switch/pstat)										
8	Residential Demand Response (IHD)										
9	Residential New Construction										
Business Program											
10	Retrofit		126,547	397	96	3					
11	Direct Install Lighting										
12	Building Commissioning										
13	New Construction										
14	Energy Audit			167							
15	Small Commercial Demand Response (switch/pstat)										
16	Small Commercial Demand Response (IHD)										
17	Demand Response 3										
Industrial Program											
18	Process & System Upgrades										
19	Monitoring & Targeting										
20	Energy Manager					-1,211					
21	Retrofit										
22	Demand Response 3										
Home Assistance Program											
23	Home Assistance Program	59,585									
	Total	**67,635**	**126,547**	**564**	**96**	**-1,208**					

Note: Impact on load is calculated from the 2013 adjustments to net incremental peak demand or net incremental savings in Table 2 from the IESO (Appendix A). The demand or savings results are used, depending on how that rate class is billed for distribution service, and the Entegrus rate class load totals are allocated by rate zone based on the percentages in Table A-2 and by rate class based on the percentages in Table B-3. Where billing is by monthly demand (kW), the annual demand is multiplied by 12.

Table B-6: Impact of CDM on load in 2014 by rate class from the persistence of 2011-2013 program results (including adjustments)

#	Initiative	Residential	GS < 50 kW	GS 50 to 999 kW	GS 1,000 TO 4,999 kW	Intermediate with Self Generation	Unmetered Scattered Load	Standby Power	Sentinel Lighting	Street Lighting	Microfit Generator
	Units	**kWh**	**kWh**	**kW**	**kW**	**kW**	**kWh**	**kW**	**kW**	**kW**	**NA**
Consumer Program											
1	Appliance Retirement	281,902									
2	Appliance Exchange	16,313									
3	HVAC Incentives	880,771									
4	Conservation Instant Coupon Booklet	160,414									
5	Bi-Annual Retailer Event	429,878									
6	Retailer Co-Op										
7	Residential Demand Response (switch/pstat)										
8	Residential Demand Response (IHD)										
9	Residential New Construction										
Business Program											
10	Retrofit		2,968,612	6,091	640	19					
11	Direct Install Lighting		1,101,411								
12	Building Commissioning										
13	New Construction										
14	Energy Audit			167							
15	Small Commercial Demand Response (switch/pstat)										
16	Small Commercial Demand Response (IHD)										
17	Demand Response 3										
Industrial Program											
18	Process & System Upgrades										
19	Monitoring & Targeting										
20	Energy Manager				1,353	4					
21	Retrofit			116	9						
22	Demand Response 3										
Home Assistance Program											
23	Home Assistance Program	809,932									
Pre-2011 Programs completed in 2011											
24	Electricity Retrofit Incentive Program		172,716	784							
25	High Performance New Construction			7							
	Total	**2,579,209**	**4,242,740**	**7,165**	**2,002**	**23**					

Note: Impact on load is calculated from the persistence of 2011-2013 results and adjustments into 2014 in Table A-1. The demand or savings results are used, depending on how that rate class is billed for distribution service, and the Entegrus rate class load totals are allocated by rate zone based on the percentages in Table A-3 and by rate class based on the percentages in Tables B-1, B-2, and B-3. Results and adjustments for 2011 were provided by the OPA for Chatham-Kent Hydro and Middlesex Power Distribution separately, but are shown consolidated in Table A-1 for consistency. Where billing is by monthly demand (kW), the annual demand is multiplied by 12.

Table B-7: Impact of CDM on load by rate class for 2014 programs

#	Initiative	Residential	GS < 50 kW	GS 50 to 999 kW	GS 1,000 TO 4,999 kW	Intermediate with Self Generation	Unmetered Scattered Load	Standby Power	Sentinel Lighting	Street Lighting	Microfit Generator
	Units	**kWh**	**kWh**	**kW**	**kW**	**kW**	**kWh**	**kW**	**kW**	**kW**	**NA**
Consumer Program											
1	Appliance Retirement	64,489									
2	Appliance Exchange	18,428									
3	HVAC Incentives	268,576									
4	Conservation Instant Coupon Booklet	158,584									
5	Bi-Annual Retailer Event	692,205									
6	Retailer Co-Op										
7	Residential Demand Response (switch/pstat)										
8	Residential Demand Response (IHD)										
9	Residential New Construction										
Business Program											
10	Retrofit		756,616	6,824	217						
11	Direct Install Lighting		317,631								
12	Building Commissioning										
13	New Construction										
14	Energy Audit										
15	Small Commercial Demand Response (switch/pstat)										
16	Small Commercial Demand Response (IHD)										
17	Demand Response 3			421							
Industrial Program											
18	Process & System Upgrades					4,049					
19	Monitoring & Targeting										
20	Energy Manager					271					
21	Retrofit										
22	Demand Response 3			2,266		4,721					
Home Assistance Program											
23	Home Assistance Program	134,191									
Other											
29	Program Enabled Savings			397							
	Total	**1,336,474**	**1,074,247**	**9,908**	**217**	**9,042**					

Note: Impact on load is calculated from net incremental peak demand or net incremental savings in Table 1 from the IESO (Appendix A). The demand or savings results are used, depending on how that rate class is billed for distribution service, and the Entegrus rate class load totals are allocated by rate zone based on the percentages in Table A-3 and by rate class based on the percentages in Table B-4. Where billing is by monthly demand (kW), the annual demand is multiplied by 12.

Appendix C. Lost revenue

Table C-1: Distribution rates that impact lost revenue for each rate class

Rate class	Billing unit	2013	2014
Residential	kWh	0.0083	0.0085
GS < 50 kW	kWh	0.0112	0.0114
GS 50 to 999 kW	kW	3.3407	3.3908
GS 1,000 TO 4,999 kW	kW	4.5439	4.6120
Intermediate with Self Generation	kW	3.3599	3.4073
Unmetered Scattered Load	kWh	0.0007	0.0006
Standby Power	kW		
Sentinel Lighting	kW	0.3829	0.4161
Street Lighting	kW	1.1529	1.1897

Notes: Distribution rates are from OEB approved rate schedules averaged from the rate year to the calendar year. Only the Distribution Volumetric Rate and the Rate Rider for Application of Tax Change are used.

Table C-2: Lost revenues in 2013 from 2013 adjustments and in 2014 from 2011-2014 results and adjustments by rate class

Year of lost revenue	Basis for loss	Residential	GS < 50 kW	GS 50 to 999 kW	GS 1,000 TO 4,999 kW	Intermediate with Self Generation	Unmetered Scattered Load	Standby Power	Sentinel Lighting	Street Lighting	Microfit Generator	Total
2013	2013 adjustments	$561.37	$1,417.33	$1,883.38	$434.18	-$4,058.57						$237.69
2014	2011 persistence	$7,181.21	$5,827.37	$4,861.78	$40.33							$17,910.68
	2012 persistence	$5,745.25	$29,229.87	$9,847.61	$6,237.81							$51,060.54
	2013 persistence	$8,996.83	$13,310.00	$9,586.37	$2,953.74	$78.39						$34,925.33
	2014 results	$11,360.03	$12,246.42	$33,595.02	$1,001.52	$30,807.32						$89,010.30
Total		**$33,844.68**	**$62,030.98**	**$59,774.16**	**$10,667.57**	**$26,827.14**						**$193,144.53**

Note: Values are the product of the actual lost loads (Tables B-5, B-6, and B-7), and the rates (Table C-1) for each rate class.

Table C-3: Monthly carrying charges by rate class

Month	Residential	GS < 50 kW	GS 50 to 999 kW	GS 1,000 TO 4,999 kW	Intermediate with Self Generation	Unmetered Scattered Load	Standby Power	Sentinel Lighting	Street Lighting	Microfit Generator	Total
Jan-13											
Feb-13	$0.06	$0.14	$0.19	$0.04	-$0.41						$0.02
Mar-13	$0.11	$0.29	$0.38	$0.09	-$0.83						$0.05
Apr-13	$0.17	$0.43	$0.58	$0.13	-$1.24						$0.07
Total for Rate year 2012	**$0.34**	**$0.87**	**$1.15**	**$0.27**	**-$2.49**						**$0.15**
May-13	$0.23	$0.58	$0.77	$0.18	-$1.66						$0.10
Jun-13	$0.29	$0.72	$0.96	$0.22	-$2.07						$0.12
Jul-13	$0.34	$0.87	$1.15	$0.27	-$2.49						$0.15
Aug-13	$0.40	$1.01	$1.35	$0.31	-$2.90						$0.17
Sep-13	$0.46	$1.16	$1.54	$0.35	-$3.31						$0.19
Oct-13	$0.52	$1.30	$1.73	$0.40	-$3.73						$0.22
Nov-13	$0.57	$1.45	$1.92	$0.44	-$4.14						$0.24
Dec-13	$0.63	$1.59	$2.11	$0.49	-$4.56						$0.27
Jan-14	$0.69	$1.74	$2.31	$0.53	-$4.97						$0.29
Feb-14	$4.09	$7.92	$8.22	$1.58	-$1.82						$19.98
Mar-14	$7.48	$14.11	$14.13	$2.62	$1.33						$39.68
Apr-14	$10.88	$20.30	$20.04	$3.67	$4.49						$59.37
Total for Rate year 2013	**$26.92**	**$53.62**	**$57.38**	**$11.32**	**-$28.31**						**$120.92**
May-14	$14.28	$26.49	$25.95	$4.71	$7.64						$79.06
Jun-14	$17.68	$32.67	$31.86	$5.76	$10.79						$98.75
Jul-14	$21.07	$38.86	$37.77	$6.80	$13.95						$118.45
Aug-14	$24.47	$45.05	$43.67	$7.84	$17.10						$138.14
Sep-14	$27.87	$51.24	$49.58	$8.89	$20.25						$157.83
Oct-14	$31.27	$57.43	$55.49	$9.93	$23.40						$177.52
Nov-14	$34.66	$63.61	$61.40	$10.98	$26.56						$197.22
Dec-14	$38.06	$69.80	$67.31	$12.02	$29.71						$216.91
Jan-15	$41.46	$75.99	$73.22	$13.07	$32.86						$236.60
Feb-15	$41.46	$75.99	$73.22	$13.07	$32.86						$236.60
Mar-15	$41.46	$75.99	$73.22	$13.07	$32.86						$236.60
Apr-15	$31.02	$56.86	$54.79	$9.78	$24.59						$177.05
Total for Rate year 2014	**$391.68**	**$723.59**	**$704.88**	**$127.24**	**$244.27**						**$2,191.66**
May-15	$31.02	$56.86	$54.79	$9.78	$24.59						$177.05
Jun-15	$31.02	$56.86	$54.79	$9.78	$24.59						$177.05
Jul-15	$31.02	$56.86	$54.79	$9.78	$24.59						$177.05
Aug-15	$31.02	$56.86	$54.79	$9.78	$24.59						$177.05
Sep-15	$31.02	$56.86	$54.79	$9.78	$24.59						$177.05
Oct-15	$31.02	$56.86	$54.79	$9.78	$24.59						$177.05
Nov-15	$31.02	$56.86	$54.79	$9.78	$24.59						$177.05
Dec-15	$31.02	$56.86	$54.79	$9.78	$24.59						$177.05
Jan-16	$31.02	$56.86	$54.79	$9.78	$24.59						$177.05
Feb-16	$31.02	$56.86	$54.79	$9.78	$24.59						$177.05
Mar-16	$31.02	$56.86	$54.79	$9.78	$24.59						$177.05
Apr-16	$31.02	$56.86	$54.79	$9.78	$24.59						$177.05
Total to April 30, 2015	**$763.98**	**$1,405.93**	**$1,362.39**	**$244.58**	**$539.37**						**$4,316.25**

Note: Carrying charges are simple interest (not compound) calculated using rates specified by the OEB at:
http://www.ontarioenergyboard.ca/OEB/Industry/Rules+and+Requirements/Rules+Codes+Guidelines+and+Forms/Prescribed+Interest+Rates
Annual savings are assumed to be distributed equally over the year and carrying charges are applied to the balance in the account each month.

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ATTACHMENT 4-W

EPI SMP LRAMVA Report

Prepared by IndEco Strategic Consulting Inc.

IndEco

Strategic Solutions for a Changing World™

Entegrus (MPDC) 2014 LRAMVA

Entegrus (MPDC) lost revenue related to Conservation and Demand Management

2014

IndEco

This document was prepared for Entegrus Powerlines by IndEco Strategic Consulting Inc.

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IndEco report B3856 (MPDC 2014)

25 August 2015

Contents

Introduction

The Lost Revenue Adjustment Mechanism (LRAM) was developed to remove the disincentive to electricity local distribution companies (LDCs) from conservation and demand management (CDM) programs. CDM programs are designed to provide energy savings and peak demand reductions for the customers of LDCs, which would directly impact the LDC's revenue. The LRAM allows LDCs to be compensated for any lost revenue that may have resulted from CDM programs the LDC offers to its customers.

For the 2011-2014 CDM period, the Ontario Energy Board (OEB) has authorized LDCs to establish an LRAM variance account (LRAMVA) to capture the impact of CDM programs on the revenue of LDCs. The variance in the LRAMVA is between the lost revenue due to independently verified load impacts of CDM and the lost revenue from any CDM impacts an LDC included in the LDC's load forecast.[1]

Entegrus Powerlines is an amalgamation of Middlesex Power Distribution Corporation (MPDC) with Chatham-Kent Hydro that came into effect in 2012. Entegrus (Chatham-Kent) and Entegrus (MPDC) will be dealt with separately for LRAMVA purposes, as they each have different rates and rate classes.

Entegrus contracted with the Ontario Power Authority (OPA, which has now been merged into the Independent Electricity System Operator) to offer a suite of CDM programs to customers in a variety of rate classes for the 2011-2014 period. The CDM Guidelines (Appendix A) show that LDCs are entitled to claim lost revenues from 2014 programs and persisting losses from 2011–2013 programs in 2014 as part of their 2016 rate applications.

Entegrus submitted a claim for lost revenues from 2013 programs in its 2015 Incentive Regulation Mechanism (IRM) application. This report accounts for lost revenues resulting from 2013 adjustments to savings in 2013, and savings in 2014 from 2014 programs, and savings persisting in 2014 from programs delivered in 2011, 2012 and 2013. Previous lost revenues were dealt with in earlier proceedings. This report involves a determination of the variance account balance for the following revenue losses:

- Lost revenues in 2013 related to adjustments to savings from programs offered in 2013,
- Lost revenues in 2014 related to programs offered in 2011,
- Lost revenues in 2014 related to programs offered in 2012,
- Lost revenues in 2014 related to programs offered in 2013, and
- Lost revenues in 2014 related to programs offered in 2014.

[1] *Guidelines for Electricity Distributor Conservation and Demand Management*. Ontario Energy Board. April 26, 2012 (EB-2012-0003).

The carrying charges on the above lost revenues through April 2016 are also reported.

Methodology

In principle, the determination of lost revenues is a simple calculation:

LR = (CDM results – CDM results in the load forecast) * rate

In practice, it is somewhat more complicated than that because of the limitations of the information available to calculate CDM results, the different time periods of results data and the rate year, and the need to determine carrying charges on the lost revenues.

CDM results

From 2011 through 2014, Entegrus (MPDC) offered provincial programs that were offered in partnership with the Ontario Power Authority (OPA[2]). Entegrus (MPDC) did not offer custom programs beyond the OPA programs.

OPA evaluation results

The OPA performs evaluations of all of its programs, which examine gross energy savings from the programs, and the net-to-gross ratio (NTGR), and then from those calculates net energy savings by initiative within program group (residential, business, industrial and low-income). Peak load reductions are also calculated, and reported in the same way.

Provincial results are allocated to individual LDCs based on each LDC's individual performance where possible, or through an allocation process.

The OPA reports energy savings and peak demand reductions, by initiative in the current year, adjustments to the previous year, based on updated validation, and contribution to total savings or reductions to the end of the 2011 to 2014 period. The savings and demand reductions for a particular year for a number of programs persist in the following years up to and including 2014. The savings and demand reductions for demand response programs do not persist beyond the year in which those particular savings and demand reductions occur.

For some programs, savings or demand reductions in a particular year persist into subsequent years, but do not persist fully through 2014. In these cases, the OPA was requested to provide estimates by year of the persistence of savings or reductions in each year.

These are the best, most definitive and defensible estimates of results associated with these programs, and incorporate the most appropriate estimates of results from the measures installed.

[2] The Ontario Power Authority was merged into the Independent Electricity System Operator (IESO) on January 1, 2015. References to the OPA in this document are inclusive of the IESO, where applicable.

However, these data have some limitations, and require some adjustments for use in lost revenue calculations.

Allocating results to rate classes

The OPA reports results by ‘program’, within four main programs: residential, business, industrial and low-income. These only partially map onto rate classes. For initiatives that apply to more than one rate class, Entegrus staff estimated the split by rate class, drawing on participant-specific information where available.

Adjustments for results that do not affect revenues

As previously mentioned, the OPA reports both energy savings and reductions in [system] peak demand. Depending on the rate class, distribution revenue is based on either kilowatt-hours used, or the customer’s monthly peak kilowatt use. For rate classes where the customer is charged for distribution by energy use (kWh), the OPA-reported energy savings are directly relevant.

For customer classes where the LDC charges for distribution based on the customer’s peak monthly demand (kW in the month), the system peak reductions are only partially relevant. For initiatives like lighting upgrades in businesses operating during normal business hours, the peak demand reductions are likely to be maintained throughout the year, including during the customer’s monthly peaks, and so may be used to estimate lost revenue.

In the case of demand response programs in rate classes billed by monthly peak kW, in particular DR3, there have been arguments advanced for why this program does not impact on LDC revenues. However, the OEB has considered these arguments and ruled that LDCs may claim for lost revenues related to these programs based on the OPA reported demand reductions. [3]

Load reductions accounted for in the load forecast

In recent years, LDCs have tried to account for load losses due to CDM programs in their load forecasts, submitted as part of their Cost of Service applications. These forecasted reductions need to be deducted from load losses attributable to CDM programs, to determine the final impact of CDM on revenues. That is, the impact is the *variance* between the results accounted for in the load forecast and the results attributable to the programs.

Overall impact of CDM on load, by rate class

The overall impact of CDM energy savings and demand reductions on load is calculated from the OPA energy savings and peak demand reductions, allocated by rate class. Finally the difference is calculated

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[3] See PowerStream 2014 rate decision, EB-2014-0108, pp. 5-6.

between the overall estimated impact on loads and the load reductions attributable to CDM that were captured in the most recent load forecast.

Distribution rates

Lost revenues for the LDC associated with CDM arise from reductions in the volumetric distribution rate. Most other rate components (e.g. service charges, global adjustment, transmission charges) are either fixed charges, or are just pass-throughs for the utility, so do not affect the LDC's revenues. An exception is for certain rate riders related to taxes, and these are added to the volumetric distribution charges, where applicable.

For most electricity distribution utilities in Ontario, including Entegrus (MPDC), distribution rates are set for the period from 1 May to 30 April of the next year. CDM results are reported for the calendar year, so average rates for the calendar year need to be calculated. For simplicity, the average rate is estimated based on the rate being four twelfths of the previous year's rate (for January through April), and eight twelfths of the current year's rate (for May through December).

Lost revenues variance

Lost revenues in a particular rate class are the product of the savings or demand reductions in that class, less what was accounted for in the load forecast, multiplied by the average rate for that class in the calendar year for which the energy savings or demand reductions were reported.[4] The variance is the difference between these lost revenues and the quantity of CDM in the load forecast.

Because these revenues are lost throughout the year, and are only recovered through rate riders in subsequent years, the Ontario Energy Board has permitted the LDCs to claim carrying charges on these lost revenues at a rate prescribed by the OEB, and published on the Board's website. The carrying charges are simple interest, not compounded and are calculated on the monthly variance account opening balance. Because the OPA final results estimates are reported annually, and monthly estimates are not available, the incremental results are assumed to be equally distributed across the months. So 1/12 of the annual results are allocated to January, and 12/12 of the annual results to December.

Carrying charges accrue from the time of the results, until disposition.

These lost revenues are reported by the LDC in its financial statements in Account 1568, and the associated rate class-specific sub-accounts.

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[4] Where distribution rates are monthly rates for the peak kW in that month, the annual loss of revenue is the monthly rate times the number of months it applies to – usually twelve.

Results

Following the methodology described above, lost revenues were calculated for Entegrus (MPDC).

CDM results

OPA evaluation results

CDM results reported by the OPA are in Appendix A. The Appendix consists of the following tables:

- The draft final 2011, 2012, 2013, and 2014 results for Entegrus as a whole are shown in Table 1; and
- The draft adjustments to verified final 2011, 2012, and 2013 results for Entegrus as a whole are shown in Table 2.[5]

The gross results were provided by the OPA, but are not included in this report, as only net results are relevant for the purposes of estimating lost revenues.

Table A-1 in Appendix A shows the estimated persistence of 2011, 2012, and 2013 CDM program results and 2011, 2012, and 2013 CDM program results adjustments into 2014. The OPA has provided Entegrus with persistence data for all results and adjustments except for 2013 adjustments is expected to be provided by the IESO with the final verified 2014 results report expected by September 1, 2015. For this draft report, it has been assumed that the 2013 adjustments persist fully through 2014.

The OPA provided 2011 results for Chatham-Kent Hydro and Middlesex Power Distribution Corporation separately, but provided 2012, 2013, and 2014 results and 2011, 2012, and 2013 adjustments for Entegrus as a whole. As the subsets of Entegrus' service territory that were previously Chatham-Kent Hydro and Middlesex Power Distribution Corporation have different rate classes and rates, they must be handled as separate rate zones for lost revenue purposes. The percentages of load in each rate class for each year were used to allocate the results and adjustments between the previous service territories of Chatham-Kent Hydro and Middlesex Power Distribution Corporation. The percentage allocation of load (in kW or kWh, depending on the billing units of each rate class) by rate class for the previous service territories of Chatham-Kent Hydro and Middlesex Power Distribution Corporation is shown in Tables A-2 (2013) and A-3 (2014) in Appendix A. Where rate classes match, the totals do not always add up to 100%, as Entegrus also includes two very small additional amalgamated previous service territories of Dutton and Newbury. The populations in both Dutton and Newbury are so small

[5] *ENTEGRUS Draft 2011-2014 Final Results Report*. Independent Electricity System Operator. July 31, 2015.

that it was assumed that they did not significantly contribute to CDM results.

Street lighting project

Between August 2014 and October 2014, the Town of Parkhill undertook a project under the Retrofit Program to retrofit streetlights to a more energy efficient light emitting diode (LED) technology. The retrofit was undertaken incrementally over the course of the project. Entegrus (MPDC) worked with the Town of Parkhill to calculate the reduction in load from street lighting upgrades on a regular basis over the course of the project.

The OPA has included the calculated kilowatt hours (kWh) of energy savings from the street lighting project in Entegrus' 2014 results. These values are included in the table below:

Year	Gross savings (kWh)	Net to gross ratio	Net savings (kWh)
2014	26,806	0.73	19,568

The street lighting account is billed based on kilowatts (kW) of demand. The actual billed kW for December 2014 and the associated reduction from the November 2014 baseline value are shown in the table below:

Month	Billed kW	Gross energy savings (kW)	Net to gross ratio	Net energy savings (kW)
Nov-14	51.6			
Dec-14	22.49	29.11	0.72	20.96
2014 Total				**20.96**

As the street lighting rate class is billed by kW, the calculated kWh savings from the retrofit project do not impact Entegrus' revenue. Thus, the calculated kWh of savings have been manually removed from the 2014 results for lost revenue calculations. The actual lost revenue from the street lighting retrofit project have been calculated directed by multiplying the demand reduction from the project each month by the appropriate rate.

Allocating results to rate classes

Entegrus staff provided information on the allocation of results to rate classes. In most cases, the allocation is straightforward. Initiatives that can span multiple rate classes include Retrofit, Building Commissioning, New Construction, Energy Audit, Demand Response 3, Process & Systems Upgrades, Monitoring & Targeting, Energy Manager, Electricity Retrofit Incentive Program and High Performance New

Construction. No allocation was provided for programs for which Entegrus (MPDC) has no program results.

Entegrus (MPDC) bills customers in different rate classes using different volumetric units, either kilowatt hours (kWh), or customer peak monthly kilowatts (kW). The rate classes (and billing units) for Entegrus (MPDC) are:

- Residential (kWh)
- GS <50 kW (kWh)
- GS 50 to 4,999 kW (kW)
- Large Use (kW)
- Unmetered Scattered Load (kWh)
- Sentinel Lighting (kW)
- Street Lighting (kW)
- MicroFIT Generator (N/A).

Table B-1 in Appendix B shows the percentage allocation by rate class for 2011 results and adjustments. Table B-2 in Appendix B shows the percentage allocation by rate class for 2012 results and adjustments. Table B-3 in Appendix B shows the percentage allocation by rate class for 2013 results and adjustments. Table B-4 in Appendix B shows the percentage allocation by rate class for 2014 results.

Load reductions accounted for in the load forecast

Entegrus (MPDC)'s last cost of service application was filed in 2006. The load forecast associated with that application did not account for load losses from 2011 – 2014 CDM programs.

Overall impact of CDM on load, by rate class

Multiplying the energy savings or demand reduction reported for Entegrus (MPDC) for each program by the allocation by rate class provides the impact on load of that CDM program within the appropriate rate class. The sum of the energy savings and demand reductions for all of the programs for each rate class, with adjustments for results that do not affect revenue provides the overall impact of CDM on load by rate class.

Table B-5 in Appendix B shows the impact of CDM on load by rate class for 2013 by adjustments made on 2013 savings.

Table B-6 in Appendix B shows the persisted impact of CDM on load by rate class for 2014 by programs in 2011-2013.

Table B-7 in Appendix B shows the overall impact of CDM on load by rate class for 2014.

Distribution rates

The distribution rates that impact lost revenue for each rate class for Entegrus (MPDC) are shown in Table C-1 in Appendix C. The distribution rates for the period from 1 May of each year to 30 April of the next year are pro-rated by number of months to each calendar year in the 2011 to 2014 time period.

Lost revenues

The lost revenues for 2013 and 2014 by rate class for Entegrus (MPDC) calculated from adjustments to 2013 results, persistence into 2014 from 2011-2013 program results, and final 2014 CDM program results are shown in Table C-2 in Appendix C. The lost revenue for 2013 is based on the adjustments to 2013 CDM program results allocated by rate class and multiplied by the 2013 rate for that rate class. The lost revenue for 2014 is based on the 2014 CDM program results plus the persistence of the 2011 to 2013 program results and adjustments in 2014 allocated by rate class and multiplied by the 2014 rate for that rate class. The breakdown of these amounts by rate class is also shown in Table C-2.

This report accounts for lost revenues resulting from 2013 adjustments to results in 2013, results in 2014 from 2014 programs, and results persisting in 2014 from programs delivered in 2011, 2012 and 2013. Previous lost revenues were dealt with in earlier proceedings. The lost revenue for 2014 and 2013 is based on final verified results provided by the OPA and IESO.

Carrying charges

The monthly carrying charges by rate class on Entegrus (MPDC)'s lost revenue variance are shown in Table C-3 in Appendix C. The carrying charges are reported monthly, from the time the lost revenues resulted, through to April 30, 2016.

Conclusions

The LRAMVA balance at the end of December 2014 for Entegrus (MPDC) that includes results from CDM programs in 2014 and adjustments to 2013 results in 2013 is $26,047.13. The total carrying charges on this LRAMVA balance accumulated to April 30, 2016 are $590.79 These balances are attributable to individual rate classes according to the following table:

Rate class	LRAMVA	Carrying charges	Total
Residential	$14,341.61	$324.03	$14,665.64
GS < 50 kW	$3,689.04	$84.31	$3,773.34
GS 50 to 4,999 kW	$7,952.53	$180.75	$8,133.28
Large Use	$51.64	$1.24	$52.89
Unmetered Scattered Load	$0.00	$0.00	$0.00
Sentinel Lighting	$0.00	$0.00	$0.00
Street Lighting	$12.32	$0.46	$12.78
MicroFIT Generator	$0.00	$0.00	$0.00
Total	**$26,047.13**	**$590.79**	**$26,637.93**

Appendix A. CDM results reported by the OPA

Table 1: ENTEGRUS Initiative and Program Level Net Savings by Year (Scenario 1)

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)	
														2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	421	301	182	189	24	18	12	12	177,892	119,701	76,967	82,742	66	1,307,144
Appliance Exchange	Appliances	32	28	35	64	3	4	7	13	3,098	7,322	12,930	23,644	25	81,705
HVAC Incentives	Equipment	1,040	870	838	994	318	182	160	188	569,794	303,127	264,990	344,593	848	4,063,129
Conservation Instant Coupon Booklet	Items	3,719	223	2,515	7,463	9	2	4	15	136,065	10,104	55,697	203,469	29	889,432
Bi-Annual Retailer Event	Items	6,880	7,666	6,827	34,865	12	11	9	58	212,360	193,530	124,145	888,122	90	2,566,444
Retailer Co-op	Items	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential Demand Response	Devices	232	0	765	1,697	130	0	341	625	336	0	603	0	625	940
Residential Demand Response (IHD)	Devices	0	0	765	1,683	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	0	0	0
Consumer Program Total						**495**	**216**	**533**	**912**	**1,099,545**	**633,784**	**535,332**	**1,542,570**	**1,683**	**8,908,794**
Business Program															
Retrofit	Projects	43	82	99	188	112	711	458	836	520,887	4,149,424	2,612,541	5,045,085	2,067	24,614,038
Direct Install Lighting	Projects	53	253	117	110	58	201	134	109	144,062	782,496	466,827	394,100	488	4,200,978
Building Commissioning	Buildings	0	0	0	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	0	0	0
Energy Audit	Audits	0	0	2	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	0	0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	1	1	1	1	68	68	69	35	2,636	984	917	0	35	4,536
Business Program Total						**237**	**980**	**661**	**981**	**667,585**	**4,932,904**	**3,080,285**	**5,439,185**	**2,590**	**28,819,552**
Industrial Program															
Process & System Upgrades	Projects	0	0	0	1	0	0	0	337	0	0	0	3,537,600	337	3,537,600
Monitoring & Targeting	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Energy Manager	Projects	0	5	6	5	0	141	101	23	0	246,600	176,580	314,228	265	1,407,188
Retrofit	Projects	4	0	0	0	10	0	0	0	70,196	0	0	0	10	280,785
Demand Response 3	Facilities	2	0	1	5	754	0	0	677	44,275	0	0	0	677	44,275
Industrial Program Total						**765**	**141**	**101**	**1,037**	**114,471**	**246,600**	**176,580**	**3,851,828**	**1,290**	**5,269,849**
Home Assistance Program															
Home Assistance Program	Homes	0	163	1,201	173	0	18	58	18	0	228,459	773,555	172,172	92	2,383,581
Home Assistance Program Total						**0**	**18**	**58**	**18**	**0**	**228,459**	**773,555**	**172,172**	**92**	**2,383,581**
Aboriginal Program															
Home Assistance Program	Homes	0	0	0	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	0	0	0
Aboriginal Program Total						**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	18	0	0	0	111	0	0	0	707,984	0	0	0	111	2,831,935
High Performance New Construction	Projects	0	0	0	0	1	1	0	0	2,786	791	0	0	1	13,519
Toronto Comprehensive	Projects	0	0	0	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	0	0	0
LDC Custom Programs	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pre-2011 Programs completed in 2011 Total						**112**	**1**	**0**	**0**	**710,770**	**791**	**0**	**0**	**113**	**2,845,454**
Other															
Program Enabled Savings	Projects	0	0	0	1	0	0	0	45	0	0	0	134,467	45	134,467
Time-of-Use Savings	Homes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Total						**0**	**0**	**0**	**45**	**0**	**0**	**0**	**134,467**	**45**	**134,467**
Adjustments to 2011 Verified Results							**-26**	**0**	**0**		**-3,240**	**0**	**0**	**-27**	**-14,890**
Adjustments to 2012 Verified Results								**21**	**2**			**177,421**	**20,292**	**23**	**610,761**
Adjustments to 2013 Verified Results									**7**				**508,376**	**7**	**1,021,407**
Energy Efficiency Total						**657**	**1,288**	**944**	**1,655**	**2,545,124**	**6,041,553**	**4,564,232**	**11,140,221**	**4,475**	**48,311,945**
Demand Response Total (Scenario 1)						**952**	**68**	**409**	**1,337**	**47,247**	**984**	**1,520**	**0**	**1,337**	**49,751**
Adjustments to Previous Years' Verified Results Total						**0**	**-26**	**21**	**8**	**0**	**-3,240**	**177,421**	**528,668**	**2**	**1,617,278**
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						**1,609**	**1,329**	**1,374**	**3,000**	**2,592,371**	**6,039,297**	**4,743,174**	**11,668,889**	**5,814**	**49,978,974**
													Full OEB Target:	**12,120**	**46,530,000**
													% of Full OEB Target Achieved to Date (Scenario 1):	**48.0%**	**107.4%**

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

*Includes adjustments after Final Reports were issued

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

Table 2: Adjustments to ENTEGRUS 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)				Program-to-Date Verified Progress to Target (excludes DR) 2014 Net Annual Peak Demand Savings (kW)	Program-to-Date Verified Progress to Target (excludes DR) 2011-2014 Net Cumulative Energy Savings (kWh)
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	0	0	0		0	0	0		0	0	0		0	0
Appliance Exchange	Appliances	0	0	0		0	0	0		0	0	0		0	0
HVAC Incentives	Equipment	-145	22	28		-39	4	6		-69,288	7,786	10,288		-29	-233,219
Conservation Instant Coupon Booklet	Items	59	0	8		0	0	0		1,992	0	170		0	8,308
Bi-Annual Retailer Event	Items	591	0	0		1	0	0		15,778	0	0		1	63,111
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						**-38**	**4**	**6**		**-51,519**	**7,786**	**10,458**		**-28**	**-161,801**
Business Program															
Retrofit	Projects	4	8	13		10	14	78		41,693	159,424	483,842		101	1,609,571
Direct Install Lighting	Projects	2	4	0		2	3	0		6,585	10,883	0		4	57,061
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	2		0	0	18		0	0	96,966		18	193,932
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						**12**	**17**	**95**		**48,278**	**170,307**	**580,808**		**123**	**1,860,564**
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	3	4		0	2	-101		0	28,431	-155,645		-100	-234,807
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**	**2**	**-101**		**0**	**28,431**	**-155,645**		**-100**	**-234,807**
Home Assistance Program															
Home Assistance Program	Homes	0	0	64		0	0	7		0	0	77,409		7	153,322
Home Assistance Program Total						**0**	**0**	**7**		**0**	**0**	**77,409**		**7**	**153,322**
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		0	0	0		0	0
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**		**0**	**0**	**0**		**0**	**0**
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						**-26**				**-3,240**				**-27**	**-14,890**
Adjustments to 2012 Verified Results							**24**				**206,524**			**23**	**610,761**
Adjustments to 2013 Verified Results								**8**				**513,030**		**7**	**1,021,407**
Total Adjustments to Previous Years' Verified Results						**-26**	**24**	**8**		**-3,240**	**206,524**	**513,030**		**2**	**1,617,278**

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).

Adjustments to previous years' results shown in this table will not align to adjustments shown in Table 1 as the information presented above is presented in the implementation year. Adjustements in Table 1 reflect persisted savings in the year in which that adjustment is verified.

Table A-1: Persistence in 2014 of results from previous years

		2011 results and adjustments		2012 results and adjustments		2013 results		2013 adjustments	
#	Initiative	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)	Incremental Peak Demand Savings (kW)	Incremental Energy Savings (kWh)
Consumer Program									
1	Appliance Retirement	24	177,689	18	119,701	12	76,967		
2	Appliance Exchange	1	941	4	7,322	7	12,930		
3	HVAC Incentives	279	500,506	186	310,241	160	264,990	6	10,288
4	Conservation Instant Coupon Booklet	9	138,057	2	10,104	4	55,697	0	170
5	Bi-Annual Retailer Event	13	228,138	11	193,530	9	124,145		
6	Retailer Co-Op								
7	Residential Demand Response (switch/pstat)								
8	Residential Demand Response (IHD)								
9	Residential New Construction								
Business Program									
10	Retrofit	122	562,580	690	4,191,985	443	2,565,528	78	483,842
11	Direct Install Lighting	49	119,030	199	772,555	134	466,827		
12	Building Commissioning								
13	New Construction								
14	Energy Audit							18	96,966
15	Small Commercial Demand Response (switch/pstat)								
16	Small Commercial Demand Response (IHD)								
17	Demand Response 3								
Industrial Program									
18	Process & System Upgrades								
19	Monitoring & Targeting								
20	Energy Manager			141	246,600	101	176,580	-101	-155,645
21	Retrofit	10	70,196						
22	Demand Response 3								
Home Assistance Program									
23	Home Assistance Program			17	217,283	57	752,478	7	77,409
Pre-2011 Programs completed in 2011									
24	Electricity Retrofit Incentive Program	111	707,984						
25	High Performance New Construction	1	2,786	1	791				

Note: Persistence of results and adjustments is as reported by the OPA/IESO.

Table A-2: Percentage allocation of load by rate class for the previous service territories of Chatham-Kent Hydro and Middlesex Power Distribution Corporation for 2013

					Chatham-Kent Hydro					
	Residential	**GS < 50 kW**	**GS 50 to 999 kW**	**GS 1,000 TO 4,999 kW**	**Intermediate with Self Generation**	**Unmetered Scattered Load**	**Standby Power**	**Sentinel Lighting**	**Street Lighting**	**Microfit Generator**
Allocation	77%	79%	79%	79%	100%	74%	100%	89%	79%	
					Middlesex Power Distribution Corporation					
	Residential	**GS < 50 kW**	**GS 50 to 4,999 kW**	**Large Use**		**Unmetered Scattered Load**		**Sentinel Lighting**	**Street Lighting**	**MicroFIT Generator**
Allocation	21%	17%	21%	100%		26%		11%	19%	

Note: The percentage allocation for each rate class by previous service service territory is based on the proportion of Entegrus' total loss-adjusted billed kWh or billed kW.

Table A-3: Percentage allocation of load by rate class for the previous service territories of Chatham-Kent Hydro and Middlesex Power Distribution Corporation for 2014

Chatham-Kent Hydro

	Residential	GS < 50 kW	GS 50 to 999 kW	GS 1,000 TO 4,999 kW	Intermediate with Self Generation	Unmetered Scattered Load	Standby Power	Sentinel Lighting	Street Lighting	Microfit Generator
Allocation	78%	81%	74%	100%	100%	74%	100%	89%	78%	0%

Middlesex Power Distribution Corporation

	Residential	GS < 50 kW	GS 50 to 4,999 kW	Large Use	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	MicroFIT Generator
Allocation	20%	16%	26%	100%	26%	11%	19%	0%

Note: The percentage allocation for each rate class by previous service service territory is based on the proportion of Entegrus' total loss-adjusted billed kWh or billed kW.

Appendix B. CDM results breakdown by rate class

Table B-1: Percentage allocation by rate class for 2011 results and adjustments

#	Initiative	Residential	GS < 50 kW	GS 50 to 4,999 kW	Large Use	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	MicroFIT Generator
Consumer Program									
1	Appliance Retirement	100%							
2	Appliance Exchange	100%							
3	HVAC Incentives	100%							
4	Conservation Instant Coupon Booklet	100%							
5	Bi-Annual Retailer Event	100%							
6	Retailer Co-op	100%							
7	Residential Demand Response	100%							
8	Residential New Construction	100%							
Business Program									
9	Efficiency: Equipment Replacement		63%	37%					
10	Direct Install Lighting		100%						
11	Existing Building Commissioning Incentive								
12	New Construction and Major Renovation Incentive								
13	Energy Audit								
14	Commercial Demand Response (part of the Residential program schedule)								
15	Demand Response 3 (part of the Industrial program schedule)								
Industrial Program									
16	Process & System Upgrades								
17	Monitoring & Targeting								
18	Energy Manager								
19	Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)								
20	Demand Response 3								
Home Assistance Program									
21	Home Assistance Program	100%							
Pre-2011 Programs completed in 2011									
22	Electricity Retrofit Incentive Program		33%	33%	34%				
23	High Performance New Construction			50%	50%				

Source: Entegrus

Table B-2: Percentage allocation by rate class for 2012 results and adjustments

#	Initiative	Residential	GS < 50 kW	GS 50 to 4,999 kW	Large Use	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	MicroFIT Generator
Consumer Program									
1	Appliance Retirement	100%							
2	Appliance Exchange	100%							
3	HVAC Incentives	100%							
4	Conservation Instant Coupon Booklet	100%							
5	Bi-Annual Retailer Event	100%							
6	Retailer Co-Op	100%							
7	Residential Demand Response (switch/pstat)	100%							
8	Residential Demand Response (IHD)	100%							
9	Residential New Construction	100%							
Business Program									
10	Retrofit		20%	80%					
11	Direct Install Lighting		100%						
12	Building Commissioning								
13	New Construction								
14	Energy Audit								
15	Small Commercial Demand Response (switch/pstat)								
16	Small Commercial Demand Response (IHD)								
17	Demand Response 3								
Industrial Program									
18	Process & System Upgrades								
19	Monitoring & Targeting								
20	Energy Manager			100%					
21	Retrofit				100%				
22	Demand Response 3								
Home Assistance Program									
23	Home Assistance Program	100%							
Pre-2011 Programs completed in 2011									
24	Electricity Retrofit Incentive Program								
25	High Performance New Construction			100%					

Source: Entegrus

Table B-3: Percentage allocation by rate class for 2013 results and adjustments

#	Initiative	Residential	GS < 50 kW	GS 50 to 4,999 kW	Large Use	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	MicroFIT Generator
Consumer Program									
1	Appliance Retirement	100%							
2	Appliance Exchange	100%							
3	HVAC Incentives	100%							
4	Conservation Instant Coupon Booklet	100%							
5	Bi-Annual Retailer Event	100%							
6	Retailer Co-Op	100%							
7	Residential Demand Response (switch/pstat)	100%							
8	Residential Demand Response (IHD)	100%							
9	Residential New Construction	100%							
Business Program									
10	Retrofit		33%	54%	13%				
11	Direct Install Lighting		100%						
12	Building Commissioning								
13	New Construction								
14	Energy Audit			100%					
15	Small Commercial Demand Response (switch/pstat)								
16	Small Commercial Demand Response (IHD)								
17	Demand Response 3								
Industrial Program									
18	Process & System Upgrades								
19	Monitoring & Targeting								
20	Energy Manager								
21	Retrofit								
22	Demand Response 3								
Home Assistance Program									
23	Home Assistance Program	100%							

Source: Entegrus

Table B-4: Percentage allocation by rate class for 2014 results

#	Initiative	Residential	GS < 50 kW	GS 50 to 4,999 kW	Large Use	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	MicroFIT Generator
Consumer Program									
1	Appliance Retirement	100%							
2	Appliance Exchange	100%							
3	HVAC Incentives	100%							
4	Conservation Instant Coupon Booklet	100%							
5	Bi-Annual Retailer Event	100%							
6	Retailer Co-Op	100%							
7	Residential Demand Response (switch/pstat)	100%							
8	Residential Demand Response (IHD)	100%							
9	Residential New Construction	100%							
Business Program									
10	Retrofit		1%	14%					
11	Direct Install Lighting		100%						
12	Building Commissioning								
13	New Construction								
14	Energy Audit			100%					
15	Small Commercial Demand Response (switch/pstat)								
16	Small Commercial Demand Response (IHD)								
17	Demand Response 3								
Industrial Program									
18	Process & System Upgrades								
19	Monitoring & Targeting								
20	Energy Manager								
21	Retrofit								
22	Demand Response 3			14%					
Home Assistance Program									
23	Home Assistance Program	100%							
Other									
29	Program Enabled Savings			100%					

Source: Entegrus. Rate class allocation percentage totals may not add up to 100% in cases where results are allocated to rate classes across rate zones based on specific project results. The total for both rate zones will add up to 100%.

Table B-5: Impact of CDM on load in 2013 by rate class for 2013 adjustments

#	Initiative	Residential	GS < 50 kW	GS 50 to 4,999 kW	Large Use	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	MicroFIT Generator
	Units	**kWh**	**kWh**	**kW**	**kW**	**kWh**	**kW**	**kW**	
Consumer Program									
1	Appliance Retirement								
2	Appliance Exchange								
3	HVAC Incentives	2,158							
4	Conservation Instant Coupon Booklet	36							
5	Bi-Annual Retailer Event								
6	Retailer Co-Op								
7	Residential Demand Response (switch/pstat)								
8	Residential Demand Response (IHD)								
9	Residential New Construction								
Business Program									
10	Retrofit		27,421	105	121				
11	Direct Install Lighting								
12	Building Commissioning								
13	New Construction								
14	Energy Audit			44					
15	Small Commercial Demand Response (switch/pstat)								
16	Small Commercial Demand Response (IHD)								
17	Demand Response 3								
Industrial Program									
18	Process & System Upgrades								
19	Monitoring & Targeting								
20	Energy Manager								
21	Retrofit								
22	Demand Response 3								
Home Assistance Program									
23	Home Assistance Program	16,239							
	Total	**18,433**	**27,421**	**149**	**121**				

Note: Impact on load is calculated from the 2013 adjustments to net incremental peak demand or net incremental savings in Table 2 from the

Table B-6: Impact of CDM on load in 2014 by rate class from the persistence of 2011-2013 program results (including adjustments)

#	Initiative	Residential	GS < 50 kW	GS 50 to 4,999 kW	Large Use	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	MicroFIT Generator
	Units	**kWh**	**kWh**	**kW**	**kW**	**kWh**	**kW**	**kW**	
Consumer Program									
1	Appliance Retirement	88,538							
2	Appliance Exchange	4,472							
3	HVAC Incentives	194,905							
4	Conservation Instant Coupon Booklet	42,233							
5	Bi-Annual Retailer Event	109,300							
6	Retailer Co-Op								
7	Residential Demand Response (switch/pstat)								
8	Residential Demand Response (IHD)								
9	Residential New Construction								
Business Program									
10	Retrofit		349,071	2,164	812				
11	Direct Install Lighting		214,488						
12	Building Commissioning								
13	New Construction								
14	Energy Audit			44					
15	Small Commercial Demand Response (switch/pstat)								
16	Small Commercial Demand Response (IHD)								
17	Demand Response 3								
Industrial Program									
18	Process & System Upgrades								
19	Monitoring & Targeting								
20	Energy Manager			338					
21	Retrofit								
22	Demand Response 3								
Home Assistance Program									
23	Home Assistance Program	215,996							
Pre-2011 Programs completed in 2011									
24	Electricity Retrofit Incentive Program		37,095	77	79				
25	High Performance New Construction			2					
	Total	**655,443**	**600,654**	**2,624**	**891**				

Note: Impact on load is calculated from the persistence of 2011-2013 results and adjustments into 2014 in Table A-1. The demand or savings results are used, depending on how that rate class is billed for distribution service, and the Entegrus rate class load totals are allocated by rate zone based on the percentages in Table A-3 and by rate class based on the percentages in Tables B-1, B-2, and B-3. Results and adjustments for 2011 were provided by the OPA for Chatham-Kent Hydro and Middlesex Power Distribution separately, but are shown consolidated in Table A-1 for consistency. Where billing is by monthly demand (kW), the annual demand is multiplied by 12.

Table B-7: Impact of CDM on load by rate class for 2014 programs

#	Initiative	Residential	GS < 50 kW	GS 50 to 4,999 kW	Large Use	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	MicroFIT Generator
	Units	**kWh**	**kWh**	**kW**	**kW**	**kWh**	**kW**	**kW**	
Consumer Program									
1	Appliance Retirement	16,570							
2	Appliance Exchange	4,735							
3	HVAC Incentives	69,007							
4	Conservation Instant Coupon Booklet	40,746							
5	Bi-Annual Retailer Event	177,853							
6	Retailer Co-Op								
7	Residential Demand Response (switch/pstat)								
8	Residential Demand Response (IHD)								
9	Residential New Construction								
Business Program									
10	Retrofit		63,134	1,365				21	
11	Direct Install Lighting		62,215						
12	Building Commissioning								
13	New Construction								
14	Energy Audit								
15	Small Commercial Demand Response (switch/pstat)								
16	Small Commercial Demand Response (IHD)								
17	Demand Response 3								
Industrial Program									
18	Process & System Upgrades								
19	Monitoring & Targeting								
20	Energy Manager								
21	Retrofit								
22	Demand Response 3			1,133					
Home Assistance Program									
23	Home Assistance Program	34,479							
Other									
29	Program Enabled Savings			137					
	Total	**343,390**	**125,349**	**2,636**				**21**	

Note: Impact on load is calculated from net incremental peak demand or net incremental savings in Table 1 from the IESO (Appendix A). The demand or savings results are used, depending on how that rate class is billed for distribution service, and the Entegrus rate class load totals are allocated by rate zone based on the percentages in Table A-3 and by rate class based on the percentages in Table B-4. Where billing is by monthly demand (kW), the annual demand is multiplied by 12.

Appendix C. Lost revenue

Table C-1: Distribution rates that impact lost revenue for each rate class

Rate class	Billing unit	2013	2014
Residential	kWh	0.0140	0.0141
GS < 50 kW	kWh	0.0048	0.0049
GS 50 to 4,999 kW	kW	1.4514	1.4708
Large Use	kW	0.0496	0.0512
Unmetered Scattered Load	kWh	0.0052	0.0053
Sentinel Lighting	kW	0.9915	1.0052
Street Lighting	kW	0.5794	0.5876
MicroFIT Generator	NA		

Notes: Distribution rates are from OEB approved rate schedules averaged from the rate year to the calendar year. Only the Distribution Volumetric Rate and the Rate Rider for Application of Tax Change are used.

Table C-2: Lost revenues in 2013 from 2013 adjustments and in 2014 from 2011-2014 results and adjustments by rate class

Year of lost revenue	Basis for loss	Residential	GS < 50 kW	GS 50 to 4,999 kW	Large Use	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	MicroFIT Generator	Total
2013	2013 adjustments	$258.06	$131.62	$216.04	$6.01					$611.73
2014	2011 persistence	$2,841.02	$559.31	$321.15	$4.04					$3,725.52
	2012 persistence	$2,333.32	$1,144.25	$2,440.80						$5,918.38
	2013 persistence	$4,067.40	$1,239.64	$1,097.87	$41.59					$6,446.51
	2014 results	$4,841.80	$614.21	$3,876.67				$12.32		$9,344.99
Total		**$14,341.61**	**$3,689.04**	**$7,952.53**	**$51.64**			**$12.32**		**$26,047.13**

Note: Values are the product of the actual lost loads (Tables B-5, B-6, and B-7), and the rates (Table C-1) for each rate class.

Table C-3: Monthly carrying charges by rate class

Month	Residential	GS < 50 kW	GS 50 to 4,999 kW	Large Use	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	MicroFIT Generator	Total
Jan-13									
Feb-13	$0.03	$0.01	$0.02	$0.00					$0.06
Mar-13	$0.05	$0.03	$0.04	$0.00					$0.12
Apr-13	$0.08	$0.04	$0.07	$0.00					$0.19
Total for Rate year 2012	**$0.16**	**$0.08**	**$0.13**	**$0.00**					**$0.37**
May-13	$0.11	$0.05	$0.09	$0.00					$0.25
Jun-13	$0.13	$0.07	$0.11	$0.00					$0.31
Jul-13	$0.16	$0.08	$0.13	$0.00					$0.37
Aug-13	$0.18	$0.09	$0.15	$0.00					$0.44
Sep-13	$0.21	$0.11	$0.18	$0.00					$0.50
Oct-13	$0.24	$0.12	$0.20	$0.01					$0.56
Nov-13	$0.26	$0.13	$0.22	$0.01					$0.62
Dec-13	$0.29	$0.15	$0.24	$0.01					$0.69
Jan-14	$0.32	$0.16	$0.26	$0.01					$0.75
Feb-14	$1.75	$0.52	$1.05	$0.01					$3.34
Mar-14	$3.19	$0.89	$1.84	$0.02					$5.94
Apr-14	$4.63	$1.25	$2.63	$0.02					$8.54
Total for Rate year 2013	**$11.63**	**$3.71**	**$7.25**	**$0.10**					**$22.69**
May-14	$6.07	$1.61	$3.42	$0.03					$11.13
Jun-14	$7.50	$1.98	$4.21	$0.03					$13.73
Jul-14	$8.94	$2.34	$5.00	$0.04					$16.32
Aug-14	$10.38	$2.70	$5.79	$0.04					$18.92
Sep-14	$11.82	$3.07	$6.58	$0.04					$21.51
Oct-14	$13.26	$3.43	$7.37	$0.05					$24.11
Nov-14	$14.69	$3.79	$8.16	$0.05					$26.70
Dec-14	$16.13	$4.16	$8.95	$0.06					$29.30
Jan-15	$17.57	$4.52	$9.74	$0.06			$0.02		$31.91
Feb-15	$17.57	$4.52	$9.74	$0.06			$0.02		$31.91
Mar-15	$17.57	$4.52	$9.74	$0.06			$0.02		$31.91
Apr-15	$13.15	$3.38	$7.29	$0.05			$0.01		$23.88
Total for Rate year 2014	**$166.27**	**$43.73**	**$93.27**	**$0.67**			**$0.06**		**$304.00**
May-15	$13.15	$3.38	$7.29	$0.05			$0.03		$23.90
Jun-15	$13.15	$3.38	$7.29	$0.05			$0.03		$23.90
Jul-15	$13.15	$3.38	$7.29	$0.05			$0.03		$23.90
Aug-15	$13.15	$3.38	$7.29	$0.05			$0.03		$23.90
Sep-15	$13.15	$3.38	$7.29	$0.05			$0.03		$23.90
Oct-15	$13.15	$3.38	$7.29	$0.05			$0.03		$23.90
Nov-15	$13.15	$3.38	$7.29	$0.05			$0.03		$23.90
Dec-15	$13.15	$3.38	$7.29	$0.05			$0.03		$23.90
Jan-16	$13.15	$3.38	$7.29	$0.05			$0.03		$23.90
Feb-16	$13.15	$3.38	$7.29	$0.05			$0.03		$23.90
Mar-16	$13.15	$3.38	$7.29	$0.05			$0.03		$23.90
Apr-16	$13.15	$3.38	$7.29	$0.05			$0.03		$23.90
Total to April 30, 2015	**$324.03**	**$84.31**	**$180.75**	**$1.24**			**$0.46**		**$590.79**

Note: Carrying charges are simple interest (not compound) calculated using rates specified by the OEB at: http://www.ontarioenergyboard.ca/OEB/Industry/Rules+and+Requirements/Rules+Codes+Guidelines+and+Forms/Prescribed+Interest+Rates
Annual savings are assumed to be distributed equally over the year and carrying charges are applied to the balance in the account each month.

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