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OVERVIEW

In this EXHIBIT, the operating costs consist of the required expenditures necessary to maintain and operate Milton Hydro's distribution system assets, the costs associated with metering, billing, collecting from its customers, the costs associated with ensuring all stakeholders safety (public, employees etc.) and costs to maintain the distribution business service quality and reliability standards in compliance with the Distribution System Code and other regulatory bodies (IESO, Ministry of Energy, ESA etc.). Overall, these are on-going costs associated with providing distribution services in alignment with customer's expectations. Milton Hydro's 2016 Test Year operating costs are \$9,903,387 as summarized in Table 4-1 below.

Milton Hydro adopted the accounting changes for depreciation and capitalization policies January 1, 2013, in accordance with the OEB's letter dated July 17, 2012. Milton Hydro has shown the impact of the expensing of overheads, beginning January 2013, that were previously capitalized in order to present a normalized comparison between the years.

Table 4-1
Summary of OM&A Increases – 2011 OEB Approved to 2016 Test Year

Description	2011 Board Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge Year	2016 Test Year
Operation	876,809	794,422	972,346	1,853,447	2,040,211	2,374,628	2,477,284
Maintenance	1,019,951	1,260,827	1,237,774	1,697,522	961,416	1,226,470	1,257,528
Billing and Collections	1,818,688	1,660,292	1,805,605	1,912,502	2,071,191	2,288,854	2,194,699
Community Relations	10,679	5,020	3,260	11,752	19,679	19,755	20,071
Administrative and General Expenses	2,573,873	2,676,202	2,743,007	2,960,750	3,451,400	4,143,433	3,953,806
Total OM&A Costs	6,300,000	6,396,763	6,761,992	8,435,973	8,543,897	10,053,141	9,903,387

Milton Hydro followed Canadian Generally Accepted Accounting Principles (CGAAP) in 2011, 2012, 2013 and 2014. In the 2013 and 2014 Historical Years, the basis for accounting continues to be CGAAP, but with the inclusion of additional accounting changes in accordance with the OEB's letter dated July 17, 2012 specifically relating to depreciation rates and capitalization policies. For the 2013, 2014, 2015 Bridge Year and 2016 Test Year Milton Hydro is reporting under Modified International Financial Reporting Standards (MIFRS") or as it is sometimes called Revised CGAAP. Milton Hydro may use these terms interchangeably as the accounting changes made by Milton Hydro in 2013 and forward are the same, not changes other than

relating to depreciation rates and the capitalization of overheads have been made under the OEB's letter.

Milton Hydro's 2016 Test Year operating OM&A costs are \$9,903,387. Please refer to Table 4-2 for details on changes to OM&A costs since Milton Hydro's last OEB approved cost of service application in 2011 and the 2016 Test Year. The final column in Table 4-2 provides, for information purposes, a reference to the Milton Hydro primary business objective(s) associated with each OM&A cost category. The Milton Hydro strategic areas of focus are set out in EXHIBIT 1 at page 19. Table 4-2 is intended to present significant changes only.

Table 4-2
2016 Test Year OM&A Expenditures

Description	\$ Aı	mount	Strategic Areas of Focus
2011 Board Approved OM&A	\$	6,300,000	
Impact of Overhead Capitalization Policy Change on OM&A	\$	1,455,845	All
Wages, Salaries, Progression and Benefits	\$	1,006,771	All
Customer Premise & Service Locates	\$	71,515	1,2,3,5
Billing & Collections	\$	76,047	3,4,5
Load Dispatching/Control Room	\$	150,000	1,2,4,5
Tree Trimming	\$	358,783	1,2,4,5
Maintenance - Overhead/Underground/Transformers	\$	169,832	1,2,3,5
Safety & Training	\$	71,790	All
Meter Reading - Trillant/Olameter	-\$	192,695	2,3,4,5
Finance/Board/Audit/Security	\$	402,703	All
Regulatory Compliance	\$	99,354	All
Admin/Service Centre	-\$	66,558	All
2016 Test Year OM&A	\$	9,903,387	

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 investments, Milton Hydro will struggle to meet 2016 and future workload as it continues to grow.

Impact of Overhead Capitalization Changes

The inclusion of additional accounting changes in accordance with the Board's letter dated July 17, 2012 which specifically relate to depreciation rates and capitalization policies, has resulted in increased OM&A expenses. Milton Hydro adopted the changes effective 2013.

The overhead and depreciation changes are detailed in EXHIBIT 9 Deferral and Variance Accounts. The overhead changes have been reproduced in Table 4-3 below, with the addition of the budgeted 2016 Test Year impact of the Overhead Capitalization change. Overheads previously capitalized are now required to be expensed, thus, OM&A costs are increased.

Table 4-3
OM&A Overhead Capitalization Changes

Capitalized OM&A	His	2013 torical Year	Hi	2014 storical Year	ı	2015 Bridge Year	2016 Test Year
Administration	\$		\$	-	\$	1	\$ 1
Operation Costs	\$	569,638	\$	357,261	\$	412,369	\$ 453,545
Operation -Fleet	\$	149,698	\$	252,480	\$	182,520	\$ 201,636
Engineering Costs	\$	160,939	\$	155,028	\$	213,302	\$ 168,326
Total Capitalized OM&A (A)	\$	880,275	\$	764,768	\$	808,191	\$ 823,507

16 Calculation

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Prior to January 1, 2013 the Engineering, Stores and Fleet costs were captured in USoA 9088, 9040 and 9070 respectively and then allocated to Capital and O&M accordingly. Based on the balances in these USoA accounts for 2013, 2014, the 2015 Bridge Year and the 2016 Test Year Milton Hydro was able to recalculated the amount that would have been charged to Capital in order to complete the Table 4-3 above.

Under IFRS only directly attributable cost are capitalized from Engineering and Operations. Administration department costs are not directly attributable and therefore are not capitalized.

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- 1 Material and Fleet Equipment Hours are charged to maintenance and capital Work Orders when
- 2 material is issued or vehicles/equipment is used. These costs are charged to Operating,
- 3 Recoverable and Capital Work Orders as directly attributable charges.
- 4 As can be seen in Table 4-2, the increase in OM&A from 2011 to the 2016 Test Year is
- \$3,603,387 of which \$1,455,845 or 40% is the impact on OM&A due to the Overhead Policy
- 6 Change.

Salaries, Wages & Benefits

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New provincial policy initiatives have been introduced between 2011 and 2015 resulting in increased workloads and corresponding increases in OM&A. Some of these initiatives include new service rules for low income customers such as the OESP, LEAP, the new RRFE with its increased regulatory requirements, net metering requirements, microFIT set up and billing requirements, renewable generator connection and settlement obligations, the introduction of mandatory conservation targets, increased customer engagement requirements on local and provincial industry issues, the introduction of regional planning and the ongoing facilitation of the smart grid. Milton Hydro has willingly embraced these initiatives and worked hard to implement

- them at minimal cost, without impacting customer service.
- In 2015 Milton Hydro had two (2) retirements, a Line Supervisor and a Lead Hand Journeyman
- 19 Lineperson. Milton Hydro has replaced the Line Supervisor and has included in the 2015 Bridge
- Year the replacement of the Lead Hand with a Journeyman Lineperson.
- 21 During the forecast period 2016 to 2020 Milton Hydro has ten (10) employees eligible for
- retirement, eight (8) management and supervisors and two (2) union staff, one in engineering
- and the other in the line department. Milton Hydro must manage these retirements in addition to
- the staffing requirements resulting from the growth that the Town of Milton and therefore Milton
- 25 Hydro is experiencing.
- 26 Milton Hydro has increased its staffing compliment by an average 2.5 full time equivalent
- employees each year over the period 2011 to 2014. Over this same period Milton Hydro had
- 28 maintained an average of 667 customers served per employee and an average annual growth
- of 1,157 metered customers.

Milton Hydro's unionized and non-unionized staff has received an average annual increase of 2.71% over the 2011-2014 period. The union staff increases are within industry norms and governed by a collective agreement. Annual pay increases for non-union and management employees are determined by Milton Hydro's Board of Directors Compensation Committee and generally follow the negotiated rates for unionized staff. The operation of a safe, efficient and reliable distribution system and the success of the business are based on the quality, expertise and dedication of staff. The majority of the change in benefit costs over this period is a result of increased total OMERS contribution costs. Total OMERS contribution costs have increased by \$272,350 or 95% above the 2011 OEB approved amount of \$286,614 to the 2016 Test Year value of \$558,964. These changes contribute to the increase of \$1,006,771 in wages, salaries and benefits from 2011 OEB Approved to the 2016 Test Year in salaries, wages and benefits charged to OM&A programs as shown in Table 4-2 above.

Inflation on Non-Labour Items

Milton Hydro has calculated the Inflation on Non-Labour items based on an inflation rate of 2% unless the expense increase could be specifically identified. The 2% value is less than the range of rates set out in the TD Quarterly Economic Forecast, September 25, 2014 as shown the following Table 4-4.

Table 4-4
Inflation Factors

GLOBAL ECONOMIC OUTLOOK													
Annual per cent change unless otherwise indicated													
2013	Share*		F	orecas	t								
Real GDP	(%)	2013	2014	2015	2016								
World	99.9	3.1	3.1	3.5	3.7								
North America	23.2	2.1	2.2	3.0	2.8								
United States	19.3	2.2	2.2	3.0	2.7								
Canada	<mark>1.8</mark>	<mark>2.0</mark>	<mark>2.4</mark>	<mark>2.7</mark>	<mark>2.4</mark>								
Mexico	2.1	1.1	2.7	3.6	3.9								

Property Taxes

Milton Hydro's property tax on its substation properties and storage yard totaled \$47,483 in 2014 and Milton Hydro paid \$50,749 in the last quarter of 2014 for the new Service Centre and Administration building which was purchased in September 2014. Property taxes for the 2015

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- Bridge Year and the 2016 Test Year are estimated to be \$200,000 and \$207,000 respectively.
- 2 Milton Hydro allocates property taxes to the related OM&A account applicable to the charge.
- 3 Property taxes are derived through an assessed value of each property and include a municipal.
- 4 regional and school assessed charge.

Meter Reading

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Meter reading costs for the 2016 Test Year have decreased as Milton Hydro will take over the Automated Metering Infrastructure ("AMI") for smart meters effective December 31, 2015. The savings in Meter Reading will be partially offset by the hiring of an AMI Operator and a support/maintenance agreement with Trilliant.

Tree Trimming

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Milton Hydro experience three severe weather related storms in 2013 that resulted in lengthy power outages due to downed trees and branches. Milton Hydro held a town hall meeting with those customers impacted by one of the storms and in response to customer concerns regarding future outages, Milton Hydro increased its vegetation management program in 2014, and this increase carries forward into the 2015 Bridge Year and the 2016 Test Year.

Regulatory Application – One Time Costs

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Regulatory demands continue to increase with the increase in reporting, ensuring compliance in a complex environment and the completion of annual Incentive Rate Mechanism filings and Cost of Service Applications. The OEB's Filing Requirements for the 2016 Cost of Service application are quite different and much more complex than those experienced in 2011. The new Filing Requirements now involve a level of expertise that many distributors, including Milton Hydro, do not have. Milton Hydro has required consultants to prepare and assist in the engagement of customers to determine customer satisfaction with service, the value of the Rate Application and what customers perceive as needing improvement. The need to engage the expertise of consultants includes assisting in documentation and preparation of OEB mandated schedules and working papers and to review Application Exhibits to ensure compliance with the filing guidelines and checklists. A Cost of Service Application now requires the development and

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inclusion of a comprehensive Distribution System Plan ("DSP"). The time and costs required to prepare an Application has increased significantly.

Milton Hydro has estimated the cost of preparing its cost of service application, exclusive of internal staff time, to be \$615,800 compared to the 2011 OEB approved costs for preparing the 2011 Cost of Service Application of \$224,500. This one–time cost includes consultants, legal expenses, intervenor cost awards, OEB staff & facilitator costs, hearing costs and engineering costs for the review of Milton Hydro's DSP. In addition, Milton Hydro is required to undertake the OEB mandatory Customer Satisfaction and Engagement surveys at a cost in the amount of \$79,000 which are amortized over two years. Milton Hydro has amortized the costs related to its 2016 COS Application over five years, this Cost of Service year and four IRM years and the Customer Engagement costs over two years for a total cost in the amount of \$162,660 included in the 2016 Test Year OM&A for recovery. Details are provided in the Regulatory Section of this EXHIBIT and Table 4-32, Board Appendix 2-M.

Low-Income Assistance Program ("LEAP")

Milton Hydro has included \$22,800 for LEAP funding in its OM&A. At the time of preparing this EXHIBIT the final Distribution Revenue Requirement was not known. Milton Hydro acknowledges that this amount of LEAP funding is dependent on Milton Hydro's final Distribution Revenue Requirement times 0.12%.

SUMMARY AND COST DRIVERS

OM&A Budgeting Process

In managing its distribution system assets and operations, Milton Hydro's main objective is to optimize performance of the assets at a reasonable cost with due regard for system reliability, safety, and customer service expectations. Milton Hydro is committed to providing its customers with an economical, safe, reliable supply of electricity and helping the Town of Milton become an energy efficient community. Milton Hydro's DSP and Asset Management Plan, which set out Milton Hydro's processes for determining the necessary distribution system

operations and maintenance to ensure safe, reliable delivery of electricity to its customers, is included in EXHIBIT 2 as Attachment 2-1, filed separately.

The Operating Budget process at Milton Hydro is an integral planning tool and ensures that appropriate resources are available to maintain and grow its capital infrastructure. It is the responsibility of each department to contribute in the preparation of the Capital and Operating budget with the assistance of the Finance department. The responsibility of the Finance department is to coordinate the capital budget and forecast process and present a preliminary Operating budget to the President & CEO for approval. Once the preliminary Operating budget has been approved by the President & CEO has a Budget meeting with its Board of Directors where the preliminary budget is presented for review. Amendments are made to the budget and presented to the Board at its next board meeting for approval

- Once the Board of Directors approves the annual budget the budget amounts do not change but rather provide a plan against which actual results may be evaluated.
- The operating budget is an integral component of the overall budget process described in EXHIBIT 1.

Operating Work plans:

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Each Department Supervisor/Director provides input for the preparation of the budget. The following directives are provided:

- All department budgets are built to identify resources, including labour, vehicles,
 materials and other third party costs that are required to execute the work plans. This
 approach ensures that budgets are developed based on the actual work planned for the
 budget year to ensure that budgets are as accurate as possible. Except for labour costs,
 which are governed by a Collective Agreement, only those expenses that cannot be
 readily identified are adjusted by the inflation factor;
- Staffing increases are proposed annually by each department and are reviewed by the management team prior to being presented to the Board;

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- The Finance Department prepares a total labor budget by department using projected headcount, wage and benefit costs. Emergency overtime projections are based on previous years' experience;
- The budget is reviewed by the Vice President of Finance and the President and CEO.
 Work plans and any significant variances in spending are discussed with the Supervisor/Director of each department; and
- Significant variances in spending from prior years are explained and documented and provided to the Board of Directors;

A draft budget is presented to the Board at its annual Budget meeting. At that time the Board thoroughly reviews the preliminary budget and management's plans for the upcoming year. Any changes are made in advance of the next Board meeting where the revised budget is recommended to the Board of Directors for approval;

Summary of Recoverable OM&A Expenses

Milton Hydro follows the OEB's Accounting Procedures Handbook (the "APH") in distinguishing work performed between operations and maintenance. A summary of Milton Hydro's OM&A expenses for the 2011 Board Approved, 2011 Actual, 2012 Actual, 2013 Actual, 2014 Actual, 2015 Bridge Year and the 2016 Test Year, is provided in Table 4-7, Board Appendix 2-JA. Milton Hydro is proposing to recover these costs through distribution rates of the 2016 Test Year.

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Summary of Recoverable OM&A Expenses

Appendix 2-JA Summary of Recoverable OM&A Expenses

	ast Rebasing ar (2011 Board- Approved)	ast Rebasing Year (2011 Actuals)	2	012 Actuals	2	013 Actuals	20	2014 Actuals		015 Bridge Year	2	2016 Test Year
Reporting Basis	CGAAP	CGAAP		CGAAP		MIFRS		MIFRS		MIFRS		MIFRS
Operations	\$ 876,809	\$ 794,422	\$	972,346	\$	1,853,447	\$	2,040,211	\$	2,351,977	\$	2,456,704
Maintenance	\$ 1,019,951	\$ 1,260,827	\$	1,237,774	\$	1,697,522	\$	961,416	\$	1,249,121	\$	1,278,108
SubTotal	\$ 1,896,760	\$ 2,055,249	\$	2,210,120	\$	3,550,969	\$	3,001,627	\$	3,601,098	\$	3,734,812
%Change (year over year)				16.5%		72.8%		-15.5%		20.0%		3.7%
%Change (Test Year vs Last Rebasing Year - Actual)												81.7%
Billing and Collecting	\$ 1,818,688	\$ 1,660,292	\$	1,805,605	\$	1,912,502	\$	2,071,191	\$	2,288,854	\$	2,194,699
Community Relations	\$ 10,679	\$ 5,020	\$	3,260	\$	11,752	\$	19,679	\$	19,755	\$	20,071
Administrative and General	\$ 2,573,873	\$ 2,676,202	\$	2,743,007	\$	2,779,927	\$	3,451,400	\$	4,143,434	\$	3,953,806
SubTotal	\$ 4,403,240	\$ 4,341,514	\$	4,551,872	\$	4,704,181	\$	5,542,270	\$	6,452,043	\$	6,168,575
%Change (year over year)				3.4%		8.4%		17.8%		16.4%		-4.4%
%Change (Test Year vs Last Rebasing Year - Actual)												42.1%
Total	\$ 6,300,000	\$ 6,396,763	\$	6,761,992	\$	8,255,150	\$	8,543,897	\$	10,053,141	\$	9,903,388
%Change (year over year)				7.3%		29.1%		3.5%		17.7%		-1.5%

	La	st Rebasing Year (2011 Board- Approved)	L	ast Rebasing Year (2011 Actuals)	2	012 Actuals	20	013 Actuals	20	2014 Actuals		2015 Bridge Year	;	2016 Test Year
Operations	\$	876,809	\$	794,422	\$	972,346	\$	1,853,447	\$	2,040,211	\$	2,351,977	\$	2,456,704
Maintenance	\$	1,019,951	\$	1,260,827	\$	1,237,774	\$	1,697,522	\$	961,416	\$	1,249,121	\$	1,278,108
Billing and Collecting	\$	1,818,688	\$	1,660,292	\$	1,805,605	\$	1,912,502	\$	2,071,191	\$	2,288,854	\$	2,194,699
Community Relations	\$	10,679	\$	5,020	\$	3,260	\$	11,752	\$	19,679	\$	19,755	\$	20,071
Administrative and General	\$	2,573,873	\$	2,676,202	\$	2,743,007	\$	2,779,927	\$	3,451,400	\$	4,143,434	\$	3,953,806
Total	\$	6,300,000	\$	6,396,763	\$	6,761,992	\$	8,255,150	\$	8,543,897	\$	10,053,141	\$	9,903,388
%Change (year over year)						7.3%		29.1%		3.5%		17.7%		-1.5%

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	(2	Rebasing Year 011 Board- Approved)		ast Rebasing Year (2011 Actuals)	Variance 2011 BA – 2011 Actuals		2012 Actuals	Ac	ince 2012 tuals to 1 Actuals	21	2013 Actuals	Α.	riance 2013 Actuals to 12 Actuals	2	014 Actuals	Ac	2013		2014 Actuals vs. 2013 Actuals		2014 ctuals vs. 2013 2015 Bridge Year				2016 Test		Variance 2016 Test 2015 Brid	
Operations	¢	876,809	6	794,422	\$ 82,387		972,346		177,924	s	1,853,447	6	881,101	6	2,040,211	,	186,764	٠	2,351,977		311,766	¢ 2 4EC 7	14 0		104,727			
Maintenance	φ	1.019.951			-\$ 240.876		1,237,774			9	1,697,522	9 6	459,748	9 6		9 6	736.106	ş	1,249,121	9		\$ 1,278.10						
	Ф								23,053	9		9 (9		-		à.		3					28,987			
Billing and Collecting	\$	1,818,688		1,660,292			.,,,,,,,,,,		145,313	\$,. ,		106,897	A	_,	\$,	\$	2,288,854	3	217,664			>	94,156			
Community Relations	\$	10,679		5,020	\$ 5,659		3,260	-\$	1,760	\$	11,752	\$	8,492	\$	19,679	\$	7,927	\$	19,755	\$	76			\$	316			
Administrative and General	\$	2,573,873			-\$ 102,329		2,743,007	\$	66,805	\$	_,,	\$	36,920	\$	3,451,400	(\$	671,473	\$	4,143,434	\$		\$ 3,953,80			189,628			
Total OM&A Expenses	\$	6,300,000	\$	6,396,763	-\$ 96,763	\$	6,761,992	\$	365,229	\$	8,255,150	\$	1,493,158	\$	8,543,897	\$	288,747	\$	10,053,141	\$	1,509,244	\$ 9,903,38	88 -9	\$.	149,753			
Adjustments for Total non-						Т																						
recoverable items (from																												
Appendices 2-JA and 2-JB)																												
Total Recoverable OM&A		0.000.000	_	0.000.700		s	0 704 000	_	005 000	s	0.055.450	•	4 400 450	•	0.540.007	•	288,747	_	40.050.444	_	4 500 044							
Expenses	Ф	6,300,000) a	6,396,763	-\$ 96,763	, ,	6,761,992	3	365,229	Þ	8,255,150	Þ	1,493,158	Þ	8,543,897	Þ	200,747	э	10,053,141	Þ	1,509,244	\$ 9,903,3	88 -9	Ф	149,753			
Variance from previous year						\$	365,229			\$	1,493,158			\$	288,747			\$	1,797,991			\$ (149,75	3)					
Percent change (year over year)	Ī						6%				22%				3%				21%	ĺ	- 1	-1	%					
Percent Change:	Ī					_		•		П					15.91%		-			•			_					
Test year vs. Most Current Actual															15.91%													
Simple average of % variance for											E4.000/														10.2%			
all years	1										54.82%														10.2%			
Compound Annual Growth Rate for																									0.404			
all years	1																								9.1%			
Compound Growth Rate											7.500/																	
(2014 Actuals vs. 2011 Actuals)											7.50%																	

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Cost Driver Tables

The following is a description of the primary drivers that have influenced the increase in Milton Hydro's OM&A expenditures from 2011, when Milton Hydro last rebased up to and including the

2016 Test Year. Each driver is summarized by its net change year over year. Milton Hydro has provided comments on those variances of \$90,000 or greater.

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Table 4-8, Board Appendix 2-JB provides a list of the cost drivers that affected OM&A year over year spending based on a materiality threshold or where the cost driver is common or recurring expenditures that has impacted multiple years. The OM&A opening balance for the last Rebasing Year of \$6,300,000 is the OEB approved OM&A from Milton Hydro's 2011 Cost of Service Application.

Table 4-8
Cost Driver Table – Appendix 2-JB

OM&A	Last Rebasing Year (2011 Actuals)	2012 Actuals	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
Reporting Basis	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS
Opening Balance	\$ 6,300,000	\$ 6,396,763	\$ 6,761,992	\$ 8,435,973	\$ 8,543,897	\$ 10,053,141
Wages, Salaries, Progressions and Benefits	- 43,832	242,907	- 156,525	232,457	467,949	211,865
Employee Future Benefits	47,965	- 3,350	- 20,578	10,906	- 19,836	627
Incentive Plan	- 35,879	23,507	34,392	- 6,918	6,202	16,360
Management Fees	- 14,867	- 23,557	7,799	- 11,283	35,115	5,346
Board of Directors Stiipends & Expenses	39,228	38,534	6,004	13,740	6,172	5,999
Customer Focus Drivers						
Service Locates	(110,122)	11,991	9,269	54,926	7,838	12,000
Customer Premise Maintenance	63,466	(5,887)	(59,220)	91,531	(4,277)	
Monthly Billing	(8,151)	(3,800)	(2,735)	(11,504)	11,792	5,530
Postage	(11,736)	23,032	7,653	17,731	6,916	11,720
Training Seminars	(6,909)	(18,136)	31,607	16,397	(2,145)	(21,446)
Meter Reading - Trillant/Olameter	(42,827)	(24,197)	43,773	(5,585)	5,001	(168,860)
Bad debts	(17,876)	13,417	34,378	820	(23,740)	22,600
Operational Effectiveness Drivers						
Audit/Legal	5,990	16,264	1,440	46,554	(17,378)	(20,000)
Bank Charges	3,991	146	3,448	3,533	33,648	1,331
Meter Maintenance	27,891	(722)	74,396	(13,375)	15,550	(32,280)
Pole Maintenance	31,638	52,494	10,251	(11,724)	(78,468)	3,876
Transformer Station - operating & maintenance costs	(23,733)	52,358	(55,643)	(9,291)	25,355	33,887
Load Dispatching				6,884	149,617	(6,501)
Tree Trimming	245,862	(68,565)	(34,198)	157,983	47,163	10,538
Ice Storm 2013			500,000	(1,000,000)	500,000	
Rent at 8069 Lawson	(6,139)	45,167	4,019	(32,743)	(30,694)	(328,664)
Computer Services/Software Maintenance	(9,554)	125,166	9,279	51,343	(9,258)	12,083
Security Audit		6,000	(19,000)	43,100	(23,100)	-
Consulting -Safety Team "7" - Springboard Services				65,000	3,866	3,556
Consulting -Financial System Upgrade				28,000	150,000	(150,000)
Building maintenance/taxes	43,333	(18,272)	7,734	109,017	160,054	(19,370)
Maintenance of OH & UG conductors	(41,271)	20,653	(34,186)	177,161	(81,415)	29,573
Maintenance of Line Transformers	5,010	(71,635)	(10,638)	61,846	(47,450)	8,984
Public Policy Drivers						
Regulatory costs	(662)	(52,217)	(5,333)	26,913	(15,607)	146,260
Impact of Overhead Capitalization Policy Change on OM&A			1,273,132	(11,627)	(40,035)	234,375
Other	(44,053)	(16,069)	13,463	6,132	270,409	(179,143)
Closing Balance	\$ 6,396,763	\$ 6,761,992	\$ 8,435,973	\$ 8,543,897	\$ 10,053,141	\$ 9,903,387

Summary Discussion of Cost Driver Material Variances

Milton Hydro has provided explanations below for the material variances in the OM&A Cost Driver Table above by OM&A category. Milton Hydro's materiality is \$90,000 as discussed in EXHIBIT 1.

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Milton Hydro has included the impacts of the accounting changes related to the capitalization of overheads as per the OEB letter dated July 17, 2012. Milton Hydro adopted the changes effective January 1, 2013. Table 4–8 above sets out the overhead charges.

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

Resourcing

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

 Milton Hydro has been very lean in previous years serving an average of 667 customers per employee while experiencing unprecedented growth.
- In general Milton Hydro has experienced increased demand for services around customer engagement, growth and the implementation of government programs.
 - A number of provincial policy initiatives including amendments to customer service rules, especially around low income, connection and settlement of renewable MicroFIT and larger generators, smart grid development, and the increased support for conservation programs have all created incremental workloads for the utility. MicroFIT customers alone require the attention of a clerk simply to manage the increasing number of installations, contract assignments, payment assignments and aggregators.
 - The Renewed Regulatory Framework has increase the expectations required from distributors with increased requirements for the level of detail mandated for COS Applications, Scorecard reporting and RRR filings, mandatory customer engagement and smart grid development all require resources to implement and maintain.
 - For the most part Milton Hydro has been able to handle this increased workload through efficiency improvements, cross training and prioritization of work activities.
- Milton Hydro's 2011 OEB approved complement of staff was 49. Milton Hydro operated with 46 employees. Over the 2012 to 2014 actual period, Milton Hydro has hired an average of 2.5 new

employees per year from 2011 to 2014 and plans to hire six new employees during the 2015 Bridge Year and three in the 2016 Test Year. The following Table 4-9 provides the change in the staffing levels by department. Following the table is the explanation for the changes.

Table 4-9
Change in Staffing Levels by Department

Department	2011 OEB Approved	2011 Actual	2012 0	hanges	2012 Actual	2013 0	hanges	2013 Actual	2014 C	hanges	2014 Actual		Bridge hanges	2015 Bridge Year		est Year nges	2016 Test Year	
			+	-		+	1		+	ı		+	-		+	-		
Executive	3	3			3	1		4	1		5			5			5	
Financial Services	7	5	1		6			6	3	-3	6	1		7	1		8	
Customer Service Representatives	10	11	3	-3	11	2	-2	11	1	-1	11	2	-1	12			12	
Engineering/Operations	13	11			11	2	-2	11	2	-2	11	1	-1	11	1		12	
Information Technology	2	2	1	-1	2	1		3			3	1		4			4	
Metering	3	4			4			4			4	1		5			5	
Outside Lines People	11	10	4	-2	12	1	-1	12	3	-1	14	2	-2	14	1		15	
Change in Employees			9	-6		7	-5		10	-7		8	-4		3			
Net Change in # Employees			3			2			3			4			3			
Total Employees	49	46			49			51			54			58			61	
% increase yr over yr		-6.1%	6.5%			4.1%			5.9%			7.4%			5.2%			
% increase Test Yr over 2011 COS															24.5%			

In 2011, Milton Hydro hired a Customer Service Clerk to meet its growth demand and one additional metering apprentice. The two P&C positions for Operations were not hired partially as a means of meeting the OM&A reduction agreed to in the 2011 settlement conference but also to provide Milton Hydro the time to investigate its control room requirements.

In 2012, Milton Hydro hired an additional Accounting Clerk and four line personnel. The four new line personnel enable Milton Hydro to replace two that left and add two apprentices to train and replace two line persons eligible to retire in 2015.

In 2013, Milton Hydro hired an Engineering Technician due to a steady increase in the number of projects related to municipal road infrastructure upgrades and overhead/ underground system design. An IT System Analyst was hired to maintain Milton Hydro's IT systems, system security and address "helpdesk" inquiries from staff.

In 2014, Milton Hydro hired an additional Customer Service/Billing Clerk due to the customer work requirements from customer growth. An Engineering Technician was hired to prepare construction drawings using AutoCAD, systems design and to work with developers, customers

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and the Town of Milton and Region of Halton. Two line personnel were hired due to the increase in work requirements.

During the 2015 Bridge Year Milton Hydro will hire a Communication Specialist in response to customer concerns on the lack of communication expressed during Milton Hydro's customer engagement activities. Milton Hydro will hire an IT Network Administrator who will be responsible for the administrative and operational support to ensure the optimal performance of the network including Milton Hydro's WiMax network. Milton Hydro will also hire an AMI Operator as its contract for AMI services expires on December 31, 2015 and Milton Hydro will assume responsibility for the AMI system in-house at the end of the 2015 Bridge Year.

In the 2016 Test Year, Milton Hydro is planning on hiring a Human Resource Specialist, an Engineering Technician and an additional Journeyman Lineman.

Wages

 Milton Hydro's overall compensation for all employees is designed to be competitive and equitable in order to attract and retain qualified personnel in an industry that is facing an aging workforce and a great deal on competition for skilled resources. The compensation package includes a base wage and benefits package. Milton Hydro's workforce is comprised of both unionized and non-unionized management employees. In 2014 approximately 63% of Milton Hydro's workforce was unionized.

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

Milton Hydro's collective agreement with unionized staff provides for annual payroll increases and employee step progressions. Labour rates and benefits are adjusted annually based on negotiated percentages in accordance with the collective agreement. Milton Hydro's current collective agreement covers a four year period and expires on December 31, 2016. Wages and benefits are a result of a collaborative and negotiated process, based on factors such as recent settlements in the LDC sector including neighbouring LDC's.

Each job classification at Milton Hydro has a job description and a wage rate progression scale that increases from a base rate to a maximum rate. Milton Hydro utilizes the industry standard

Hay system to evaluate positions and to develop pay structures. A joint management/union team uses a defined process to determine overall job rating. Pay Equity Maintenance is performed on a regular basis; the last agreement was signed with the Power Workers' Union in April 2011. The Compensation/Human Resources Committee annually approves all pay increases for nonunion and management employees. The increase is based on inflationary adjustment along with progression adjustment within the salary grade based on merit. Salary grades were developed by the Compensation/Human Resources Committee in 2011 in reference to the MEARIE Survey. The Committee recommends annual increases for non-union and management employees to the Board for approval. Management staff receives an incentive pay after the annual audit has been completed. These payments are based on financial performance, safety achievements, customer service surveys, implementation of cost saving initiatives and completion of work programs that are incremental to normal operations but important for the business to achieve its corporate objectives. Total amounts paid out each year are well below the materiality threshold. A summary of wage increases from 2011 Actual to 2016 Test Year union wage increases and the non-union wage increases for the 2011 to 2014 Actual and the 2015 Bridge Year and the 2016 Test Year are provided in Table 4-10 below

Table 4-10

Summary of Wage Increases by Year

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Year	Union %	Annual Contract %	Non-Union%
January 1, 2011	2.75%		3.00%
April 1, 2011	0.25%	2.94%	
April 1, 2011 - Lineman*	25 cents		
January 1, 2012	2.75%		2.80%
April 1, 2012	0.25%	2.94%	
April 1, 2012 - Lineman*	25 cents		
January 1, 2013	2.60%	2.60%	2.60%
January 1, 2013 - Lineman*	10 cents		
January 1, 2014	1.50%		2.60%
July 1, 2014	1.10%	2.34%	
July 1, 2014 - Lineman*	10 cents		
January 1, 2015	1.50%		2.50%
July 1, 2015	1.20%	2.41%	
July 1, 2015 - Lineman*	10 cents		
January 1, 2016	1.50%		2.40%
July 1, 2016	1.20%	2.41%	
July 1, 2016- Lineman*	10 cents		
* Market Adjustment			

Benefit Costs

Please refer to the Employee Compensation section of this EXHIBIT and Table 4-26 for further details on benefit cost changes. Increases in benefit and pension costs are primarily due to increases in OMERS pension expenses. Pension contributions have increased due to the 2009 economic downturn which resulted in a funding deficit in the OMERS pension plan as well as additional OMERS administrative cost for staffing levels to meet operational demands. To eliminate the funding deficit, OMERS introduced contribution increases for both the employee and employer portion. Please refer to the following Table 4-11 for a summary of OMERS contribution changes.

Table 4-11
OMERS Rate Increases by Year

Year	YPME	NRA 65 Up to YMPE	Over YMPE				
2011	48,300	7.40%	10.70%				
2012	50,100	8.30%	12.80%				
2013	51,100	9.00%	14.60%				
2014	52,500	9.00%	14.60%				
2015	53,600	9.00%	14.60%				
2016	51,700	9.00%	14.60%				

Effective September 1, 2012, Milton Hydro signed an agreement with Green Shield Canada for an Administrative Services Only (ASO) contract which means that Milton Hydro's cost are based on actual claims plus an established administration fee (ie. self-insuring). The most recent annual experience report for Extended Healthcare and Dental benefits held with Green Shield Canada for the period covered June 2014 to May 2015, estimates the surplus at May 31, 2015 to be \$23,505. Although these funds are available for withdrawal, Milton Hydro will keep the monies in the plan to offset any unforeseeable increase in benefits in the upcoming year.

Employee Future Benefits

Benefits fluctuate based on the results of third party actuarial valuations. Please refer to the Employee Compensation section of this exhibit and Table 4-26 for further details on Employee Future Benefit cost changes.

Service Locates

The 2011 Actual costs for service locates is lower than the 2011 OEB approved by \$110,122. Milton Hydro's 2011 forecast was for 6,790 locates, while the actual number of locates performed was 5,085 accounting for \$90,000 in reduced contract costs. The remaining variance is a reduction in Milton Hydro's labour and vehicle costs.

Customer Premise Maintenance

Customer premise maintenance costs increased in 2014 by \$91,531. These costs include field responses to customer calls not captured as part of distinct event (such as major storm). As a result these calls are driven by customers and third parties and includes items such as afterhours no power calls, voltage complaints, service upgrades and third party related site

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visits. These costs fluctuate as reactive responses and customer demand work fluctuate. Commencing in 2016 Milton Hydro will be capturing these costs in more detailed accounts to gather more granular information for process management purposes.

Meter Reading

Meter reading costs will decrease in the 2016 Test Year by (\$168,860). Milton Hydro will bring the AMI meter system in-house January 1, 2016 as the contract with Trilliant for this service ends December 31, 2015. The savings in Meter Reading will be partially offset by the hiring of an AMI Operator and a support/maintenance agreement with Trilliant.

Load Dispatching

In 2011 and 2012 Milton Hydro was planning on setting up its own control room, purchasing computer equipment and hiring two Protection and Control staff operate the day time control room. Milton Hydro deferred this decision in order to review alternatives such as technologies and outsourcing as a means of saving on the costs of staffing and managing an in-house control room. Milton Hydro entered into discussions with Guelph Hydro in 2014 and subsequently contracted with Guelph Hydro for the provision of control room services beginning in the 2015 Bridge Year which accounts for the increase in the cost driver of \$149,617.

Tree Trimming

 Milton Hydro increased its actual tree trimming area into the rural part of its service area in 2011 accounting for the increase of \$245,862 over the 2011 OEB approved amount. In early 2014 Milton Hydro's tree trimming cost increased by \$157,983 due to the December 2013 ice storm. Milton Hydro has increased its tree trimming costs going forward in response to concerns expressed by customers in the rural service area during a "Town Hall" meeting initiated by Milton Hydro after an earlier storm in 2013 caused significant damage to both Milton Hydro's plant and customer owned equipment. Milton Hydro experienced three severe weather related storms in 2013 that resulted in significant outages due to trees and tree limbs damaging overhead distribution plant. Milton Hydro also approved a change to its tree trimming specifications in May 2014 in response to the number of outages and concerns expressed by customers.

Ice Storm

Near the end of December 2013 a devastating ice storm caused severe damage to Southern Ontario. Milton Hydro file a Z-Factor Application for recovery of \$935,000 in ice storm related damage. In discussions with its external auditors Milton Hydro agreed to include a \$500,000 provision in its 2013 Financial Statements in the event that the Z-Factor Application was not approved. The Application was subsequently approved and Milton Hydro reversed the provision in 2014 which resulted in the \$1,000,000 reduction in the year over year cost driver for 2014 and the \$500,000 year over year cost driver in the 2015 Bridge Year.

Rent - Lawson Road

Milton Hydro will no longer pay rent at its current premises as the new Service Centre and Administration building will be complete with an expected occupancy date of December 2015. This reduction of \$328,664 is reflected in the cost driver reduction in the 2016 Test Year.

Computer Services/Software Maintenance

 In 2012 computer services/software maintenance costs increased by \$125,166 due to a CIS upgrade and the contracting of services for smart meter assistance and the associated software maintenance contract.

Consulting

In 2015 Milton Hydro is updating its Financial system and implementing a new Work Order Management system incorporating work requests, work orders, job costing and fixed asset updating for the purpose of integrating its processes into the financial accounting system. The consulting costs incorporate a complete review of Milton Hydro's processes, configuration requirements and training. There is no charge for the actual software version upgrade.

Building Maintenance

Building maintenance costs increased in 2014 and in the 2015 Bridge Year due to the additional property taxes on the new Service Centre and Administration building purchased in 2014. The 2014 property taxes were \$50,749 and estimated at \$200,000 for the 2015 Bridge Year.

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Maintenance Overhead & Underground

The cost drivers for maintenance of overhead and underground conductor in 2014 increased significantly over 2013 primarily due to continued overhead maintenance, repairs and clean up in January 2014 after the December 2013 ice storm. This overhead work was carried out by Milton Hydro's own crews and includes regular hours and overtime hours of work. This cost was not included in Milton Hydro's Z-Factor Application.

Regulatory Costs

The increase in regulatory costs in the 2016 Test Year is primarily due to one fifth (1/5th) of the expected costs for preparing and defending this Application and paying OEB and intervenor costs related to the Application.

OM&A Cost per Customer and Full-Time Equivalent

Included in Table 4-12, Board Appendix 2-L is a summary of the OM&A Cost per Customer and per Full-Time Equivalent (FTE). The FTEs agree to the numbers shown in Table 4-14 in the Compensation Section below. The number of customers is based on the annual average for each rate class of metered customers. The number of FTEs is the average for each of the years.

Table 4-12

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

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Last Rebasing Last Rebasing 2015 Bridge 2013 Actuals 2014 Actuals Year - 2011- Board Year - 2011-2012 Actuals 2016 Test Year Year Approved Actual CGAAP Reporting Basis CGAAP CGAAP MIFRS MIFRS MIFRS **MIFRS** 35,649 Number of Customers 2,4 30,461 31,405 33,199 29,814 34,592 36,976 Total Recoverable OM&A from Appendix 2-JB 8,435,973 \$ 8,543,897 6,300,000 6,396,763 \$ 6,761,992 \$ 10,053,141 9,903,387 OM&A cost per customer \$ 206.82 214.56 215.32 254.11 \$ 246.99 282.00 267.83 Number of FTEs 3,4 49 46 48 52 52 59 61.5 Customers/FTEs 621.65 648.12 654.26 638.43 665.23 604.22 601.24 OM&A Cost per FTE 128,571.43 139,060.06 140.874.83 162,230,25 164.305.71 170,392.22 161,030.68

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

Milton Hydro's capitalization policy changed in response to the OEB's letter of July 17, 2012 requiring the overhead capitalization changes. Milton Hydro implemented the changes January 1, 2013. Milton Hydro's auditors have reviewed and accepted Milton Hydro's capitalization methods. A detailed description of Milton Hydro's overhead and capitalization policies can be found in EXHIBIT 2 together with Board Appendix 2-D.

PROGRAM DELIVERY COSTS WITH VARIANCE ANALYSIS

Materiality Threshold

In accordance with Chapter 2 of the 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. Milton Hydro's materiality threshold is calculated as 0.5% 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 discussed in EXHIBIT 1-Table 1-26, Milton Hydro calculated its materiality threshold based on an estimated Base Revenue Requirement of \$18,800,000 which resulted in a materiality level of \$94,000 and Milton Hydro elected to use \$90,000. Milton Hydro's actual materiality level should be \$86, 037. Milton Hydro has used \$90,000 for the explanations of the variance analysis but will respond to interrogatories on variances exceeding \$86,000 as required.

Milton Hydro has a variety of programs activities and initiatives that are imperative to continue to provide reliable and affordable service to customers and ultimately to provide customer satisfaction. In Table 4-13, Board Appendix 2-JC, Milton Hydro has identified its programs and

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Table 4-13 OM&A – Appendix 2-JC

major functions on a comparative basis from 2011 OEB approved to 2016 Test Year. These

programs contribute to achieving the new RRFE performance outcomes of Customer Focus,

Operational Effectiveness, and Public & Regulatory Responsiveness. This shows the alignment

of Milton Hydro'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 Actual and 2016 Test Year versus 2011 OEB Approved.

Programs	Last Rebasing Year (2011 OEB- Approved)	Last Rebasing Year (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 (2011 OEB- Approved)
Reporting Basis	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS		
Operations	00/1111	00/1111	00/01						
U/G Locates	357,898	248,976	260,967	270,236	325,163	333,000	345,000	19.837	-12,898
Transformer Substations	99,495	75,762	134,251	72,545	43,708	74,775	109,154		9,659
Operations/Maintenance Supervi	87,546	161,565	169,116	200,206	94,900	,		-94,900	
Eng & Operations Administration	, , , , , , , , , , , , , , , , , , , ,	0	0	827,369	929,273	1,070,354	1,145,335		1,145,335
Load Dispatching		0	0	0	6,884	156,501	150,000		
Meter Expense	178,657	129,049	237,892	384,523	346,439	435,349	448,581	102,142	269,924
Customer Premise	196,386	259,853	253,966	194,746	286,277	281,999	258,634	-27,643	62,248
Sub-Total	919,982	875,205	1,056,192	1,949,625	2,032,644	2,351,978	2,456,704	424,061	1,536,722
Maintenance									
Meter Maintenance	0	15,941	61,244	77,426	43,090	22,651	20,580	-22,510	20,580
Maintenance O/H Lines	391,153	347,348	448,577	484,215	637,840	450,288	461,346	-176,494	70,193
Maintenance Line Transformers	279,856	284,866	213,231	202,592	264,438	216,988	225,746	-38,692	-54,110
Maintenance U/G Conductors	133,829	114,088	81,639	22,071	50,594	39,010	21,714	-28,880	-112,115
Tree Trimming	171,940	417,802	349,236	315,038	473,021	520,184	548,722	75,701	376,782
Ice Storm 2013				500,000	-500,000			500,000	0
Sub-Total	976,778	1,180,045	1,153,927	1,601,343	968,984	1,249,121	1,278,108	309,124	301,330
Customer Service									
Meter Reading	316,859	244,004	265,025	271,074	269,882	350,691	187,812	-82,070	
Billing/Finals/Collections	1,451,829	1,388,056	1,497,221	1,589,135	1,748,998	1,886,163	1,952,287	203,289	500,458
Bad Debt	50,000	28,231	43,359	52,293	52,312	52,000	54,600	2,288	4,600
Sub-Total	1,818,688	1,660,291	1,805,605	1,912,502	2,071,192	2,288,854	2,194,699	123,507	376,011
Administration									
Administration Wages	1,385,636	1,386,416	1,482,912	1,672,283	1,753,229	2,228,241	2,386,848		
General Administration	331,203	366,881	377,144	396,600	516,665	482,846	500,906		
Other Services Purchased	240,912	262,801	254,197	265,756	445,952	580,063	414,638	-31,314	173,726
Rent	349,055	342,916	388,084	392,102	359,359	328,664	0	000,000	
Regulatory Expenses	144,406	143,744	91,527	86,194	113,107	99,000	245,260		100,854
Building Expenses	122,661	173,444	149,154	147,816	263,086	424,619	406,153	143,067	283,492
Sub-Total	2,573,873	2,676,203	2,743,018	2,960,751	3,451,399	4,143,433	3,953,805	502,406	
M*	40.070	5 000	0.050	44.750	40.070	40.755	00.074	0	-
Miscellaneous	10,679	5,020	3,250	11,752	19,679	19,755	20,071	392	9,392
Total	6,300,000	6,396,763	6,761,992	8,435,973	8,543,897	10,053,141	9,903,387	1,359,490	3,603,387

Variance Analysis – OM&A Programs

Operations Programs

Operations/Maintenance/Supervision

In 2011 Milton Hydro hired a contract employee to oversee the operations side of the company. In 2014 Milton Hydro hired a full time Director of Operations to assume this position. The services of the contract employee were no longer required resulting in no expenses being reflected in this program after his departure in mid-2014. The Director of Operations is included in the Engineering & Operations Administration program expense, therefore there are no costs reflected in the Operations/Maintenance/Supervision program account for the 2016 Test Year leaving a negative variance over the 2011 OEB approved (\$87,546) and the 2014 Actuals (\$94,900)

Engineering & Operations Administration

Engineering and Operations expenses were fully allocated in the 2011 OEB approved, the 2011 Actual and 2012 Actual years. Effective January 1, 2013 Milton Hydro followed the OEB's direction included in its letter dated July 12, 2012, and discontinued allocating overheads. Only Engineering and Operations costs that are directly attributable to capital work may be capitalized under MIFRS/IFRS, therefore the costs that are not directly attributable to capital are now reflected in Engineering and Operations expenses resulting in the variance of \$1,145,335 over the 2011 OEB approved. The variance over the 2014 Actual is attributed to the hiring of two additional employees.

Load Dispatching

The variance between the 2016 Test Year and the 2011 OEB approved balance amounts to \$150,000 and the variance is \$143,116 over the 2014 Actual. These variances are due to Milton Hydro contracting with Guelph Hydro for control room services in 2015. Milton Hydro contracted with Guelph Hydro for control room services which included sixteen hour coverage with an on-call person for eight hours in 2015. In the 2016 Test Year Guelph Hydro will provide 24/7 control room operations for a contracted price of \$100,000. Milton Hydro is responsible for any operator overtime, costs to connect the control room to Milton Hydro's system and Milton Hydro's internal cost of coordinating with the control room. This cost did not exist in the 2011

OEB approved or the 2014 Actual costs. As discussed above, Milton Hydro contracted with Guelph Hydro as opposed to incurring the costs on staffing and managing an in-house control room.

Meter Expense

The variance of \$269,924 over the 2011 OEB approved costs is partly due to two apprentice metering technicians hired during 2011 and therefore their wages were for a partial year. Milton Hydro's meter reverification costs have also increased with an expected 500 smart meters plus interval meters due in the 2016 Test Year which also contributes to the increase in the variance of \$102,142 over 2014.

Maintenance Programs

Maintenance Overhead Lines

Maintenance of overhead lines increased in 2014 due to continued overhead maintenance, repairs and clean-up after the December 2013 ice storm. This work was carried out by Milton Hydro's own crews and includes regular hours and overtime hours of work. This cost was not included in Milton Hydro's Z-Factor Application. These costs were one-time only and account for the decrease in maintenance costs of (\$176,494) in the 2016 Test Year compared to 2014 Actual.

Maintenance Underground Conductors

Over the last five (5) years Milton Hydro has undertaken a significant amount of underground conversion projects of its primary underground system to 27.6 kV which has resulted in a reduction in primary cable faults. This system renewal work accounts for the decrease in maintenance costs of (\$112,115) in the 2016 Test Year compared to the 2011 OEB approved year.

Tree Trimming

 Tree trimming costs have increased over the 2011 OEB approved by \$376,782. Milton Hydro has increased its tree trimming in response to customer concerns that became evident during a 2013 meeting with customers after a severe storm caused trees and tree limbs to damage

Milton Hydro's overhead lines. The customer engagement concerns were implemented into Milton Hydro's 2014, 2015 Bridge Year and 2016 Test Year tree trimming costs.

Ice Storm 2013

This variance is the result of a provision \$500,000 for non-recovery of the December 2013 ice storm costs which are not included in the 2016 Test Year costs.

• Customer Service Programs

Meter Reading

Meter reading costs have decreased by (\$129,047) from the 2011 OEB approved as a result of Milton Hydro bringing the AMI system in-house effective January 1, 2016. Milton Hydro's contract with Trilliant for AMI services expired on December 31, 2015 but Trilliant will continue to provide support/maintenance of its Servucom software.

Billing/Finals/Collections

Billing and customer service related costs for the 2016 Test Year have increased by \$500,458 over the 2011 OEB approved costs due to consulting, training and computer services, which includes MDMR data support from contractors Utilismart and ERTH, application management services, and sync operator services all totaling \$125,000; an increase in software maintenance costs in the amount of \$28,000; an increase in postage of \$50,000; and two additional staff plus contract increases all totaling \$262,000 over the five year period.

The billing and service related costs have increased by \$203,289 over the 2014 Actual costs due to an increase of one additional CSR/Billing Clerk, metering staff and contract increases totaling approximately \$167,000; postage in the amount of \$12,000; hand delivered collection notices in the amount of \$10,000; and miscellaneous office & equipment supplies of \$10,000.

• Administration Programs

Administration Wages

Administration wages for the 2016 Test Year have increased by \$1,001,212 over the 2011 OEB approved costs. Over the five years Milton Hydro has added two CSR/Billing Clerks, an IT Systems Analyst, an IT Network Administrator, an AMI Operator, two Engineering Technicians,

a Communications Specialist, a Human Resource Specialist, Operations Metering Supervisor and four Line persons. Normal wage and progression increases over the five years are also included.

Administration wages for the 2016 Test Year have increased by \$633,618 over the 2014 Actual cost. Milton Hydro has increased staffing levels in both the 2015 Bridge Year and the 2016 Test Year. In the 2015 Bridge Year Milton Hydro has increased its staffing compliment by one CSR/Billing Clerk, an IT Network Administrator, an AMI Operator, an Engineering Technician, a Communications Specialist and a Journeyman Lineman. In the 2016 Test Year Milton Hydro will add a Human Resource Specialist, an Engineering Technician and a Journeyman Lineman. Normal wage and progression increases over the two years are also included.

General Administration

 General Administration costs for the 2016 Test Year have increased by \$169,703 over the 2011 OEB approved cost. This increase is due to additional bank charges of \$46,000 including \$35,000 for the issuance of a Letter of Credit to Ontario Infrastructure & Lands Corporation ("IO"), membership dues (EDA, Grid Smart City, professional membership dues) in the amount of \$27,000, an increase in LEAP of \$7,000, an increase in employee incentive plan of \$36,000, telephone costs of \$14,000 and postage of \$7,000.

Other Services Purchased

Other Services Purchased includes audit, legal, software maintenance, IT security audit, disaster recovery and health and safety. The 2016 Test Year costs are higher than the 2011 OEB approved by \$173,726. The increase is due to audit and legal in the amount of \$33,000, consulting in the amount of \$100,000 for Springboard Management and computer disaster recovery, property insurance in the amount of \$29,000 and software maintenance in the amount of \$16,000.

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Rent

Rent has decreased in the 2016 Test Year by (\$349,055) from the 2011 OEB approved and (\$359,359) from the 2014 Actual as Milton Hydro will be vacating the rented premises and moving into the new Administration and Service Centre building in late 2015.

Regulatory Expenses

Regulatory expenses have increased for the 2016 Test Year over the 2011 OEB approved year by \$116,854 primarily due to the increase in OEB annual fees of \$21,000 and the balance is an increase in legal and consulting fees for the preparation and defence of the Application, and OEB and intervenor costs of which one fifth (1/5th) in the amount of \$123,160 are included in the 2016 Test Year. Also included in the 2016 Test Year are the Customer Engagement costs amortized over two years at \$39,500 per year, as the OEB requires distributors to undertake the Customer Engagement Survey at least every two years. The 2011 year was also a Cost of Service year and also had one quarter (1/4) of the one-time regulatory application preparation costs included. The 2016 Test Year increase of \$148,153 over the 2014 Actual costs is primarily due to the increase in legal and consulting fees for the preparation and defence of the Application, and OEB and intervenor costs as discussed above. The 2014 Actual costs include the costs for the IRM and Z-Factor Applications which were minimal.

Building Expenses

Building expenses for the 2016 Test Year have increased over the 2011 OEB approved year by \$283,492 due to Milton Hydro paying property taxes on the new Service Centre and Administration building estimated at \$207,000 for the 2016 Test Year, an increase in hydro water and sewer charges in the amount of \$74,000 and janitorial services of \$12,000. The 2016 Test Year costs have increased over the 2014 Actual costs by \$143,067 due to the additional property taxes on the Service Centre and Administration building in the amount of \$130,000, higher hydro costs of \$47,000 related to a larger building and a decrease of \$38,000 in the outside maintenance contract.

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EMPLOYEE COMPENSATION, INCENTIVE PLAN EXPENSES, PENSION EXPENSE

Compensation Philosophy

Overview

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

Unionized Employees

The compensation for unionized employees is negotiated through the collective bargaining process and includes both office and trade workers. They are represented by the Power Workers' Union, Local 1000 of the Canadian Union of Public Employees.

Milton Hydro's collective agreement with unionized staff provides for annual payroll increases and employee step progressions. Labour rates and benefits are adjusted annually based on negotiated percentages as per the collective agreement. The current collective agreement commenced on January 1, 2013 and will expire on December 31, 2016. Milton Hydro reviewed a number of different settlements during 2012 before commencing negotiations. On average the increases with these agreements in 2012 was between 2.75% and 3.0%. Milton Hydro's negotiated annual wage increase is 2.6% for 2013, a split wage increase of 1.5% January 1, 2014 and 1.1% July 1, 2014 and a split wage increase of 1.5% January 1 and 1.2% July 1 for each of the 2015 Bridge Year and the 2016 Test Year. The Journey/Lineman classification receives a ten cents (10 cents) bump up each year to bring their hourly rate more in line with other western GTA distributors.

Non-Union / Management Employees

Annual pay increases for non-union and management employees are determined by the Board of Directors Compensation Committee. Milton Hydro provides its management and non-union employees with a total cash compensation package comprised of two elements: base salary and incentive pay. Milton Hydro's ensures that rewards are appropriately aligned with the

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strategic direction of the company as set out in EXHIBIT 1. Milton Hydro's Board of Directors approved a two phase incentive program. The Phase One Incentive plan is applicable to all non-union and management staff and is based on Milton Hydro's Occupation Health and Safety Management System, OEB service indicators, personal performance and extra-ordinary events. The Phase Two Incentive plan is applicable to senior management only and is based on financial targets of OM&A and Capital, OEB customers/employee and customer/community outreach and CDM. A merit increase is the amount of additional compensation added to current base salaries following a review of employee performance. All executive employees are responsible to review the performance of each management and non-union employee in their department.

Benefits

The negotiated benefit package is designed to address the health and welfare of Milton Hydro's employees and is consistent across the organization. The components of the benefit package includes medical and dental insurance, a company sponsored retirement plan (OMERS), long term disability, leave policies and health and safety protection as detailed in the Table 4-26 below. Senior management is also eligible for an annual health and medical check-up.

Copies of Milton Hydro's benefit packages are included in Attachment 4-1.

Staffing and Compensation

Milton Hydro's employee complement, compensation and benefits are set out in Table 4-14, Board Appendix 2-K below. Table 4-14, Board Appendix 2-K does not include Milton Hydro's Board of Directors, however it does include temporary employees and students in the FTEs.

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

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

The benefits amount includes the employer's portion of statutory benefits (CPP, EI and EHT), employer contributions to OMERS and WSIB and Milton Hydro's costs for providing extended health care, dental, long-term disability and life insurance.

Table 4-14
Appendix 2-K Employee Costs (FTEs)

	Ye	Year - 2011- Year - 2		st Rebasing 'ear - 2011- Actual	2012 Actuals		2	013 Actuals	20	14 Actuals	2015 Bridge Year		2016 Test Year	
Number of Employees (FTEs including I	art-Ti	ime) ¹												
Management (including executive)		18.0		17.0		18.0		19.0		19.0		23.0		23.0
Non-Management (union and non-union)		31.0		29.0		30.0		33.0		33.0		36.0		38.5
Total		49.0		46.0		48.0		52.0		52.0		59.0		61.5
Total Salary and Wages including ovet	and Wages including ovetime and incentiv		рау											
Management (including executive)	\$	1,965,522	\$	1,953,244	\$	2,172,666	\$	2,333,609	\$	2,524,891	\$	2,728,936	\$	2,835,004
Non-Management (union and non-union)	\$	1,842,833	\$	1,959,794	\$	2,088,708	\$	2,252,661	\$	2,548,170	\$	2,689,210	\$	2,979,967
Total	\$	3,808,355	\$	3,913,038	\$	4,261,374	\$	4,586,270	\$	5,073,061	\$	5,418,146	\$	5,814,971
Total Benefits (Current + Accrued)														
Management (including executive)	\$	379,772	\$	398,185	\$	468,402	\$	513,418	\$	510,350	\$	589,216	\$	584,562
Non-Management (union and non-union)	\$	408,784	\$	376,852	\$	442,227	\$	470,029	\$	527,265	\$	615,852	\$	676,678
Total	\$	788,556	\$	775,037	\$	910,629	\$	983,447	\$	1,037,615	\$	1,205,068	\$	1,261,239
Total Compensation (Salary, Wages, &	Benef	its)												
Management (including executive)	\$	2,345,294	\$	2,351,430	\$	2,641,068	\$	2,847,028	\$	3,035,241	\$	3,318,152	\$	3,419,566
Non-Management (union and non-union)	\$	2,251,617	\$	2,336,645	\$	2,530,935	\$	2,722,690	\$	3,075,434	\$	3,305,062	\$	3,656,645
Total	\$	4,596,911	\$	4,688,075	\$	5,172,003	\$	5,569,717	\$	6,110,675	\$	6,623,214	\$	7,076,210

Employee Staffing Levels

Table 4-15 summarizes the number of full time employees by department at year end since 2011. The number of employees in Table 4-15 and Tables 4-20 to 4-24 may not equal the number of employees in Table 4-14, Board Appendix 2-K above since that table calculates partial FTE's based on the start date of the position and not the year end number. The number of new positions since 2011 and drivers is provided in Table 4-16.

Table 4-15
Full-Time Employees by Department at Year End

	2011 OEB					2015 Bridge	9
Department	Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	Year	2016 Test Year
Executive	3	3	3	4	5	5	5
Financial Services	7	5	6	6	6	7	8
Customer Service Representatives	10	11	11	11	11	12	12
Engineering/Operations	13	11	11	11	11	11	12
Information Technology	2	2	2	3	3	4	4
Metering	3	4	4	4	4	5	5
Outside Lines People	11	10	12	12	14	14	15
Total Employees	49	46	49	51	54	58	61

Table 4-16

New Positions Since 2011 – Actual FTEs

Driver	Department	2016 Test vs 2011 Approved FTEs
OEB Approved - 2011		49
	Communications Specialist	1
Increase in Dilling & Collections / Administrative Descriptors and	HR Specialist	0.5
Increase in Billing & Collections/ Administrative Requirements	Customer Service Representaive	1
	Engineering Technician	1.5
	Network Administrator	1
Effeciencies/Increase in Growth	IT Systems Analyst	1
	Metering Technicians	2
Effeciencies in In-House vs Outsource	AMI Operator	1
Succession Planning/Upcoming Retirements	Powerline Technicians	3.5
2016 Test Year	·	61.5

Milton Hydro's 2011 Cost of Service application and Settlement Agreement included a total complement of 49 full time Equivalent employees. The actual complement in 2011 was 46; by the end of 2012 the total compliment was 49. The 2016 Test Year includes a complement of 61 regular employees representing an increase of 15 positions over 2011 actual or 12 positions from the OEB approved 2011 COS Application.

The Engineering Department added two Engineering Technicians and a Distribution Engineer between 2011 and 2015 and will hire another Engineering Technician in the 2016 Test Year. The Distribution Engineer and Technicians are required to help develop and deliver the Asset Management Plan, assist with customer demand work, and manage work processes including the tree trimming work and FIT and MicroFIT contracts.

Within Milton Hydro's Operations group, one supervisor retired in May 2015 and was replaced with a new hire in November 2014 and the line crews increased by four Journeyman Linemen between 2011 and 2015 and Milton Hydro plans to hire one additional Journeyman Lineman. Milton Hydro is hiring Journeyman as opposed to apprentices in order to have this level of experience on staff. The increases in line staff are directly related to the growth and capital works required in the Town of Milton.

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In 2012 an Accounting Clerk position was created to assist with the increased workload as Milton Hydro was operating with one clerk in its Finance Department. Milton Hydro has also increased its IT staff compliment with an IT Settlement Specialist and an IT Systems Analyst to support the Billing Department and manage Milton Hydro's hardware and software systems. Milton Hydro created and filled internally a Network Administrator position. Milton Hydro also hired an AMI Operator in 2015 to assume the operation of the Automated Metering Infrastructure when Milton Hydro takes over the contract in January 2016.

Milton Hydro has managed its customer service and billing operations without an increase in staff since 2011. Milton Hydro hired an additional CSR in 2015 as a result of the increase in customer growth as well, responses from the customer engagement process indicated that customer service could be improved.

Employee Demographics

As can be seen in Table 4-17 below Milton Hydro's more significant employee challenge has not been expanding the workforce, it has been managing employee turnover. Turnover occurs when employees retire or leave the organization. In Milton Hydro's case employee turnover has been the result of people leaving for various reasons. When experienced employees leave then the focus turns to recruiting staff and training and developing the new hires. The following Table 17 sets out the change in staffing year over year with the number of employees that have left for various reasons and the replacements. In most cases the number of employees in a department does not change except that in many cases the replacements do not have the experience to simply step into the work load. Milton Hydro invests a significant amount of time training employees. Given that the industry has highly specialized and complex job functions, it can take a few years to become efficient and to work safely, and this is particularly true in the trades positions. New staff and those staff promoted within the organization have risen to the challenge of meeting the increasing and changing workload.

Table 4-17

Filed: August 28, 2015

Change in Staffing Levels by Department

Department	2011 OEB Approved	2011 Actual	2012 (hanges	2012 Actual 201		hanges	2013 Actual	2014 Changes		2014 Actual	2015 Bridge Year Changes		2015 Bridge Year	e 2016 Test Year Changes		2016 Test Year	
			+	-		+	-		+	-		+	-		+	-		
Executive	3	3			3			3			3			3			3	
Financial Services	7	5	1		6			6	3	-3	6	1		7	1		8	
Customer Service Representatives	10	11	3	-3	11	2	-2	11	1	-1	11	2	-1	12			12	
Engineering/Operations	13	11			11	2	-1	12	2	-1	13	1	-1	13	1		14	
Information Technology	2	2	1	-1	2	1		3			3	1		4			4	
Metering	3	4			4			4			4	1		5			5	
Outside Lines People	11	10	4	-2	12	1	-1	12	3	-1	14	2	-2	14	1		15	
Change in Employees			9	-6		6	-4		9	-6		8	-4		3			
Net Change in # Employees			3			2			3			4			3			
Total Employees	49	46			49			51			54			58			61	

Succession Planning

Milton Hydro's employee demographics are set out below in Table 18 and Table 19. As the tables show, the average age of Milton Hydro's Management and Non-Union employees is 52.9 years of which eight are eligible to retire within the next five years. In addition, Milton Hydro's Management and Non-Union employees have a combined 25 years of utility experience. Management vacancies are not always easy to fill and Milton Hydro must consider the capabilities of staff or to go outside for replacements. The average age of union employees is 41.1 years with two eligible to retire in the next five years and three the following five years. While not quite as significant a change, Milton Hydro must ensure that it has the trained staff to move up and into the vacancies and competently perform the required duties of that position.

 Milton Hydro currently looks to hire competent staff with industry experience being a definite asset for the office and inside staff while ensuring its trades are receiving the proper training. Milton Hydro hires union positions as needed.

Milton Hydro does not have a formal succession plan for management and non-union positions at the present time and will need to develop a plan as part of its strategy sessions as discussed in EXHIBIT 1.

Table 4-18

Employee Demographics - Length of Milton Hydro Service & Ind. Experience

	Mar	nagement/Non-U	nion	Union		
Department	Avg. Age	Avg. Years with Milton Hydro	Avg Years Experience	Avg. Age	Avg. Years with Milton Hydro	Avg Years Experience
Engineering/Metering	52.4	11.6	24.3	42.7	9.6	11.5
Finance/Administration	51.5	12.1	20.4	43.0	7.4	7.5
Operations/Lineman	54.8	18.3	32.5	37.5	10.6	10.6
Average years	52.9	14.0	25.7	41.1	9.2	9.9

Table 4-19
Retirements

Management/ Finance / Operations / **Line Staff** Years **Engineering** CSR's Total **Non-Union** Administration Metering 2016-2020 2021-2025 2026-2030 2031-2035 2036-2040

Change in Workforce Year over Year

The change in workforce provided in the following Tables 4-20 to Table 4-24 is based on the actual number of employees at the end of the year.

2012 Actual vs 2011 Actual

Department	2011 Actual	2012 Actual	2012 vs 2011 Actual
Executive	3	3	0
Financial Services	5	6	1
Customer Service Representatives	11	11	0
Engineering/Operations	11	11	0
Information Technology	2	2	0
Metering	4	4	0
Outside Lines People	10	12	2
	46	49	3

In 2011 Milton Hydro had a lineman position in its OEB approved Cost of Service Application that was not filled until January 2014 as an apprentice. A second apprentice was hired shortly after to fill Milton Hydro's line person requirement for the year. Milton Hydro hired an Accounting Clerk in 2012 that had also been included in the OEB approved application.

Table 4-21 2013 Actual vs 2012 Actual

Department	2012 Actual	2013 Actual	2013 vs 2012 Actual
Executive	3	4	1
Financial Services	6	6	0
Customer Service Representatives	11	11	0
Engineering/Operations	11	11	0
Information Technology	2	3	1
Metering	4	4	0
Outside Lines People	12	12	0
	49	51	2

 In 2013 the Director, Engineering was moved from the Engineering/ Operations employee count into the Executive employee count. In 2013 Milton Hydro had a requirement for an additional Engineering Technician to assist with the additional duties related to microFIT contracts, completing customer demand work and train in engineering standards. Milton Hydro also hired an IT Systems Analyst to take on the duties of managing the "helpdesk" and assisting with the hardware and software requirements of Milton Hydro.

1 Table 4-22 2 2014 Actual vs 2013 Actual

Department	2013 Actual	2014 Actual	2014 vs 2013 Actual
Executive	4	5	1
Financial Services	6	6	0
Customer Service Representatives	11	11	0
Engineering/Operations	11	11	0
Information Technology	3	3	0
Metering	4	4	0
Outside Lines People	12	14	2
	51	54	3

In 2014 Milton Hydro replaced a contract management employee in the operations department with a new Director, Operations in the executive employee count. Milton Hydro also hired two line staff to augment the outside crews.

Table 4-23
2015 Bridge Year vs 2014 Actual

Department	2014 Actual	2015 Bridge Year	2015 Bridge Year vs 2014 Actual
Executive	5	5	0
Financial Services	6	7	1
Customer Service Representatives	11	12	1
Engineering/Operations	11	11	0
Information Technology	3	4	1
Metering	4	5	1
Outside Lines People	14	14	0
	54	58	4

Milton Hydro has not increased its CSR/Billing compliment from its 2011 OEB approved year. In 2015 Milton Hydro will hire a CSR due to the increased work requirements from customer growth and the fact that responses from the customer engagement process indicated that customer service could be improved. Milton Hydro also will hire a Communications Specialist in response to the customer engagement results that showed communications was a weak area for Milton Hydro.

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On January 1, 2016 Milton Hydro is taking on the AMI system from Trilliant as the contract ends at the end of 2015. In order to perform this function an AMI Operator has been hired. The difference in taking this system over and the wages for the AMI Operator results in a net savings to Milton Hydro's customers. The AMI Operator will also assist with other meter reading functions related to MV90.

Milton Hydro created a position for a Network Administrator which was filled with an internal candidate, the IT Systems Analyst. The Network Administrator is responsible for the administrative and operational support to ensure the optimal performance of the network including Milton Hydro's WiMax network. Milton Hydro has hired an IT System Analyst, on contract, to back fill the vacant position.

Table 4-24 – 2016
Test year vs 2015 Bridge year

Department	2015 Bridge Year	2016 Test Year	2016 Test Year vs 2015 Bridge Year
Executive	5	5	0
Financial Services	7	8	1
Customer Service Representatives	12	12	0
Engineering/Operations	11	12	1
Information Technology	4	4	0
Metering	5	5	0
Outside Lines People	14	15	1
	58	61	3

In the 2016 Test Year Milton Hydro plans to hire a Human Resource Specialist to assume the HR functions that are currently being done by individual Supervisors and the Finance department. A Journeyman Lineman will be hired for the outside crews and an Engineering Technician will be hired to prepare construction drawings, system design and assume work that had previously been contracted out. Each Engineering Technician has different functions and responsibilities.

Annual Wages and Benefit Increases

Annual Wages

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4 Milton Hydro has provided a summary of annual wage increases for 2011 to 2016 Test Year in Table 4-25 below:

Table 4-25
Summary of Wage Increases by Year

Year	Union %	Annual Contract %	Non-Union%
January 1, 2011	2.75%		3.00%
April 1, 2011	0.25%	2.94%	
April 1, 2011 - Lineman*	25 cents		
January 1, 2012	2.75%		2.80%
April 1, 2012	0.25%	2.94%	
April 1, 2012 - Lineman*	25 cents		
January 1, 2013	2.60%	2.60%	2.60%
January 1, 2013 - Lineman*	10 cents		
January 1, 2014	1.50%		2.60%
July 1, 2014	1.10%	2.34%	
July 1, 2014 - Lineman*	10 cents		
January 1, 2015	1.50%		2.50%
July 1, 2015	1.20%	2.41%	
July 1, 2015 - Lineman*	10 cents		
January 1, 2016	1.50%		2.40%
July 1, 2016	1.20%	2.41%	
July 1, 2016- Lineman*	10 cents		
* Market Adjustment			

Benefit Program Costs

Milton Hydro has provided a detailed summary of benefit program costs are presented in Table 4-26.

Statutory deductions have increased 45% between 2011 Actual and 2016 Test Year as a result of Milton Hydro's staff complement increasing from 49 to 61, rate increases, and wage increases.

Company benefits have increased almost 69% over the same timeframe mainly a result of OMERS increases of 85%. Health benefits, LTD and Life Insurance costs have increased 47% since 2011 a result of an increase in staffing and Milton Hydro's experience with benefit claims.

Table 4-26
Benefit Expense

Description	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge Year	2016 Test Year
Statutory						
CPP	107,731	118,273	124,488	130,970	149,033	157,049
El-Employer's Portion	47,655	53,277	58,629	62,152	68,726	71,065
Employer's Health Tax	76,305	83,097	89,432	98,925	105,654	111,130
WSIB Premium Expense	36,741	36,601	39,747	42,666	48,910	50,751
Total	268,431	291,247	312,295	334,712	372,322	389,995
Active						
OMERS	301,445	386,662	446,856	460,816	534,905	558,964
LTD Insurance	32,045	43,387	47,863	42,402	49,958	53,053
Life Insurance	14,516	17,780	21,091	20,107	23,642	24,417
Health Benefits (Health & Dental)	166,370	171,553	183,244	182,779	224,241	234,810
Total	514,376	619,381	699,053	706,105	832,746	871,244
Grand Total	782,806	910,629	1,011,348	1,040,817	1,205,068	1,261,239
Employee Future Benefits	47,965	44,615	24,037	34,944	15,108	15,735
Grand Total includind Employee Future Benefits	830,771	955,244	1,035,385	1,075,761	1,220,176	1,276,974

OMERS Pension Plan

Milton Hydro employees are members of the Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan that most LDCs participate in, therefore the pension benefit provided to Milton Hydro employees is consistent with that of other 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. Milton Hydro's pension premium information for 2011 Actual, 2012 Actual, 2013 Actual, 2014 Actual, 2015 Bridge Year and 2016 Test Year is detailed in Table 4-26 above. For the 2016 Test Year, Milton Hydro 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"

The OMERS pension costs are included in Table 4-26 above. The increases in OMERS premiums from 2011 through 2016 are explained by the increase in pension contribution rates as well as the increase in staff complement.

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Post-Retirement Benefits

Milton Hydro provides a post-employment benefit life insurance plan to all active full-time and retired employees.

Post-employment benefits are recorded on an accrual basis. The accrued benefit obligations and current service cost are calculated using the projected benefit method prorated on service and based on assumptions that reflect Management's best estimates. Under this method, the projected post-retirement benefit is deemed to be earned on a pro rata basis over the years of service in the attribution period commencing at date of hire and ending at the earliest age the employee could retire and qualify for benefits. The current service cost for the period is equal to the actuarial present value of benefits attributed 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 2011 – 2014 actuarial gains and losses are recognize in the year in which they are incurred.

Collins Barrow Toronto Actuarial Services Inc. performed the actuarial valuation of the post-retirement non-pension benefits sponsored by Milton Hydro to determine the accounting results for those benefits for the fiscal period ending December 31, 2014. The nature of these benefits is defined benefit.

The report is prepared in accordance with the Canadian Institute of Chartered Accountants ("CICA") guidelines outlined in Employee Future Benefits, Section 3461 of the CICA Handbook-Accounting ("CICA Section 3461"). CICA Section 3461 was first applied to Milton Hydro with effect from January 1, 2000.

DEVELOPMENT OF NET GAINS OR LOSSES

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Table A.3-Development of Net Gains or Losses (in thousands of dollars)

Expected ABO at December 31, 2013 per financial statements	265
Actual ABO at January 1, 2014	
Actuarial Loss/(Gain)	(34)
Amortization of Unamortized Actuarial Loss	
Unamortized Net Actuarial Loss (Gain) at December 31, 2013	
Actuarial Loss (Gain) for Current Year at January 1, 2014	
Total Loss (Gain) at January 1, 2014	(34)
Less: Actual Amortization for 2014	
Expected Unamortized Actuarial Loss (Gain) at December 31, 2014	

CICA Section 3461 States that any gain or loss in excess of 10% of the ABO must, at minimum, be amortized over the expected average remaining service lifetime ("EARSL"). The EARSL of the current active group is 13 years. CICA Section 3461 also allows for a method of amortization which recognizes gains and losses sooner than the minimum. However, the method chosen must be applied consistently from year to year. Milton Hydro has previously recognized the full actuarial (gain)/loss in the period immediately following the calculation change. The amount of actuarial gains that was recognized in year 2014 is \$33,808 as set out in Table 4-27

Results under International Financial Reporting Standards ("IFRS")

Also included, in separate accounting worksheets attached hereto, are the following items calculated on the basis of International Financial Reporting Standards IAS 19 (Employee Benefits):

Calculations of the present value of the defined benefit obligations at January 1, 2014.

• Extrapolation of the January 1, 2014 IAS 19 results for fiscal years ending December 31, 2014, December 31, 2015, and December 31, 2016.

Pursuant to paragraph 24 of IFRS 1 (First-Time Adoption of IFRS), the attached results are prepared based on the understanding that the Corporation will book an adjustment for all unrecognized actuarial gains and losses at the date of transition to IFRS, i.e. January 1, 2014.

The following is noted in regard to the attached IAS19 figures:

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- The employee data used is as detailed in the Report on the Actuarial Valuation of Post-Retirement Non-Pension Benefits as at January 1, 2014 ("Valuation Report") for Milton Hydro Distribution Inc.
- The assumptions used are the same as those detailed in the Valuation Report.
- The calculations conform to the standards as set out in International Accounting Standard 19 (Employee Benefits).
- The table below provides details of the adjustments to retained earnings to be made at the IFRS transition date for each of the entities noted above.

Table 4-27
Post-Retirement Benefits Liability

January 1, 2014	CICA 3461	Adjustment	IAS 19
ABO I Present Value Defined Benefit	\$231,449	\$ -	\$ 231,449
Actuarial Gains/(Losses)	\$ 33,808	\$(33,808)	-
Net Liability/(Asset)	\$265,257	\$(33,808)	\$ 231,449

The figures above at January 1, 2014 under CICA 3461 reflect the full actuarial valuation completed at that date, please see Valuation Report – Attachment 4-2, and are different than the December 31, 2013 figures reported by the Corporation.

Milton Hydro's post-retirement benefit information for 2011 Actual, 2012 Actual, 2013 Actual, 2014 Actual, 2015 Bridge Year and 2016 Test Year is well below materiality.

Shared Services/Corporate Cost Allocation

Milton Hydro currently has relationships with Milton Hydro Holdings Inc. ("Holdings") and Milton Energy Generation Services ("MEGS") both are affiliated companies. These relationships are for either the purchase of or provision of products and services and are in place to benefit from cost savings due to increased efficiencies and economies of scale. A summary of the transactions and pricing methodology used to assign costs for 2011 Actual, 2012 Actual, 2013 Actual, 2014 Actual and projections for the 2015 Bridge Year and 2016 Test Year, are shown in the following Tables 4-28 to Table 4-30 in the format of the OEB Appendices 2-N.

Shared Services

The pricing methodology used for shared services is cost based as identified in the Tables below. The fully allocated cost basis was selected as it is representative of the time devoted to providing the services and is based on an average estimated time spent by Milton Hydro staff on providing the services to Holdings and MEGS. All amounts billed to the affiliates excluded from Milton Hydro's OM&A.

Milton Hydro Holdings Inc. ("Holdings")

Holdings' Board of Directors meets every two months or as required. Holdings has no employees and charges each of its active affiliates a management fee based on a current estimate of the Board's resource utilization. The management fee is reviewed annually and covers the expenditures of the Board. Currently the Board's resource utilization is allocated 98% to Milton Hydro Distribution and 2% to MEGS.

No mark-up is applied to Holdings costs which consist primarily of Holdings Directors fees, meeting expenses, management services, administration, legal, audit and insurance expenses.

Milton Hydro Distribution Inc.

Milton Hydro provides services to both Holdings and MEGS for administrative services with includes accounting and finance, corporate support, banking services and management. The following Table 4-28 breaks out the charges for the shared services.

Milton Hydro Distribution Inc. EB-2015-0089 OPERATING EXPENSES EXHIBIT 4 Page 47 of 83 Filed: August 28, 2015

Services Provided to Affiliates

Milton Hydro provides water billing, customer service and collection services to MEGS who in turn has contracted with the Region of Halton ("Region") for provision of these services. MEGs is responsible for contracting the reading of the water meters. This service began part way through 2011 accounting for the difference from 2012 which is a full year of service. As Milton Hydro is not directly associated with the Region and considers the MEGS contract with the Region to be a commercial activity Milton Hydro charges MEGS a Basic Service Charge, invoiced, and calculated on fully allocated costs plus its allowed return of 6.65%. The revenue derived from water billing is based on the actual water meters billed by Milton Hydro. The revenue for the provision of this activity is recorded as a revenue offset in USofA 4390.

In addition, Milton Hydro provides for the billing of sentinel light rentals on behalf of MEGS on a fully allocated costs basis. Milton Hydro also performs the maintenance of sentinel lights on behalf of MEGS. Milton Hydro records the services provided for sentinel light maintenance on recoverable work orders and bills MEGS at actual cost based prices.

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Table 4-28

Appendix 2-N Shared Services and Corporate Cost Allocation ¹

Year: <u>2011</u>

Shared Services

Name	Name of Company		Pricina	Price for the	Cost for the
		Service Offered	Methodology	Service	Service
From	То			\$	\$
Milton Hydro Distribution Inc.	Milton Hydro Holdings Inc.	Administration Fee	Cost Based		16,116
Milton Hydro Distribution Inc.	Milton Energy Generation Services	Administration Fee	Cost Based		444
Milton Hydro Distribution Inc.	Milton Energy Generation Services	Admin Staff	Cost Based		6,579
Milton Hydro Distribution Inc.	Milton Energy Generation Services	Billing Sentinel Rentals	Cost Based		3,828
Milton Hydro Distribution Inc.	Milton Energy Generation Services	Bank Services	Cost Based		180
Milton Hydro Distribution Inc.	Milton Energy Generation Services	Sentinel Light Maintenance	Cost Based		11,967
Milton Hydro Distribution Inc.	Milton Energy Generation Services	Water Billing	Cost plus Return		271,911

Corporate Cost Allocation

Name	of Company		Dalata a	% of Corporate	Amount
		Service Offered	FIICHING	Costs Allocated	
From	То			%	\$
Milton Hydro Holdings Inc.	Milton Hydro Distribution Inc.	Management Fee	Cost Based	98	45,389

Year: <u>2012</u>

Shared Services

Name	of Company		Deining	Price for the	Cost for the	
		Service Offered	Pricing Methodology	Service	Service	
From	То			\$	\$	
Milton Hydro Distribution Inc.	Milton Hydro Holdings Inc.	Administration Fee	Cost Based		16,116	
Milton Hydro Distribution Inc.	Milton Energy Generation Services	Administration Fee	Cost Based		444	
Milton Hydro Distribution Inc.	Milton Energy Generation Services	Admin Staff	Cost Based		10,198	
Milton Hydro Distribution Inc.	Milton Energy Generation Services	Billing Sentinel Rentals	Cost Based		3,828	
Milton Hydro Distribution Inc.	Milton Energy Generation Services	Bank Services	Cost Based		180	
Milton Hydro Distribution Inc.	Milton Energy Generation Services	Sentinel Light Maintenance	Cost Based		6,506	
Milton Hydro Distribution Inc.	Milton Energy Generation Services	Water Billing	Cost plus Return		475,448	

Corporate Cost Allocation

Name	Name of Company		Dulata a	% of Corporate	Amount	
		Service Offered	Pricing Methodology	Costs Allocated		
From	То			%	\$	
Milton Hydro Holdings Inc.	Milton Hydro Distribution Inc.	Management Fee	Cost Based	98	21,832	

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Year: <u>2013</u>

Shared Services

Name of Company			Pricing	Price for the	Cost for the	
		Service Offered	Methodology	Service	Service	
From	То			\$	\$	
Milton Hydro Distribution	Milton Hydro Holdings Inc.	Administration Fee	Cost Based		16,116	
Milton Hydro Distribution	Milton Energy Generation Services	Administration Fee	Cost Based		444	
Milton Hydro Distribution	Milton Energy Generation Services	Admin Staff	Cost Based		6,105	
Milton Hydro Distribution	Milton Hydro Holdings Inc.	Admin Staff	Cost Based		3,839	
Milton Hydro Distribution	Milton Energy Generation Services	Billing Sentinel Rentals	Cost Based		3,828	
Milton Hydro Distribution	Milton Energy Generation Services	Bank Services	Cost Based		180	
Milton Hydro Distribution	Milton Energy Generation Services	Sentinel Light Maintenance	Cost Based		9,545	
Milton Hydro Distribution	Milton Energy Generation Services	Water Billing	Cost plus Return		519,884	

Corporate Cost Allocation

Name of Company			Pricing	% of Corporate	Amount	
		Service Offered	Methodology	Costs Allocated	Allocated	
From	То		Methodology	%	\$	
Milton Hydro Holdings In	Milton Hydro Distribution Inc.	Management Fee	Cost Based	98	29,631	

Year: <u>2014</u>

Shared Services

Nan	ne of Company		Duining	Price for the	Cost for the	
		Service Offered	Pricing Methodology	Service	Service	
From	То		cc.c.gy	\$	\$	
Milton Hydro Distribution	Milton Hydro Holdings Inc.	Administration Fee	Cost Based		16,116	
Milton Hydro Distribution	Milton Energy Generation Services	Administration Fee	Cost Based		444	
Milton Hydro Distribution	Milton Energy Generation Services	Admin Staff	Cost Based		15,500	
Milton Hydro Distribution	Milton Hydro Holdings Inc.	Admin Staff	Cost Based		3,632	
Milton Hydro Distribution	Milton Energy Generation Services	Billing Sentinel Rentals	Cost Based		3,828	
Milton Hydro Distribution	Milton Energy Generation Services	Bank Services	Cost Based		180	
Milton Hydro Distribution	Milton Energy Generation Services	Sentinel Light Maintenance	Cost Based		8,499	
Milton Hydro Distribution	Milton Energy Generation Services	Water Billing	Cost plus Return		552,475	
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Corporate Cost Allocation

Name of Company			Deisina	% of Corporate	Amount	
		Service Offered	Pricing Methodology	Costs Allocated	Allocated	
From	То		mearederegy	%	\$	
Milton Hydro Holdings In	Milton Hydro Distribution Inc.	Management Fee	Cost Based	98	20,528	
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Year: 2015

Shared Services

Name of Company			Pricing	Price for the	Cost for the
		Service Offered	Methodology	Service	Service
From	То			\$	\$
Milton Hydro Distribution	Milton Hydro Holdings Inc.	Administration Fee	Cost Based		16,596
Milton Hydro Distribution	Milton Energy Generation Services	Administration Fee	Cost Based		444
Milton Hydro Distribution	Milton Energy Generation Services	Admin Staff	Cost Based		13,556
Milton Hydro Distribution	Milton Hydro Holdings Inc.	Admin Staff	Cost Based		3,433
Milton Hydro Distribution	Milton Energy Generation Services	Billing Sentinel Rentals	Cost Based		3,828
Milton Hydro Distribution	Milton Energy Generation Services	Bank Services	Cost Based		180
Milton Hydro Distribution	Milton Energy Generation Services	Sentinel Light Maintenance	Cost Based		8,198
Milton Hydro Distribution	Milton Energy Generation Services	Water Billing	Cost plus Return		588,075

Corporate Cost Allocation

Name of Company			Bulletin	% of Corporate	Amount
		Service Offered	Pricing Methodology	Costs Allocated	
From	То		line in outline gy	%	\$
Milton Hydro Holdings II	Milton Hydro Distribution Inc.	Management Fee	Cost Based	98	67,064

Year: <u>2016</u>

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service	
From	То			\$	\$	
Milton Hydro Distribution	Milton Hydro Holdings Inc.	Administration Fee	Cost Based		17,100	
Milton Hydro Distribution	Milton Energy Generation Services	Administration Fee	Cost Based		444	
Milton Hydro Distribution	Milton Energy Generation Services	Admin Staff	Cost Based		13,556	
Milton Hydro Distribution	Milton Hydro Holdings Inc.	Admin Staff	Cost Based		3,433	
Milton Hydro Distribution	Milton Energy Generation Services	Billing Sentinel Rentals	Cost Based		3,828	
Milton Hydro Distribution	Milton Energy Generation Services	Bank Services	Cost Based		180	
Milton Hydro Distribution	Milton Energy Generation Services	Sentinel Light Maintenance	Cost Based		8,198	
Milton Hydro Distribution	Milton Energy Generation Services	Water Billing	Cost plus Return		626,579	

Corporate Cost Allocation

Name of Company			Duining	% of Corporate	Amount			
		Service Offered	Service Offered	Methodology	i noing			
From	То			%	\$			
Milton Hydro Holdings In	Milton Hydro Distribution Inc.	Management Fee	Cost Based	98	71,724			

The water billing service began part way through 2011 accounting for the difference in the amount charged to MEGS in 2011 and 2012 which is a full year of service. The remaining annual variances in the cost for the service or the amount allocated, as provided in the Tables above, are below Milton Hydro's materiality of \$90,000.

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Reconciliation of Revenues from Affiliates

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

Table 4-29
Reconciliation of Services to Affiliates

Item	Source Account 2		2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
Appendix 2-N Shared Service	Appendix 2-N Shared Services		519,012	559,941	600,674	634,310	673,318
	4390-Miscellaneous Non-Operating Income	287,706	485,782	533,257	564,802	600,101	638,605
Exhibit 4: Reduction to OM&A	5625-Administrative Expense Transferred-Credit	23,139	33,050	26,504	35,692	34,029	34,533
	5620-Office Supplies and Expenses	180	180	180	180	180	180
		311,025	519,012	559,941	600,674	634,310	673,318

Purchases of Non-Affiliate Services

Milton Hydro'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 of Milton Hydro follow legal, ethical, managerial, and professional standards. Milton Hydro's purchasing policy does identify certain situations where a competitive bid process may not be followed. Milton Hydro confirms that it is in compliance with the Purchasing Policy. In accordance with the Board's Filing Requirements issued on July 16, 2015, Milton Hydro has provided a copy of its Purchasing Policy as Attachment 4-3.

The Tables 4-30 below illustrates Milton Hydro's purchases by vendor for 2011-2014, where actual expenditures exceeded the \$90,000 materiality threshold calculated for this application. The tables also identify the method of selecting the vendor. Milton Hydro has a qualified list of

suppliers/vendors; Milton Hydro anticipates continuing to select from the qualified list of suppliers/vendors. Milton Hydro continually updates its list of qualified suppliers/vendors.

Table 4-30

Product and Services of Non-Affiliates – 2011 – 2014

Supplier	Vendor Description	Procurement Method	2011	2012	2013	2014
ABB INC	Transformers	RFQ Purchase			122,469	
ABB PITTSBURGH	Transformers	RFQ Purchase	318,992			
ANIXTER CANADA INC	Cable Supplier	RFQ Purchase				174,025
AVERTEX UTILITY	Contracted Labour	Tendered Labour	694,161			
BEL VOLT SALES LTD	Arrestors, brackets, switches etc.	RFQ Purchase		140,276	76,731	70,621
BETHLEHEM TRENCHING LTD	Trenching	Tendered Labour	419,603	322,188	228,511	
BLACK & MCDONALD LIMITED	Contracted Labour	Tendered Labour	138,860	129,795		
CANADA POWER PRODUCTS	Reclosures	RFQ Purchase		102,546		
CANADIAN ELECTRICAL SERVICES	Submersible Transformers	RFQ Purchase	101,977			175,726
COLONIAL TREE SERVICE	Tree Trimming	Tendered Labour	116,322			
DUNDAS POWER LINE LTD	Contracted Labour	Tendered Labour		150,742		
G&W /CANADA POWER PRODUCTS	Reclosures	RFQ Purchase		92,316	481,683	284,420
GUELPH UTILITY POLE CO.	Poles	RFQ Purchase	137,550	606,436	100,744	473,138
HARRIS COMPUTER SYSTEMS	Software Provider	Sole Source	97,249	229,138	272,496	229,341
HD SUPPLY UTILITIES	Insulators, Arrestors, Clamps etc.	RFQ Purchase	1,072,455	1,130,611	864,514	934,371
HORIZON ENERGY SOLUTIONS INC	Meter Service Provider	Sole Source				97,351
ITRON CANADA INC	Metering Materials	RFQ Purchase	131,751	120,603	107,821	127,073
J & N TRAFFIC CONTROL	Traffic Control	Tendered Labour			86,750	69,512
KABAR INDUSTRIES LTD	Pole line Hardware and Accessories	RFQ Purchase	71,368	66,377		
K-LINE MAINTENANCE & CONSTRUCT	Contracted Labour	Tendered Labour	889,818	1,249,211	341,034	459,614
LAPRAIRIE INC	Connectors etc.	RFQ Purchase		166,672	91,135	259,292
MILLER TREE	Tree Trimming	Tendered Labour	339,463	422,507	497,541	624,760
MOLONEY ELECTRIC	Transformers	RFQ Purchase			134,268	
NBM ENGINEERING	Contracted Labour	Tendered Labour	225,836	326,237	223,676	336,242
NORAMCO	Wire	RFQ Purchase			130,622	
OLAMETER METER READING	Meter Reading	Tendered Labour	119,029	82,642	98,319	103,903
PENINSULA VIDEO & SOUND	Locates	Reciprical Arrangement	241,759	281,323	299,900	351,953
PREMI-AIR	New Building Contractor	Tendered Labour				121,226
R KIDD FUELS CORP	Fuel for Trucks	Sole Source		75,841	83,567	101,071
S&C ELECTRIC CANADA LTD	Scada mate Switches	RFQ Purchase	422,948			
SCHNEIDER ELECTRIC CANADA INC	Contracted Labour	Tendered Labour		106,428		
SKY CAST	Poles	RFQ Purchase	174,938			
SOIL-VAC EXCAVATION	Soil Evacuation Service	RFQ Purchase				98,491
STURDY POWER LINES LTD	Contracted Labour	Tendered Labour	353,876	264,511	831,542	822,909
SUPER SUCKER HYDRO VAC	Vacuum Excavation	RFQ Purchase	78,394	71,663	105,833	90,658
SURVALENT TECHNOLOGY	Software Support	Tendered Labour			167,127	
THOMAS & BETTS LIMITED	Transformers	RFQ Purchase	101,889	71,642		71,642
TRILLIANT AMR	Meter Service Provider	RFQ Purchase	193,696	163,995	78,098	
TRILLIANT NETWORKS	Meter Service Provider	RFQ Purchase	227,177	286,261	474,660	421,629
VALARD CONSTRUCTION LP	Contracted Labour	Tendered Labour		423,303	*	586,812
WAJAX EQUIPMENT	Contracted Labour	Tendered Labour			464,085	
WESTBURNE RUDDY ELEC	Various materials, duct	RFQ Purchase				217,806
WESTMORE POLELINE & ELECTRIC	Contracted Labour	Tendered Labour			401,964	237,397
WM. BETHLEHEM TRENCHING LTD	Trenching	Tendered Labour			297,704	1,281,833

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One-Time Costs

Milton Hydro has included one-time cost or non-annual costs of \$162,660 in its 2016 Test Year revenue requirement, based on a five year recovery for the costs legal and consulting fees for the preparation and defence of the Application, and OEB and intervenor costs, of which one fifth (1/5th) \$123,160 are included in the 2016 Test Year. Also included in the 2016 Test Year are the Customer Engagement costs amortized over two years at \$39,500, as the OEB requires distributors to undertake the Customer Engagement at least every two years. The one-time costs would be recovered over the five years until the next rebasing. The costs are identified in Table 4-31 below.

Table 4-31

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One-time Costs

One-Time Cost	Total Cost	2016 Test Year
Cost of Sevice Rate Application	615,800	123,160
Customer Satisfaction Surveys	79,000	39,500
Total One-Time Costs	694,800	162,660

Cost of Service Application

Milton Hydro estimates that the total incremental costs for the preparation, legal and consulting,, interrogatories, proceedings, OEB facilitation costs, Intervenor costs and OEB expert consultants costs associated with this Cost of Service Application will be \$615,800, details are described in Regulatory section of this EXHIBIT, Table 4-32 - OEB Approved Appendix 2-M. One fifth of this amount has been included in the 2016 Test Year.

Regulatory Costs

Milton Hydro's Director, Regulatory Affairs is primarily responsible for preparing Regulatory Filings and Rate Applications, completing audits, ensuring regulatory and legislative compliance and providing input to the various regulatory agencies.

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

Milton Hydro will incur significant costs for preparing, processing and approval of its Cost of Service Application. The costs include consulting and legal fees, OEB facilitation costs, intervenor cost awards and OEB expert consultants costs as identified in Table 4-34, Board Appendix 2-M. The total cost for this application is forecasted to be \$615,800. Milton Hydro has forecasted \$202,200 for legal; \$173,600 for consultants; \$140,000 for Intervenor cost awards and \$100,000 for the OEB engineering consultants to review Milton Hydro's DSP. Also included in the Regulatory costs are the costs related to the OEB mandatory Customer Satisfaction and Engagement surveys in the amount of \$79,000 which are amortized over two years. Milton Hydro requests approval for the recovery of these costs over a two and five year period. Therefore, in the 2016 Test Year, Milton Hydro has included \$162,660 in OM&A.

Table 4-32
Regulatory Costs – Appendix 2-M

Reg	atory Cost Category USoA Account Balance Ongoing or One-time Cost? 2				Ye	Rebasing ar (2011 Board proved)	Mo	ost Current Actuals Year 2014	2015 Bridge Year	Annual % Change	2016 Test Year		Annual % Change																														
	(A)	(B)	(C)	(D)		(E)		(E)		(E)		(E)		(E)		(E)		(E)		(E)		(E)		(E)		(E)		(E)		(E)		(E)		(E)		(E)		(F)	(G)	(H) = [(G)-(F)]/(F)		(1)	(J) = [(I)-(G)]/(G)
1	OEB Annual Assessment	5655		On-Going	\$	71,781	\$	83,023	\$ 90,000	8.40%	\$	93,000	3.33%																														
2	OEB Section 30 Costs (Applicant-originated)																																										
3	OEB Section 30 Costs (OEB-initiated)	5655		On-Going	\$	2,500					\$	2,500																															
4	Expert Witness costs for regulatory matters																																										
5	Legal costs for regulatory matters	5655		One-Time	\$	14,625					\$	40,440																															
6	Consultants' costs for regulatory matters	5655		One-Time	\$	16,500	\$	26,899		-100.00%	\$	34,720																															
7	Operating expenses associated with staff																																										
	resources allocated to regulatory matters																																										
8	Operating expenses associated with other	5655		On-Going			\$	877	\$ 5,000	469.83%	\$	3,100	-38.00%																														
	resources allocated to regulatory matters 1																																										
9	Other regulatory agency fees or assessments																																										
10	Any other costs for regulatory matters (please	5655		On-Going	\$	14,000					\$	39,500																															
1	define)																																										
11	Intervenor costs	5655		One-Time	\$	25,000	\$	2,308	\$ 2,500	8.32%	\$	48,000	1820.00%																														
12	Sub-total - Ongoing Costs 3		\$ -		\$	88,281	\$	83,900	\$ 95,000	13.23%	\$	138,100	45.37%																														
13	Sub-total - One-time Costs ⁴		\$ -		\$	56,125	\$	29,207	\$ 2,500	-91.44%	\$	123,160	4826.40%																														
	Total		\$ -		\$	144,406	\$	113,107	\$ 97,500	-13.80%	\$	261,260	167.96%																														

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	Amortized Over 5 Years
-	Expert Witness costs				
	Legal costs			202,200	40,440
-	Consultants' costs			173,600	34,720
7	Incremental operating expenses associated with staff resources allocated to this application.				
8	Incremental operating expenses associated with other resources allocated to this application. OEB Expert Engineering Consultant -DSP			100,000	20,000
1	Any other costs for regulatory matters (please define)			79,000	39,500
1	I Intervenor costs			140,000	28,000
	Total		_	694,800	162,660

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Low-income Energy Assistance Program (LEAP)

In 2011 Milton Hydro contributed \$15,600 to the Low-Income Energy Assistance Program ("LEAP") based on 0.12% of Milton Hydro's Distribution Revenue Requirement of \$13,005,180. This amount has been contributed to the Salvation Army annually for 2011 to 2015. In addition, Milton Hydro contributed an additional \$16,400 in 2015. This amount is not included in this Application for recovery.

Milton Hydro will continue to provide low-income customers with emergency financial assistance in the future. Milton Hydro has included \$22,800 in the 2016 Test Year as an estimate and will contribute 0.12% of its approved 2016 Test Year service revenue requirement once determined.

Charitable Donations and Political Donations

 Milton Hydro confirms that it does not make charitable or political donations through the distribution company and therefore there are no amounts to be removed from this Application.

DEPRECIATION, AMORTIZATION AND DEPLETION

Overview

Milton Hydro's current depreciation/amortization policy is based on Canadian Generally Accepted Accounting Principles (CGAAP), and guidelines set out by the OEB, where applicable. Milton Hydro has converted to IFRS January 1, 2015 and as such the depreciation/amortization policy in effect for the 2015 Bridge Year and 2016 Test Year is compliant with MIFRS.

On July 17, 2012 the Board issued a statement advising of changes to depreciation rates and capitalization policies that would have been implemented under IFRS and could be made in 2012 under CGAAP (i.e. effective January 1, 2012), and must be made no later than 2013 (i.e. effective January 1, 2013), regardless of whether the Canadian Accounting Standards Board (AcSB) permitted further deferrals beyond 2013 for the changeover to IFRS (Board Letter, July 17, 2012 "Regulatory accounting policy direction regarding changes to depreciation expense and capitalization policies in 2012 and 2013"). In 2013, Milton Hydro implemented the change

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to depreciation rates and the componentization of PP&E. Milton Hydro used the Kinectrics report dated July 18, 2010, prepared for the OEB, as a guide and an assessment was ade of remaining service lives for the purposes of determining the computation of depreciation expense on a go-forward basis. Milton Hydro confirms that significant parts or components of each item of PP&E are being depreciated separately. This is discussed in more detail below.

Milton Hydro's capital assets related to the distribution system and capital contributions are amortized on a straight line basis, applying the "half-year" rule in the year of addition, over the deemed life of the assets. The "half-year" rule continues to be used for the 2016 Test Year capital additions and capital contributions. This is in accordance with Section 2.4.4 of Chapter 2 of the Filing Requirements for Electricity Distribution Rate Applications.

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

Milton Hydro's accounting policy is to expense borrowing costs. It does not capitalize interest on capital projects unless they meet the IFRS criteria of a qualifying asset which is defined in the Board's *Report of the Board EB-2008-0408 Transition to International Financial Reporting Standards, July 28, 2009* as "an asset that necessarily takes a substantial period of time to get ready for its intended use or sale." Milton Hydro has capitalized borrowing costs on a construction loan from IO for the renovations to its new Service Centre and Administration building in it 2015 Bridge Year estimated in the amount of \$367,474.

A summary of Milton Hydro's depreciation by year is provided in Table 4-33. Tables 4-34 through 4-40 provide a summary by year for 2011 Actual, 2012 Actual, 2013 Actual, 2014 Actual, 2015 Bridge Year and 2016 Test Year of Milton Hydro's depreciation expense including asset amounts and rates of depreciation or amortization. These tables tie back to the accumulated depreciation balances in the Fixed Asset Continuity Schedules provided in EXHIBIT 2 - Rate Base, that are consistent with Board Appendix 2-BA.

Table 4-33

Summary of Depreciation / Amortization by Year

		2011 Board						
USoA	Description	Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
Reporting		CGAAP	CGAAP	CGAAP	RCGAAP	MIFRS	MIFRS	MIFRS
1609	Capital Contributions Paid				1,524	3,059	3,059	3,059
1611	Software				18,326	50,888	82,530	104,930
1805	Land				-,-	,	, , , , , , , , , , , , , , , , , , , ,	,
1806	Land Rights							
	Buildings and Fixtures							
1810	Leasehold Improvements							
1815	Transformer Station Equipment - Normally Primary above 50 kV							
1820	Distribution Station Equipment - Normally Primary below 50 kV	23,011	23,011	23,011	23,011	23,011	23,011	23,011
	Storage Battery Equipment							
1830	Poles, Towers and Fixtures	784,245	720.094	827,051	426.394	475.786	462,736	560.804
	Overhead Conductors and Devices	634,560	625,677	673,299	276,361	297,679	386,616	375,334
1840	Underground Conduit	769,380	802,272	863,986	474,315	512,029	573,327	620,884
	Underground Conductors and Devices	602,593	596,496	626,753	334,539	353,320	373,787	399,241
1850	Line Transformers	1,217,616	1,349,137	1,366,718	647,454	683,051	714,602	741,959
1855	Services	448,700	263,410	309,880	205,736	225,427	248,426	274,668
	Meters	553,960	559,549	568,728	745,788	701,423	722,424	741,734
1865	Other Installations on Customer's Premises	,		,	,	,	<i>'</i>	,
1905	Land							
1906	Land Rights							
	Buildings and Fixtures	-	_	-		_	105,000	210,000
1910	Leasehold Improvements	71,163	80,211	80,211	80,211	12,024	-	-
1915	Office Furniture and Equipment	10,624	12,585	16,677	16,938	15,390	40,390	65,390
1920	Computer Equipment - Hardware	86,920	51,477	54,198	62,527	74,948	84,919	101,219
1925	Computer Software	70,602	37,469	72,736	48,227	58,580	46,471	46,471
1930	Transportation Equipment	138,446	144,636	114,356	74,427	114,437	161,308	205,996
1935	Stores Equipment	8,318	9,089	6,077	5,012	7,370	12,246	19,956
1940	Tools, Shop and Garage Equipment	6,950	5,172	5,210	7,663	6,916	7,794	8,744
1945	Measurement and Testing Equipment	3,172	6,048	10,469	9,356	9,476	9,476	9,476
	Power Operated Equipment							
1955	Communication Equipment	19,578	9,424	10,737	10,829	12,203	66,857	163,357
1960	Miscellaneous Equipment							
1970	Load Management Controls - Customer Premises							
1975	Load Management Controls - Utility Premises							
1980	System Supervisory Equipment				1,757	4,441	14,375	23,375
1985	Sentinel Lighting Rentals							
1990	Other Tangible Property	4,667	6,878	10,089	13,301	13,301	13,301	13,301
1995	Contributions and Grants	- 1,640,853	- 1,550,573	- 1,677,429	- 929,573	- 1,028,778	- 1,121,371	1,196,206
	Total Depreciation Amount	3,813,651	3,752,063	3,962,758	2,554,121	2,625,983	3,031,284	3,516,702
	Less: Fully Allocated Depreciation							
1930	Transportation	138,446	144,636	114,356	74,338	114,437	161,308	205,996
1935	Stores	8,318	9,089	6,077				
1940	Tools	6,950	5,172	5,210	7,663	6,916	7,794	8,744
1945	Measurement & Testing Equipment	3,172	6,048	10,469	9,356	9,476	9,476	9,476
	Total Depreciation Adjustments	156,886	164,946	136,112	91,357	130,829	178,578	224,216
	Total Depreciation for Rate Setting Purposes	3.656.765	3,587,117	3,826,646	2,462,764	2,495,154	2,852,706	3,292,486

Table 4-34

2 2011 Actuals – Asset Amount, Accumulated Amortization, Depreciation Amount & Rate

of Depreciation - CGAAP

	Acc	oun	ing Standard		CGAAP			
	Acc	Juil	ing Standard Year		2011			
			ieai	1	2011			
OEB								
Account		G	Fross Fixed				umulated	Depreciation
3	Description ³		Assets	De	preciaiton	Dep	reciation	Rate
1611	Computer Software (Formally known as Account 1925)	\$	502,729	-\$	37,470	-\$	390.011	20.0%
1610	Land Rights (Formally known as	Ψ	502,725	Ψ	01,410	Ψ	030,011	20.070
1612	Account 1906)	\$	-			\$	-	
1805	Land	\$	69,883			\$	-	0.0%
1808	Buildings	\$	-			\$	-	
1810	Leasehold Improvements	\$	-			\$	-	
1815 1820	Transformer Station Equipment >50 kV	\$	- 4 540 400		00.044	\$ -\$	4 000 704	4.0%
1825	Distribution Station Equipment <50 kV Storage Battery Equipment	\$	1,516,192	-\$	23,011	_	1,380,731	4.0%
1830	Poles, Towers & Fixtures	\$	22,717,466	-\$	720,094	\$ -\$	8,839,734	4.0%
1835	Overhead Conductors & Devices	\$	19,530,932	-\$	625,677	-\$	11,369,087	4.0%
1840	Underground Conduit	\$	20,759,670	-\$	802,272	-\$	6,489,123	4.0%
1845	Underground Conductors & Devices	\$	15,703,994	-\$	596,496	-\$	6,180,098	4.0%
1850	Line Transformers	\$	33,586,211	-\$	1,349,137	-\$	15,343,508	4.0%
1855	Services (Overhead & Underground)	\$	11,929,187	-\$	263,410	-\$	3,217,430	4.0%
1860	Meters	\$	-			\$	-	
1860	Meters (Smart Meters)	\$	9,821,580	-\$	559,549	-\$	3,444,970	6.7%
1905	Land	\$	1,142,052			\$	-	
1908	Buildings & Fixtures	\$	-			\$	-	
1910	Leasehold Improvements	\$	377,009	-\$	80,211	-\$	204,563	20.0%
1915	Office Furniture & Equipment (10 years)	\$	712,089	-\$	12,585	-\$	588,670	10.0%
1915	Office Furniture & Equipment (5 years)	\$	-			\$	-	20.0%
1920	Computer Equipment - Hardware	\$	1,600,083	-\$	51,477	-\$	1,432,853	20.0%
1920	Computer EquipHardware(Post Mar. 22/04)	\$	_			\$	_	
	Computer EquipHardware(Post Mar.	Ψ				Ψ		
1920	19/07)	\$	-			\$	-	
1930	Transportation Equipment	\$	1,984,461	-\$	144,636	-\$	1,420,207	12.5% / 20%
1935	Stores Equipment	\$	224,974	\$	9,089	-\$	165,904	10.0%
1940	Tools, Shop & Garage Equipment	\$	393,448	-\$	5,172	-\$	371,388	10.0%
1945	Measurement & Testing Equipment	\$	89,254	-\$	6,048	-\$	23,214	10.0%
1950	Power Operated Equipment	\$	-			\$	-	
1955	Communications Equipment	\$	220,383	-\$	9,424	-\$	166,291	10.0%
1955	Communication Equipment (Smart Meters)	\$	_			\$	_	
1960	Miscellaneous Equipment	\$	_			\$	_	
	Load Management Controls Customer	Ψ				_		
1970	Premises	\$	-			\$	-	
1975	Load Management Controls Utility	\$				\$		
1980	Premises System Supervisor Equipment	\$	41,545			-\$	41,545	
1985	Miscellaneous Fixed Assets	\$	41,545			- - \$	41,545	
1990	Other Tangible Property	\$	68,775	-\$	6,878	-\$	10.315	10.0%
1995	Contributions & Grants	-\$	40,103,153	- - \$	1,550,573	-ş \$	9,669,992	4.0%
2440	Deferred Revenue ⁵	Ť	.0, .00, 100	Ť	.,000,010	<u> </u>	0,000,002	2.070
		\$	-			\$	-	
	Sub-Total	\$	102,888,765	-\$	3,752,063	-\$	51,409,650	
	Less Socialized Renewable Energy							
	Generation Investments (input as	\$				\$		
	negative) Less Other Non Rate-Regulated Utility	Ψ	<u>-</u>			Ψ		
	Assets (input as negative)	\$	-			\$	-	
	Total PP&E	\$	102,888,765	-\$	3,752,063	-\$	51,409,650	
	Depreciation Expense adj. from gain	n oi	loss on the					
	retirement of assets (pool of like asset	s), it	f applicable ⁶					
	Total			-\$	3,752,063			
	Transportation			-\$	144,636			
				0	0.000			
	Stores Equipment			-\$	9,089			
	Stores Equipment Tools, Shop & Garage Equipment Measurement & Testing Equipment			-\$ -\$	5,172 6,048			

Table 4-35

2012 Actuals – Asset Amount, Accumulated Amortization, Depreciation Amount & Rate

of Depreciation – CGAAP

		Acc	our	nting Standard		CGAAP			
			_	Year		2012			
	OEB		Г						
CCA Class ²	Account 3	Description ³		Gross Fixed Assets	D	epreciaiton		umulated preciation	Depreciation Rate
12	1611	Computer Software (Formally known as Account 1925)	\$	697,333	-\$	72,736	-\$	462,747	20.0%
CEC	1612	Land Rights (Formally known as Account 1906)	\$	-	Ψ	72,700	\$	102,711	20.070
N/A	1805	Land	\$	69,883			\$	-	0.0%
47	1808	Buildings	\$	-			\$	-	
13	1810	Leasehold Improvements	\$	-			\$	-	
47	1815	Transformer Station Equipment >50 kV	\$	-			\$	-	
47	1820	Distribution Station Equipment <50 kV	\$	1,516,192	-\$	23,011	-\$	1,403,742	4.0%
47	1825	Storage Battery Equipment	\$		_		\$	-	
47	1830	Poles, Towers & Fixtures	\$	26,746,709	-\$	827,052	-\$	9,666,786	4.0%
47 47	1835 1840	Overhead Conductors & Devices Underground Conduit	\$	21,079,859	-\$ -\$	673,299 863,986	-\$	12,042,386	4.0%
47	1845	Underground Conductors & Devices	\$	22,291,209 16,497,130	-\$ -\$	626,753	-\$ -\$	7,353,109 6,806,851	4.0%
47	1850	Line Transformers	\$	35,028,627	-\$	1,366,718	-\$	16,710,226	4.0%
47	1855	Services (Overhead & Underground)	\$	13,221,494	-\$	309,880	-\$	3,527,310	4.0%
47	1860	Meters	\$	-		,	\$	-	
47	1860	Meters (Smart Meters)	\$	10,398,464	-\$	568,728	\$	4,013,698	6.7%
N/A	1905	Land	\$	1,142,052			\$	-	
47	1908	Buildings & Fixtures	\$	-			\$	-	
13	1910	Leasehold Improvements	\$	377,009	-\$	80,211	-\$	284,774	20.0%
8	1915	Office Furniture & Equipment (10 years)	\$	712,089	-\$	16,677	-\$	605,347	10.0%
10	1915 1920	Office Furniture & Equipment (5 years) Computer Equipment - Hardware	\$	4 050 740	•	54,198	\$	4 407 054	20.0%
		Computer Equipment - Hardware Computer EquipHardware(Post Mar.	3	1,656,712	-\$	54,198	-\$	1,487,051	20.0%
45	1920	22/04)	\$	-			\$	-	
45.1	1920	Computer EquipHardware(Post Mar. 19/07)	\$	-			\$	-	
10	1930	Transportation Equipment	\$	1,954,646	-\$	114,356	-\$	1,504,748	12.5% / 20%
8	1935 1940	Stores Equipment Tools, Shop & Garage Equipment	\$	224,974	-\$	6,077	-\$	171,981	10.0%
8	1945	Measurement & Testing Equipment	\$	399,984 124,136	-\$ -\$	5,210 10,469	-\$ -\$	376,598 33,683	10.0% 10.0%
8	1950	Power Operated Equipment	\$	124,100	Ψ	10,403	\$	-	10.070
8	1955	Communications Equipment	\$	236,292	-\$	10,737	-\$	177,028	10.0%
8	1955	Communication Equipment (Smart Meters)	\$				\$		
8	1960	Miscellaneous Equipment	\$				\$		
47	1970	Load Management Controls Customer Premises	\$				\$	_	
47	1975	Load Management Controls Utility	m					_	
47	1980	Premises System Supervisor Equipment	\$	41,545			\$ -\$	41,545	6.7%
47	1985	Miscellaneous Fixed Assets	\$				\$		0.770
47	1990	Other Tangible Property	\$	133,004	-\$	10,089	-\$	20,404	10.0%
47	1995	Contributions & Grants	-\$	43,960,304	\$	1,677,429	\$	11,347,421	4.0%
47	2440	Deferred Revenue ⁵		•					-
			\$	-			\$	-	
		Sub-Total	\$	110,589,040	-\$	3,962,758	-\$	55,342,593	
		Less Socialized Renewable Energy Generation Investments (input as					•		
		negative) Less Other Non Rate-Regulated Utility	\$	-			\$	-	
		Assets (input as negative)	\$	110 500 040	•	2 000 750	\$	- EE 240 E00	
	1	Total PP&E Depreciation Expense adj. from gai	\$ n o	110,589,040	-\$	3,962,758	-\$	55,342,593	
		retirement of assets (pool of like asse							
		Total	-91		-\$	3,962,758			
			H						
10		Transportation	H		-\$	114,356			
8	1	Stores Equipment	T		-\$	6,077			
8		Tools, Shop & Garage Equipment	Γ		-\$	5,210			
8		Measurement & Testing Equipment			-\$	10,469			
			_		-\$	3,826,646			

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Table 4-36
2 2013 Actuals – Asset Amount, Accumulated Amortization, Depreciation Amount & Rate

of Depreciation - CGAAP

		Acc	oun	ting Standard		CGAAP			
				Year		2013			
CCA Class ²	OEB Account	Description ³	,	Gross Fixed Assets		Depreciaiton		umulated preciation	Depreciation Rate
47	1609	Capital Contributions Paid	\$	122,349	-\$	2,447	-\$	2,447	4.0%
12	1611	Computer Software (Formally known as Account 1925)	\$	880,584	-\$	103,278	-\$	566,025	20.0%
CEC	1612	Land Rights (Formally known as Account 1906)	\$	_			\$	_	
N/A	1805	Land	\$	69,883			\$	-	0.0%
47	1808	Buildings	\$	-			\$	-	
13	1810	Leasehold Improvements	\$	-			\$	-	
47	1815	Transformer Station Equipment >50 kV	\$		_		\$		
47 47	1820 1825	Distribution Station Equipment <50 kV Storage Battery Equipment	\$	1,516,192	-\$	23,011	-\$	1,426,753	4.0%
47	1830	Poles, Towers & Fixtures	<u> </u>	20.067.566	-\$	015 627	\$ -\$	10 592 422	4.0%
47	1835	Overhead Conductors & Devices	\$	29,067,566 21,987,645	-\$ -\$	915,637 722,438	- 5 -\$	10,582,423 12,764,824	4.0%
47	1840	Underground Conduit	\$	24,186,973	-ş -\$	892,593	-ş -\$	8,245,702	4.0%
47	1845	Underground Conductors & Devices	\$	17,424,019	-\$	661,143	-\$	7,467,994	4.0%
47	1850	Line Transformers	\$	36,238,204	-\$	1,379,144	-\$	18,089,370	4.0%
47	1855	Services (Overhead & Underground)	\$	14,091,318	-\$	353,105	-\$	3,880,415	4.0%
47	1860	Meters	\$	-	Ť	,	\$	-	
47	1860	Meters (Smart Meters)	\$	11,289,863	-\$	656,214	-\$	4,669,912	6.7%
N/A	1905	Land	\$	1,142,052			\$	-	
47	1908	Buildings & Fixtures	\$	-			\$	-	
13	1910	Leasehold Improvements	\$	377,009	-\$	80,211	\$	364,985	20.0%
8	1915	Office Furniture & Equipment (10 years)	\$	712,089	-\$	16,939	-\$	622,286	10.0%
8	1915	Office Furniture & Equipment (5 years)	\$	-			\$	-	20.0%
10	1920	Computer Equipment - Hardware	\$	1,794,135	-\$	67,940	-\$	1,554,991	20.0%
45	1920	Computer EquipHardware(Post Mar. 22/04) Computer EquipHardware(Post Mar.	\$	-			\$	-	
45.1	1920	19/07)	\$	-			\$	-	
10	1930	Transportation Equipment	\$	2,152,769	-\$	148,853	-\$	1,471,549	12.5% / 20%
8	1935	Stores Equipment	\$	281,519	-\$	8,795	-\$	180,776	10.0%
8	1940	Tools, Shop & Garage Equipment	\$	405,366	-\$	17,020	-\$	393,618	10.0%
8	1945	Measurement & Testing Equipment	\$	126,481			-\$	33,683	10.0%
8	1950 1955	Power Operated Equipment	\$	- 040 400	•	10.000	\$ -\$	-	10.00/
8	1955	Communications Equipment Communication Equipment (Smart Meters)	\$	240,188	-\$	10,830	-> \$	187,858	10.0%
8	1960	Miscellaneous Equipment	\$	_			\$	_	
47	1970	Load Management Controls Customer Premises	\$	-			\$	-	
47	1975	Load Management Controls Utility					4		
		Premises	\$	-	_		\$	-	C 70/
47 47	1980 1985	System Supervisor Equipment	\$	94,199	-\$	1,755	-\$	43,300	6.7%
47	1985	Miscellaneous Fixed Assets Other Tangible Property	\$	133,004	-\$	10,089	\$ -\$	30,493	10.0%
47	1990	Contributions & Grants	-\$	47,115,668	-\$ \$	1,810,413	- 5	13,157,835	4.0%
47	2440	Deferred Revenue ⁵	Ψ	77,110,000	Ψ	1,010,413	Ψ	10, 107,000	4.070
			\$	-			\$	-	
		Sub-Total	\$	117,217,740	-\$	4,261,029	-\$	59,421,569	
		Less Socialized Renewable Energy							
		Generation Investments (input as					¢		
		negative) Less Other Non Rate-Regulated Utility	\$	-			\$	-	
		Assets (input as negative)	\$	-			\$	-	
		Total PP&E	\$	117,217,740	-\$	4,261,029	-\$	59,421,569	
		retirement of assets (pool of like asset	ts), i	f applicable ⁶					
		Total			-\$	4,261,029			
10		Transportation			-\$	148,853			
8		Stores Equipment	Н		-\$	8,795			
8		Tools, Shop & Garage Equipment	t		-\$	17,020			
8		Measurement & Testing Equipment	t		\$	-			
		. 3 1.1	-		-\$	4,086,361			

Table 4-37

2 2013 Actuals – Asset Amount, Accumulated Amortization, Depreciation Amount & Rate

3 of Depreciation – R-CGAAP/MIFRS

					_		_		
		Acc	oun	ting Standard		MIFRS			
				Year		2013			
CCA	OEB Account			Gross Fixed			Acc	umulated	Depreciation
Class 2	3	Description ³	•	Assets		Depreciaiton		reciation	Rate
47	1609	Capital Contributions Paid	\$	122,349	-\$	1,524	-\$	1,524	2.5%
12	1611	Computer Software (Formally known as							
		Account 1925) Land Rights (Formally known as	\$	880,584	-\$	66,553	-\$	529,300	20.0%
CEC	1612	Account 1906)	\$	-			\$	-	
N/A	1805	Land	\$	69,883			\$	-	0.0%
47	1808	Buildings	\$	-			\$	-	
13	1810	Leasehold Improvements	\$	-			\$	-	
47	1815	Transformer Station Equipment >50 kV	\$	-	_		\$	-	
47 47	1820	Distribution Station Equipment <50 kV	\$	1,516,192	-\$	23,011	-\$	1,426,753	2.5%
47	1825 1830	Storage Battery Equipment Poles, Towers & Fixtures	\$	- 20 724 005	-\$	400, 200	\$	40.002.477	2.2%
47	1835	Overhead Conductors & Devices	\$	28,731,865 21,856,338	_	426,392 276,361	-\$ -\$	10,093,177 12,318,747	2.2%
47	1840	Underground Conduit	\$	23,912,760	-\$ -\$	474,315	-\$	7,827,424	2.5%
47	1845	Underground Conductors & Devices	\$	17,289,949	_	334,539	-\$	7,141,390	2.5%
47	1850	Line Transformers	\$	36,063,245	_	647,454	\$	17,357,680	2.5%
47	1855	Services (Overhead & Underground)	\$	13,965,502	-\$	205,736	-\$	3,733,046	2.5%
47	1860	Meters	\$	-			\$	-	
47	1860	Meters (Smart Meters)	\$	11,192,794	-\$	745,788	-\$	4,759,486	6.7%
N/A	1905	Land	\$	1,142,052			\$	-	
47 13	1908 1910	Buildings & Fixtures Leasehold Improvements	\$	-		00.011	\$	-	20.00/
8	1915	Office Furniture & Equipment (10 years)	\$	377,009 712,089	-\$ -\$	80,211 16,938	-\$ -\$	364,985 622,285	20.0%
8	1915	Office Furniture & Equipment (10 years)	\$	712,069	-φ	10,936	\$	022,265	20.0%
10	1920	Computer Equipment - Hardware	\$	1,794,135	-\$	62,527	-\$	1,549,578	20.0%
45	1920	Computer EquipHardware(Post Mar.	Ť	1,101,100	Ť		_	1,010,010	
40	1920	22/04)	\$	-			\$	-	
45.1	1920	Computer EquipHardware(Post Mar. 19/07)	\$	_			\$	_	
10	1930	Transportation Equipment	\$	2,152,769	-\$	74,427	-\$	1,397,123	12.5% / 20%
8	1935	Stores Equipment	\$	281,519	_	5,012	-\$	176,993	10.0%
8	1940	Tools, Shop & Garage Equipment	\$	405,366	-\$	7,663	-\$	384,261	10.0%
8	1945	Measurement & Testing Equipment	\$	126,481	-\$	9,356	\$	43,039	10.0%
8	1950	Power Operated Equipment	\$	-			\$	-	
8	1955	Communications Equipment	\$	240,188	-\$	10,829	-\$	187,857	10.0%
8	1955	Communication Equipment (Smart Meters)	\$	_			\$	_	
8	1960	Miscellaneous Equipment	\$	-	t		\$	_	
	1970	Load Management Controls Customer							
47	1370	Premises	\$	-			\$	-	
47	1975	Load Management Controls Utility Premises	\$	_			\$	_	
47	1980	System Supervisor Equipment	\$	94,199	-\$	1,757	-\$	43,302	6.7%
47	1985	Miscellaneous Fixed Assets	\$				\$	-	
47	1990	Other Tangible Property	\$	133,004	-\$	13,301	-\$	33,705	10.0%
47	1995	Contributions & Grants	-\$	47,115,668	\$	929,573	\$	12,276,994	2.5%
47	2440	Deferred Revenue ⁵					_		
		<u> </u>	\$		_		\$	-	
		Sub-Total Less Socialized Renewable Energy	\$	115,944,605	-\$	2,554,121	-\$	57,714,661	
		Generation Investments (input as							
		negative)	\$	-			\$	-	
		Less Other Non Rate-Regulated Utility Assets (input as negative)	\$	_			\$	_	
		Total PP&E	\$	115,944,605	-\$	2,554,121	- \$	57,714,661	
		retirement of assets (pool of like asset			Ė		Ė	. ,	
		Total			-\$	2,554,121			
10		Transportation	<u> </u>		-\$	74,338	_		
8		Stores Equipment	<u> </u>		_		-		
8		Tools, Shop & Garage Equipment	<u> </u>		-\$	7,663	-		
8		Measurement & Testing Equipment	_		-\$ -\$	9,356			
					Þ	2,462,764			

Table 4-38

2014 Actuals – Asset Amount, Accumulated Amortization, Depreciation Amount & Rate

of Depreciation – MIFRS

		Acc	ount	ing Standard		MIFRS			
		-		Year		2014			
CCA	OEB Account		١.	ross Fixed					Depreciation
Class ²	account 3	Description ³	G	Assets	D.	epreciaiton		umulated reciation	Rate
47	1609	Capital Contributions Paid	\$	122,349	-\$	3,059	-\$	4,583	2.5%
12	1611	Computer Software (Formally known as	7	,	Ť	-,,,,,,	Ť	,,,,,,	
12	1011	Account 1925)	\$	1,022,976	-\$	109,468	-\$	638,768	20.0%
CEC	1612	Land Rights (Formally known as Account 1906)	\$	_			\$	_	
N/A	1805	Land	\$	69,883			\$	-	0.0%
47	1808	Buildings	\$	-			\$	-	
13	1810	Leasehold Improvements	\$	-			\$	-	
47	1815	Transformer Station Equipment >50 kV	\$	-			\$	-	
47	1820	Distribution Station Equipment <50 kV	\$	1,516,192	-\$	23,011	-\$	1,449,764	2.5%
47 47	1825 1830	Storage Battery Equipment Poles, Towers & Fixtures	\$	31,199,868	6	475,788	\$	10,568,966	2.2%
47	1835	Overhead Conductors & Devices	\$	22,998,751	-\$ -\$	297,679	-\$ -\$	12,616,426	2.2%
47	1840	Underground Conduit	\$	26,162,539	-\$	512,029	-\$	8,339,453	2.5%
47	1845	Underground Conductors & Devices	\$	18,700,819	-\$	353,320	-\$	7,494,710	2.5%
47	1850	Line Transformers	\$	37,877,784	-\$	683,051	-\$	18,040,731	2.5%
47	1855	Services (Overhead & Underground)	\$	14,797,250	-\$	225,427	-\$	3,958,473	2.5%
47	1860	Meters	\$	-			\$	-	
47	1860	Meters (Smart Meters)	\$	11,625,856	-\$	701,423	-\$	5,460,909	6.7%
N/A 47	1905 1908	Land	\$	5,182,052			\$	-	
13	1910	Buildings & Fixtures Leasehold Improvements	\$	377,009	-\$	12,024	\$ -\$	377,009	20.0%
8	1915	Office Furniture & Equipment (10 years)	\$	714,887	-ş -\$	15,390	-ş -\$	637,675	10.0%
8	1915	Office Furniture & Equipment (5 years)	\$	-	<u> </u>	10,000	\$	-	20.0%
10	1920	Computer Equipment - Hardware	\$	1,892,372	-\$	74,948	-\$	1,624,526	20.0%
45	1920	Computer EquipHardware(Post Mar.							
		22/04) Computer EquipHardware(Post Mar.	\$	-			\$	-	
45.1	1920	19/07)	\$	-			\$	-	
10	1930	Transportation Equipment	\$	2,661,180	-\$	114,437	-\$	1,479,598	12.5% / 20%
8	1935	Stores Equipment	\$	281,519	-\$	7,370	-\$	184,363	10.0%
8	1940	Tools, Shop & Garage Equipment	\$	420,812	-\$	6,916	-\$	391,177	10.0%
8	1945	Measurement & Testing Equipment	\$	126,481	-\$	9,476	-\$	52,515	10.0%
8	1950 1955	Power Operated Equipment Communications Equipment	\$	269,021	-\$	12,203	\$ -\$	200,060	10.0%
		Communication Equipment (Smart	Φ	209,021	-φ	12,203	-φ	200,000	10.0%
8	1955	Meters)	\$	-			\$	-	
8	1960	Miscellaneous Equipment	\$	-			\$	-	
47	1970	Load Management Controls Customer Premises	\$	_			\$	_	
	4075	Load Management Controls Utility	Ψ				۳	-	
47	1975	Premises	\$	-			\$	-	
47	1980	System Supervisor Equipment	\$	122,172	-\$	4,441	-\$	47,743	6.7%
47	1985	Miscellaneous Fixed Assets	\$	400.07:			\$	-	40.007
47 47	1990 1995	Other Tangible Property Contributions & Grants	\$ -\$	133,004 51,971,243	-\$ \$	13,301	-\$ \$	47,006 13,305,772	10.0% 2.5%
47	2440	Deferred Revenue ⁵	-φ	31,8/1,243	φ	1,020,778	φ	13,305,772	4.370
			\$				\$	-	
		Sub-Total	\$	126,303,534	-\$	2,625,983	-\$	60,308,683	
		Less Socialized Renewable Energy							_
		Generation Investments (input as negative)	\$	_			\$	_	
-		Less Other Non Rate-Regulated Utility					Ť		
I		Assets (input as negative)	\$	-			\$	-	
		Total PP&E	\$	126,303,534	-\$	2,625,983	-\$	60,308,683	
		retirement of assets (pool of like asset Total	cs), íf	applicable®	-\$	2,625,983			
		I Viai			p	2,020,963	_		
10		Transportation			-\$	114,437			
10 8		Transportation Stores Equipment			-\$	114,437			
					-\$ -\$	114,437 6,916			

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1 **Table 4-39**

2015 Bridge Year – Asset Amount, Accumulated Amortization, Depreciation Amount & Rate of Depreciation – MIFRS

		Acc	Our	ting Standard		MIFRS			
		Acc	Uuii	Year		2015			
CCA Class ²	OEB Account	Description ³		Gross Fixed Assets	 _{D4}	epreciaiton		umulated reciation	Depreciatio Rate
47	1609	Capital Contributions Paid	\$	122,349	-\$	3,059	-\$	7,642	2.5%
12	1611	Computer Software (Formally known as	Ė		Ť		Ť	,-	
12	1011	Account 1925)	\$	1,196,976	-\$	129,001	-\$	767,769	20.0%
CEC	1612	Land Rights (Formally known as Account 1906)	\$	_			\$	-	
N/A	1805	Land	\$	69,883			\$	-	0.0%
47	1808	Buildings	\$	-			\$	-	
13	1810	Leasehold Improvements	\$	-			\$	-	
47	1815	Transformer Station Equipment >50 kV	\$	-			\$	-	
47	1820	Distribution Station Equipment <50 kV	\$	1,516,192	-\$	23,011	-\$	1,472,775	2.5%
47	1825	Storage Battery Equipment	\$	-			\$	-	
47	1830	Poles, Towers & Fixtures	\$	32,953,223	-\$	462,736	-\$	11,031,702	2.2%
47	1835	Overhead Conductors & Devices	\$	24,463,680	-\$	386,616	-\$	13,003,042	2.2%
47	1840	Underground Conduit	\$	27,905,539	-\$	573,327	-\$	8,912,780	2.5%
47 47	1845 1850	Underground Conductors & Devices	\$	19,837,187	-\$ ¢	373,787	-\$	7,868,497	2.5%
47	1850	Line Transformers	\$	38,925,429	-\$ ¢	714,602	-\$	18,755,333	2.5%
47	1855 1860	Services (Overhead & Underground) Meters	\$	15,806,528	-\$	248,426	-\$ \$	4,206,899	2.5%
47	1860	Meters Meters (Smart Meters)	\$	11,911,221	-\$	722,424	-\$	6,183,333	6.7%
N/A	1905	Land	\$	4,072,787	-φ	722,424	\$	0,163,333	0.7%
47	1908	Buildings & Fixtures	\$	10,500,000	-\$	105,000	-\$	105,000	2.0%
13	1910	Leasehold Improvements	\$	377,009	\$	-	-\$	377,009	20.0%
8	1915	Office Furniture & Equipment (10 years)	\$	1,214,887	-\$	40,390	-\$	678,065	10.0%
8	1915	Office Furniture & Equipment (5 years)	\$	-	Ť	10,000	\$	-	20.0%
10	1920	Computer Equipment - Hardware	\$	1,972,372	-\$	84,919	-\$	1,709,445	20.0%
45	1920	Computer EquipHardware(Post Mar. 22/04)	\$	-		•	\$	_	
45.1	1920	Computer EquipHardware(Post Mar. 19/07)	\$	_			\$	_	
10	1930	Transportation Equipment	\$	3,191,180	-\$	161,308	-\$	1,640,906	12.5% / 20%
8	1935	Stores Equipment	\$	398,551	-\$	12,246	-\$	196,609	10.0%
8	1940	Tools, Shop & Garage Equipment	\$	430,312	-\$	7,794	-\$	398,971	10.0%
8	1945	Measurement & Testing Equipment	\$	126,481	-\$	9,476	-\$	61,991	10.0%
8	1950	Power Operated Equipment	\$	-			\$	-	
8	1955	Communications Equipment	\$	1,369,021	-\$	66,857	-\$	266,917	10.0%
8	1955	Communication Equipment (Smart Meters)	\$	_			\$	_	
8	1960	Miscellaneous Equipment	\$				\$	-	
		Load Management Controls Customer	Ť				Ť		
47	1970	Premises	\$	-			\$	-	
47	1975	Load Management Controls Utility	_				_		
47	1980	Premises System Supervisor Equipment	\$	392,172	-\$	14,375	\$ -\$	- 62,118	6.7%
47	1985	Miscellaneous Fixed Assets	\$	392,172	-φ	14,3/5	\$	02,110	0.7/0
47	1990	Other Tangible Property	\$	133,004	-\$	13,301	-\$	60,307	10.0%
47	1995	Contributions & Grants	\$	-	Ψ	10,001	\$	-	10.070
47	2440	Deferred Revenue ⁵	-\$	54,744,963	\$	1,121,371	\$	14,427,143	2.5%
	· · · ·		\$		Ť	.,,	\$,,	2.5/0
		Sub-Total	\$	144,141,021	-\$	3,031,284	-\$	63,339,967	
		Less Socialized Renewable Energy		•					
		Generation Investments (input as	6				•		
		negative) Less Other Non Rate-Regulated Utility	\$				\$	-	
		Assets (input as negative)	\$	-	_		\$	-	
		Total PP&E	\$	144,141,021	-\$	3,031,284	-\$	63,339,967	
		retirement of assets (pool of like asse	ts), i	r applicable ^o		0.001.01			
		Total			-\$	3,031,284			
10		Transportation			. ¢	161 300			
10		Transportation Stores Equipment			-\$	161,308			
10 8 8		Transportation Stores Equipment Tools, Shop & Garage Equipment			-\$ -\$	161,308 7,794			

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Table 4-40
2 2016 Test Year – Asset Amount, Accumulated Amortization, Depreciation Amount & Rate

2016 Test Year – Asset Amount, Accumulated Amortization, Depreciation Amount & Rate of Depreciation – MIFRS

				ina Cte		MIEDS			
		Acc	oun	ting Standard Year		MIFRS 2016			
CCA Class ²	OEB Account	Description ³	G	Bross Fixed	-	epreciaiton	Accumulated Depreciation		Depreciation Rate
47	1609	Capital Contributions Paid	\$	122,349	-\$	3,059	-\$	10,701	2.5%
12	1611	Computer Software (Formally known as	Ť	122,010	<u> </u>	0,000	_	10,701	2.370
12	1011	Account 1925)	\$	1,246,976	-\$	151,401	-\$	919,170	20.0%
CEC	1612	Land Rights (Formally known as Account 1906)	\$	_			\$		
N/A	1805	Land	\$	69,883			\$	-	0.0%
47	1808	Buildings	\$	-			\$	-	
13	1810	Leasehold Improvements	\$	-			\$	-	
47	1815	Transformer Station Equipment >50 kV	\$	-	_		\$	-	2.50/
47 47	1820 1825	Distribution Station Equipment <50 kV Storage Battery Equipment	\$	1,516,192	-\$	23,011	-\$	1,495,786	2.5%
47	1830	Poles, Towers & Fixtures	\$	35,704,380	-\$	560,803	\$ -\$	11,592,505	2.2%
47	1835	Overhead Conductors & Devices	\$	26,304,970	-\$	375,334	-\$	13,378,376	2.2%
47	1840	Underground Conduit	\$	29,708,039	-\$	620,884	-\$	9,533,664	2.5%
47	1845	Underground Conductors & Devices	\$	20,996,231	-\$	399,241	-\$	8,267,738	2.5%
47	1850	Line Transformers	\$	40,066,349	-\$	741,959	-\$	19,497,292	2.5%
47	1855	Services (Overhead & Underground)	\$	16,896,604	-\$	274,668	-\$	4,481,567	2.5%
47	1860	Meters	\$	-			\$	-	
47	1860	Meters (Smart Meters)	\$	12,205,147	-\$	741,734	-\$	6,925,067	6.7%
N/A 47	1905 1908	Land Buildings & Fixtures	\$	4,072,787 10,500,000	-\$	210.000	\$ -\$	315,000	2.0%
13	1910	Leasehold Improvements	\$	377,009	- p	210,000	-» -\$	377,009	20.0%
8	1915	Office Furniture & Equipment (10 years)	\$	1,214,887	-\$	65,390	-\$	743,455	10.0%
8	1915	Office Furniture & Equipment (5 years)	\$	-	Ť		\$	-	20.0%
10	1920	Computer Equipment - Hardware	\$	2,055,372	-\$	101,219	-\$	1,810,664	20.0%
45	1920	Computer EquipHardware(Post Mar.							
	1020	22/04)	\$	-			\$	-	
45.1	1920	Computer EquipHardware(Post Mar. 19/07)	\$	-			\$	-	
10	1930	Transportation Equipment	\$	3,701,180	-\$	205,996	-\$	1,846,902	12.5% / 20%
8	1935	Stores Equipment	\$	466,551	-\$	19,956	\$	216,565	10.0%
8	1940	Tools, Shop & Garage Equipment	\$	439,812	-\$	8,744	-\$	407,715	10.0%
8	1945	Measurement & Testing Equipment	\$	126,481	-\$	9,476	-\$	71,467	10.0%
8	1950	Power Operated Equipment	\$		_		\$	-	10.00/
8	1955	Communications Equipment Communication Equipment (Smart	\$	2,199,021	-\$	163,357	-\$	430,274	10.0%
8	1955	Meters)	\$	-			\$	-	
8	1960	Miscellaneous Equipment	\$	-			\$	-	
47	1970	Load Management Controls Customer					6		
47		Premises Load Management Controls Utility	\$	-			\$	-	
47	1975	Premises	\$				\$		
47	1980	System Supervisor Equipment	\$	392,172	-\$	23,375	-\$	85,493	6.7%
47	1985	Miscellaneous Fixed Assets	\$	-			\$	-	
47	1990	Other Tangible Property	\$	133,004	-\$	13,301	-\$	73,608	10.0%
47	1995	Contributions & Grants	\$	-		1 100 00	\$	45.000.01	2 = 2/
47	2440	Deferred Revenue ⁵	-\$	58,024,963	\$	1,196,206	\$	15,623,349	2.5%
		Sub-Total	\$ \$	152,490,434	-\$	3,516,702	\$ -\$	66,856,669	
		Less Socialized Renewable Energy	"	.52,750,754	Ť	3,310,102	*	50,000,009	
		Generation Investments (input as	_						
		negative) Less Other Non Rate-Regulated Utility	\$				\$	-	
		Assets (input as negative)	\$	-			\$	-	
		Total PP&E	\$	152,490,434		3,516,702	\$	66,856,669	
		Depreciation Expense adj. from gain	or lo	ss on the reti	reme	ent of assets (pool	of like assets), if applicable
		Total			-\$	3,516,702			
46		Transport				007.01			
10		Transportation	-		-\$	205,996	-		
8		Stores Equipment Tools, Shop & Garage Equipment	1		-\$	8,744			
8		Measurement & Testing Equipment	\vdash		-\$ -\$	9,476			
0		moasarement & resting Equipment	_		-\$ -\$	3,292,486	_		

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Asset and Retirement Obligations

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

Depreciation Practices - Useful Lives and Componentization

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

In preparation for the conversion to IFRS, Milton Hydro retained the services of KPMG to assist with determining the level of property, plant and equipment (PP&E) componentization required under IFRS and establishing updated useful lives referencing the Kinectrics report. KPMG and Milton Hydro worked together to determine an appropriate level of componentization on historical assets and an assessment of remaining useful lives that incorporated all material components of historical costs. KPMG facilitated discussions with Milton Hydro's Engineering, Operations, Regulatory and Finance departments in order to determine a reasonable estimate of the useful lives of the assets of Milton Hydro. Milton Hydro adjusted the service lives to reflect the assets' useful life for which to calculate Depreciation Expense for 2013 and forward. The adjustments made to Milton Hydro's service lives had a significant impact on Milton Hydro's depreciation expense and this change which is recorded in Account 1576 is explained in detail in EXHIBIT 9 – Deferral and Variance Accounts.

With the exception of concrete poles included in USoA 1830 – Poles, Towers & Fixtures and overhead conductor included in USoA 1935 – Overhead Conductor and Devices, Milton Hydro confirms that the useful lives for all other asset groups fall within the range allowed in the OEB sponsored Kinectrics study and those significant parts or components of each item of PP&E are being depreciated separately.

Under CGAAP, Milton Hydro recorded customer contributions as an offset to the cost of capital assets and amortized accordingly. Under MIFRS, Milton Hydro cannot capitalize these customer contributions as part of its net capital assets, but instead will classify the contributions as a deferred revenue liability and amortize the costs to revenue over the life of the asset the contribution relates to. For financial reporting purposes, Milton Hydro will classify forecasted customer contributions for the 2015 Bridge Year and 2016 Test Year as deferred revenue and

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1	amortized the contribution to revenue over the life of the related asset. For rate setting
2	purposes, these costs are included as an offset to rate base and the related amortized revenue
3	as an offset to depreciation expense.
4	Milton Hydro confirms that no further depreciation expense policy changes or changes in asset
5	service lives have been made subsequent to those made January 1, 2013.
6	More details on this process and on the conversion to IFRS are provided in EXHIBIT 2 - Rate
7	Base, within the "Capitalization Policy" section.
8	The following Table 4-41, consistent with the OEB Appendix 2-BB, provides a summary of the
9	life comparison between Milton Hydro's selected useful lives and those provided in Table F-1
10	and F-2 of the Kinectrics Report.
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27	
28	
29	Table 4-41

Service Life Comparison – Appendix 2-BB

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'n
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		Asset	Details			MIN UL TUL MAX UL		USoA Account	USoA Account Description	Cur	rent	Prop	osed	Outside Range of Min, Max TUL?	
Parent*	#	Category Cor	mponent Type		MIN UL			Number		Years	Rate	Years	Rate	Below Min TUL	Above Max TUL
			Overall		35	45	75	1830	OH Pole System	25	4%	45	2%	No	No
	1	Fully Dressed Wood Poles	Cross Arm	Wood	20	40	55								
				Steel	30	70	95								
			Overall		50	60	80	1830	OH Pole System	25	4%	45	2%	Yes	No
	2	Fully Dressed Concrete Poles	Cross Arm	Wood	20	40	55								
				Steel	30	70	95								
		E. II. B	Overall		60	60	80	1830	n/a	1					
	3	Fully Dressed Steel Poles	Cross Arm	Wood	20	40	55			1					
OH		OLLUS - Outlieb		Steel	30	70 45	95	1835	OH Devices	25	4%	45	2%	NI.	No
	- 4 - 5	OH Line Switch OH Line Switch Motor			15	25	55 25	1835	n/a	25	4%	45	2%	No	NO
	6	OH Line Switch Motor OH Line Switch RTU			15	20	20	1980	System Supervisory Equipment	15	7%	15	7%	No	No
	7	OH Integral Switches			35	45	60	1835	OH Devices	25	4%	45	2%	No No	No No
	- 8	OH Conductors			50	60	75	1835	OH Wires	25	4%	45	2%	Yes	No
	9	OH Transformers & Voltage Regulators			30	40	60	1850	Distribution Transformers	25	4%	40	3%	No.	No No
	10	OH Shunt Capacitor Banks	5		25	30	40	1850	Distribution Haristofffers	25	4%	40	3%	190	IND
	11	Reclosers			25	40	55	1835	OH Devices	25	4%	45	2%	No	No
\vdash		Ivaciosais	Overall		30	45	60	1835	Distribution Transformers	25	4%	40	3%	No No	No No
	12	Power Transformers	Bushing		10	20	30	1850	Distribution Transformers	25	4%	40	3%	NO.	INO
	12	Power Hansionners	Tap Changer		20	30	60			-					
	12	Station Service Transformer	rap Crianger		30	45	55	1850	Distribution Transformers	25	4%	40	3%	No	No
	13 14	Station Grounding Transformer			30	40	40	1850	n/a	25	4%	40	3%	NO	NO
	144	Station Glodinaling Transformer	Overall		10	20	30	1980	System Supervisory Equipment	15	7%	15	7%	No	No
	15	Station DC System	Battery Bank		10	15	15	1900	n/a	15	170	15	170	INO	INU
	15	Station DC System	Charger		20	20	30		n/a		+				
		Station Metal Clad Switchgear	Overall		30	40	60	1820	Switchgear	25	4%	40	3%	No	No
TS & MS	16	Station Wetai Ciad Switchgear	Removable Breake		25	40	60	1820	Switchgear	25	4%	40	3%	No	No
	17	Station Independent Breakers	Removable breake		35	45	65	1820	n/a	25	4%	40	3%	NO	NO
		· ·								1					
	18	Station Switch			30	50	60	1820	n/a						
	19	Electromechanical Relays			25	35	50	1820	Substation Equipment	25	4%	40	3%	No	No
	20	Solid State Relays			10	30	45	1820	Substation Equipment	25	4%	40	3%	No	No
	21	Digital & Numeric Relays			15	20	20	1820	n/a						
	22	Rigid Busbars			30	55	60	1820	n/a						
	23	Steel Structure			35	50	90	1820	Substation Equipment	25	4%	40	3%	No	No
	24	Primary Paper Insulated Lead Covered			60	65	75	1845	n/a						
	25	Primary Ethylene-Propylene Rubber (E			20	25	25	1845	n/a						
	26	Primary Non-Tree Retardant (TR) Cross Polyethylene (XLPE) Cables Direct Bu			20	25	30	1845	n/a						
	27	Primary Non-TR XLPE Cables in Duct			20	25	30	1845	n/a						
	29	Primary TR XLPE Cables in Duct			35	40	55	1855	UG Cable System	25	4%	40	3%	No	No
	30	Secondary PILC Cables			70	75	80								
	31	Secondary Cables Direct Buried			25	35	40	1855	UG Cable System	25	4%	40	3%	No	No
	32	Secondary Cables in Duct			35	40	60	1855	UG Cable System	25	4%	40	3%	No	No
	33	Network Tranformers	Overall		20	35	50	1850	Distribution Transformers	25	4%	40	3%	No	No
UG			Protector		20	35	40								1
	34	Pad-Mounted Transformers			25	40	45	1850	Distribution Transformers	25	4%	40	3%	No	No
	35	Submersible/Vault Transformers			25	35	45	1850	Distribution Transformers	25	4%	40	3%	No	No
	36	UG Foundation			35	55	70	1840	Duct & Civil	25	4%	45	2%	No	No
	37	UG Vaults	Overall		40	60	80	1840	Duct & Civil	25	4%	45	2%	No	No
			Roof		20	30	45								
	38	UG Vault Switches			20	35	50	1845	UG Cable System	25	4%	40	3%	No	No
	39	Pad-Mounted Switchgear			20	30	45	1845	Pad Mounted Switchgear	25	4%	40	3%	No	No
	40	Ducts Ducts			30	50	85	1840	Duct & Civil	25	4%	40	3%	No	No
	41	Concrete Encased Duct Banks			35	55	80	1840	Duct & Civil	25	4%	40	3%	No	No
\vdash	42	Cable Chambers			50	60	80	1840	n/a						
S	43	Remote SCADA			15	20	30	1980	System Supervisory Equipment	15	7%	15	7%	No	No

Table F-2 from Kinetrics Report

	Asset Details Category Component Type		Useful Life Range		USoA Account	USoA Account Description	Current		Prop	osed	Outside Range of Min, Max TUL?	
#			030	di Lile Kange	Number	OGOA ACCOUNT DESCRIPTION	Years	Rate	Years	Rate	Below Min Range	Above Max Range
1	Office Equipment		5	15		Office Equipment	10	10%	10	10%	No	No
	Trucks & Buckets		5	15		1930 Vehicles - Heavy			12	8%	No	No
2	Vehicles	Trailers	5	20	1930	Vehicles - Light	5	20%	8	13%	No	No
		Vans	5	10	1930	Vehicles - Other Mobile Equipment	8	13%	8	13%	No	No
3	Administrative Buildings		50	75	7 tarimiotiatro Ballango		50	2%	50	2%	No	No
4	Leasehold Improvements			ise dependent	1910	Leasehold Improvements	5	20%	5	20%		
		Station Buildings	50	75		n/a						
- 5	5 Station Buildings	Parking	25	30		n/a						
1 "	Station Buildings	Fence	25	60		n/a						
		Roof	20	30		n/a						
6	Computer Equipment	Hardware	3	5	1920	Computer Hardware	5	20%	5	20%	No	No
	Computer Equipment	Software		5	1925	Computer Software	3	33%	5	20%	No	No
		Power Operated	5 10		1940	Power Operated	10	10%	10	10%	No	No
7	Equipment	Stores	5 10		1935	Stores Equipment	10	10%	10	10%	No	No
1 '		Tools, Shop, Garage Equipment	5	10	1940	Major Tools	10	10%	10	10%	No	No
		Measurement & Testing Equipment	5	10		Measurement & Testing Equipment	10	10%	10	10%	No	No
		Other Tangible Equipment	5	10		Other Tangible Equipment	10	10%	10	10%	No	No
	Communication	Towers	60	70	1955	n/a						
0	Communication	Wireless	2	10	1955	Communication Equipment	10	10%	10	10%	No	No
9	Residential Energy Meters	,	25	35		n/a		0%				
10	Industrial/Commercial Energy Meters		25	35	1860	n/a		0%				
11	Wholesale Energy Meters		15	30								
12	Current & Potential Transformer (CT & PT)		35	50								
13	Smart Meters		5	15	1860	Meters	15-25	0%	15	7%	No	No
14	Repeaters - Smart Metering		10	15	1860	Meters	15-25	0%	15	7%	No	No
15	Data Collectors - Smart Metering		15	20	1860	Meters	15-25	0%	15	7%	No	No

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Table 42 provides details of the two asset groups which fall outside of the Kinectrics range.

7 **Table 4-42**

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Asset Groups Outside of Kinectrics Range

			Useful Life							
Asset Group	Compenent	USoA	Milton Hydro		Kinectrics					
			Propsed	Min UL	TUL	Max UL				
Poles, Towers & Fixtures	Concrete Poles	1830	45	50	60	80				
Overhead Conductor & Devices	Conductor	1835	45	50	60	75				

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Milton Hydro has proposed a useful life of 45 years for an overhead conductor as the majority of Milton Hydro's overhead plant is on wooden poles which have a typical useful life of 45 years. The replacement of an overhead conductor and devices would be triggered by the replacement of the pole(s). Milton Hydro has determined that it is inefficient and uneconomical to replace a pole without replacing the old conductor and devices as that equipment would have to be replaced in the near future.

Milton Hydro only has 700 concrete poles in its distribution system out of over 9,000 poles and therefore very little experience in the life of a concrete pole. Milton Hydro is aware that concrete poles are susceptible to deterioration due to the amount of road salt used during the winter months where the salty snow and slush meet the base of the concrete pole. Based on this fact and the small number of concrete poles owned by Milton Hydro it was determined that Milton Hydro would leave all poles in a single class with a useful life of 45 years.

Depreciation Expense

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

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2013 – CGAAP (Table 4-43), consistent with Board Appendix 2-CG;

21 22 2013 – Revised CGAAP (Milton Hydro refers to MIFRS interchangeably) which accounts for the changes to service life changes and componentization (Table 4-44), consistent with Board Appendix 2-CH;

23 with B

• 2014 Actuals under MIFRS (Table 4-45), consistent with Board Appendix 2-CI;

25 26

- 2015 Bridge Year under MIFRS (Table 4-46), consistent with Board Appendix 2-CJ; and
- 2016 Test Year under MFIRS (Table 4-47), consistent with Board Appendix 2-CK.

Milton Hydro does not have any forecasted material differences on the transition to MIFRS from Revised CGAAP, therefore a 2014 Revised CGAAP statement was not required. The changes that Milton Hydro made for asset lives, depreciation rates and burdens are the same whether the methodology is referred to as Revised CGAAP or MIFRS; Milton Hydro does not differentiate between the two.

Table 4-43

Depreciation & Amortization Expense - 2013 - CGAAP

Account	Description		Opening ulatory Gross E as at Jan 1, 2013	Less F Depred	ciated	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	Variance ² (m) = (h) - (l)
1609	Capital Contributions Paid	_	(a)	a)	"	(C)	+	122.349		e) = (c) + ½ x (d) 61.175	25.00	(g) = 17 (t) 4.00%	(n) = (e) / (i) \$ 2.447	\$ 2.447	
1609	Computer Software (Formally known as Account	_					Ą	122,349	ð	61,175	25.00	4.00%	\$ 2,447	\$ 2,447	-\$ 0
1611	1925)	\$	697,333	\$ 47	79,123	\$ 218,210	\$	183,251	\$	309,836	3.00	33.33%	\$ 103,279		\$ 1
1612	Land Rights (Formally known as Account 1906)					\$ -			\$	-		0.00%	\$ -	\$ -	\$ -
1805	Land	\$	69,883			\$ 69,883			\$	69,883		0.00%	\$ -	\$ -	\$ -
1808	Buildings					\$ -			\$	-		0.00%	\$ -	\$ -	\$ -
1810	Leasehold Improvements					\$ -			\$	-		0.00%	\$ -	\$ -	\$ -
1815	Transformer Station Equipment >50 kV					\$ -			\$	-		0.00%	\$ -	\$ -	\$ -
1820	Distribution Station Equipment <50 kV	\$	1,516,192	\$ 82	25,862	\$ 690,330			\$	690,330	30.00	3.33%	\$ 23,011	\$ 23,011	\$ 0
1825	Storage Battery Equipment					\$ -			\$	-		0.00%	\$ -	\$ -	\$ -
1830	Poles, Towers & Fixtures	\$	26,746,711		16,214		\$		\$	22,890,926	25.00	4.00%	\$ 915,637	\$ 915,637	\$ 0
1835	Overhead Conductors & Devices	\$	21,079,859	\$ 3,47	72,766	\$ 17,607,093	\$	907,786	\$	18,060,986	25.00	4.00%	\$ 722,439	\$ 722,438	\$ 1
1840	Underground Conduit	\$	22,291,209	\$ 92	24,300	\$ 21,366,909	\$ 3	1,895,764	\$	22,314,791	25.00	4.00%	\$ 892,592	\$ 892,593	-\$ 1
1845	Underground Conductors & Devices	\$	16,497,130		32,006	\$ 16,065,124	\$ 3	926,889	\$	16,528,569	25.00	4.00%	\$ 661,143	\$ 661,143	
1850	Line Transformers	\$	35,028,627	\$ 1,15	54,859	\$ 33,873,768	\$	1,209,577	\$	34,478,557	25.00	4.00%	\$ 1,379,142	\$ 1,379,144	-\$ 2
1855	Services (Overhead & Underground)	\$	13,221,495	\$ 4,82	28,817	\$ 8,392,678	\$	869,824	\$	8,827,590	25.00	4.00%	\$ 353,104	\$ 353,105	-\$ 1
1860	Meters	\$	2,413,282			\$ 2,413,282			\$	2,413,282	25.00	4.00%	\$ 96,531	\$ -	\$ 96,531
1860	Meters (Smart Meters)	\$	7,985,182	\$ 3	35,615	\$ 7,949,567	\$	891,399	\$	8,395,267	15.00	6.67%	\$ 559,684	\$ 656,214	-\$ 96,530
1905	Land	\$	1,142,051			\$ 1,142,051			\$	1,142,051		0.00%	\$ -	\$ -	\$ -
1908	Buildings & Fixtures					\$ -			\$			0.00%	\$ -	\$ -	\$ -
1910	Leasehold Improvements	\$	377,009			\$ 377,009			\$	377,009	4.70	21.28%	\$ 80,215	\$ 80,211	\$ 4
1915	Office Furniture & Equipment (10 years)	\$	712,088	\$ 54	42,716	\$ 169,372			\$	169,372	10.00	10.00%	\$ 16,937	\$ 16,939	-\$ 2
1915	Office Furniture & Equipment (5 years)					\$ -			\$	•		0.00%	\$ -	\$ -	\$ -
1920	Computer Equipment - Hardware	\$	1,656,712	\$ 1,38	85,710	\$ 271,002	\$	137,423	\$	339,714	5.00	20.00%	\$ 67,943	\$ 67,940	\$ 3
1920	Computer EquipHardware(Post Mar. 22/04)					\$ -			\$	-		0.00%	\$ -	\$ -	\$ -
1920	Computer EquipHardware(Post Mar. 19/07)					\$ -			\$			0.00%	\$ -	\$ -	\$ -
1930	Transportation Equipment	\$	1,954,646	\$ 1,40	00,481	\$ 554,165	\$	380,175	\$	744,253	5.00	20.00%	\$ 148,851	\$ 148,853	-\$ 3
1935	Stores Equipment	\$	224,974	\$ 16	65,306	\$ 59,668	\$	56,545	\$	87,941	10.00	10.00%	\$ 8,794	\$ 8,795	-\$ 1
1940	Tools, Shop & Garage Equipment	\$	403,954	\$ 35	57,795	\$ 46,159	\$	5,382	\$	48,850	10.00	10.00%	\$ 4,885	\$ 17,020	-\$ 12,135
1945	Measurement & Testing Equipment	\$	120,166			\$ 120,166	\$	2,345	\$	121,339	10.00	10.00%	\$ 12,134	\$ -	\$ 12,134
1950	Power Operated Equipment					\$ -			\$	-		0.00%	\$ -	\$ -	\$ -
1955	Communications Equipment					\$ -			\$	-		0.00%	\$ -	\$ -	\$ -
1955	Communication Equipment (Smart Meters)	\$	236,292	\$ 12	29,962	\$ 106,330	\$	3,896	\$	108,278	10.00	10.00%	\$ 10,828	\$ 10,830	-\$ 2
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	\$	41,545	\$ 4	41,545	\$ -	\$	52,654	\$	26,327	15.00	6.67%	\$ 1,755	\$ 1,755	\$ 0
1985	Miscellaneous Fixed Assets					\$ -			\$	-		0.00%	\$ -	\$ -	\$ -
1990	Other Tangible Property	\$	133,004	\$ 3	32,100	\$ 100,904			\$	100,904	10.00	10.00%	\$ 10,090	\$ 10,089	\$ 1
1995	Contributions & Grants	-\$	43,960,304	-\$ 27	77,650 -	\$ 43,682,654	-\$	3,155,364	-\$	45,260,336	25.00	4.00%	-\$ 1,810,413	-\$ 1,810,413	-\$ 0
	Total	\$	110,589,040	\$ 20,94	47,525	\$ 89,641,515	\$	6,810,752	\$	93,046,891			\$ 4,261,027	\$ 4,261,029	-\$ 2

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Milton Hydro Distribution Inc. EB-2015-0089 OPERATING EXPENSES EXHIBIT 4 Page 70 of 83 Filed: August 28, 2015

Table 4-44

Depreciation & Amortization Expense - 2013 – Revised CGAAP (MIFRS)

Account	Description	Opening NBV as at Jan 1, 2013 ⁵	Additions	Average Remaining Life of Opening NBV ⁴	Years (new additions only) ³	Depreciation Rate on New Additions	Depreciation Expense on Opening NBV		2013 Depreciation Expense	2013 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance ²	Depreciation Expense on 2013 Full Year Additions	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2013 Full Year Depreciation ⁶	Balances in 2013 Opening NBV, should have been fully depreciated, thus, adjust 2013
		(a)	(d)	(i)	(f)	(g) = 1 / (f)	(j) = (a) / (i)	(h)=((d)*0.5)/(f)		(1)	(m) = (k) - (l)	(n) = (d)/(f)	(-)	(p) = (j) + (n) - (o)	
1609	Capital Contributions Paid	\$ -	\$ 122,349		40.00	2.50%	\$ -	\$ 1,529	\$ 1,529	\$ 1,524	\$ 5	\$ 3,059		\$ 3,059	
1611	Computer Software (Formally known as Account 1925)	\$ 234.586	\$ 183.251	3.86	5.00	20.00%	\$ 60,774	\$ 18.325	\$ 79.099	\$ 66.553	S 12.546	\$ 36,650		\$ 95,229	-\$ 2.195
1612	Land Rights (Formally known as Account 1906)	\$ -	\$ -			0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1805	Land	\$ 69,883	\$ -			0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1808	Buildings	\$ -	\$ -			0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1810	Leasehold Improvements	\$ -	\$ -			0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1815	Transformer Station Equipment >50 kV	\$ -	\$ -			0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1820	Distribution Station Equipment <50 kV	\$ 112,450	\$ -	4.89	45.00	2.22%	\$ 22,996	\$ -	\$ 22,996	\$ 23,011	-\$ 15	\$ -		\$ 22,996	
1825	Storage Battery Equipment	\$ -	\$ -			0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1830	Poles, Towers & Fixtures	\$ 17,079,923	\$1,985,156	42.24	45.00	2.22%	\$ 404,354	\$ 22,057	\$ 426,412	\$ 426,392	\$ 20	\$ 44,115		\$ 448,469	
1835	Overhead Conductors & Devices	\$ 9,037,473	\$ 776,479	33.76	45.00	2.22%	\$ 267,698	\$ 8,628	\$ 276,325	\$ 276,361	-\$ 36	\$ 17,255		\$ 284,953	
1840	Underground Conduit	\$ 14,938,100	\$1,621,551	32.90	40.00	2.50%	\$ 454,046	\$ 20,269	\$ 474,315	\$ 474,315	-\$ 0	\$ 40,539		\$ 494,584	
1845	Underground Conductors & Devices	\$ 9,690,279	\$ 792,819	29.85	40.00	2.50%	\$ 324,632	\$ 9,910	\$ 334,543	\$ 334,539	\$ 4	\$ 19,820		\$ 344,453	
1850	Line Transformers	\$ 18,318,401	\$1,034,618	28.87	40.00	2.50%	\$ 634,513	\$ 12,933	\$ 647,446	\$ 647,454	-\$ 8	\$ 25,865		\$ 660,379	
1855	Services (Overhead & Underground)	\$ 9,694,184	\$ 744,008	30.00	40.00	2.50%	\$ 323,139	\$ 9,300	\$ 332,440	\$ 205,736	\$ 126,704	\$ 18,600		\$ 215,017	-\$ 126,723
1860	Meters	S -	s -		15.00	6.67%	s -	s -	s -	s -	s -	s -		s -	
1860	Meters (Smart Meters)	\$ 6,384,766	\$ 794,330	8.88	15.00	6.67%	\$ 719,005	\$ 26,478	\$ 745,483	\$ 745,788	-\$ 305	\$ 52,955	\$ 9,295	\$ 693,268	-\$ 69,397
1905	Land	\$ 1,142,052	s -			0.00%	s -	s -	s -	s -	s -	s -		s -	
1908	Buildings & Fixtures	S -	s -			0.00%	s -	\$ -	\$ -	s -	s -	\$ -		\$ -	
1910	Leasehold Improvements	\$ 92,235	\$ -	1.15	4.70	21.28%	\$ 80,204	\$ -	\$ 80,204	\$ 80,211	-\$ 7	\$ -	\$ 68,187	\$ 12,017	
1915	Office Furniture & Equipment (10 years)	\$ 106,742	s -	6.30	10.00	10.00%	\$ 16,943	s -	\$ 16,943	S 16.938	\$ 5	s -		\$ 16,943	
1915	Office Furniture & Equipment (5 years)	S -	s -			0.00%	s -	\$ -	s -	S -	s -	\$ -		s -	
1920	Computer Equipment - Hardware	\$ 169,661	\$ 137,423	3.48	5.00	20.00%	\$ 48,753	\$ 13,742	\$ 62,495	\$ 62.527	-\$ 32	\$ 27,485		\$ 76,238	
1920	Computer EquipHardware(Post Mar. 22/04)	S -	s -			0.00%	s -	s -	s -	S -	s -	s -		s -	
1920	Computer EquipHardware(Post Mar. 19/07)	s -	s -			0.00%	s -	\$ -	s -	s -	s -	s -		s -	
1930	Transportation Equipment	\$ -	\$ 380,175		12.00	8.33%	s -	\$ 15,841	\$ 15.841		\$ 15.841	\$ 31,681		\$ 31,681	
1930	Transportation Equipment	\$ 449,898		7.68	8.00	12.50%	\$ 58,580	\$ -	\$ 58,580	\$ 74,427	-\$ 15,847	\$ -		\$ 58,580	
1935	Stores Equipment	\$ 52,993	\$ 56,545	8.75	12.00	8.33%	\$ 6.056	\$ 2,356	\$ 8,412	S 5.012	\$ 3,400	\$ 4,712	S 3.400	\$ 7,368	
1940	Tools, Shop & Garage Equipment	\$ 23,386	\$ 5,382	3.16	10.00	10.00%	\$ 7,401	\$ 269	\$ 7,670	\$ 7,663	\$ 7	\$ 538		\$ 7,939	
1945	Measurement & Testing Equipment	\$ 90,453	\$ 2.345	9.79	10.00	10.00%	\$ 9,239	\$ 117	\$ 9.357	\$ 9,356	S 1	\$ 235		\$ 9,474	
1950	Power Operated Equipment	\$ -	\$ -			0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1955	Communications Equipment	\$ 59,264	\$ 3.896	5.57	10.00	10.00%	\$ 10.640	\$ 195	\$ 10.835	\$ 10.829	s 6	\$ 390		\$ 11.029	
1955	Communication Equipment (Smart Meters)	\$ -	\$ -		10.00	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	\$ -	\$ 52,654	-	15.00	6.67%	\$ -	\$ 1,755	\$ 1,755	\$ 1,757	-\$ 2	\$ 3,510		\$ 3,510	
1985	Miscellaneous Fixed Assets	\$ -	\$ -			0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1990	Other Tangible Property	\$ 112,600	s -	8.47	10.00	10.00%	\$ 13.294	\$ -	\$ 13,294	\$ 13.301	-S 7	s -		\$ 13,294	
1995	Contributions & Grants	-\$ 32,612,883	-\$3,155,364	36.54	42.50	2.35%		-\$ 37,122		-\$ 929,573	-\$ 74	-\$ 74,244		-\$ 966,769	
	Total	\$ 55,246,447	\$5,537,617				\$ 2,569,743	\$ 126,583	\$ 2,696,326	\$ 2,554,121	\$ 142,205	\$ 253,165	\$ 80.882	\$ 2,543,712	-\$ 198,315
	D. W. 2000	+,,	+-,-51,011	· · · · · · · · · · · · · · · · · · ·		•	,-00,140	120,000	-,350,020	2,004,121	42,200	200,100	1 00,002	2,040,112	100,010

Table 4-45

Depreciation & Amortization Expense - 2014 - MIFRS

		Additions	Years (new additions	Depreciation Rate on New	2014 Depreciation		2014 Depreciation	Variance ²	Depreciation Expense on 2014 Full Year	Less Depreciation Expense on	2014 Full Year Depreciation ³
Account	Description		only)	Additions	Expense ¹ (h)=2013 Full		Expense per ppendix 2-BA ixed Assets.		Additions	Assets Fully Depreciated	(p) = 2013 Full
					Year	-	Column J			during the	Year
					Deprecation +		(I)			year	Depreciation
		(d)	(f)	(g) = 1 / (f)	((d)*0.5)/(f)			(m) = (h) - (l)	(n)=((d))/(f)	(0)	+ (n) - (o)
1609	Capital Contributions Paid	\$ -	40.00	2.50%	\$ 3,059	\$	3,059	-\$ 0			\$ 3,059
1611	Computer Software (Formally known as										
	Account 1925)	\$ 142,392	5.00	20.00%	\$ 109,468	\$	109,468	-\$ 0	\$ 28,478		\$ 123,707
1612	Land Rights (Formally known as Account 1906)	\$ -	_	0.00%	•			•	•		s -
1805	Land	\$ -	-	0.00%	\$ - \$ -	\$	-	\$ - \$ -	\$ - \$ -		\$ - \$ -
	Buildings	\$ -	-		\$ -	\$	-	\$ -	\$ -		\$ -
1810	Leasehold Improvements	\$ -	-		\$ -	Φ		\$ -	\$ -		\$ -
1815	Transformer Station Equipment >50 kV	\$ -	H	0.00%	\$ -	\$	-	\$ -	\$ -		\$ -
1820	Distribution Station Equipment <50 kV	\$ -	45.00	2.22%	\$ 22,996	ψ.	23,011	-\$ 15	\$ -		\$ 22,996
1825	Storage Battery Equipment	\$ -	-5.00		\$ -	\$	20,011	\$ -	\$ -		\$ -
1830	Poles, Towers & Fixtures	\$ 2,468,003	45.00	2.22%	\$ 475,891	\$	475,788	\$ 103	\$ 54,845		\$ 503,313
1835	Overhead Conductors & Devices	\$ 1,142,413	45.00	2.22%	\$ 297,646	\$		-\$ 33	\$ 25,387		\$ 310,340
1840	Underground Conduit	\$ 2,249,779	40.00	2.50%	\$ 522,707	\$	512.029	\$ 10.678	\$ 56,244	\$ 10,678	\$ 540,151
1845	Underground Conductors & Devices	\$ 1,410,870	40.00	2.50%	\$ 362,089	\$	353,320	\$ 8,769	\$ 35,272	\$ 8,769	\$ 370,956
1850	Line Transformers	\$ 1,814,539	40.00		\$ 683,061	\$	683,051	\$ 10			\$ 705,742
1855	Services (Overhead & Underground)	\$ 831,748	40.00	2.50%	\$ 225,414	\$		-\$ 13	\$ 20,794		\$ 235,810
1860	Meters	\$ -	15.00	6.67%	\$ -	\$	-	\$ -	\$ -		\$ -
1860	Meters (Smart Meters)	\$ 433,062	15.00	6.67%	\$ 707,704	\$	701,423	\$ 6,281	\$ 28,871	\$ 6,278	\$ 715,861
1905	Land	\$ 4,040,000	-	0.00%	\$ -	\$	-	\$ -	\$ -		\$ -
1908	Buildings & Fixtures	\$ -	-	0.00%	\$ -	\$	-	\$ -	\$ -		\$ -
1910	Leasehold Improvements	\$ -	5.00	20.00%	\$ 12,017	\$	12,024	-\$ 7	\$ -		\$ 12,017
1915	Office Furniture & Equipment (10 years)	\$ 2,798	10.00	10.00%	\$ 17,083	\$	15,390	\$ 1,693	\$ 280	\$ 1,693	\$ 15,530
1915	Office Furniture & Equipment (5 years)	\$ -	-	0.00%	\$ -	\$	-	\$ -	\$ -		\$ -
1920	Computer Equipment - Hardware	\$ 98,237	5.00	20.00%	\$ 86,061	\$	74,948	\$ 11,113	\$ 19,647	\$ 11,113	\$ 84,772
1920	Computer EquipHardware(Post Mar. 22/04)	\$ -	-		\$ -	\$	-	\$ -	\$ -		\$ -
1920	Computer EquipHardware(Post Mar. 19/07)	\$ -	-	0.00%	\$ -	\$	-	\$ -	\$ -		\$ -
1930	Transportation Equipment	\$ 461,162	12.00	8.33%	\$ 50,896	\$	63,540	-\$ 12,644	\$ 38,430		\$ 70,111
1930	Transportation Equipment	\$ 79,211	8.00	12.50%	\$ 63,531	\$	50,897	\$ 12,634	\$ 9,901		\$ 68,482
1935	Stores Equipment	\$ -	12.00	8.33%	\$ 7,368	\$	7,370	-\$ 2	\$ -		\$ 7,368
1940	Tools, Shop & Garage Equipment	\$ 15,446	10.00		\$ 8,711	\$	6,916		\$ 1,545		\$ 9,484
1945 1950	Measurement & Testing Equipment	\$ -	10.00	10.00%	\$ 9,474	\$	9,476	-\$ 2 \$ -	\$ -		\$ 9,474 \$ -
1950	Power Operated Equipment	\$ - \$ 28,833	10.00	10.00%	\$ - \$ 12,471	\$	12,203	\$ - \$ 268	\$ - \$ 2,883	\$ 268	\$ - \$ 13,645
1955	Communications Equipment Communication Equipment (Smart Meters)	\$ 28,833	10.00	0.00%	\$ 12,471	\$	12,203	\$ 268	\$ 2,883	φ 268	\$ 13,645
1960	Miscellaneous Equipment	\$ -	-	0.00%	\$ -	\$	-	\$ -	\$ -		\$ -
1970	Load Management Controls - Customer Premise	\$ -	-	0.00%	\$ -	9	-	\$ -	\$ -		\$ -
1975	Load Management Controls Utility Premises	\$ -	l	0.00%	\$ -	\$	-	\$ -	\$ -		\$ -
1980	System Supervisor Equipment	\$ 27,973	15.00		\$ 4,443	\$	4.441	\$ 2	\$ 1,865		\$ 5,375
	Miscellaneous Fixed Assets	\$ -	13.00	0.00%	\$ -	\$	4,441	\$ -	\$ 1,865		\$ 3,373
1990	Other Tangible Property	\$ -	10.00		\$ 13,294	\$		-\$ 7			\$ 13.294
	Contributions & Grants	-\$ 4.855.575	42.50	2.35%		-\$	1.028,778		-\$ 114,249		-\$ 1.081.018
	Total	\$10,390,891	50	2.5070	\$ 2,671,490	\$	2.625.983	\$ 45,507	\$ 255.557	\$ 38,799	\$ 2,760,470
	Depreciation exp. adj. from gain or loss on the re	,,	ote (pool of	liko accato)	,0,400	۳	2,020,000	0,007		1 00,100	,,

Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets)

Total Depreciation Expense

\$ 2,671,490

1 **Table 4-46**

Depreciation & Amortization Expense - 2015 – MIFRS

Account	Description	Additions	Years (new additions only)	Depreciation Rate on New Additions	2015 Depreciation Expense ¹ (h)=2014 Full Year Depreciation +	2015 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (I)	Variance ²	Depreciation Expense on 2015 Full Year Additions	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2015 Full Year Depreciation ³ (p) = 2014 Full Year Depreciation +
		(d)	(f)	(g) = 1 / (f)	((d)*0.5)/(f)		(m) = (h) - (l)	(n)=((d))/(f)		(n) - (o)
1609	Capital Contributions Paid	\$ -	40.00	2.50%	\$ 3,059	\$ 3,059	-\$ 0	\$ -		\$ 3,059
1611	Computer Software (Formally known as Account									
	1925)	\$ 174,000	5.00	20.00%		\$ 129,001	\$ 12,106	\$ 34,800	\$ 12,106	\$ 146,401
1612		\$ -	-	0.00%		\$ -	\$ -	\$ -		\$ -
1805	Land	\$ -	-	0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1808		\$ -	-	0.00%		\$ -	\$ -	\$ -		\$ -
1810	Leasehold Improvements	\$ -	-	0.00%		\$ -	\$ -	\$ -		\$ -
1815	Transformer Station Equipment >50 kV	\$ -	-		\$ -	\$ -	\$ -	\$ -		\$ -
1820	Distribution Station Equipment <50 kV	\$ -	45.00	2.22%			-\$ 15	\$ -		\$ 22,996
1825	Storage Battery Equipment	\$ -	-	0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1830	Poles, Towers & Fixtures	\$ 1,753,355	45.00	2.22%	\$ 522,795	\$ 462,736	\$ 60,059	\$ 38,963		\$ 542,277
1835	Overhead Conductors & Devices	\$ 1,464,929	45.00	2.22%	\$ 326,617		-\$ 59,999	\$ 32,554		\$ 342,894
1840	Underground Conduit	\$ 1,743,000	40.00	2.50%	\$ 561,938	\$ 573,327		\$ 43,575		\$ 583,726
1845	Underground Conductors & Devices	\$ 1,136,368	40.00	2.50%	\$ 385,160	\$ 373,787	\$ 11,373	\$ 28,409		\$ 399,365
1850	Line Transformers	\$ 1,047,645	40.00		\$ 718,838	\$ 714,602	\$ 4,236	\$ 26,191		\$ 731,933
1855	Services (Overhead & Underground)	\$ 1,009,278	40.00	2.50%	\$ 248,426	\$ 248,426	\$ 0	\$ 25,232		\$ 261,042
1860	Meters	\$ -	15.00	6.67%	\$ -	\$ -	\$ -	\$ -		\$ -
1860	Meters (Smart Meters)	\$ 285,365	15.00	6.67%	\$ 725,374	\$ 722,424	\$ 2,950	\$ 19,024		\$ 734,886
1905	Land	\$ -	-	0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1908	Buildings & Fixtures	\$10,500,000	50.00	2.00%		\$ 105,000	\$ -	\$ 210,000		\$ 210,000
1910	Leasehold Improvements	\$ -	5.00	20.00%			\$ 12,017	\$ -	\$ 12,017	\$ 0
1915	Office Furniture & Equipment (10 years)	\$ 500,000	10.00		\$ 40,530	\$ 40,390	\$ 140	\$ 50,000	\$ 140	\$ 65,390
1915	Office Furniture & Equipment (5 years)	\$ -	-	0.00%		\$ -	\$ -	\$ -		\$ -
1920	Computer Equipment - Hardware	\$ 80,000	5.00	20.00%	\$ 92,772	\$ 84,919	\$ 7,853	\$ 16,000	\$ 7,854	\$ 92,918
1920		\$ -	-	0.00%		\$ -	\$ -	\$ -		\$ -
1920	Computer EquipHardware(Post Mar. 19/07)	\$ -	-	0.00%		\$ -	\$ -	\$ -		\$ -
1930	Transportation Equipment	\$ 500,000	12.00		\$ 90,945	\$ 90,943	\$ 2			\$ 111,778
1930	Transportation Equipment	\$ 30,000	8.00	12.50%			-\$ 7	\$ 3,750		\$ 72,232
1935	Stores Equipment	\$ 117,032	12.00	8.33%	\$ 12,245	\$ 12,246	-\$ 1	\$ 9,753		\$ 17,121
1940	Tools, Shop & Garage Equipment	\$ 9,500	10.00	10.00%	\$ 9,959	\$ 7,794	\$ 2,165			\$ 10,434
1945	Measurement & Testing Equipment	\$ -	10.00	10.00%			-\$ 2	\$ -		\$ 9,474
1950	Power Operated Equipment	\$ -	-		\$ -	\$ -	\$ -	\$ -		\$ -
1955	Communications Equipment	\$ 1,100,000	10.00	10.00%	\$ 68,645	\$ 66,857	\$ 1,788	\$ 110,000	\$ 1,788	\$ 121,857
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		\$ 270,000	15.00	6.67%		\$ 14,375	\$ 0	\$ 18,000		\$ 23,375
1985	Miscellaneous Fixed Assets	\$ -	-	0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1990	Other Tangible Property	\$ -	10.00	10.00%	\$ 13,294		-\$ 7	\$ -		\$ 13,294
2440		-\$ 2,773,720	42.50	2.35%		, , , , , , , , , , , , , , , , , , , ,	\$ 7,721	-\$ 65,264		-\$ 1,146,282
1	Total	\$18,946,752		l	\$ 3,082,272	\$ 3,031,283	\$ 50,989	\$ 643,604	\$ 33,905	\$ 3,370,169

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

\$ 3,031,284

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Table 4-47 Depreciation & Amortization Expense - 2016 – MIFRS

Account	Description	Additions	Years (new additions only)	Depreciation Rate on New Additions	2016 Depreciation Expense ¹ (h)=2015 Full Year Depreciation +	Δ.	16 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (I)		Variance ²
		(d)	(f)	(g) = 1 / (f)	((d)*0.5)/(f)				(m) = (h) - (l)
1609	Capital Contributions Paid	\$ -	40.00	2.50%	\$ 3,059	\$	3,059	-\$	0
1611	Computer Software (Formally known as Account								
	1925)	\$ 50,000	5.00	20.00%			151,401		0
1612	Land Rights (Formally known as Account 1906)	\$ -	-	0.00%		\$	-	\$	-
1805	Land	\$ -	-	0.00%	•	\$	-	\$	-
1808	Buildings	\$ -	-	0.00%	\$ -	\$	-	\$	-
1810	Leasehold Improvements	\$ -	-	0.00%	\$ -	\$	-	\$	-
1815	Transformer Station Equipment >50 kV	\$ -	-	0.00%	\$ -	\$	-	\$	-
1820	Distribution Station Equipment <50 kV	\$ -	45.00	2.22%	\$ 22,996	\$	23,011	-\$	15
1825	Storage Battery Equipment	\$ -	-	0.00%	\$ -	\$	-	\$	-
1830	Poles, Towers & Fixtures	\$2,751,157	45.00	2.22%	\$ 572,845	\$	560,803	\$	12,042
1835	Overhead Conductors & Devices	\$1,841,290	45.00	2.22%	\$ 363,352	\$	375,334	-\$	11,982
1840	Underground Conduit	\$1,802,500	40.00	2.50%	\$ 606,257	\$	620,884	-\$	14,627
1845	Underground Conductors & Devices	\$1,159,044	40.00	2.50%	\$ 413,853	\$	399,241	\$	14,612
1850	Line Transformers	\$1,140,920	40.00	2.50%	\$ 746,195	\$	741,959	\$	4,236
1855	Services (Overhead & Underground)	\$1,090,076	40.00	2.50%	\$ 274,668	\$	274,668	\$	0
1860	Meters	\$ -	15.00	6.67%		\$		\$	-
1860	Meters (Smart Meters)	\$ 293.926	15.00	6.67%	\$ 744.683	\$	741,734	\$	2.949
1905	Land	\$ -	-	0.00%		\$	-	\$	-
1908	Buildings & Fixtures	\$ -	50.00	2.00%	\$ 210,000	\$	210,000	\$	-
1910	Leasehold Improvements	\$ -	5.00	20.00%			-	\$	0
1915	Office Furniture & Equipment (10 years)	\$ -	10.00	10.00%			65,390	-\$	0
1915	Office Furniture & Equipment (5 years)	\$ -	-	0.00%	,	\$	-	\$	
1920	Computer Equipment - Hardware	\$ 83,000	5.00	20.00%			101,219	_	1
1920	Computer EquipHardware(Post Mar. 22/04)	\$ -	-	0.00%		\$	-	\$	
1920	Computer EquipHardware(Post Mar. 19/07)	\$ -	_	0.00%		\$	_	\$	-
1930	Transportation Equipment	\$ 325,000	12.00	8.33%	•	_	205,996	_	80,676
1930	Transportation Equipment	\$ 185,000	8.00	12.50%		_	200,000	\$	83,794
1935	Stores Equipment	\$ 68,000	12.00	8.33%		_	19,956	_	2
1940	Tools, Shop & Garage Equipment	\$ 9,500	10.00	10.00%		_	8,744		2,165
1945	Measurement & Testing Equipment	\$ -	10.00	10.00%		_	9.476	_	2,103
1950	Power Operated Equipment	\$ -	10.00	0.00%	•	\$	3,470	\$	
1955	Communications Equipment	\$ 830,000	10.00	10.00%		_	163,357	_	0
1955	Communications Equipment (Smart Meters)	\$ -	10.00	0.00%		\$	100,007	\$	
1960	Miscellaneous Equipment	\$ -	-	0.00%		\$	-	\$	
1970	Load Management Controls - Customer Premises			0.00%		\$		\$	
1975	Load Management Controls Utility Premises	\$ -	-	0.00%		\$	-	\$	<u>-</u>
1980	System Supervisor Equipment	\$ -	15.00	6.67%			23,375	_	- 0
1985	Miscellaneous Fixed Assets	\$ -	13.00	0.00%		\$	23,373	\$	
1985	Other Tangible Property	\$ -	10.00	10.00%	•	_	13,301	-\$	7
2440	Deferred Revenue	-\$3,280,000	42.50	2.35%		_		_	11,336
2440			4∠.50	2.35%		_	1,196,206	_	
	Total	\$8,349,413	l		\$ 3,540,525	\$	3,516,702	\$	23,823

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

3,540,525

TAXES AND PAYMENTS IN LIEU OF TAXES AND PROPERTY TAXES

PILs and Capital Taxes

Milton Hydro makes payments in lieu of corporate taxes ("PILs") calculated in accordance with the rules for computing taxable income, taxable capital and other relevant amounts contained in the *Income Tax Act* (Canada) and the *Corporations Tax Act* (Ontario), as modified by the *Electricity Act*, 1998, and related regulations. Milton Hydro does not pay Section 89 proxy taxes, and is exempt from the payment of incomes taxes under the *Income Tax Act* (Canada) and the *Ontario Corporations Tax Act*. Milton Hydro is projecting a profit for tax purposes in the 2016 Test Year of \$710,626, therefore, has included \$256,212 for the recovery of PILs in this Application.

Table 4-48 below provides a summary of the 2011 OEB Approved, the 2011, 2012, 2013, 2014 Actual Years as recorded in the audited statements and the 2015 Bridge Year and 2016 Test Year PILs estimates. These estimates are based on the rates prescribed by the OEB in the OEB's Income Tax/PILs Workform for 2016 Filers as provided in Attachment 4-4. Milton Hydro's 2014 tax return has been provided in Attachment 4-5. In accordance with the 2016 Filing Requirements the OEB's PILs model has also been completed and submitted and is consistent with the PILs included in the 2016 Test Year Revenue Requirement. Milton Hydro does not pay Ontario Capital Tax.

20 Table 4-48
21 Income Tax Summary

Item	2011 Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge year	2016 Test Year
Current PILS	393,239	11,443	186,690	50,971	40,557	289,092	188,316

Milton Hydro was approved for PILs in the amount of \$532,516 in its 2011 Cost of Service Application. The actual PILs for 2011 were lower than the amount approved due to lower income for tax purposes and the impact of regulatory reserve which are excluded from the calculations of PILs for regulatory purposes but included in the calculation for tax purposes. PILs for the 2016 Test Year of \$188,316 are \$100,776 lower than the 2015 Bridge Year. This reduction is mainly due a decrease in the 2016 Test Year taxable income from the 2015 Bridge Year in the amount of \$256,212 and an increase in the 2016 Test Year in the amount of

- 1 \$485,418 in depreciation and an increase of \$610,506 in CCA which in total reduce taxable
- 2 income for the 2016 Test Year in the amount of \$381,300.

Loss Carry Forwards

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Milton Hydro does not have any loss carry forwards.

Other Additions and Deductions

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In accordance with the Filing Requirements, Milton Hydro has excluded the deferral and variance accounts for Regulatory Assets and Liabilities from the reserve balances for the 2015 Bridge Year and the 2016 Test Year.

Tax Credits

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22 23 Milton Hydro takes advantage of the tax credits where available to minimize taxes payable. Table 4–49 below summarizes the tax credits for 2011 OEB approved, historical years, 2011-2014, the 2015 Bridge Year and the 2016 Test Year. The tax credits include the Ontario Apprenticeship Training Tax Credit, Apprenticeship Job Creation Credits and the Ontario Co-Operative Education Tax Credit. Milton Hydro has not forecasted tax credits for the 2015 Bridge Year or the 2016 Test Year as Milton Hydro expects to hire Journeyman and not apprentices.

19 Table 4-49
20 Tax Credits

Item	2011 Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge year	2016 Test Year
Tax Credits	59,231	38,145	38,145	25,576	25,576	-	-

Non-recoverable and Disallowed Expenses

24 Milton Hydro does not have charitable or political donations.

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Detailed Tax Calculations

27 28 Table 4-50 below summarizes the tax calculations for 2011 Board Approved, 2014 Historical year, the 2015 Bridge Year and the 2016 Test Year. The table itemizes all additions and deductions that are part of Milton Hydro's tax calculations for its 2014 Historical, Bridge and Test Years.

5 Table 4-50
6 Tax Calculations

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	2011	2014 Actual	2015 Bridge	2016 Test
Details	Approved		year	Year
L C DU C	0.004.000	0.044.700	0.070.574	0.400.050
Income before PILs/Taxes	2,291,068	2,941,700	3,676,571	3,420,359
Additions:				
Provision for Income Taxes - current Line 101		40,557		
Provision for Income Taxes - deferred Line 102		387,138		
Interest and penalties on taxes		14,890		
Amortization of tangible assets	3,813,651	2,513,457	2,899,224	3,384,642
Amortization of intangible assets		112,526	132,060	132,060
Non-deductible club dues and fees		354		
Non-deductible meals and entertainment expense	3,625	4,545	4,545	4,545
Reserves from financial statements- balance at end of year	364,892	288,978	304,086	319,821
Financing fees deducted in books				
Other Additions				
Interest Expensed on Capital Leases		4,737,493		
Realized Income from Deferred Credit Accounts		948,925		
Non-deductible penalties		25,576		
	52,231			
Total Additions	4,234,399	9,074,439	3,339,915	3,841,068
Deductions:				
Gain on disposal of assets per financial statements		1,200		
Capital cost allowance from Schedule 8	4,430,594	2,389,605	5,631,042	6,241,548
Cumulative eligible capital deduction from Schedule 10		5,974	5,556	5,167
Reserves from financial statements - balance at beginning of year	364,892	265,257	288,978	304,086
Interest capitalized for accounting deducted for tax		4,737,493		· · · · · · · · · · · · · · · · · · ·
Capital Lease Payments		3,523		
Non-taxable imputed interest income on deferral and variance		0.000.440		
accounts		2,902,440		
Miscellaneous Other Deductions		1,406,300		
Miscellaneous Other Deductions		304,344		
Total Deductions	4,795,486	12,016,136	5,925,575	6,550,800
TAXABLE INCOME	1,729,981	3	1,090,911	710,626
Tax Rate	26.15%	26.50%	26.50%	26.50%
Income Taxes	452,470	1	289,092	188,316
Tax Credits	59,231	25,576	-	-
Total Income Taxes & Finacial Statements	393,239	-	289,092	188,316

Property Taxes

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Milton Hydro pays property taxes to the Town of Milton for its municipal substations and began to pay property taxes for its new Service Centre and Administration building in September 2014.

Property taxes for the 2011 Board Approved, Historical years 2011-2014, the 2015 Bridge Year and the 2016 Test Year are provided in Table 4-51 below. Property taxes for the 2016 Test Year are based on 2015 Bridge Year actual cost increase of 3.5%.

Table 4-51
Property Taxes

Paid to "The Corporation of the Town of Milton"	2011 OEB Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge Year	2016 Test Year
New Office Building "200 Chisholm Dr. Milton"					50,749	200,000	207,030
Land "5th and Main Street, Milton"	10,874	15,376	15,834	21,646	26,886	34,679	-
All Substations- MS1, MS3, MS4, MS6, MS7 & MS9	21,147	16,484	25,472	20,414	20,597	22,116	21,880
Total	32,021	31,860	41,306	42,060	98,232	256,795	228,910

Integrity Checks

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26 27 Milton Hydro has completed the integrity checks for the following information as detailed in the filing requirements.

- The depreciation and amortization added back in the PILs model agree with the numbers disclosed in the rate base section of the application.
- The capital additions and deductions in the UCC/CCA schedule 8 agree with the rate base section for historic, bridge and test years.
- Schedule 8 of the most recent federal T2 tax return filed as a closing December 31, 2014 agrees with the opening 2015 Bridge Year UCC. Milton Hydro confirms that nondistribution tax amounts on Schedule 8 were \$0 on the December 31, 2014 tax return.
- The CCA deductions in the PILs tax model for historic, bridge and test years agree with the numbers in the UCC schedules for the same years filed in the application.
- Milton Hydro does not have any loss carry-forwards.
- CAA is maximized for the 2015 Bridge Year and the 2016 Test Year since Milton Hydro does not have any loss carry-forwards.
- Milton Hydro does not have any loss carry-forwards to utilize.
- Post-retirement benefit obligations added back on Schedule 1, the reconciliation of accounting income to net income for tax purposes, agree with the amounts provided in the OM&A analysis for compensation.

• The income tax rate used to calculate the tax expense is consistent with the Milton Hydro's actual tax facts and the evidence filed in the application.

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CONSERVATION AND DEMAND MANAGEMENT ("CDM") COSTS

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

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On March 31, 2011, the Minister of Energy and Infrastructure issued a directive (the "Directive") to the OEB regarding electricity CDM targets to be met by licensed electricity distributors. The Directive required that the Board amend the licenses of distributors to add, as a condition of 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 OEB have regard to the objective that lost revenues that result from

CDM Programs should not act as a disincentive to a distributor. 13

> On April 26, 2012, the OEB issued Guidelines for Electricity Distributor Conservation and Demand Management (EB-2012-0003 - the "CDM Guidelines"). In keeping with the Directive, the OEB adopted a mechanism to capture the difference between the results of actual, verified impacts of authorized CDM activities undertaken by distributors between 2011 and 2014 and the level of activities embedded into rates through the distributors load forecast in an LRAM

variance account.

LRAM for pre-2011 CDM Activities

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Milton Hydro is not requesting recovery of lost revenue resulting from any pre-2011 CDM activities or legacy programs completed in 2011.

Background

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The Conservation and Demand Management Code for Electricity Distributors ("the CDM Code") sets out the obligations and requirements with which electricity distributors must comply in relation to the CDM targets set out in their licenses. The CDM Code also sets out the conditions and rules that licensed electricity distributors are required to follow if they choose to apply for OEB-Approved CDM programs to meet the CDM targets. The CDM Code applies to the four

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1 year period January 1, 2011 to December 31, 2014. In its April 26, 2012 CDM Guidelines, the

- 2 OEB provided additional guidance on certain provisions in the CDM Code and details on the
- 3 Lost Revenue Adjustment Mechanism ("LRAM") related to CDM programs implemented under
- 4 the CDM Code. The CDM Guidelines are applicable to this same timeframe.
- In the Guidelines, the OEB authorized the establishment of LRAMVA Account 1568 (LRAMVA)
- to capture, at the customer rate class level, the difference between:

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- The results of actual, verified impacts of authorized CDM activities undertaken by distributors between 2011 and 2014 for both OEB-Approved CDM programs and OPA-Contracted Province-Wide CDM programs in relation to activities undertaken by the distributor and/or are delivered for the distributor by a third party under contract (in the distributor's franchise area), and;
- The level of CDM program activities included in the distributor's load forecast (i.e. the level embedded in rates).

The OEB stated that distributors are generally expected to include a CDM component in their load forecast in Cost of Service proceedings to ensure that customers are realizing the true effects of conservation at the earliest date possible and to mitigate the variance between forecasted revenue losses and actual revenue losses. Further, if a distributor has included a CDM load reduction forecast in its distribution rates, the amount of the forecast that was adjusted for CDM at the rate class level would be compared to the actual CDM results verified by an independent third party for each year of the CDM program in accordance with the OPA's (now the Independent Electricity System Operator "IESO") EM&V Protocols as set out in the CDM Code. The calculated variance results in a credit or debit payable or receivable to the ratepayers. This account will continue on a going-forward basis.

- In its CDM Guidelines, the OEB stated that the LRAMVA will attract carrying charges.
- Further, the OEB stated that it expected distributors to apply for disposition of the balance in the LRAMVA in their next Cost of Service Rate Application.
- Milton Hydro has been successfully running OPA programs within its service territory since 28 2005. The OPA legacy programs ran, for the most part, until the end of 2010 (although there

was some carry-over into 2011). New OPA programs began in 2011 following the creation of mandatory CDM targets and requirements of LDCs to attain the targets as a condition of their licence. Milton Hydro successfully ran the new OPA programs in 2011-2014 and continues to do so today and will be close to achieving the 2011-2014 energy target. Milton Hydro, like most LDCs in the province, lagged on its demand savings.

Milton Hydro is not currently running any OEB-approved CDM programs.

LRAM Variance Account (LRAMVA)

 In accordance with the CDM Guidelines, Milton Hydro is requesting approval for the recovery of lost revenue resulting from its CDM activities for 2011, 2012, and 2013 OPA programs, including carrying charges, through to April 30, 2016. Milton Hydro has calculated carrying costs based on the most recent OEB prescribed interest rates issued June 21, 2015. Lost revenues are based on Milton Hydro's OEB approved volumetric distribution rates weighted for each year. The total amount requested for recovery is \$80,420, including carrying charges of \$3,028. The amounts requested for recovery are summarized in Table 4-54 below.

Table 4-52
Summary of LRAMVA Claim

Description	LRAM\$	2011 Forecast\$	Net LRAMVA	Carrying Charges to April 2016	Total LRAMVA Claim
Residential (kWh)	\$ 53,092	\$ 66,136	\$ (13,043)	\$ (864)	\$ (13,907)
General Service <50 kW (kWh)	\$ 43,527	\$ 24,420	\$ 19,106	\$ 633	\$ 19,739
General Service 50 -999 kW (kW)	\$ 83,653	\$ 24,240	\$ 59,413	\$ 2,616	\$ 62,029
General Service 1000 - 4999 kW (kW)	\$ 28,893	\$ 11,805	\$ 17,088	\$ 789	\$ 17,877
Large User (kW)	\$ 4,678	\$ 6,822	\$ (2,144)	\$ (147)	\$ (2,290)
Total	\$ 213,843	\$ 133,423	\$ 80,420	\$ 3,028	\$ 83,448

Milton Hydro has relied on the most recent final evaluation report from the IESO in support of its LRAM calculation for its contracted province-wide CDM programs ("OPA Programs for 2011 to 2013. The 2013 final report is attached as Attachment 4-6.

1 Milton Hydro is also proposing to update its LRAMVA claim, for recovery in this Cost of Service 2 Application, with the final 2014 OPA results due to be published in September 2015. Milton 3 Hydro will provide the OPA 2014 Final Report in support of the updated LRAMVA claim. Milton Hydro submits that its proposal to update its LRAMVA claim based on the OPA/IESO 4 2014 Final Report is reasonable as the LRAMVA Rate Riders calculated in Table 4-56 below 5 6 indicate that there is no Rate Rider required for the Residential customer class and a very small 7 Rate Rider for the General Service <50 kW customer class. Milton Hydro further submits that the 2014 OPA/IESO Final Report will provide sufficient CDM data to finalized Milton Hydro's 8 2011 to 2014 LRAMVA claim. 9 10 Milton Hydro's 2011 to 2014 CDM target was set at 33.5M kWh which was included in Milton 11 Hydro's 2011 Cost of Service Application in ten equal installments including persistence. As 12 discussed in EXHIBIT 3 - Operating Revenue, Milton Hydro prepares its load forecast by 13 customer class using actual customer class consumption by month. The CDM kWhs were 14 included in the 2011 load forecast. The General Service >50 kW customer classes had the kWh related to CDM converted to kW, through the model, for the purposes of realizing the 15 conservation saving at the earliest date possible. 16 17 Table 4-55 details the calculation of the LRAMVA and Table 4-56 calculates the Proposed LRAMVA Rate Riders. The Proposed LRAMVA claim has been included in the EDDVAR model 18 19 within EXHIBIT 9 - Deferral and Variance Accounts. The allocation of the LRAMVA claim to the appropriate class and the calculation of rate riders are included in the EDDVAR model. 20 21 22 23 24 25 **Table 4-53** 26

Calculation of LRAMVA

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Summary Units Lost		11 kwh Saved		012 kwh Saved	2013 kwh Saved		2014 kwh Saved	Tot	al kWh Saved
Residential		556,986		887,949	1,240,918		1,240,918		3,926,771
General Service <50 kW	:	242,642		551,501	890,858		890,858		2,575,859
General Service 50 -999 kW		6,159		8,142	9,727		9,727		33,755
General Service 1000 - 4999		2,160		2,689	2,744		2,744		10,338
Large User		195		232	835		835		2,097
Rate Class Distribution Volumetric Rates		2011		2012	201	3	2014		
Residential (kWh)		0.0135		0.0129	0.013	5	0.0141		
General Service <50 kW (kWh)		0.0164		0.0167	0.016	9	0.0171		
General Service 50 -999 kW (kW)		2.4361		2.4232	2.483	7	2.5456		
General Service 1000 - 4999 kW (kW)		2.9483		2.7577	2.725	1	2.7802		
Large User (kw)		2.4087		2.2844	2.203	0	2.2026		
CDM Lost Revenue - LRAM\$		2011		2012	201	3	2014		Total
Residential (kWh)	\$	7,501	\$	11,425	\$ 16,711	\$	17,456	\$	53,092
General Service <50 kW (kWh)	\$	3,979	\$	9,228	\$ 15,056	\$	15,263	\$	43,527
General Service 50 -999 kW (kW)	\$	15,005	\$	19,729	\$ 24,159	\$	24,761	\$	83,653
General Service 1000 - 4999 kW (kW)	\$	6,368	\$	7,416	\$ 7,479	\$	7,630	\$	28,893
Large User (kw)	\$	470	\$	531	\$ 1,839	\$	1,839	\$	4,678
CDM in 2011 Forecast		2011		2012	201	3	2014		Total
CDM in 2011 Forecast Residential (kWh)	1,:	2011 227,764	1	2012 1,227,764	201 1,227,764		2014 1,227,764		Total 4,911,056
			1						
Residential (kWh)		227,764	1	,227,764	1,227,764		1,227,764		4,911,056
Residential (kWh) General Service <50 kW (kWh)		227,764 363,580	1	363,580	1,227,764 363,580		1,227,764 363,580		4,911,056 1,454,320
Residential (kWh) General Service <50 kW (kWh) General Service 50 -999 kW (kW)		227,764 363,580 2,451	1	363,580 2,451	1,227,764 363,580 2,451		1,227,764 363,580 2,451		4,911,056 1,454,320 9,805
Residential (kWh) General Service <50 kW (kWh) General Service 50 -999 kW (kW) General Service 1000 - 4999 kW (kW)		227,764 363,580 2,451 1,053	1	363,580 2,451 1,053	1,227,764 363,580 2,451 1,053		1,227,764 363,580 2,451 1,053		4,911,056 1,454,320 9,805 4,212
Residential (kWh) General Service <50 kW (kWh) General Service 50 -999 kW (kW) General Service 1000 - 4999 kW (kW) Large User (kw) CDM in 2011 Forecast\$:	227,764 363,580 2,451 1,053 750		1,227,764 363,580 2,451 1,053 750	1,227,764 363,580 2,451 1,053 750	3	1,227,764 363,580 2,451 1,053 750		4,911,056 1,454,320 9,805 4,212 2,999
Residential (kWh) General Service <50 kW (kWh) General Service 50 -999 kW (kW) General Service 1000 - 4999 kW (kW) Large User (kw)	\$	227,764 363,580 2,451 1,053 750	\$	1,227,764 363,580 2,451 1,053 750	1,227,764 363,580 2,451 1,053 750	3	1,227,764 363,580 2,451 1,053 750	\$	4,911,056 1,454,320 9,805 4,212 2,999
Residential (kWh) General Service <50 kW (kWh) General Service 50 -999 kW (kW) General Service 1000 - 4999 kW (kW) Large User (kw) CDM in 2011 Forecast\$	\$	227,764 363,580 2,451 1,053 750		1,227,764 363,580 2,451 1,053 750	1,227,764 363,580 2,451 1,053 750 201 \$ 16,534	3	1,227,764 363,580 2,451 1,053 750 2014 17,271	\$ \$	4,911,056 1,454,320 9,805 4,212 2,999 Total 66,136 24,420
Residential (kWh) General Service <50 kW (kWh) General Service 50 -999 kW (kW) General Service 1000 - 4999 kW (kW) Large User (kw) CDM in 2011 Forecast\$ Residential (kWh)	\$ \$	227,764 363,580 2,451 1,053 750 2011 16,534	\$	1,227,764 363,580 2,451 1,053 750 2012 15,797	1,227,764 363,580 2,451 1,053 750 201 \$ 16,534 \$ 6,145	3 \$	1,227,764 363,580 2,451 1,053 750 2014 17,271 6,229 6,240		4,911,056 1,454,320 9,805 4,212 2,999 Total 66,136
Residential (kWh) General Service <50 kW (kWh) General Service 50 -999 kW (kW) General Service 1000 - 4999 kW (kW) Large User (kw) CDM in 2011 Forecast\$ Residential (kWh) General Service <50 kW (kWh)	\$ \$ \$	227,764 363,580 2,451 1,053 750 2011 16,534 5,963 5,972 3,104	\$ \$ \$ \$	2,227,764 363,580 2,451 1,053 750 2012 15,797 6,084 5,940 2,904	1,227,764 363,580 2,451 1,053 750 201 \$ 16,534 \$ 6,088 \$ 2,869	3 3 5 5 5	1,227,764 363,580 2,451 1,053 750 2014 17,271 6,229 6,240 2,927	\$ \$ \$	4,911,056 1,454,320 9,805 4,212 2,999 Total 66,136 24,420 24,240 11,805
Residential (kWh) General Service <50 kW (kWh) General Service 50 -999 kW (kW) General Service 1000 - 4999 kW (kW) Large User (kw) CDM in 2011 Forecast\$ Residential (kWh) General Service <50 kW (kWh) General Service 50 -999 kW (kW)	\$ \$	227,764 363,580 2,451 1,053 750 2011 16,534 5,963 5,972	\$ \$ \$ \$	2,227,764 363,580 2,451 1,053 750 2012 15,797 6,084 5,940	1,227,764 363,580 2,451 1,053 750 201 \$ 16,534 \$ 6,145 \$ 6,088	3 3 5 5 5	1,227,764 363,580 2,451 1,053 750 2014 17,271 6,229 6,240 2,927	\$	4,911,056 1,454,320 9,805 4,212 2,999 Total 66,136 24,420 24,240
Residential (kWh) General Service <50 kW (kWh) General Service 50 -999 kW (kW) General Service 1000 - 4999 kW (kW) Large User (kw) CDM in 2011 Forecast\$ Residential (kWh) General Service <50 kW (kWh) General Service 50 -999 kW (kW) General Service 1000 - 4999 kW (kW) Large User (kw)	\$ \$ \$	227,764 363,580 2,451 1,053 750 2011 16,534 5,963 5,972 3,104 1,806	\$ \$ \$ \$	2,227,764 363,580 2,451 1,053 750 2012 15,797 6,084 5,940 2,904 1,713	1,227,764 363,580 2,451 1,053 750 201 \$ 16,534 \$ 6,145 \$ 6,088 \$ 2,869 \$ 1,652	3 \$ \$ \$ \$	1,227,764 363,580 2,451 1,053 750 2014 17,271 6,229 6,240 2,927 1,651	\$ \$ \$	4,911,056 1,454,320 9,805 4,212 2,999 Total 66,136 24,420 24,240 11,805 6,822
Residential (kWh) General Service <50 kW (kWh) General Service 50 -999 kW (kW) General Service 1000 - 4999 kW (kW) Large User (kw) CDM in 2011 Forecast\$ Residential (kWh) General Service <50 kW (kWh) General Service 50 -999 kW (kW) General Service 1000 - 4999 kW (kW) Large User (kw) LRAMVA=LRAM\$-2011 Forecast\$	\$ \$ \$ \$	227,764 363,580 2,451 1,053 750 2011 16,534 5,963 5,972 3,104 1,806	\$ \$ \$ \$	227,764 363,580 2,451 1,053 750 2012 15,797 6,084 5,940 2,904 1,713	1,227,764 363,580 2,451 1,053 750 201 \$ 16,534 \$ 6,145 \$ 6,088 \$ 2,869 \$ 1,652	3 \$ \$ \$ \$	1,227,764 363,580 2,451 1,053 750 2014 17,271 6,229 6,240 2,927 1,651	\$ \$ \$	4,911,056 1,454,320 9,805 4,212 2,999 Total 66,136 24,420 24,240 11,805 6,822
Residential (kWh) General Service <50 kW (kWh) General Service 50 -999 kW (kW) General Service 1000 - 4999 kW (kW) Large User (kw) CDM in 2011 Forecast\$ Residential (kWh) General Service <50 kW (kWh) General Service 50 -999 kW (kW) General Service 1000 - 4999 kW (kW) Large User (kw) LRAMVA=LRAM\$-2011 Forecast\$ Residential (kWh)	\$ \$ \$ \$	227,764 363,580 2,451 1,053 750 2011 16,534 5,963 5,972 3,104 1,806 2011	\$ \$ \$ \$	2,227,764 363,580 2,451 1,053 750 2012 15,797 6,084 5,940 2,904 1,713 2012 \$ (4,372)	1,227,764 363,580 2,451 1,053 750 201 \$ 16,534 \$ 6,088 \$ 2,868 \$ 1,652 201 \$ 17	3 3 5 5 5 5 5 5 7	1,227,764 363,580 2,451 1,053 750 2014 17,271 6,229 6,240 2,927 1,651 2014 \$ 185	\$ \$ \$	4,911,056 1,454,320 9,805 4,212 2,999 Total 66,136 24,420 24,240 11,805 6,822 Total \$ (13,043)
Residential (kWh) General Service <50 kW (kWh) General Service 50 -999 kW (kW) General Service 1000 - 4999 kW (kW) Large User (kw) CDM in 2011 Forecast\$ Residential (kWh) General Service <50 kW (kWh) General Service 50 -999 kW (kW) General Service 1000 - 4999 kW (kW) Large User (kw) LRAMVA=LRAM\$-2011 Forecast\$ Residential (kWh) General Service <50 kW (kWh)	\$ \$ \$ \$	227,764 363,580 2,451 1,053 750 2011 16,534 5,963 5,972 3,104 1,806 2011 \$ (9,033) \$ (1,983)	\$ \$ \$ \$	2,227,764 363,580 2,451 1,053 750 2012 15,797 6,084 5,940 2,904 1,713 2012 \$ (4,372) \$ 3,145	1,227,764 363,580 2,451 1,053 750 201 \$ 16,534 \$ 6,145 \$ 6,088 \$ 2,869 \$ 1,652 201 \$ 17 \$ 8,91	3 3 5 5 5 5 5 5 5 5 7 1	1,227,764 363,580 2,451 1,053 750 2014 17,271 6,229 6,240 2,927 1,651 2014 \$ 185 \$ 9,034	\$ \$ \$	4,911,056 1,454,320 9,805 4,212 2,999 Total 66,136 24,420 24,240 11,805 6,822 Total \$ (13,043) \$ 19,106
Residential (kWh) General Service <50 kW (kWh) General Service 50 -999 kW (kW) General Service 1000 - 4999 kW (kW) Large User (kw) CDM in 2011 Forecast\$ Residential (kWh) General Service <50 kW (kWh) General Service 1000 - 4999 kW (kW) Large User (kw) LRAMVA=LRAM\$-2011 Forecast\$ Residential (kWh) General Service <50 kW (kWh)	\$ \$ \$ \$	227,764 363,580 2,451 1,053 750 2011 16,534 5,963 5,972 3,104 1,806 2011 \$ (9,033) \$ (1,983) \$ 9,033	\$ \$ \$ \$	227,764 363,580 2,451 1,053 750 2012 15,797 6,084 5,940 2,904 1,713 2012 \$ (4,372) \$ 3,145 \$ 13,789	1,227,764 363,580 2,451 1,053 750 201 \$ 16,534 \$ 6,145 \$ 6,088 \$ 2,869 \$ 1,652 201 \$ 17 \$ 8,91 \$ 18,07	3 3 5 5 5 5 5 5 7 11	1,227,764 363,580 2,451 1,053 750 2014 17,271 6,229 6,240 2,927 1,651 2014 \$ 185 \$ 9,034 \$ 18,521	\$ \$ \$	4,911,056 1,454,320 9,805 4,212 2,999 Total 66,136 24,420 24,240 11,805 6,822 Total \$ (13,043) \$ 19,106 \$ 59,413
Residential (kWh) General Service <50 kW (kWh) General Service 50 -999 kW (kW) General Service 1000 - 4999 kW (kW) Large User (kw) CDM in 2011 Forecast\$ Residential (kWh) General Service <50 kW (kWh) General Service 50 -999 kW (kW) Large User (kw) LRAMVA=LRAM\$-2011 Forecast\$ Residential (kWh) General Service <50 kW (kWh) General Service >50 kW (kWh)	\$ \$ \$ \$	227,764 363,580 2,451 1,053 750 2011 16,534 5,963 5,972 3,104 1,806 2011 \$ (9,033) \$ (1,983) \$ 9,033 \$ 3,264	\$ \$ \$ \$	227,764 363,580 2,451 1,053 750 2012 15,797 6,084 5,940 2,904 1,713 2012 \$ (4,372) \$ 3,145 \$ 13,789 \$ 4,512	1,227,764 363,580 2,451 1,053 750 201 \$ 16,534 \$ 6,145 \$ 6,088 \$ 2,869 \$ 1,652 201 \$ 17 \$ 8,91 \$ 18,07 \$ 4,60	3 3 5 5 5 5 7 7 11 00	1,227,764 363,580 2,451 1,053 750 2014 17,271 6,229 6,240 2,927 1,651 2014 \$ 185 \$ 9,034 \$ 18,521 \$ 4,703	\$ \$ \$	4,911,056 1,454,320 9,805 4,212 2,999 Total 66,136 24,420 24,240 11,805 6,822 Total \$ (13,043) \$ 19,106 \$ 59,413 \$ 17,088
Residential (kWh) General Service <50 kW (kWh) General Service 50 -999 kW (kW) General Service 1000 - 4999 kW (kW) Large User (kw) CDM in 2011 Forecast\$ Residential (kWh) General Service <50 kW (kWh) General Service 1000 - 4999 kW (kW) Large User (kw) LRAMVA=LRAM\$-2011 Forecast\$ Residential (kWh) General Service <50 kW (kWh)	\$ \$ \$ \$	227,764 363,580 2,451 1,053 750 2011 16,534 5,963 5,972 3,104 1,806 2011 \$ (9,033) \$ (1,983) \$ 9,033	\$ \$ \$ \$	227,764 363,580 2,451 1,053 750 2012 15,797 6,084 5,940 2,904 1,713 2012 \$ (4,372) \$ 3,145 \$ 13,789	1,227,764 363,580 2,451 1,053 750 201 \$ 16,534 \$ 6,145 \$ 6,088 \$ 2,869 \$ 1,652 201 \$ 17 \$ 8,91 \$ 18,07	3 3 5 5 5 5 7 7 7	1,227,764 363,580 2,451 1,053 750 2014 17,271 6,229 6,240 2,927 1,651 2014 \$ 185 \$ 9,034 \$ 18,521	\$ \$ \$	4,911,056 1,454,320 9,805 4,212 2,999 Total 66,136 24,420 24,240 11,805 6,822 Total \$ (13,043)

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Table 4-54 LRAMVA Rate Rider

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Description	LRAM\$	2011 Forecast\$	Net LRAMVA	Carrying Charges to April 2016	Total LRAMVA Claim	Proposed Billing Determinant	Unit	LRAMVA Rate Rider
Residential (kWh)	\$ 53,092	\$ 66,136	\$ (13,043)	\$ (864)	\$ (13,907)	309,752,959	kWh	0.0000
General Service <50 kW (kWh)	\$ 43,527	\$ 24,420	\$ 19,106	\$ 633	\$ 19,739	92,617,956	kWh	0.0002
General Service 50 -999 kW (kW)	\$ 83,653	\$ 24,240	\$ 59,413	\$ 2,616	\$ 62,029	551,414	kW	0.1125
General Service 1000 - 4999 kW (kW)	\$ 28,893	\$ 11,805	\$ 17,088	\$ 789	\$ 17,877	231,678	kW	0.0772
Large User (kW)	\$ 4,678	\$ 6,822	\$ (2,144)	\$ (147)	\$ (2,290)	255,025	kW	-0.0090
Total	\$ 213,843	\$ 133,423	\$ 80,420	\$ 3,028	\$ 83,448			

ATTACHMENT 4-1 BENEFIT PACKAGE

MY BENEFIT PLAN BOOKLET

Milton Hydro Distribution Inc.

Management

Billing Division: 100

Revised Effective Date: January 28, 2013

WELCOME TO YOUR HEALTH AND DENTAL BENEFIT PLAN

ABOUT THIS BOOKLET

This booklet contains important information you will need about your group benefits with **Milton Hydro Distribution Inc.**, your plan sponsor, available through the group contract with Green Shield. It includes:

- a Table of Contents, to allow easy and quick access to the information you are looking for
- a Schedule of Benefits, listing all the deductibles, co-pays and maximums that may impact the amount paid to you
- a Definitions section, to explain common terms used throughout the booklet
- detailed benefit descriptions for each benefit in your group benefits plan
- information you need to submit a claim

You are encouraged to read this booklet carefully; please keep it in a safe place so that you may refer to it when submitting claims.

You will receive Identification Card(s) showing your Green Shield Identification Number to be used on all claims and correspondence. Your number will appear on the front of the card and end in -00, while each of your dependents with their numbers will be shown on the back.

PLAN MEMBER ONLINE SERVICES

In addition to this booklet and our Customer Service Centre, we also provide you with access to our secure website. Our website will answer those questions most often asked and give you online access to the following:

- A Benefit Plan Booklet
- Printer friendly personalized claim forms
- Benefit eligibility information, such as the date you are eligible for your next dental recall exam
- Explanation of Benefits information and claim history for you and your dependents
- Claim history for tax purposes or Co-ordination of Benefits
- Request your claim payments to be directly deposited into your bank account*
- And much more

Register online at greenshield.ca and see what our website can do for you!

*Please note that once arrangements have been made for Direct Deposit, claim payments will be deposited directly into the bank account you have chosen. Statements will no longer be mailed to you but will be available for online viewing.

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SCHEDULE OF BENEFITS

HEALTH BENEFIT PLAN

This schedule describes the deductibles, co-pays and maximums that may be applicable if you are included in the Billing Division shown on the cover of this booklet.

Complete benefit details are provided in the Description of Benefits section of this booklet. Be sure to read these pages carefully. They show the conditions, limitations and exclusions that may apply to the benefits. All dollar maximums are based on paid Canadian dollars. You are covered for only those specific benefits for which you have applied.

This group benefit plan is intended to supplement your provincial health insurance plan. The benefits shown below will be eligible, if they are reasonable and customary, and are medically necessary for the treatment of an illness or injury.

Deductible: Nil	Overall Maximum:	Unlimited
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Your Plan Covers:	Your Co-Pay:	Maximum Plan Pays:
Prescription Drugs –	any allowed	
Pay Direct Drug Card	dispensing fee	
	charge in	
	excess of \$8	
 Fertility drugs 		\$2,500 per lifetime
 Smoking cessation drugs 		\$500 per lifetime
 Erectile dysfunction drugs 		\$500 per calendar year
 All other covered drugs 		Unlimited
Hospital Accommodation	0%	
Public general hospital or convalescent or		
rehabilitation hospital - semi-private room		Reasonable and customary charges
and private room		
Audio	0%	\$300 per 5 years based on date of first paid claim
Medical Items and Services	0%	
Footwear		
 custom made boots or shoes 		One pair per calendar year for plan members
		18 years of age and over,
		Three pairs per calendar year for dependent
		children age 2 to 17,
		Four pairs per calendar year for dependent
		children age 1 and under
custom made foot orthotics		\$300 per calendar year
Patient lift		\$2,000 every 5 years
Blood glucose monitor		1 every 4 years

Your Plan Covers:	Your Co-Pay:	Maximum Plan Pays:
 Muscle/Nerve Stimulators T.E.N.S, rental, supplies, repairs 		\$700 per lifetime
 Prosthetics Breast (any type) Bra (mastectomy) Arm, deluxe, myo-electric Wigs 		1 per 12 months 2 per 12 months \$10,000 per prosthesis \$200 per lifetime
Optometric eye exams		Once every 2 years
Custom compression stockings		4 pairs per calendar year
 Vascular Compression Compression pumps and supplies 		\$1,500 per lifetime
Wheelchair ramp, portable		\$2,000 per lifetime
Other items and services – See the Description of Benefits section for details		Reasonable and customary charges
Private Duty Nursing in the Home	0%	\$10,000 per 12 months based on the date of the first paid claim
Professional Services	0%	\$500 per practitioner per calendar year
Chiropractor		
Podiatrist		
Registered Massage Therapist		
Naturopath		
Osteopath		
Physiotherapist		
 Psychologist or Social Worker/Counsellor or Counsellor, Master of Social Work 		
Speech Therapist		
Vision	0%	
 prescription eye glasses or contact lenses, or medically necessary contact lenses, or laser eye surgery 		\$325 per 24 consecutive months based on date of first paid claim *Effective January 1, 2015 \$400 per 24
		consecutive months based on date of first paid claim

TRAVEL BENEFIT PLAN

This schedule describes the deductibles, co-pays and maximums that may be applicable if you are included in the Billing Division shown on the cover of this booklet.

Complete benefit details are provided in the Description of Benefits section of this booklet. Be sure to read these pages carefully. They show the conditions, limitations and exclusions that may apply to the benefits. All dollar maximums are based on paid Canadian dollars. You are covered for only those specific benefits for which you have applied.

This group benefit plan is intended to supplement your provincial health insurance plan. Hospital and medical services are eligible only if your provincial health insurance plan provides payment toward the cost of incurred services. The benefits shown below will be eligible, if they are reasonable and customary, and are medically necessary for the treatment of an illness or injury.

Reimbursement of eligible benefits for emergency services will be made only if the services were required as a result of emergency illness or injury that occurred while you were vacationing or traveling for other than health reasons.

The patient <u>must</u> contact Green Shield Canada Travel Assistance <u>within 48 hours of commencement</u> of treatment. Failure to notify us within 48 hours may result in benefits being limited to only those expenses incurred within the first 48 hours of any and each treatment/incident or the plan maximum, whichever is the lesser of the two.

Deductible: Does not apply Overall Maximum: Does not apply		Deductible: Does not apply	Overall Maximum: Does not apply
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Co-pay: Does not apply

Your Plan Covers:	Maximum Plan Pays:
Maximum Number of Days per Trip	60 days
Emergency Services	\$5,000,000 per covered person per incident
Referral Services	\$50,000 per covered person per calendar year

For a full description of the Travel Benefit, refer to the Benefit Description section.

DENTAL BENEFIT PLAN

This schedule describes the deductibles, co-pays and maximums that may be applicable if you are included in the Billing Division shown on the cover of this booklet.

Complete benefit details are provided in the Description of Benefits section of this booklet. Be sure to read these pages carefully. They show the conditions, limitations and exclusions that may apply to the benefits. All dollar maximums are based on paid Canadian dollars. You are covered for only those specific benefits for which you have applied.

Deductible:	Nil
Fee Guide:	The current Provincial Dental Association Fee Guide for General or Specialist Practitioners in the province of residence
	For Alberta, with no fee guide, reimbursement will be according to a fee schedule established by Green Shield for that province

Your Plan Covers:	Your Co-Pay:	Maximum Plan Pays:
Basic Services and Comprehensive Basic Services	0%	Unlimited
Major Services		
Dentures	0%	Unlimited
■ Bridges & Crowns	20%	\$2,000 per covered person per calendar year
Orthodontic Services	50%	\$2,000 per covered person per lifetime, for covered persons 6 years of age and over

DEFINITIONS

Unless specifically stated otherwise, the following definitions will apply throughout this booklet.

Allowed amount means, as determined by Green Shield:

- a) Drugs the Green Shield National Pricing Policy and/or the reasonable and customary charge;
- Extended Health Services the reasonable and customary charge for the service or supply but not more than the prevailing charge in the area in which the charge is made for a like service or supply;
- c) Dental the fee guide as specified in the Schedule of Benefits.

Calendar year means the 12 consecutive months January 1st to December 31st of each year.

For Drugs

Co-pay is the eligible allowed amount that must be paid by you or your dependent before reimbursement of an expense will be made.

For Dental Benefits

Co-pay is the eligible allowed amount that must be paid by you or your dependent before reimbursement of an expense will be made.

Covered person means the plan member who has been enrolled in the plan or his or her enrolled dependents.

Custom made boots or shoes means footwear used by an individual whose condition cannot be accommodated by existing footwear products. The fabrication of the footwear involves making a unique cast of the covered person's feet and the use of 100% raw materials. (This footwear is used to accommodate the bony and structural abnormalities of the feet and lower legs resulting from trauma, disease or congenital deformities).

Custom made foot orthotics means a device made from a 3-dimensional model of an individual's foot and made from raw materials. (This device is used to relieve foot pain related to biomechanical misalignment to the feet and lower limbs.)

Dependent means

- a) your spouse, if you are legally married or if not legally married, you have lived in a common-law relationship for more than 12 continuous months. Only one spouse will be considered at any time as being covered under the group contract;
- b) your unmarried child under age 21:
- c) your unmarried child under age 25, if enrolled and in full-time attendance at an accredited college, university or educational institute;
- d) your unmarried child (regardless of age) who became totally disabled while eligible under b) or c) above, and has been continuously so disabled since that time and is considered a dependent as defined under the Income Tax Act, also qualify as a dependent.

Your child (you or your spouse's natural, legally adopted or stepchildren) must reside with you in a parent-child relationship or be dependent upon you (or both) and not regularly employed.

Children who are in full-time attendance at an accredited school do not have to reside with you or attend school in your province. If the school is in another province, you must apply to your provincial health insurance plan for an extension of coverage to ensure your child continues to be covered under a provincial health insurance plan. (Please note that the limitations of the Travel plan still apply).

Emergency means a sudden, unexpected occurrence (disease or injury) that requires immediate medical attention. This includes treatment (non-elective) for immediate relief of severe pain, suffering or disease that cannot be delayed until you or your dependent is medically able to return to your province of residence.

First paid claim means the actual date of service of the initial or a prior claim paid by Green Shield.

Injury means an unexpected or unforeseen event that occurs as a direct result of a violent, sudden and unexpected action from an outside source.

Plan member means you, when you are enrolled for coverage.

Private room for hospital accommodation means a room having only one treatment bed.

Reasonable and customary means in the opinion of Green Shield, the usual charge of the provider for the service or supply, in the absence of insurance, but not more than the prevailing charge in the area for a like service or supply.

Rendered amount means the amount charged by a provider for a service and submitted for payment of a claim.

Semi-private room for hospital accommodation means a room having only two treatment beds.

Stock item footwear means any mass-produced foot care item that is sold over-the-counter and is readily available without any modifications.

ELIGIBILITY

For You

To be eligible for coverage, you must be:

- a) a plan member who is a resident of Canada;
- b) covered under your provincial health insurance plan;
- c) actively at work and working a minimum of 20 hours per week on a regular basis.

For your Dependents

To be eligible for coverage you must be:

- a) covered under this plan; and
- b) each dependent must be covered under a provincial health insurance plan.

Coverage Effective Date

Your coverage begins on the date you become eligible for coverage, have satisfied the eligibility requirements and you are enrolled under the plan.

You will be eligible for coverage on the first day of active employment.

Your dependent coverage will begin on the same date as your coverage.

If you have waived eligibility due to having coverage through your spouse's benefit plan, you must request coverage from your plan sponsor within 31 days after termination of the coverage under your spouse's plan.

Your plan sponsor is solely responsible for submitting all required forms to Green Shield as of the Effective Date of this plan or as of the first date that you become eligible.

Termination

Your coverage will end on the earliest of the following dates:

- a) the date your employment ends;
- b) the date you are no longer actively working;
- c) the end of the period for which rates have been paid to Green Shield for your coverage;
- d) the date the group contract terminates.

Dependent coverage will end on the earliest of the following dates:

- a) the date your coverage terminates;
- b) the date your dependent is no longer an eligible dependent;
- c) the end of the day in which your dependent child attains the specified age limit:
- d) the end of the period for which rates have been paid for dependent coverage;
- e) the date the group contract terminates.

Dependent Children Continuation of Coverage

Any child whose coverage would end because they have reached the specified age limit may qualify for continued coverage, subject to the following conditions:

- a) your child became dependent upon you by reason of a mental or physical disability prior to reaching this age; and
- b) your child has been continuously so disabled since that time.

Survivor Continuation of Coverage

In the event of your death while covered by this plan, coverage will continue for your eligible covered dependents until the earliest of the following dates, without payment of rates:

- a) 24 months after the date of your death;
- b) the date the covered person would no longer be considered a dependent under the plan if you were still alive; or
- c) the date the benefit under which your dependent is covered, terminates.

Group Conversion - PRISM CONTINUUM® Program

The PRISM CONTINUUM® Program offers three plans that are focused on providing coverage for you if you are leaving a company group plan.

This program may be your solution if you, your spouse or dependent children are losing, or have lost company group health benefits within the last 60 days and are looking for guaranteed coverage.

Call 416.601.0429 in the Toronto area or toll-free at 1.800.667.0429 for an information package or visit our website at <u>greenshield.ca</u>. Coverage is guaranteed if you apply within 60 days of losing your Green Shield group benefits.

DESCRIPTION OF BENEFITS HEALTH BENEFIT PLAN

The benefits shown below will be eligible, up to the amount shown in the Schedule of Benefits, if they are reasonable and customary, and are medically necessary for the treatment of an illness or injury.

Prescription Drugs

Prescription drug benefits, up to the amount shown in the Schedule of Benefits, that:

- a) are prescribed by a legally qualified medical practitioner or dental practitioner as permitted by law;
 and
- b) legally require a prescription and has a Drug Identification Number (DIN); or
- c) are paid on a Pay Direct basis.

If approved by Green Shield, this plan includes drugs with a Drug Identification Number (DIN) that do not legally require a prescription, including insulin and all other approved injectables, as well as related supplies such as diabetic syringes, needles and testing agents. In addition, this plan includes all vaccines.

Certain drugs may require prior approval. Your Pharmacist is aware of the drugs that fall into this category.

In no event will the amount dispensed exceed a 3-month supply (6 months if a vacation supply is required) of a prescription at any one time and not more than a 13-month supply in any 12 consecutive months.

Generic drug substitution

Reimbursement will be made for the cost of the lowest priced equivalent drug based on specific provincial regulations, unless your medical or dental practitioner has written that there is to be no substitution of the prescribed drug or medicine.

NOTE:

Drug Benefit over age 65: The Drug Benefit co-pay an

The Drug Benefit co-pay and the deductible (where applicable) in your

province of residence is an eligible benefit.

Quebec residents only: Legislation requires Green Shield to follow the RAMQ (The Regie de

l'assurance maladie du Quebec) reimbursement guidelines for all residents of Quebec. If you are younger than age 65, you <u>must</u> enroll for the Green Shield Prescription Drugs benefit plan and Green Shield will be the only payer. If you are age 65 or older, enrollment in RAMQ is automatic, enrollment in the Green Shield Prescription Drugs benefit plan is optional,

and RAMQ would be first payer.

If any provisions of this plan do not meet the minimum requirements of the RAMQ plan, adjustments are automatically made to meet RAMQ

requirements.

Eligible benefits do not include and no amount will be paid for:

- a) Medication for the treatment of obesity;
- Products which may lawfully be sold or offered for sale other than through retail pharmacies, and which are not normally considered by practitioners as medicines for which a prescription is necessary or required, excluding smoking cessation products (such as Nicoderm patches and Nicorette gum);
- Ingredients or products which have not been approved by Health Canada for the treatment of a medical condition or disease and are deemed to be experimental in nature and/or may be in the testing stage;
- d) Mixtures, compounded by a pharmacist, that do not conform to Green Shield's current Compound Policy.

Extended Health Services

- 1. Hospital Accommodation: Reimbursement, as shown in the Schedule of Benefits, of reasonable and customary charges in the area where received, for accommodation in a public general hospital, or a convalescent or rehabilitation hospital or a convalescent or rehabilitation wing in a public general hospital (eligible following 3 consecutive days confinement for acute care), or a public chronic hospital or chronic care in a public general hospital, provided your provincial health insurance plan has accepted or agreed to pay the ward or standard rate.
- 2. Audio: Reimbursement for hearing aids, repairs or replacement parts, batteries, if recommended or approved by the attending legally qualified medical practitioner, up to the amount shown in the Schedule of Benefits.
- **3. Medical Items and Services:** Reimbursement for reasonable and customary charges, up to the amount, where applicable, as shown in the Schedule of Benefits for:
 - a) Aids for daily living: such as hospital style beds, including rails and mattresses; bedpans; standard commodes; decubitus (bedridden) supplies; portable patient lifts (including batteries); trapezes;
 - b) Footwear:
 - i) custom made foot orthotics (when prescribed by your attending physician, podiatrist or chiropodist);
 - ii) custom made boots or shoes, stock item footwear, adjustments to stock item footwear, or footwear as an integral part of a brace, (subject to a medical pre-authorization);
 - c) Braces, casts;
 - d) Diabetic equipment, such as blood glucose monitors and lancets;
 - e) Medical services, such as diagnostic tests, X-rays and laboratory tests;
 - f) Incontinence/Ostomy, such as catheter supplies and ostomy supplies;
 - g) Mobility aids, such as canes, crutches, walkers and wheelchairs (including wheelchair batteries);
 - h) Prosthetics, such as arm, hand, leg, foot, breast, eye and larynx;
 - i) Optometric eye examinations for visual acuity performed by a licensed optometrist, ophthalmologist or physician limited to one exam in a 2 year period (available only in those provinces where eye examinations are not covered by the provincial health insurance plan);
 - j) Respiratory/Cardiology equipment, such as compressors, inhalant devices, tracheotomy supplies and oxygen;
 - k) Custom compression stockings;
 - I) Wigs, for temporary or permanent hair loss as a result of a medical condition due to chemotherapy or radiation

Some items may require pre-authorization. To confirm eligibility prior to purchasing or renting equipment, submit a Pre-Authorization Form to Green Shield.

Limitations

- a) The rental price of durable medical equipment will not exceed the purchase price. Green Shield's decision to purchase or rent will be based on the physician's estimate of the duration of need as established by the original prescription. Rental authorization may be granted for the prescribed duration. Equipment that has been refurbished by the supplier for resale is not an eligible benefit;
- b) Durable medical equipment must be appropriate for use in the home, able to withstand repeated use and generally not useful in the absence of illness or injury;
- c) When deluxe medical equipment is a covered benefit, reimbursement will be made only when deluxe features are required in order for the covered person to effectively operate the equipment. Items that are not primarily medical in nature or that are for comfort and convenience are not eligible.

- **4. Emergency Transportation:** Reimbursement for professional land or air ambulance to the nearest hospital equipped to provide the required treatment, when medically required as the result of an injury, illness or acute physical disability.
- 5. Private Duty Nursing in the Home: Reimbursement for the services of a Registered Nurse (R.N.) or Registered Practical Nurse/Licensed Practical Nurse (R.P.N./L.P.N.) in the home on a visit or shift basis, up to the amount shown in the Schedule of Benefits. No amount will be paid for services which are custodial and/or services which do not require the skill level of a Registered Nurse (R.N.) or Registered Practical Nurse/Licensed Practical Nurse (R.P.N./L.P.N.).

A Pre-Authorization Form for Private Duty Nursing must be completed by the attending physician and submitted to Green Shield.

6. Professional Services: Reimbursement for the services of the practitioners included, up to the amount shown in the Schedule of Benefits, when the practitioner rendering the service is licensed by their provincial regulatory agency or a registered member of a professional association and that association is recognized by Green Shield. Please contact the Green Shield Customer Service Centre to confirm practitioner eligibility.

NOTE:

- Podiatry services are not eligible until your Ontario health insurance plan annual maximum has been exhausted
- 7. Accidental Dental: Reimbursement for the services of a licensed dental practitioner for dental care when necessitated by a direct blow to the mouth and not by an object wittingly or unwittingly placed in the mouth. The accident must occur while the coverage is in force. When natural teeth have been damaged eligible services are limited to one set of artificial teeth. You must notify Green Shield immediately following the accident and the treatment must commence within 60 days of the accident. Treatment must be completed within 12 months of date of accident for covered persons age 19 and over.

Green Shield will not be liable for any services performed after the earlier of a) 365 days following the accident, or b) the date you or your dependent cease to be covered under this plan.

No amount will be paid for periodontia or orthodontia treatments or the repair or replacement of artificial teeth.

Charges will be based on the current Provincial Dental Association Fee Guide for General Practitioners in the province where services are rendered. Approval will be based on the current status and/or benefit level of the covered person at the time that we are notified of the accident. Any change in coverage will alter Green Shield's liability.

In the event of a dental accident, claims should be submitted under the health benefit plan before submitting them under the dental plan.

- **8. Vision:** Reimbursement for the services performed by a licensed Optometrist, Optician or Ophthalmologist, up to the amounts shown in the Schedule of Benefits, for:
 - a) Prescription eyeglasses or contact lenses.
 - b) Medically necessary contact lenses when visual acuity cannot otherwise be corrected to at least 20/40 in the better eye or when medically necessary due to keratoconus, irregular astigmatism, irregular corneal curvature or physical deformity resulting in an inability to wear normal frames.
 - c) Replacement parts for prescription eyeglasses.
 - d) Laser eye surgery.
 - e) Plano sunglasses prescribed by a legally qualified medical practitioner for the treatment of specific ophthalmic diseases or conditions.

Eligible benefits do not include and no amount will be paid for:

- a) Medical or surgical treatment, except for laser eye surgery;
- b) Special or unusual procedures such as, but not limited to, orthoptics, vision training, subnormal vision aids and aniseikonic lenses;
- c) Follow-up visits associated with the dispensing and fitting of contact lenses;
- d) Charges for eyeglass cases.

Health Exclusions

Eligible benefits do not include and reimbursement will not be made for:

- 1. Services or supplies received as a result of disease, illness or injury due to:
 - a) intentionally self-inflicted injury while sane or insane;
 - b) an act of war, declared or undeclared;
 - c) participation in a riot or civil commotion; or
 - d) committing a criminal offence;
- 2. Services or supplies provided while serving in the armed forces of any country;
- 3. Failure to keep a scheduled appointment with a legally qualified medical or dental practitioner;
- 4. The completion of any claim forms and/or insurance reports;
- 5. Any specific treatment or drug which:
 - a) does not meet accepted standards of medical, dental or ophthalmic practice, including charges for services or supplies which are experimental in nature, or is not considered to be effective (either medically or from a cost perspective, based on Health Canada's approved indication for use);
 - b) is an adjunctive drug prescribed in connection with any treatment or drug that is not an eligible service;
 - c) will be administered in a hospital;
 - d) is not dispensed by the pharmacist in accordance with the payment method shown under the Prescription Drugs benefit;
 - e) is not being used and/or administered in accordance with Health Canada's approved indication for use, even though such drug or procedure may customarily be used in the treatment of other illnesses or injuries;
- 6. Services or supplies that:
 - a) are not recommended, provided by or approved by the attending legally qualified (in the opinion of Green Shield) medical practitioner or dental practitioner as permitted by law;
 - b) are legally prohibited by the government from coverage:
 - c) you are not obligated to pay for or for which no charge would be made in the absence of benefit coverage or for which payment is made on your behalf by a not-for-profit prepayment association, insurance carrier, third party administrator, like agency or a party other than Green Shield, your plan sponsor or you;
 - d) are provided by a health practitioner whose license by the relevant provincial regulatory and/or professional association has been suspended or revoked;
 - e) are not provided by a designated provider of service in response to a prescription issued by a legally qualified health practitioner;
 - f) are used solely for recreational or sporting activities and which are not medically necessary for regular activities;
 - g) are primarily for cosmetic or aesthetic purposes, or are to correct congenital malformations;
 - h) are provided by an immediate family member related to you by birth, adoption, or by marriage and/or a practitioner who normally resides in your home. An immediate family member includes a parent, spouse, child or sibling;
 - are provided by your plan sponsor and/or a practitioner employed by your plan sponsor, other than as part of an employee assistance plan;

- j) are a replacement of lost, missing or stolen items, or items that are damaged due to negligence. Replacements are eligible when required due to natural wear, growth or relevant change in your medical condition but only when the equipment/prostheses cannot be adjusted or repaired at a lesser cost and the item is still medically required;
- k) are video instructional kits, informational manuals or pamphlets;
- are for medical or surgical audio and visual treatment;
- m) are special or unusual procedures such as, but not limited to, orthoptics, vision training, subnormal vision aids and aniseikonic lenses;
- n) are delivery and transportation charges;
- o) are for Insulin pumps and supplies (unless otherwise covered under the plan);
- p) are for medical examinations, audiometric examinations or hearing aid evaluation tests;
- q) are batteries, unless specifically included as an eligible benefit;
- r) are a duplicate prosthetic device or appliance;
- s) are from any governmental agency which are obtained without cost by compliance with laws or regulations enacted by a federal, provincial, municipal or other governmental body;
- t) would normally be paid through any provincial health insurance plan, Workplace Safety and Insurance Board or tribunal, the Assistive Devices Program or any other government agency, or which would have been payable under such a plan had proper application for coverage been made, or had proper and timely claims submission been made;
- u) were previously provided or paid for by any governmental body or agency, but which have been modified, suspended or discontinued as a result of changes in provincial health plan legislation or de-listing of any provincial health plan services or supplies;
- v) may include but are not limited to, drugs, laboratory services, diagnostic testing or any other service which is provided by and/or administered in any public or private health care clinic or like facility, medical practitioner's office or residence, where the treatment or drug does not meet the accepted standards or is not considered to be effective (either medically or from a cost perspective, based on Health Canada's approved indication for use);
- w) are provided by a medical practitioner who has opted out of any provincial health insurance plan and the provincial health insurance plan would have otherwise paid for such eligible service;
- x) relates to treatment of injuries arising from a motor vehicle accident;
 - Note: Payment of benefits for claims relating to automobile accidents for which coverage is available under a motor vehicle liability policy providing no-fault benefits will be considered only if—
 - i) the service or supplies being claimed is not eligible; or
 - ii) the financial commitment is complete;
 - A letter from your automobile insurance carrier will be required;
- y) are cognitive or administrative services or other fees charged by a provider of service for services other than those directly relating to the delivery of the service or supply.

TRAVEL

Eligible travel benefits will be reasonable and customary charges in the area where they were received, less the amount payable by your provincial health insurance plan.

All maximums and limitations stated are in Canadian currency. Reimbursement will be made in Canadian funds or U.S. funds for both providers and plan members, based on the country of the payee. For payments that require currency conversion, the rate of exchange used will be the rate in effect on the date of service of the claim.

Reimbursement of eligible benefits for emergency services will be made only if the services were required as a result of emergency illness or injury that occurred while you were vacationing or travelling for other than health reasons.

Upon notification of the necessity for treatment of an accidental injury or medical emergency, the patient must contact Green Shield Canada Travel Assistance within 48 hours of commencement of treatment.

Emergency means a sudden, unexpected occurrence (disease or injury) that requires immediate medical attention. This includes treatment (non-elective) for immediate relief of severe pain, suffering or disease that cannot be delayed until you or your dependent is medically able to return to your province of residence.

Any invasive or investigative procedures must be pre-approved by Green Shield Canada Assistance Medical Team.

Eligible benefits are limited to the maximum days per trip shown on the Schedule of Benefits commencing with the date of departure from your province of residence. If you are hospitalized on the last day shown on the Schedule of Benefits, your benefits will be extended until the date of discharge.

- 1. Hospital services and accommodation up to a standard ward rate in a public general hospital;
- **2. Medical/surgical services** rendered by a legally qualified physician or surgeon to relieve the symptoms of, or to cure an unforeseen illness or injury;
- 3. Emergency Transportation
 - Land ambulance to the nearest qualified medical facility
 - Air ambulance the cost of air evacuation (including a medical attendant when necessary) between hospitals and for hospital admission into Canada when approved in advance by your provincial health insurance plan or to the nearest qualified medical facility
- **4.** Referral services (a) hospital services and accommodation, up to a standard ward rate in a public general hospital, and/or (b) medical surgical services rendered by a legally qualified physician or surgeon;
 - Prior to the commencement of any referral treatment, written pre-authorization from your provincial health insurance plan and Green Shield Canada must be obtained. Your provincial health insurance plan may cover this referral benefit entirely. You must provide Green Shield Canada with a letter from your attending physician stating the reason for the referral, and a letter from your provincial health insurance plan outlining their liability. Failure to comply in obtaining pre-authorization will result in non-payment

- 5. Services of a registered private nurse up to a maximum of \$5,000 per calendar year, at the reasonable and customary rate charged by a qualified nurse (R.N.) registered in the jurisdiction in which treatment is provided. You must contact Green Shield Canada Travel Assistance for preapproval;
- **6. Diagnostic laboratory tests and X-rays** when prescribed by the attending physician. Except in emergency situations, Green Shield Canada Travel Assistance must pre-approve these services (i.e. cardiac catheterization or angiogram, angioplasty and bypass surgery);
- 7. Reimbursement of prescriptions for drugs, serums and injectables which require a prescription by law and are prescribed by a legally qualified medical practitioner (vitamins, patent and proprietary drugs are excluded). Submit to Green Shield Canada Travel Assistance the original paid receipt from the pharmacist, physician or hospital outside your province of residence showing the name of the prescribing physician, prescription number, name of preparation, date, quantity and total cost;
- **8. Medical appliances** including casts, crutches, canes, slings, splints and/or the temporary rental of a wheelchair when deemed medically necessary and required due to an accident which occurs, and when the devices are obtained outside your province of residence;
- 9. Treatment by a dentist only when required due to a direct accidental blow to the mouth up to a maximum of \$2,000. Treatments (prior to and after return) must be provided within 90 days of the accident. Details of the accident must be provided to Green Shield Canada Travel Assistance along with dental X-rays;
- **10. Coming Home** when your emergency illness or injury is such that:
 - Green Shield Assistance Medical Team specifies in writing that you should immediately return to
 your province of residence for immediate medical attention, reimbursement will be made for the
 extra cost incurred for the purchase of a one way economy airfare, plus the additional economy
 airfare if required to accommodate a stretcher, to return you by the most direct route to the major
 air terminal nearest the departure point in your province of residence
 - This benefit assumes that you are not holding a valid open-return air ticket. Charges for upgrading, departure taxes, cancellation penalties or airfares for accompanying family members or friends are not included:
 - Green Shield Assistance Medical Team or commercial airline stipulates in writing that you must be accompanied by a qualified medical attendant, reimbursement will be made for the cost incurred for one round trip economy airfare and the reasonable and customary fee charged by a medical attendant who is not your relative by birth, adoption or marriage and is registered in the jurisdiction in which treatment is provided, plus overnight hotel and meal expenses if required by the attendant
- 11. Cost of returning your personal use motor vehicle to your residence or nearest appropriate vehicle rental agency when you are unable to due to sickness, physical injury or death, up to a maximum of \$1,000 per trip. We require original receipts for costs incurred, i.e. gasoline, accommodation and airfares;
- **12. Meals and accommodation** up to \$1,500 (maximum of \$150 per day for up to 10 days) will be reimbursed for the extra costs of commercial hotel accommodation and meals incurred by you when you remain with a travelling companion or a person included in the "family" coverage, when the trip is delayed or interrupted due to an illness, accidental injury to or death of a travelling companion. This must be verified in writing by the attending legally qualified physician or surgeon and supported with original receipts from commercial organization;

- 13. Transportation to the bedside including round trip economy airfare by the most direct route from your province of residence, for any one spouse, parent, child, brother or sister, and up to \$150 per day for a maximum of 5 days for meals and accommodation at a commercial establishment will be paid for that family member to:
 - be with you or your covered dependent when confined in hospital. This benefit requires that the
 covered person must eventually be an inpatient for at least 7 days outside your province of
 residence, plus the written verification of the attending physician that the situation was serious
 enough to have required the visit
 - identify a deceased prior to release of the body
- **14. Return airfare** if the personal use motor vehicle of you or your covered dependent is stolen or rendered inoperable due to an accident, reimbursement will be made for the cost of a one-way economy airfare to return you by the most direct route to the major airport nearest your departure point in your province of residence. An official report of the loss or accident is required;
- **15. Return of deceased** up to a maximum of \$5,000 toward the cost of embalming or cremation in preparation for homeward transportation in an appropriate container of yourself or your covered dependent when death is caused by illness or accident. The body will be returned to the major airport nearest the point of departure in your province of residence. The benefit excludes the cost of a burial coffin or any funeral-related expenses, makeup, clothing, flowers, eulogy cards, church rental, etc;

GREEN SHIELD CANADA TRAVEL ASSISTANCE SERVICE

The following services are available 24 hours per day, 7 days per week through Green Shield Canada's international medical service organization.

These services include:

- Access to Pre-trip Assistance (prior to departure): Canada Direct Calling Codes; information about vaccinations; government issued travel advisories; and VISA/document requirements for entry into country of destination
- Multilingual assistance
- Assistance in locating the nearest, most appropriate medical care
- International preferred provider networks
- Green Shield Assistance Medical Team consultative and advisory services, including second opinion and review of appropriateness and analysis of the quality of medical care
- Assistance in establishing contact with family, personal physician and employer as appropriate
- Monitoring of progress during treatment and recovery
- Emergency message transmittal services
- Translation services and referrals to local interpreters as necessary
- Verification of coverage facilitating entry and admissions into hospitals and other medical care providers
- Special assistance regarding the co-ordination of direct claims payment
- Co-ordination of embassy and consular services
- Management, arrangement and co-ordination of emergency medical transportation and evacuation as necessary
- Management, arrangement and co-ordination of repatriation of remains

- Special assistance in making arrangements for interrupted and disrupted travel plans resulting from emergency situations to include:
 - the return of unaccompanied travel companions
 - travel to the bedside of a stranded person
 - rearrangement of ticketing due to accident or illness and other travel related emergencies
 - the return of a stranded personal use motor vehicle and related personal items
- Knowledgeable legal referral assistance
- Co-ordination of securing bail bonds and other legal instruments
- Special assistance in replacing lost or stolen travel documents including passports
- Courtesy assistance in securing incidental aid and other travel related services
- Emergency and payment assistance for major health expenses, which would result in payments in excess of \$200

How Travel Assistance Service Works

For assistance dial **1.800.936.6226** within Canada and the United States or call collect **0.519.742.3556** when traveling outside Canada and the United States. These numbers appear on your Green Shield Canada Identification card.

Quote the Green Shield Canada travel assist group number and your Green Shield Canada Identification Number, found on your Green Shield Canada Identification card, and explain your medical emergency. You must always be able to provide your Green Shield Canada Identification Number and your provincial health insurance plan number.

A multilingual Assistance Specialist will provide direction to the best available medical facility or legally qualified physician able to provide the appropriate care.

Upon admission to a hospital or when consulting a legally qualified physician or surgeon for major emergency treatment, we will guarantee the provider (hospital, clinic or physician), that you have both provincial health insurance plan coverage and Green Shield Canada travel benefits as detailed above.

The provider may then bill Green Shield Canada Travel Assistance directly for these approved services for amounts in excess of \$200.

Green Shield Assistance Medical Team will follow your progress to ensure that you are receiving the best available medical treatment. These physicians also keep in constant communication with your family physician and your family, depending on the severity of your condition.

When calling collect while travelling outside Canada and the United States, you may require a Canada Direct Calling Code. In the event that a collect call is not possible, keep your receipts for phone calls made to Green Shield Canada Travel Assistance and submit them for reimbursement upon your return to Canada.

Travel Limitations

- Benefits will be eligible only if existing or pre-diagnosed conditions are completely stable (in the opinion of Green Shield Canada Assistance Medical Team) at the time of departure from your province of residence. Green Shield Canada reserves the right to review your medical information at the time of claim;
- 2. The eligible benefits must be required for the immediate relief of acute pain or suffering as recommended by a legally qualified physician or surgeon. Eligible benefits will not be reimbursed for treatment or surgery that could reasonably be delayed until you return to your province of residence;

- 3. Reimbursement for eligible benefits will be made only if your provincial health insurance plan covers and provides payment toward the cost of the services received;
- 4. Coverage becomes effective at the time you or your dependent crosses the provincial border departing from their province of residence and terminates upon crossing the border returning to their province of residence on the return home. If traveling by air, coverage becomes effective at the time the aircraft takes off in the province of residence and terminates when the aircraft lands in the province of residence on the return home;
- 5. Upon notification of the necessity for treatment of an accidental injury or medical emergency, Green Shield Canada's Assistance Medical Team reserves the right to determine whether repatriation is appropriate if the patient's medical condition will require immediate or scheduled care. Such repatriation is mandatory, where the Assistance Medical Team determines that the patient is medically fit to travel and appropriate arrangements have been made to admit the patient into the provincial government health care system of their province of residence. Repatriation will ensure continued coverage under the plan. Should the patient opt not to be repatriated or elects to have such treatment or surgery outside their province of residence, the expense of such continuing treatment will not be an eligible benefit;

The patient <u>must</u> contact Green Shield Canada Travel Assistance <u>within 48 hours of commencement</u> of treatment. Failure to notify us within 48 hours may result in benefits being limited to only those expenses incurred within the first 48 hours of any and each treatment/incident or the plan maximum, whichever is the lesser of the two;

- 6. Air ambulance services will only be eligible if:
 - they are pre-approved by Green Shield Canada Travel Assistance
 - there is a medical need for you or your dependent to be confined to a stretcher or for a medical attendant to accompany you during the journey
 - you or your dependent are admitted directly to a hospital in your province of residence, and
 - medical reports or certificates from the dispatching and receiving legally qualified physicians are submitted to Green Shield Canada Travel Assistance
 - proof of payment (including air ticket vouchers or air carrier invoices) is submitted to Green Shield Canada Travel Assistance
- 7. If planning to travel in areas of political or civil unrest, or in areas where Foreign Affairs and International Trade Canada (DFAIT) has issued a formal travel warning regarding non-essential travel, contact Green Shield Canada Travel Assistance for pre-travel advice, as we may be unable to guarantee assistance services;
- 8. Green Shield Canada reserves the right, without notice, to suspend, curtail or limit its services in any area in the event of political or civil unrest, including rebellion, riot, military uprising, labour disturbance or strike, act of God, or refusal of authorities in a foreign country to permit Green Shield Canada to provide service. This includes travel in any area if at the time of booking the trip (including delay of travel), or before your departure date, Foreign Affairs and International Trade Canada (DFAIT) issued a formal travel warning advising Canadians to avoid all or non-essential travel to that specific country, region or city due to a likely or actual epidemic or pandemic, (non-essential travel will be deemed as anything other than a significant medical or family emergency, such as the death of a family member);
- 9. No services will be provided during any trip undertaken for the purpose of seeking medical treatment or advice unless pre-authorized as outlined in referral services.

Travel Exclusions

In addition to the Health Exclusions, eligible benefits do not include and reimbursement will not be made for:

- 1. Any claims arising directly or indirectly from any medical condition you suffer or contract in a specific country, region or city due to an epidemic or pandemic, if at the time of booking the trip (including delay of travel), or before your departure date, Foreign Affairs and International Trade Canada (DFAIT) issued a formal travel warning advising Canadians to avoid all or non-essential travel to that specific country, region or city. In this exclusion a medical condition is limited to the reason for which the formal travel warning was issued and includes complications arising from such medical condition;
- 2. Treatment or services required for ongoing care, rest cures, health spas, elective surgery, check-ups or travel for health purposes, even if the trip is on the referral of a physician;
- 3. Treatment or service that you elect to have performed outside Canada when the medical condition would not prevent your return to Canada for such treatment;
- 4. Treatment or service required as a result of suicide, attempted suicide, intentionally self-inflicted injury of you, a traveling companion, or immediate family member while sane or insane;
- 5. Abusive or excessive consumption of medication, drugs or alcohol and the ensuing consequences, including, and as a result of, in connection with or in any way associated with driving a motorized vehicle while impaired by drugs, alcohol or toxic substances or an alcohol level of more than 80 milligrams in 100 millilitres of blood. (A motorized vehicle means any form of transportation which is propelled or driven by a motor and includes, but is not restricted to an automobile, truck, motorcycle, moped, snowmobile, or boat);
- 6. Amounts paid or payable under any Workplace Safety and Insurance Board or similar plan;
- 7. Hospital and medical care for childbirth occurring within 8 weeks of the expected delivery date from the date of departure, or deliberate termination of pregnancy;
- 8. Treatment or service provided in a chronic care or psychiatric hospital, chronic unit of a general hospital, Long-Term Care (LTC) Facility, health spa, or nursing home;
- 9. Services received from a chiropractor, chiropodist, podiatrist, or for osteopathic manipulation;
- 10. Cataract surgery or the purchase of eyeglasses or hearing aids;
- 11. Green Shield Canada does not assume responsibility for nor will it be liable for any medical advice given, but not limited to a physician, pharmacist or other healthcare provider or facility recommended by Green Shield Canada Travel Assistance.
- 12. provider or facility recommended by Green Shield Canada Travel Assistance.

DENTAL BENEFIT PLAN

The benefits shown below will be eligible, if based on the licensed dental practitioner's reasonable and customary charge in accordance with the Fee Guide and the maximum shown in the Schedule of Benefits.

Basic Services

- 1. Basic Diagnostic and Preventive Services:
 - complete oral examinations once every 3 years
 - emergency and specific oral examinations
 - full series X-rays and panoramic X-rays once every 3 years
 - intraoral 15 films every 36 months
 - bitewing X-rays once every 6 months
 - recall examinations once every 6 months
 - cleaning of teeth (up to 1 unit of polishing plus up to 1 unit of scaling) once every 6 months
 - topical application of fluoride once every 6 months
 - · denture cleaning once every 6 months
 - pit and fissure sealants on permanent molars only, once every 5 years on same tooth
 - space maintainers
 - mouth guards once every 12 months

2. Basic Restorative Services:

- amalgam, tooth coloured filling restorations and temporary sedative fillings
- inlay restorations these are considered basic restorations and will be paid to the equivalent nonbonded amalgam

3. Basic oral surgery:

- extractions of teeth and/or residual roots
- 4. Anaesthesia and intravenous sedation in conjunction with eligible oral surgery only
- 5. Standard denture services:
 - denture repairs and/or tooth/teeth additions
 - standard relining and rebasing of dentures, once every 3 years
 - denture adjustments and remount and equilibration procedures, only after 3 months have elapsed from the installation of an initial or replacement denture
 - soft tissue conditioning linings for the gums to promote healing
 - remake of a partial denture using existing framework
- 6. Comprehensive oral surgery:
 - surgical exposure, repositioning, transplantation or enucleation of teeth
 - remodeling and recontouring shaping or restructuring of bone or gum
 - excision removal of cysts and tumors
 - incision drainage and/or exploration of soft or hard tissue
 - fractures including the treatment of the dislocation and/or fracture of the lower or upper jaw and repair of soft tissue lacerations
 - maxilofacial deformities frenectomy surgery on the fold of the tissue connecting the lip to the gum or the tongue to the floor of the mouth

Comprehensive Basic Services

- 1. Endodontic treatment including:
 - root canal therapy
 - pulpotomy (removal of the pulp from the crown portion of the tooth)
 - pulpectomy (removal of the pulp from the crown and root portion of the tooth)
 - apexification (assistance of root tip closure)
 - apical curettage, root resections and retrograde fillings (cleaning and removing diseased tissue of the root tip)
 - root amputation and hemisection
 - bleaching of non-vital tooth/teeth
 - emergency procedures including opening or draining of the gum/tooth
- 2. Periodontal treatment of diseased bone and gums including:
 - preventive scaling, periodontal scaling and/or root planing 6 time units per 12 months
 - occlusal equilibration selective grinding of tooth surfaces to adjust a bite 4 time units per 12 months

The fees for periodontal treatment are based on units of time (15 minutes per unit) and/or number of teeth in a surgical site in accordance with the General Practitioners Fee Guide.

bruxism appliance

Major Services

- 1. Standard onlays or crown restorations (paid to full metal on molar) to restore diseased or accidentally injured natural teeth, once every 5 years
- 2. Standard bridges, including pontics, abutment retainers/crowns on natural teeth, once every 5 years
- 3. Standard dentures including complete, immediate, transitional, and partial dentures, once every 3 years
- 4. Standard repair or recementing of crowns, onlays and bridge work on natural teeth

Orthodontic Services

Reimbursement for orthodontic treatment to straighten teeth and correct the bite.

When a lump sum fee has been paid toward orthodontic treatment, the total amount of the claim will be split into equal portions to include the initial fee and a monthly fee and will be reimbursed over the duration of the treatment.

If orthodontic treatment is terminated for any reason before completion, the obligation to pay benefits will cease with payment to the date of termination. If such services are resumed, benefit for the remaining services, will be resumed. The benefit payment for orthodontic services will be only for the months that coverage is in force.

Alternate Treatment

The group benefit plan will reimburse the amount shown in the Fee Guide for the least expensive service or supply, provided that both courses of treatment are a benefit under the plan.

Predetermination

Before your treatment begins:

- for all proposed treatment for crowns, onlays and bridges, an estimate completed by your dental practitioner, **must** be submitted for assessment. Our assessment of the proposed treatment, may result in a lesser benefit being payable or may result in benefits being denied. Failure to submit an estimate prior to beginning your treatment will result in the delay of the assessment.
- if the total cost of any other proposed treatment is expected to exceed \$300, it is recommended that you submit an estimate completed by your dental practitioner.

Limitations

- 1. Laboratory services must be completed in conjunction with other services and will be limited to the co-pay of such services. Laboratory services that are in excess of 40% of the dentist's fee in the current General Practitioners Fee Guide will be reduced accordingly; co-pay is then applied;
- Reimbursement will be made according to standard and/or basic services, supplies or treatment. Related expenses beyond the standard and/or basic services, supplies or treatment will remain your responsibility;
- 3. When more than one surgical procedure is performed during the same appointment in the same area of the mouth, only the most comprehensive procedure will be eligible for reimbursement;
- Reimbursement will be pro-rated and reduced accordingly, when time spent by the dentist is less than the average time assigned to a dental service procedure code in the General Practitioners Fee Guide;
- 5. Reimbursement for root canal therapy will be limited to payment once only per tooth. The total fee for root canal includes all pulpotomies and pulpectomies performed on the same tooth, not eligible within 18 months of a root canal;
- 6. Common surfaces on the same tooth/same day will be assessed as one surface. If individual surfaces are restored on the same tooth/same day, payment will be assessed according to the procedure code representing the combined surface. Payment will be limited to a maximum of 5 surfaces in any 36 month period;
- 7. Where multiple services are performed at one appointment and the full fee guide price is charged for each service, the first service will be paid in full and all remaining services will be reduced by 20%;
- 8. Core build-ups are eligible only for the purpose of retention and preservation of a tooth when performed with crown treatment. Necessity must be evident on mounted pre-treatment X-rays. Core build-ups to facilitate impression taking and/or block out undercuts are considered included in the cost of a crown;
- 9. Root planing is not eligible if done at the same time as gingival curettage;
- 10. In the event of a dental accident, claims should be submitted under the health benefits plan before submitting them under the dental plan.

Dental Exclusions

Eligible benefits do not include and reimbursement will not be made for:

- 1. Services or supplies received as a result of disease, illness or injury due to:
 - a) intentionally self-inflicted injury while sane or insane;
 - b) an act of war, declared or undeclared;
 - c) participation in a riot or civil commotion; or
 - d) committing a criminal offence;
- 2. Services or supplies provided while serving in the armed forces of any country;
- 3. Failure to keep a scheduled appointment with a legally qualified dental practitioner;
- 4. The completion of any claim forms and/or insurance reports;
- 5. Any dental service that is not contained in the procedure codes developed and maintained by the Canadian Dental Association, adopted by the provincial or territorial dental association of the province or territory in which the service is provided (or your province of residence if any dental service is provided outside Canada) and in effect at the time the service is provided;
- 6. Implants and implant related services;
- 7. Restorations necessary for wear, acid erosion, vertical dimension and/or restoring occlusion;
- 8. Appliances related to treatment of myofacial pain syndrome including all diagnostic models, gnathological determinants, maintenance, adjustments, repairs and relines;
- 9. Posterior cantilever pontics/teeth and extra pontics/teeth to fill in diastemas/spaces;
- 10. Service and charges for sleep dentistry;
- 11. Any specific treatment or drug which:
 - a) does not meet accepted standards of medical, dental or ophthalmic practice, including charges for services or supplies which are experimental in nature, or is not considered to be effective (either medically or from a cost perspective, based on Health Canada's approved indication for use);
 - b) is an adjunctive drug prescribed in connection with any treatment or drug that is not an eligible service:
 - c) will be administered in a hospital:
 - d) is not dispensed by the pharmacist in accordance with the payment method shown under the Health Benefit Plan Prescription Drugs benefit;
 - e) is not being used and/or administered in accordance with Health Canada's approved indication for use, even though such drug or procedure may customarily be used in the treatment of other illnesses or injuries;

12. Services or supplies that:

- a) are not recommended, provided by or approved by the attending legally qualified (in the opinion of Green Shield) medical practitioner or dental practitioner as permitted by law;
- b) are legally prohibited by the government from coverage;
- c) you are not obligated to pay for or for which no charge would be made in the absence of benefit coverage; or for which payment is made on your behalf by a not-for-profit prepayment association, insurance carrier, third party administrator, like agency or a party other than Green Shield, your plan sponsor or you;
- d) are provided by a health practitioner whose license by the relevant provincial regulatory and/or professional association has been suspended or revoked;
- e) are not provided by a designated provider of service in response to a prescription issued by a legally qualified health practitioner;
- f) are used solely for recreational or sporting activities and which are not medically necessary for regular activities;
- g) are primarily for cosmetic or aesthetic purposes, or are to correct congenital malformations;
- h) are provided by an immediate family member related to you by birth, adoption, or by marriage and/or a practitioner who normally resides in your home. An immediate family member includes a parent, spouse, child or sibling;
- i) are provided by your plan sponsor and/or a practitioner employed by your plan sponsor, other than as part of an employee assistance plan;
- are a replacement of lost, missing or stolen items, or items that are damaged due to negligence. Replacements are eligible when required due to natural wear, growth or relevant change in your medical condition but only when the equipment/prostheses cannot be adjusted or repaired at a lesser cost and the item is still medically required;
- k) are video instructional kits, informational manuals or pamphlets;
- I) are delivery and transportation charges;
- m) are a duplicate prosthetic device or appliance;
- n) are from any governmental agency which are obtained without cost by compliance with laws or regulations enacted by a federal, provincial, municipal or other governmental body;
- o) would normally be paid through any provincial health insurance plan, Workplace Safety and Insurance Board or tribunal, or any other government agency, or which would have been payable under such a plan had proper application for coverage been made, or had proper and timely claims submission been made:
- p) relates to treatment of injuries arising from a motor vehicle accident;
 - Note: Payment of benefits for claims relating to automobile accidents for which coverage is available under a motor vehicle liability policy providing no-fault benefits will be considered only if—
 - i) the service or supplies being claimed is not eligible; or
 - ii) the financial commitment is complete;
 - A letter from your automobile insurance carrier will be required;
- q) are cognitive or administrative services or other fees charged by a provider of service for services other than those directly relating to the delivery of the service or supply.

CLAIM INFORMATION

Inquiries

For detailed inquiries, contact your Benefits Administrator or contact us:

- ◆ Call our Customer Service Centre at 1.888.711.1119 to determine eligibility for a specific item or service and Green Shield's pre-authorization requirements, or
- Visit our website at greenshield.ca to e-mail your question

Pre-authorization

For **pre-authorization** forward a pre-authorization form OR a physician's prescription indicating the diagnosis and what is prescribed.

Submitting Claims

When submitting a claim to Green Shield, you must show the Green Shield Identification Number for the person who has received the benefit. You can find the applicable Green Shield Identification Number for yourself and each of your dependents listed on your Green Shield Identification Card. Original itemized paid receipts are required for claims reimbursement (cash receipts or credit card receipts alone are not acceptable as proof of payment).

For claims reimbursement forward an original itemized paid receipt (cash receipts or credit card receipts alone are not acceptable) including:

- Covered person's name, address and Green Shield Identification Number
- Provider's name and address
- Date of service (this is the date of pick up)
- Charges for each service or supply
- A detailed description of the service or supply
- Medical referral/ physician prescription when required
- For Audio, a copy of audiogram and details of provincial funding, if applicable
- For Hospital, admission and discharge dates; daily accommodation charges; number of days in preferred accommodation

For dental claims, forward a dental claim form, completed by both the plan member and the dentist. If your claim is the result of an accident, a Dental Accident Report Form and your dental X-rays must be submitted to Green Shield for prior approval. Failure to comply may result in non-payment.

When Green Shield is identified as a secondary carrier, submit the original Explanation of Benefits statement from the primary carrier and a copy of the claim form in order to receive any balances owing.

All claims must be received by Green Shield no later than 12 months from the date the eligible benefit was incurred.

Submit all Claim Forms to: Green Shield Canada

Attn: Drug Department	PO Box 1652	Windsor, ON	N9A 7G5
Attn: Medical Items	PO Box 1623	Windsor, ON	N9A 7B3
Attn: Professional Services	PO Box 1699	Windsor, ON	N9A 7G6
Attn: Hospital/ Vision Department	PO Box 1615	Windsor, ON	N9A 7J3
Attn: Out-of-Country Department	PO Box 1606	Windsor, ON	N9A 6W1
Attn: Dental Department	PO Box 1608	Windsor, ON	N9A 7G1

Reimbursement

Reimbursement will be made by one of the following methods:

- a) Direct deposit to your personal bank account, when requested;
- b) A reimbursement cheque; or
- c) Direct payment to the provider of services, where applicable.

All maximums and limitations stated are in Canadian currency. Reimbursement will be made in Canadian or U.S. funds for both providers and plan members, based on the country of the payee.

Direct Payment to the Provider of Service (where applicable)

Present your Green Shield Identification Card to your provider and, after you pay any applicable copayment, they may bill Green Shield directly and in many cases, payment will be made directly to your provider of service. Most providers will also have a supply of claim forms.

Emergency Travel

Green Shield Travel Assistance must be contacted by phone within 48 hours of commencement of treatment.

Call our Customer Service Centre at 1.888.711.1119 for detailed claims submission instructions.

If you have incurred out of pocket expenses, claims must be submitted together with supporting original receipts to Green Shield Travel Assistance who will then co-ordinate with the provincial health insurance plan reimbursement of those approved, eligible expenses.

To make a claim, submit the patient name, provincial health insurance plan number, address and Green Shield Identification Number with a detailed statement showing the services rendered and the fees charged for each service.

Subrogation

Green Shield retains the right of subrogation if benefits paid on behalf of you or your dependent are or should have been paid or provided by a third party liability. This means that Green Shield has the right to recover payment for reimbursement where you or your dependent receives reimbursement, in whole or in part, in respect of benefits or payments made or provided by Green Shield, from a third party or other coverage(s). In cases of third party liability, you must advise your lawyer of our subrogation rights.

Co-ordination of Benefits (COB)

If you are covered for extended health and dental benefits under more than one plan, your benefits under this plan will be coordinated with the other plan so that you may be reimbursed up to 100% of the eligible expense incurred.

Claims must be submitted to the primary payer first. Any unpaid balances should then be submitted to the secondary plan(s). Use the following guidelines to identify the primary and secondary plans:

Green Shield Plan Member

Green Shield coverage for you is always primary. If you are the plan member under two group plans, priority goes in the following order:

- The plan where you are a full-time plan member
- The plan where you are a part-time plan member
- The plan where you are a retiree

Spouse

If your spouse is a plan member under another benefit plan, this Green Shield coverage is always secondary. Your spouse must first submit claims to his/her benefit plan.

Children

When dependent children are covered under both your Green Shield plan and your spouse's benefit plan, use the following order to determine where to submit the claims:

- The plan of the parent whose birth date (month and day) occurs earliest in the calendar year
- The plan of the parent whose first name begins with the earlier letter of the alphabet, if the parents have the same birth date
- In cases of separation or divorce with multiple benefit plans for the children, the following order applies:
 - The benefit plan of the parent who has custody of the dependent child
 - The plan of the spouse of the parent who has custody of the dependent child
 - The plan of the parent who does not have custody of the dependent child
 - The plan of the spouse of the parent who does not have custody of the dependent child

If the parents have joint custody and both have the children listed as dependents under their plans, claims should first be submitted to the plan of the parent whose birth date (month and day) occurs earliest in the calendar year. Balances can then be submitted to the other parent's plan.

Travel Benefits

In the event of a travel claim, all plans equally share the cost of the claim.

When Green Shield is identified as a secondary carrier, submit the original Explanation of Benefits statement from the primary carrier and a copy of the claim form in order to receive any balances owing.

PREFERRED PROVIDER VISION NETWORK ARRANGEMENT

As a Green Shield plan member, you have access to our national preferred provider vision network arrangement where all Green Shield plan members are eligible to receive a discount on eyewear and laser eye surgery.

Features of this great value-added service for either eyewear or laser eye surgery include:

- 1. Offer applies to any Green Shield plan member, regardless of whether you have Green Shield vision benefits or not;
- 2. The vision provider may bill Green Shield directly; the plan member just pays any portion of the expense not covered under their vision benefit;
- 3. Trustworthy retail chains with convenient locations;
- 4. The discount offer applies to everything such as all extra coatings, upgrades and accessories;
- 5. Hundreds of the latest frame styles to choose from plus the latest lens and coating technology;
- 6. Professional opticians to assist in selecting products;
- 7. For some vendors, this offer applies to non-disposable contact lenses only (excludes disposable contact lenses.

Visit our website at <u>greenshield.ca</u> or call our Customer Service Centre at 1.888.711.1119 for information on the vision providers.

How to Submit Your Vision Claim

- 1. Present your Green Shield Identification Card as proof of being a Green Shield plan member.
- 2. The vision provider will apply the appropriate discount(s) to your claim and may submit the claim directly to Green Shield for payment. You pay your vision provider any balance not covered under your vision benefit.
- 3. If no vision benefit exists, you pay your provider the full balance owing after the applicable discounts have been applied.

OUR COMMITMENT TO PRIVACY

The Green Shield Canada Privacy Code balances the privacy rights of our group and benefit plan members and their dependents, and our employees, with the legitimate information requirements to provide customer service. It consists of the following key principles:

1. We ask for your personal information for the following purposes:

- To establish your identification
- To provide you and/or your dependents with the applicable benefit coverage
- To protect you and us from error and fraud
- To provide ongoing access to other services at Green Shield

2. Consent

When you enrolled in your group benefit plan as a plan member, your personal information was obtained and used only with your consent. We obtained your consent before we:

- Provided benefit coverage
- Offered you other Green Shield services
- Obtained, used or disclosed to other persons, information about you unless we were obliged to do so by law or to protect our interests
- Used your personal information in any way we did not tell you about previously

Your consent can be either express or implied. Express consent can be verbal or written.

Consent can be implied or inferred from certain actions. For our existing group and benefit plan members and their dependents, we will continue to use and disclose your personal information previously collected in accordance with our current privacy code, unless you inform us otherwise and will infer that consent has been obtained by your continued use.

3. Withdrawal of Consent

You can withdraw your consent any time after you've given it to us, provided there are no legal or regulatory requirements to prevent this.

If you don't consent to certain uses of personal information, or if you withdraw your consent, we will no longer be able to administer your benefit coverage. If so, we will explain the situation to you to help you with your decision.

For further information on our privacy policies and procedures, please refer to the Green Shield website at <u>greenshield.ca</u>.

MY BENEFIT PLAN BOOKLET

Milton Hydro Distribution Inc.

Union Employees

Billing Division: 200

Revised Effective Date: January 28, 2013

WELCOME TO YOUR HEALTH AND DENTAL BENEFIT PLAN

ABOUT THIS BOOKLET

This booklet contains important information you will need about your group benefits with **Milton Hydro Distribution Inc.**, your plan sponsor, available through the group contract with Green Shield. It includes:

- a Table of Contents, to allow easy and quick access to the information you are looking for
- a Schedule of Benefits, listing all the deductibles, co-pays and maximums that may impact the amount paid to you
- a Definitions section, to explain common terms used throughout the booklet
- detailed benefit descriptions for each benefit in your group benefits plan
- information you need to submit a claim

You are encouraged to read this booklet carefully; please keep it in a safe place so that you may refer to it when submitting claims.

You will receive Identification Card(s) showing your Green Shield Identification Number to be used on all claims and correspondence. Your number will appear on the front of the card and end in -00, while each of your dependents with their numbers will be shown on the back.

PLAN MEMBER ONLINE SERVICES

In addition to this booklet and our Customer Service Centre, we also provide you with access to our secure website. Our website will answer those questions most often asked and give you online access to the following:

- A Benefit Plan Booklet
- Printer friendly personalized claim forms
- Benefit eligibility information, such as the date you are eligible for your next dental recall exam
- Explanation of Benefits information and claim history for you and your dependents
- Claim history for tax purposes or Co-ordination of Benefits
- Request your claim payments to be directly deposited into your bank account*
- And much more

Register online at greenshield.ca and see what our website can do for you!

*Please note that once arrangements have been made for Direct Deposit, claim payments will be deposited directly into the bank account you have chosen. Statements will no longer be mailed to you but will be available for online viewing.

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SCHEDULE OF BENEFITS

HEALTH BENEFIT PLAN

This schedule describes the deductibles, co-pays and maximums that may be applicable if you are included in the Billing Division shown on the cover of this booklet.

Complete benefit details are provided in the Description of Benefits section of this booklet. Be sure to read these pages carefully. They show the conditions, limitations and exclusions that may apply to the benefits. All dollar maximums are based on paid Canadian dollars. You are covered for only those specific benefits for which you have applied.

This group benefit plan is intended to supplement your provincial health insurance plan. The benefits shown below will be eligible, if they are reasonable and customary, and are medically necessary for the treatment of an illness or injury.

Deductible: Nil	Overall Maximum: Unlimited	
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Your Plan Covers:	Your Co-Pay:	Maximum Plan Pays:
Prescription Drugs –	equals allowed	Unlimited
Pay Direct Drug Card	dispensing fee	
Audio	0%	\$300 per 5 years based on date of first paid claim
Medical Items and Services	0%	
Footwear		
custom made boots or shoes		One pair per calendar year for plan members
		18 years of age and over,
		Three pairs per calendar year for dependent children age 2 to 17,
		Four pairs per calendar year for dependent
		children age 1 and under
 custom made foot orthotics 		\$300 per calendar year
Patient lift		\$2,000 every 5 years
Blood glucose monitor		1 every 4 years
Muscle/Nerve Stimulators		<u> </u>
 T.E.N.S, rental, supplies, repairs 		\$700 per lifetime
Prosthetics		A man 40 manths
 Breast (any type) 		1 per 12 months
Bra (mastectomy)		2 per 12 months
 Arm, deluxe, myo-electric 		\$10,000 per prosthesis
Wigs		\$200 per lifetime
Optometric eye exams	1	Once every 2 years

Your Plan Covers:	Your Co-Pay:	Maximum Plan Pays:
Custom compression stockings		4 pairs per calendar year
 Vascular Compression Compression pumps and supplies 		\$1,500 per lifetime
Wheelchair ramp, portable		\$2,000 per lifetime
Other items and services – See the Description of Benefits section for details		Reasonable and customary charges
Private Duty Nursing in the Home	0%	\$10,000 per 12 months based on the date of the first paid claim
Professional Services	0%	\$500 per practitioner per calendar year
Chiropractor		
Podiatrist		
Registered Massage Therapist		
Naturopath		
Osteopath		
Physiotherapist		
Psychologist or Social Worker/Counsellor or Counsellor, Master of Social Work		
Speech Therapist		
Vision	0%	
 prescription eye glasses or contact lenses, or medically necessary contact lenses, or laser eye surgery 		\$325 per 24 consecutive months based on date of first paid claim
lusur eye surgery		*Effective January 1, 2015 \$400 per 24 consecutive months based on date of first paid claim

TRAVEL BENEFIT PLAN

This schedule describes the deductibles, co-pays and maximums that may be applicable if you are included in the Billing Division shown on the cover of this booklet.

Complete benefit details are provided in the Description of Benefits section of this booklet. Be sure to read these pages carefully. They show the conditions, limitations and exclusions that may apply to the benefits. All dollar maximums are based on paid Canadian dollars. You are covered for only those specific benefits for which you have applied.

This group benefit plan is intended to supplement your provincial health insurance plan. Hospital and medical services are eligible only if your provincial health insurance plan provides payment toward the cost of incurred services. The benefits shown below will be eligible, if they are reasonable and customary, and are medically necessary for the treatment of an illness or injury.

Reimbursement of eligible benefits for emergency services will be made only if the services were required as a result of emergency illness or injury that occurred while you were vacationing or traveling for other than health reasons.

The patient <u>must</u> contact Green Shield Canada Travel Assistance <u>within 48 hours of commencement</u> of treatment. Failure to notify us within 48 hours may result in benefits being limited to only those expenses incurred within the first 48 hours of any and each treatment/incident or the plan maximum, whichever is the lesser of the two.

Deductible: Does not apply Overall Maximum: Does not apply		Deductible: Does not apply	Overall Maximum: Does not apply
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Co-pay: Does not apply

Your Plan Covers:	Maximum Plan Pays:
Maximum Number of Days per Trip	60 days
Emergency Services	\$5,000,000 per covered person per incident
Referral Services	\$50,000 per covered person per calendar year

For a full description of the Travel Benefit, refer to the Benefit Description section.

DENTAL BENEFIT PLAN

This schedule describes the deductibles, co-pays and maximums that may be applicable if you are included in the Billing Division shown on the cover of this booklet.

Complete benefit details are provided in the Description of Benefits section of this booklet. Be sure to read these pages carefully. They show the conditions, limitations and exclusions that may apply to the benefits. All dollar maximums are based on paid Canadian dollars. You are covered for only those specific benefits for which you have applied.

Deductible:	Nil
Fee Guide:	The current minus 2 year Provincial Dental Association Fee Guide for General or Specialist Practitioners in the province of residence
	For Alberta, with no fee guide, reimbursement will be according to a fee schedule established by Green Shield for that province

Your Plan Covers:	Your Co-Pay:	Maximum Plan Pays:
Basic Services and Comprehensive Basic Services	10%	\$2,000 per calendar year
Major Services	20%	\$2,000 per covered person per calendar year
Orthodontic Services	50%	\$2,000 per covered person per lifetime, for covered persons 6 years of age and over

DEFINITIONS

Unless specifically stated otherwise, the following definitions will apply throughout this booklet.

Allowed amount means, as determined by Green Shield:

- a) Drugs the Green Shield National Pricing Policy and/or the reasonable and customary charge;
- Extended Health Services the reasonable and customary charge for the service or supply but not more than the prevailing charge in the area in which the charge is made for a like service or supply;
- c) Dental the fee guide as specified in the Schedule of Benefits.

Calendar year means the 12 consecutive months January 1st to December 31st of each year.

For Drugs

Co-pay is the eligible allowed amount that must be paid by you or your dependent before reimbursement of an expense will be made.

For Dental Benefits

Co-pay is the eligible allowed amount that must be paid by you or your dependent before reimbursement of an expense will be made.

Covered person means the plan member who has been enrolled in the plan or his or her enrolled dependents.

Custom made boots or shoes means footwear used by an individual whose condition cannot be accommodated by existing footwear products. The fabrication of the footwear involves making a unique cast of the covered person's feet and the use of 100% raw materials. (This footwear is used to accommodate the bony and structural abnormalities of the feet and lower legs resulting from trauma, disease or congenital deformities).

Custom made foot orthotics means a device made from a 3-dimensional model of an individual's foot and made from raw materials. (This device is used to relieve foot pain related to biomechanical misalignment to the feet and lower limbs.)

Dependent means

- a) your spouse, if you are legally married or if not legally married, you have lived in a common-law relationship for more than 12 continuous months. Only one spouse will be considered at any time as being covered under the group contract;
- b) your unmarried child under age 21:
- c) your unmarried child under age 25, if enrolled and in full-time attendance at an accredited college, university or educational institute;
- d) your unmarried child (regardless of age) who became totally disabled while eligible under b) or c) above, and has been continuously so disabled since that time and is considered a dependent as defined under the Income Tax Act, also qualify as a dependent.

Your child (you or your spouse's natural, legally adopted or stepchildren) must reside with you in a parent-child relationship or be dependent upon you (or both) and not regularly employed.

Children who are in full-time attendance at an accredited school do not have to reside with you or attend school in your province. If the school is in another province, you must apply to your provincial health insurance plan for an extension of coverage to ensure your child continues to be covered under a provincial health insurance plan. (Please note that the limitations of the Travel plan still apply).

Emergency means a sudden, unexpected occurrence (disease or injury) that requires immediate medical attention. This includes treatment (non-elective) for immediate relief of severe pain, suffering or disease that cannot be delayed until you or your dependent is medically able to return to your province of residence.

First paid claim means the actual date of service of the initial or a prior claim paid by Green Shield.

Injury means an unexpected or unforeseen event that occurs as a direct result of a violent, sudden and unexpected action from an outside source.

Plan member means you, when you are enrolled for coverage.

Reasonable and customary means in the opinion of Green Shield, the usual charge of the provider for the service or supply, in the absence of insurance, but not more than the prevailing charge in the area for a like service or supply.

Rendered amount means the amount charged by a provider for a service and submitted for payment of a claim.

Stock item footwear means any mass-produced foot care item that is sold over-the-counter and is readily available without any modifications.

ELIGIBILITY

For You

To be eligible for coverage, you must be:

- a) a plan member who is a resident of Canada;
- b) covered under your provincial health insurance plan;
- c) actively at work and working a minimum of 20 hours per week on a regular basis.

For your Dependents

To be eligible for coverage you must be:

- a) covered under this plan; and
- b) each dependent must be covered under a provincial health insurance plan.

Coverage Effective Date

Your coverage begins on the date you become eligible for coverage, have satisfied the eligibility requirements and you are enrolled under the plan.

You will be eligible for coverage on the first day following 90 days of continuous active employment.

Your dependent coverage will begin on the same date as your coverage.

If you have waived eligibility due to having coverage through your spouse's benefit plan, you must request coverage from your plan sponsor within 31 days after termination of the coverage under your spouse's plan.

Your plan sponsor is solely responsible for submitting all required forms to Green Shield as of the Effective Date of this plan or as of the first date that you become eligible.

Termination

Your coverage will end on the earliest of the following dates:

- a) the date your employment ends;
- b) the date you are no longer actively working;
- c) the end of the period for which rates have been paid to Green Shield for your coverage;
- d) the date the group contract terminates.

Dependent coverage will end on the earliest of the following dates:

- a) the date your coverage terminates;
- b) the date your dependent is no longer an eligible dependent;
- c) the end of the day in which your dependent child attains the specified age limit;
- d) the end of the period for which rates have been paid for dependent coverage;
- e) the date the group contract terminates.

Dependent Children Continuation of Coverage

Any child whose coverage would end because they have reached the specified age limit may qualify for continued coverage, subject to the following conditions:

- a) your child became dependent upon you by reason of a mental or physical disability prior to reaching this age; and
- b) your child has been continuously so disabled since that time.

Survivor Continuation of Coverage

In the event of your death while covered by this plan, coverage will continue for your eligible covered dependents until the earliest of the following dates, without payment of rates:

- a) 24 months after the date of your death;
- b) the date the covered person would no longer be considered a dependent under the plan if you were still alive; or
- c) the date the benefit under which your dependent is covered, terminates.

Group Conversion - PRISM CONTINUUM® Program

The PRISM CONTINUUM® Program offers three plans that are focused on providing coverage for you if you are leaving a company group plan.

This program may be your solution if you, your spouse or dependent children are losing, or have lost company group health benefits within the last 60 days and are looking for guaranteed coverage.

Call 416.601.0429 in the Toronto area or toll-free at 1.800.667.0429 for an information package or visit our website at <u>greenshield.ca</u>. Coverage is guaranteed if you apply within 60 days of losing your Green Shield group benefits.

DESCRIPTION OF BENEFITS HEALTH BENEFIT PLAN

The benefits shown below will be eligible, up to the amount shown in the Schedule of Benefits, if they are reasonable and customary, and are medically necessary for the treatment of an illness or injury.

Prescription Drugs

Prescription drug benefits, up to the amount shown in the Schedule of Benefits, that:

- a) are prescribed by a legally qualified medical practitioner or dental practitioner as permitted by law; and
- b) legally require a prescription and has a Drug Identification Number (DIN); or
- c) are paid on a Pay Direct basis.

If approved by Green Shield, this plan includes drugs with a Drug Identification Number (DIN) that do not legally require a prescription, including insulin and all other approved injectables, as well as related supplies such as diabetic syringes, needles and testing agents. In addition, this plan includes all vaccines.

Certain drugs may require prior approval. Your Pharmacist is aware of the drugs that fall into this category.

In no event will the amount dispensed exceed a 3-month supply (6 months if a vacation supply is required) of a prescription at any one time and not more than a 13-month supply in any 12 consecutive months.

Generic drug substitution

Reimbursement will be made for the cost of the lowest priced equivalent drug based on specific provincial regulations, unless your medical or dental practitioner has written that there is to be no substitution of the prescribed drug or medicine.

NOTE:

Drug Benefit over age 65: The Drug Benefit co-pay and the deductible (where applicable) in your

province of residence is an eligible benefit.

Quebec residents only: Legislation requires Green Shield to follow the RAMQ (The Regie de

l'assurance maladie du Quebec) reimbursement guidelines for all residents of Quebec. If you are younger than age 65, you <u>must</u> enroll for the Green Shield Prescription Drugs benefit plan and Green Shield will be the only payer. If you are age 65 or older, enrollment in RAMQ is automatic, enrollment in the Green Shield Prescription Drugs benefit plan is optional,

and RAMQ would be first payer.

If any provisions of this plan do not meet the minimum requirements of the RAMQ plan, adjustments are automatically made to meet RAMQ

requirements.

Eligible benefits do not include and no amount will be paid for:

- a) Smoking cessation products and drugs for the treatment of obesity, erectile dysfunction and infertility;
- Products which may lawfully be sold or offered for sale other than through retail pharmacies, and which are not normally considered by practitioners as medicines for which a prescription is necessary or required;
- Ingredients or products which have not been approved by Health Canada for the treatment of a medical condition or disease and are deemed to be experimental in nature and/or may be in the testing stage;
- d) Mixtures, compounded by a pharmacist, that do not conform to Green Shield's current Compound Policy.

Extended Health Services

- 1. Audio: Reimbursement for hearing aids, repairs or replacement parts, batteries, if recommended or approved by the attending legally qualified medical practitioner, up to the amount shown in the Schedule of Benefits.
- **2. Medical Items and Services:** Reimbursement for reasonable and customary charges, up to the amount, where applicable, as shown in the Schedule of Benefits for:
 - a) Aids for daily living: such as hospital style beds, including rails and mattresses; bedpans; standard commodes; decubitus (bedridden) supplies; portable patient lifts (including batteries); trapezes;
 - b) Footwear:
 - i) custom made foot orthotics (when prescribed by your attending physician, podiatrist or chiropodist);
 - ii) custom made boots or shoes, stock item footwear, adjustments to stock item footwear, or footwear as an integral part of a brace, (subject to a medical pre-authorization);
 - c) Braces, casts;
 - d) Diabetic equipment, such as blood glucose monitors and lancets;
 - e) Medical services, such as diagnostic tests, X-rays and laboratory tests;
 - f) Incontinence/Ostomy, such as catheter supplies and ostomy supplies;
 - g) Mobility aids, such as canes, crutches, walkers and wheelchairs (including wheelchair batteries);
 - h) Prosthetics, such as arm, hand, leg, foot, breast, eye and larynx;
 - i) Optometric eye examinations for visual acuity performed by a licensed optometrist, ophthalmologist or physician limited to one exam in a 2 year period (available only in those provinces where eye examinations are not covered by the provincial health insurance plan);
 - j) Respiratory/Cardiology equipment, such as compressors, inhalant devices, tracheotomy supplies and oxygen;
 - k) Custom compression stockings;
 - l) Wigs, for temporary or permanent hair loss as a result of a medical condition due to chemotherapy or radiation

Some items may require pre-authorization. To confirm eligibility prior to purchasing or renting equipment, submit a Pre-Authorization Form to Green Shield.

Limitations

- a) The rental price of durable medical equipment will not exceed the purchase price. Green Shield's decision to purchase or rent will be based on the physician's estimate of the duration of need as established by the original prescription. Rental authorization may be granted for the prescribed duration. Equipment that has been refurbished by the supplier for resale is not an eligible benefit;
- b) Durable medical equipment must be appropriate for use in the home, able to withstand repeated use and generally not useful in the absence of illness or injury;
- c) When deluxe medical equipment is a covered benefit, reimbursement will be made only when deluxe features are required in order for the covered person to effectively operate the equipment. Items that are not primarily medical in nature or that are for comfort and convenience are not eligible.
- **3. Emergency Transportation:** Reimbursement for professional land or air ambulance to the nearest hospital equipped to provide the required treatment, when medically required as the result of an injury, illness or acute physical disability.

4. Private Duty Nursing in the Home: Reimbursement for the services of a Registered Nurse (R.N.) or Registered Practical Nurse/Licensed Practical Nurse (R.P.N./L.P.N.) in the home on a visit or shift basis, up to the amount shown in the Schedule of Benefits. No amount will be paid for services which are custodial and/or services which do not require the skill level of a Registered Nurse (R.N.) or Registered Practical Nurse/Licensed Practical Nurse (R.P.N./L.P.N.).

A Pre-Authorization Form for Private Duty Nursing must be completed by the attending physician and submitted to Green Shield.

5. Professional Services: Reimbursement for the services of the practitioners included, up to the amount shown in the Schedule of Benefits, when the practitioner rendering the service is licensed by their provincial regulatory agency or a registered member of a professional association and that association is recognized by Green Shield. Please contact the Green Shield Customer Service Centre to confirm practitioner eligibility.

NOTE:

- Podiatry services are not eligible until your Ontario health insurance plan annual maximum has been exhausted
- 6. Accidental Dental: Reimbursement for the services of a licensed dental practitioner for dental care when necessitated by a direct blow to the mouth and not by an object wittingly or unwittingly placed in the mouth. The accident must occur while the coverage is in force. When natural teeth have been damaged eligible services are limited to one set of artificial teeth. You must notify Green Shield immediately following the accident and the treatment must commence within 60 days of the accident. Treatment must be completed within 12 months of date of accident for covered persons age 19 and over.

Green Shield will not be liable for any services performed after the earlier of a) 365 days following the accident, or b) the date you or your dependent cease to be covered under this plan.

No amount will be paid for periodontia or orthodontia treatments or the repair or replacement of artificial teeth.

Charges will be based on the current Provincial Dental Association Fee Guide for General Practitioners in the province where services are rendered. Approval will be based on the current status and/or benefit level of the covered person at the time that we are notified of the accident. Any change in coverage will alter Green Shield's liability.

In the event of a dental accident, claims should be submitted under the health benefit plan before submitting them under the dental plan.

- **7. Vision:** Reimbursement for the services performed by a licensed Optometrist, Optician or Ophthalmologist, up to the amounts shown in the Schedule of Benefits, for:
 - a) Prescription eyeglasses or contact lenses.
 - b) Medically necessary contact lenses when visual acuity cannot otherwise be corrected to at least 20/40 in the better eye or when medically necessary due to keratoconus, irregular astigmatism, irregular corneal curvature or physical deformity resulting in an inability to wear normal frames.
 - c) Replacement parts for prescription eyeglasses.
 - d) Laser eye surgery.
 - e) Plano sunglasses prescribed by a legally qualified medical practitioner for the treatment of specific ophthalmic diseases or conditions.

Eligible benefits do not include and no amount will be paid for:

- a) Medical or surgical treatment, except for laser eye surgery;
- b) Special or unusual procedures such as, but not limited to, orthoptics, vision training, subnormal vision aids and aniseikonic lenses;
- c) Follow-up visits associated with the dispensing and fitting of contact lenses;
- d) Charges for eyeglass cases.

Health Exclusions

Eligible benefits do not include and reimbursement will not be made for:

- 1. Services or supplies received as a result of disease, illness or injury due to:
 - a) intentionally self-inflicted injury while sane or insane;
 - b) an act of war, declared or undeclared;
 - c) participation in a riot or civil commotion; or
 - d) committing a criminal offence;
- 2. Services or supplies provided while serving in the armed forces of any country;
- 3. Failure to keep a scheduled appointment with a legally qualified medical or dental practitioner;
- 4. The completion of any claim forms and/or insurance reports;
- 5. Any specific treatment or drug which:
 - a) does not meet accepted standards of medical, dental or ophthalmic practice, including charges for services or supplies which are experimental in nature, or is not considered to be effective (either medically or from a cost perspective, based on Health Canada's approved indication for use);
 - b) is an adjunctive drug prescribed in connection with any treatment or drug that is not an eligible service;
 - c) will be administered in a hospital;
 - d) is not dispensed by the pharmacist in accordance with the payment method shown under the Prescription Drugs benefit;
 - e) is not being used and/or administered in accordance with Health Canada's approved indication for use, even though such drug or procedure may customarily be used in the treatment of other illnesses or injuries;
- 6. Services or supplies that:
 - a) are not recommended, provided by or approved by the attending legally qualified (in the opinion of Green Shield) medical practitioner or dental practitioner as permitted by law;
 - b) are legally prohibited by the government from coverage:
 - c) you are not obligated to pay for or for which no charge would be made in the absence of benefit coverage or for which payment is made on your behalf by a not-for-profit prepayment association, insurance carrier, third party administrator, like agency or a party other than Green Shield, your plan sponsor or you;
 - d) are provided by a health practitioner whose license by the relevant provincial regulatory and/or professional association has been suspended or revoked;
 - e) are not provided by a designated provider of service in response to a prescription issued by a legally qualified health practitioner;
 - f) are used solely for recreational or sporting activities and which are not medically necessary for regular activities;
 - g) are primarily for cosmetic or aesthetic purposes, or are to correct congenital malformations;
 - h) are provided by an immediate family member related to you by birth, adoption, or by marriage and/or a practitioner who normally resides in your home. An immediate family member includes a parent, spouse, child or sibling;
 - i) are provided by your plan sponsor and/or a practitioner employed by your plan sponsor, other than as part of an employee assistance plan;

- j) are a replacement of lost, missing or stolen items, or items that are damaged due to negligence. Replacements are eligible when required due to natural wear, growth or relevant change in your medical condition but only when the equipment/prostheses cannot be adjusted or repaired at a lesser cost and the item is still medically required;
- k) are video instructional kits, informational manuals or pamphlets;
- are for medical or surgical audio and visual treatment;
- m) are special or unusual procedures such as, but not limited to, orthoptics, vision training, subnormal vision aids and aniseikonic lenses;
- n) are delivery and transportation charges;
- o) are for Insulin pumps and supplies (unless otherwise covered under the plan);
- p) are for medical examinations, audiometric examinations or hearing aid evaluation tests;
- q) are batteries, unless specifically included as an eligible benefit;
- r) are a duplicate prosthetic device or appliance;
- s) are from any governmental agency which are obtained without cost by compliance with laws or regulations enacted by a federal, provincial, municipal or other governmental body;
- t) would normally be paid through any provincial health insurance plan, Workplace Safety and Insurance Board or tribunal, the Assistive Devices Program or any other government agency, or which would have been payable under such a plan had proper application for coverage been made, or had proper and timely claims submission been made;
- u) were previously provided or paid for by any governmental body or agency, but which have been modified, suspended or discontinued as a result of changes in provincial health plan legislation or de-listing of any provincial health plan services or supplies;
- v) may include but are not limited to, drugs, laboratory services, diagnostic testing or any other service which is provided by and/or administered in any public or private health care clinic or like facility, medical practitioner's office or residence, where the treatment or drug does not meet the accepted standards or is not considered to be effective (either medically or from a cost perspective, based on Health Canada's approved indication for use);
- w) are provided by a medical practitioner who has opted out of any provincial health insurance plan and the provincial health insurance plan would have otherwise paid for such eligible service;
- x) relates to treatment of injuries arising from a motor vehicle accident;
 - Note: Payment of benefits for claims relating to automobile accidents for which coverage is available under a motor vehicle liability policy providing no-fault benefits will be considered only if—
 - i) the service or supplies being claimed is not eligible; or
 - ii) the financial commitment is complete;
 - A letter from your automobile insurance carrier will be required;
- y) are cognitive or administrative services or other fees charged by a provider of service for services other than those directly relating to the delivery of the service or supply.

TRAVEL

Eligible travel benefits will be reasonable and customary charges in the area where they were received, less the amount payable by your provincial health insurance plan.

All maximums and limitations stated are in Canadian currency. Reimbursement will be made in Canadian funds or U.S. funds for both providers and plan members, based on the country of the payee. For payments that require currency conversion, the rate of exchange used will be the rate in effect on the date of service of the claim.

Reimbursement of eligible benefits for emergency services will be made only if the services were required as a result of emergency illness or injury that occurred while you were vacationing or travelling for other than health reasons.

Upon notification of the necessity for treatment of an accidental injury or medical emergency, the patient must contact Green Shield Canada Travel Assistance within 48 hours of commencement of treatment.

Emergency means a sudden, unexpected occurrence (disease or injury) that requires immediate medical attention. This includes treatment (non-elective) for immediate relief of severe pain, suffering or disease that cannot be delayed until you or your dependent is medically able to return to your province of residence.

Any invasive or investigative procedures must be pre-approved by Green Shield Canada Assistance Medical Team.

Eligible benefits are limited to the maximum days per trip shown on the Schedule of Benefits commencing with the date of departure from your province of residence. If you are hospitalized on the last day shown on the Schedule of Benefits, your benefits will be extended until the date of discharge.

- 1. Hospital services and accommodation up to a standard ward rate in a public general hospital;
- **2. Medical/surgical services** rendered by a legally qualified physician or surgeon to relieve the symptoms of, or to cure an unforeseen illness or injury;
- 3. Emergency Transportation
 - Land ambulance to the nearest qualified medical facility
 - Air ambulance the cost of air evacuation (including a medical attendant when necessary) between hospitals and for hospital admission into Canada when approved in advance by your provincial health insurance plan or to the nearest qualified medical facility
- **4.** Referral services (a) hospital services and accommodation, up to a standard ward rate in a public general hospital, and/or (b) medical surgical services rendered by a legally qualified physician or surgeon;
 - Prior to the commencement of any referral treatment, written pre-authorization from your provincial health insurance plan and Green Shield Canada must be obtained. Your provincial health insurance plan may cover this referral benefit entirely. You must provide Green Shield Canada with a letter from your attending physician stating the reason for the referral, and a letter from your provincial health insurance plan outlining their liability. Failure to comply in obtaining pre-authorization will result in non-payment

- 5. Services of a registered private nurse up to a maximum of \$5,000 per calendar year, at the reasonable and customary rate charged by a qualified nurse (R.N.) registered in the jurisdiction in which treatment is provided. You must contact Green Shield Canada Travel Assistance for preapproval;
- **6. Diagnostic laboratory tests and X-rays** when prescribed by the attending physician. Except in emergency situations, Green Shield Canada Travel Assistance must pre-approve these services (i.e. cardiac catheterization or angiogram, angioplasty and bypass surgery);
- 7. Reimbursement of prescriptions for drugs, serums and injectables which require a prescription by law and are prescribed by a legally qualified medical practitioner (vitamins, patent and proprietary drugs are excluded). Submit to Green Shield Canada Travel Assistance the original paid receipt from the pharmacist, physician or hospital outside your province of residence showing the name of the prescribing physician, prescription number, name of preparation, date, quantity and total cost;
- **8. Medical appliances** including casts, crutches, canes, slings, splints and/or the temporary rental of a wheelchair when deemed medically necessary and required due to an accident which occurs, and when the devices are obtained outside your province of residence;
- 9. Treatment by a dentist only when required due to a direct accidental blow to the mouth up to a maximum of \$2,000. Treatments (prior to and after return) must be provided within 90 days of the accident. Details of the accident must be provided to Green Shield Canada Travel Assistance along with dental X-rays;
- **10. Coming Home** when your emergency illness or injury is such that:
 - Green Shield Assistance Medical Team specifies in writing that you should immediately return to
 your province of residence for immediate medical attention, reimbursement will be made for the
 extra cost incurred for the purchase of a one way economy airfare, plus the additional economy
 airfare if required to accommodate a stretcher, to return you by the most direct route to the major
 air terminal nearest the departure point in your province of residence
 - This benefit assumes that you are not holding a valid open-return air ticket. Charges for upgrading, departure taxes, cancellation penalties or airfares for accompanying family members or friends are not included;
 - Green Shield Assistance Medical Team or commercial airline stipulates in writing that you must be accompanied by a qualified medical attendant, reimbursement will be made for the cost incurred for one round trip economy airfare and the reasonable and customary fee charged by a medical attendant who is not your relative by birth, adoption or marriage and is registered in the jurisdiction in which treatment is provided, plus overnight hotel and meal expenses if required by the attendant
- 11. Cost of returning your personal use motor vehicle to your residence or nearest appropriate vehicle rental agency when you are unable to due to sickness, physical injury or death, up to a maximum of \$1,000 per trip. We require original receipts for costs incurred, i.e. gasoline, accommodation and airfares;
- **12. Meals and accommodation** up to \$1,500 (maximum of \$150 per day for up to 10 days) will be reimbursed for the extra costs of commercial hotel accommodation and meals incurred by you when you remain with a travelling companion or a person included in the "family" coverage, when the trip is delayed or interrupted due to an illness, accidental injury to or death of a travelling companion. This must be verified in writing by the attending legally qualified physician or surgeon and supported with original receipts from commercial organization;

- 13. Transportation to the bedside including round trip economy airfare by the most direct route from your province of residence, for any one spouse, parent, child, brother or sister, and up to \$150 per day for a maximum of 5 days for meals and accommodation at a commercial establishment will be paid for that family member to:
 - be with you or your covered dependent when confined in hospital. This benefit requires that the
 covered person must eventually be an inpatient for at least 7 days outside your province of
 residence, plus the written verification of the attending physician that the situation was serious
 enough to have required the visit
 - identify a deceased prior to release of the body
- 14. Return airfare if the personal use motor vehicle of you or your covered dependent is stolen or rendered inoperable due to an accident, reimbursement will be made for the cost of a one-way economy airfare to return you by the most direct route to the major airport nearest your departure point in your province of residence. An official report of the loss or accident is required;
- **15. Return of deceased** up to a maximum of \$5,000 toward the cost of embalming or cremation in preparation for homeward transportation in an appropriate container of yourself or your covered dependent when death is caused by illness or accident. The body will be returned to the major airport nearest the point of departure in your province of residence. The benefit excludes the cost of a burial coffin or any funeral-related expenses, makeup, clothing, flowers, eulogy cards, church rental, etc:

GREEN SHIELD CANADA TRAVEL ASSISTANCE SERVICE

The following services are available 24 hours per day, 7 days per week through Green Shield Canada's international medical service organization.

These services include:

- Access to Pre-trip Assistance (prior to departure): Canada Direct Calling Codes; information about vaccinations; government issued travel advisories; and VISA/document requirements for entry into country of destination
- Multilingual assistance
- Assistance in locating the nearest, most appropriate medical care
- International preferred provider networks
- Green Shield Assistance Medical Team consultative and advisory services, including second opinion and review of appropriateness and analysis of the quality of medical care
- Assistance in establishing contact with family, personal physician and employer as appropriate
- Monitoring of progress during treatment and recovery
- Emergency message transmittal services
- Translation services and referrals to local interpreters as necessary
- Verification of coverage facilitating entry and admissions into hospitals and other medical care providers
- Special assistance regarding the co-ordination of direct claims payment
- Co-ordination of embassy and consular services
- Management, arrangement and co-ordination of emergency medical transportation and evacuation as necessary
- Management, arrangement and co-ordination of repatriation of remains

- Special assistance in making arrangements for interrupted and disrupted travel plans resulting from emergency situations to include:
 - the return of unaccompanied travel companions
 - travel to the bedside of a stranded person
 - rearrangement of ticketing due to accident or illness and other travel related emergencies
 - the return of a stranded personal use motor vehicle and related personal items
- Knowledgeable legal referral assistance
- Co-ordination of securing bail bonds and other legal instruments
- Special assistance in replacing lost or stolen travel documents including passports
- Courtesy assistance in securing incidental aid and other travel related services
- Emergency and payment assistance for major health expenses, which would result in payments in excess of \$200

How Travel Assistance Service Works

For assistance dial **1.800.936.6226** within Canada and the United States or call collect **0.519.742.3556** when traveling outside Canada and the United States. These numbers appear on your Green Shield Canada Identification card.

Quote the Green Shield Canada travel assist group number and your Green Shield Canada Identification Number, found on your Green Shield Canada Identification card, and explain your medical emergency. You must always be able to provide your Green Shield Canada Identification Number and your provincial health insurance plan number.

A multilingual Assistance Specialist will provide direction to the best available medical facility or legally qualified physician able to provide the appropriate care.

Upon admission to a hospital or when consulting a legally qualified physician or surgeon for major emergency treatment, we will guarantee the provider (hospital, clinic or physician), that you have both provincial health insurance plan coverage and Green Shield Canada travel benefits as detailed above.

The provider may then bill Green Shield Canada Travel Assistance directly for these approved services for amounts in excess of \$200.

Green Shield Assistance Medical Team will follow your progress to ensure that you are receiving the best available medical treatment. These physicians also keep in constant communication with your family physician and your family, depending on the severity of your condition.

When calling collect while travelling outside Canada and the United States, you may require a Canada Direct Calling Code. In the event that a collect call is not possible, keep your receipts for phone calls made to Green Shield Canada Travel Assistance and submit them for reimbursement upon your return to Canada.

Travel Limitations

- Benefits will be eligible only if existing or pre-diagnosed conditions are completely stable (in the opinion of Green Shield Canada Assistance Medical Team) at the time of departure from your province of residence. Green Shield Canada reserves the right to review your medical information at the time of claim;
- 2. The eligible benefits must be required for the immediate relief of acute pain or suffering as recommended by a legally qualified physician or surgeon. Eligible benefits will not be reimbursed for treatment or surgery that could reasonably be delayed until you return to your province of residence;

- 3. Reimbursement for eligible benefits will be made only if your provincial health insurance plan covers and provides payment toward the cost of the services received;
- 4. Coverage becomes effective at the time you or your dependent crosses the provincial border departing from their province of residence and terminates upon crossing the border returning to their province of residence on the return home. If traveling by air, coverage becomes effective at the time the aircraft takes off in the province of residence and terminates when the aircraft lands in the province of residence on the return home;
- 5. Upon notification of the necessity for treatment of an accidental injury or medical emergency, Green Shield Canada's Assistance Medical Team reserves the right to determine whether repatriation is appropriate if the patient's medical condition will require immediate or scheduled care. Such repatriation is mandatory, where the Assistance Medical Team determines that the patient is medically fit to travel and appropriate arrangements have been made to admit the patient into the provincial government health care system of their province of residence. Repatriation will ensure continued coverage under the plan. Should the patient opt not to be repatriated or elects to have such treatment or surgery outside their province of residence, the expense of such continuing treatment will not be an eligible benefit;

The patient <u>must</u> contact Green Shield Canada Travel Assistance <u>within 48 hours of commencement</u> of treatment. Failure to notify us within 48 hours may result in benefits being limited to only those expenses incurred within the first 48 hours of any and each treatment/incident or the plan maximum, whichever is the lesser of the two;

- 6. Air ambulance services will only be eligible if:
 - they are pre-approved by Green Shield Canada Travel Assistance
 - there is a medical need for you or your dependent to be confined to a stretcher or for a medical attendant to accompany you during the journey
 - you or your dependent are admitted directly to a hospital in your province of residence, and
 - medical reports or certificates from the dispatching and receiving legally qualified physicians are submitted to Green Shield Canada Travel Assistance
 - proof of payment (including air ticket vouchers or air carrier invoices) is submitted to Green Shield Canada Travel Assistance
- 7. If planning to travel in areas of political or civil unrest, or in areas where Foreign Affairs and International Trade Canada (DFAIT) has issued a formal travel warning regarding non-essential travel, contact Green Shield Canada Travel Assistance for pre-travel advice, as we may be unable to guarantee assistance services;
- 8. Green Shield Canada reserves the right, without notice, to suspend, curtail or limit its services in any area in the event of political or civil unrest, including rebellion, riot, military uprising, labour disturbance or strike, act of God, or refusal of authorities in a foreign country to permit Green Shield Canada to provide service. This includes travel in any area if at the time of booking the trip (including delay of travel), or before your departure date, Foreign Affairs and International Trade Canada (DFAIT) issued a formal travel warning advising Canadians to avoid all or non-essential travel to that specific country, region or city due to a likely or actual epidemic or pandemic, (non-essential travel will be deemed as anything other than a significant medical or family emergency, such as the death of a family member);
- 9. No services will be provided during any trip undertaken for the purpose of seeking medical treatment or advice unless pre-authorized as outlined in referral services.

Travel Exclusions

In addition to the Health Exclusions, eligible benefits do not include and reimbursement will not be made for:

- 1. Any claims arising directly or indirectly from any medical condition you suffer or contract in a specific country, region or city due to an epidemic or pandemic, if at the time of booking the trip (including delay of travel), or before your departure date, Foreign Affairs and International Trade Canada (DFAIT) issued a formal travel warning advising Canadians to avoid all or non-essential travel to that specific country, region or city. In this exclusion a medical condition is limited to the reason for which the formal travel warning was issued and includes complications arising from such medical condition;
- 2. Treatment or services required for ongoing care, rest cures, health spas, elective surgery, check-ups or travel for health purposes, even if the trip is on the referral of a physician;
- 3. Treatment or service that you elect to have performed outside Canada when the medical condition would not prevent your return to Canada for such treatment;
- 4. Treatment or service required as a result of suicide, attempted suicide, intentionally self-inflicted injury of you, a traveling companion, or immediate family member while sane or insane;
- 5. Abusive or excessive consumption of medication, drugs or alcohol and the ensuing consequences, including, and as a result of, in connection with or in any way associated with driving a motorized vehicle while impaired by drugs, alcohol or toxic substances or an alcohol level of more than 80 milligrams in 100 millilitres of blood. (A motorized vehicle means any form of transportation which is propelled or driven by a motor and includes, but is not restricted to an automobile, truck, motorcycle, moped, snowmobile, or boat);
- 6. Amounts paid or payable under any Workplace Safety and Insurance Board or similar plan;
- 7. Hospital and medical care for childbirth occurring within 8 weeks of the expected delivery date from the date of departure, or deliberate termination of pregnancy;
- 8. Treatment or service provided in a chronic care or psychiatric hospital, chronic unit of a general hospital, Long-Term Care (LTC) Facility, health spa, or nursing home;
- 9. Services received from a chiropractor, chiropodist, podiatrist, or for osteopathic manipulation;
- 10. Cataract surgery or the purchase of eyeglasses or hearing aids;
- 11. Green Shield Canada does not assume responsibility for nor will it be liable for any medical advice given, but not limited to a physician, pharmacist or other healthcare provider or facility recommended by Green Shield Canada Travel Assistance.

DENTAL BENEFIT PLAN

The benefits shown below will be eligible, if based on the licensed dental practitioner's reasonable and customary charge in accordance with the Fee Guide and the maximum shown in the Schedule of Benefits.

Basic Services

- 1. Basic Diagnostic and Preventive Services:
 - complete oral examinations once every 3 years
 - emergency and specific oral examinations
 - full series X-rays and panoramic X-rays once every 3 years
 - intraoral 15 films every 36 months
 - bitewing X-rays once every 12 months (once every 6 months for dependent children)
 - recall examinations once every 12 months (once every 6 months for dependent children)
 - cleaning of teeth (up to 1 unit of polishing plus up to 1 unit of scaling) once every 12 months (ocne every 6 months for dependent children)
 - topical application of fluoride once every 12 months (once every 6 months for dependent children)
 - denture cleaning once every 12 months (once every 6 months for dependent children)
 - pit and fissure sealants on permanent molars only, once every 5 years on same tooth
 - space maintainers
 - mouth guards once every 12 months
- 2. Basic Restorative Services:
 - amalgam, tooth coloured filling restorations and temporary sedative fillings
 - inlay restorations these are considered basic restorations and will be paid to the equivalent nonbonded amalgam
- 3. Basic oral surgery:
 - extractions of teeth and/or residual roots
- 4. Anaesthesia and intravenous sedation in conjunction with eligible oral surgery only
- 5. Standard denture services:
 - denture repairs and/or tooth/teeth additions
 - standard relining and rebasing of dentures, once every 3 years
 - soft tissue conditioning linings for the gums to promote healing
 - remake of a partial denture using existing framework
- 6. Comprehensive oral surgery:
 - surgical exposure, repositioning, transplantation or enucleation of teeth
 - remodeling and recontouring shaping or restructuring of bone or gum
 - excision removal of cysts and tumors
 - incision drainage and/or exploration of soft or hard tissue
 - fractures including the treatment of the dislocation and/or fracture of the lower or upper jaw and repair of soft tissue lacerations
 - maxilofacial deformities frenectomy surgery on the fold of the tissue connecting the lip to the gum or the tongue to the floor of the mouth

Comprehensive Basic Services

1. Endodontic treatment including:

- root canal therapy
- pulpotomy (removal of the pulp from the crown portion of the tooth)
- pulpectomy (removal of the pulp from the crown and root portion of the tooth)
- apexification (assistance of root tip closure)
- apical curettage, root resections and retrograde fillings (cleaning and removing diseased tissue of the root tip)
- root amputation and hemisection
- bleaching of non-vital tooth/teeth
- emergency procedures including opening or draining of the gum/tooth
- 2. Periodontal treatment of diseased bone and gums including:
 - preventive scaling, periodontal scaling and/or root planing 6 time units per 12 months
 - occlusal equilibration selective grinding of tooth surfaces to adjust a bite 4 time units per 12 months

The fees for periodontal treatment are based on units of time (15 minutes per unit) and/or number of teeth in a surgical site in accordance with the General Practitioners Fee Guide.

bruxism appliance

Major Services

- 1. Standard onlays or crown restorations (paid to full metal on molar) to restore diseased or accidentally injured natural teeth, once every 3 years
- 2. Standard bridges, including pontics, abutment retainers/crowns on natural teeth, once every 3 years
- 3. Standard dentures including complete, immediate, transitional, and partial dentures, once every 3 years
- 4. Denture adjustments and remount and equilibration procedures, only after 3 months have elapsed from the installation of an initial or replacement denture
- 5. Standard repair or recementing of crowns, onlays and bridge work on natural teeth

Orthodontic Services

Reimbursement for orthodontic treatment to straighten teeth and correct the bite.

When a lump sum fee has been paid toward orthodontic treatment, the total amount of the claim will be split into equal portions to include the initial fee and a monthly fee and will be reimbursed over the duration of the treatment.

If orthodontic treatment is terminated for any reason before completion, the obligation to pay benefits will cease with payment to the date of termination. If such services are resumed, benefit for the remaining services, will be resumed. The benefit payment for orthodontic services will be only for the months that coverage is in force.

Alternate Treatment

The group benefit plan will reimburse the amount shown in the Fee Guide for the least expensive service or supply, provided that both courses of treatment are a benefit under the plan.

Predetermination

Before your treatment begins:

- for all proposed treatment for crowns, onlays and bridges, an estimate completed by your dental practitioner, **must** be submitted for assessment. Our assessment of the proposed treatment, may result in a lesser benefit being payable or may result in benefits being denied. Failure to submit an estimate prior to beginning your treatment will result in the delay of the assessment.
- if the total cost of any other proposed treatment is expected to exceed \$300, it is recommended that you submit an estimate completed by your dental practitioner.

Limitations

- Laboratory services must be completed in conjunction with other services and will be limited to the co-pay of such services. Laboratory services that are in excess of 40% of the dentist's fee in the current General Practitioners Fee Guide will be reduced accordingly; co-pay is then applied;
- 2. Reimbursement will be made according to standard and/or basic services, supplies or treatment. Related expenses beyond the standard and/or basic services, supplies or treatment will remain your responsibility;
- 3. When more than one surgical procedure is performed during the same appointment in the same area of the mouth, only the most comprehensive procedure will be eligible for reimbursement;
- 4. Reimbursement will be pro-rated and reduced accordingly, when time spent by the dentist is less than the average time assigned to a dental service procedure code in the General Practitioners Fee Guide:
- 5. Reimbursement for root canal therapy will be limited to payment once only per tooth. The total fee for root canal includes all pulpotomies and pulpectomies performed on the same tooth, not eligible with 18 months of a root canal;
- Common surfaces on the same tooth/same day will be assessed as one surface. If individual surfaces are restored on the same tooth/same day, payment will be assessed according to the procedure code representing the combined surface. Payment will be limited to a maximum of 5 surfaces in any 36 month period;
- 7. Where multiple services are performed at one appointment and the full fee guide price is charged for each service, the first service will be paid in full and all remaining services will be reduced by 20%;
- 8. Core build-ups are eligible only for the purpose of retention and preservation of a tooth when performed with crown treatment. Necessity must be evident on mounted pre-treatment X-rays. Core build-ups to facilitate impression taking and/or block out undercuts are considered included in the cost of a crown:
- 9. Root planing is not eligible if done at the same time as gingival curettage;
- 10. In the event of a dental accident, claims should be submitted under the health benefits plan before submitting them under the dental plan.

Dental Exclusions

Eligible benefits do not include and reimbursement will not be made for:

- 1. Services or supplies received as a result of disease, illness or injury due to:
 - a) intentionally self-inflicted injury while sane or insane;
 - b) an act of war, declared or undeclared;
 - c) participation in a riot or civil commotion; or
 - d) committing a criminal offence;
- 2. Services or supplies provided while serving in the armed forces of any country;
- 3. Failure to keep a scheduled appointment with a legally qualified dental practitioner;
- 4. The completion of any claim forms and/or insurance reports;
- 5. Any dental service that is not contained in the procedure codes developed and maintained by the Canadian Dental Association, adopted by the provincial or territorial dental association of the province or territory in which the service is provided (or your province of residence if any dental service is provided outside Canada) and in effect at the time the service is provided;
- 6. Implants and implant related services;
- 7. Restorations necessary for wear, acid erosion, vertical dimension and/or restoring occlusion;
- 8. Appliances related to treatment of myofacial pain syndrome including all diagnostic models, gnathological determinants, maintenance, adjustments, repairs and relines;
- 9. Posterior cantilever pontics/teeth and extra pontics/teeth to fill in diastemas/spaces;
- 10. Service and charges for sleep dentistry;
- 11. Any specific treatment or drug which:
 - a) does not meet accepted standards of medical, dental or ophthalmic practice, including charges for services or supplies which are experimental in nature, or is not considered to be effective (either medically or from a cost perspective, based on Health Canada's approved indication for use);
 - b) is an adjunctive drug prescribed in connection with any treatment or drug that is not an eligible service:
 - c) will be administered in a hospital:
 - d) is not dispensed by the pharmacist in accordance with the payment method shown under the Health Benefit Plan Prescription Drugs benefit;
 - e) is not being used and/or administered in accordance with Health Canada's approved indication for use, even though such drug or procedure may customarily be used in the treatment of other illnesses or injuries;

12. Services or supplies that:

- a) are not recommended, provided by or approved by the attending legally qualified (in the opinion of Green Shield) medical practitioner or dental practitioner as permitted by law;
- b) are legally prohibited by the government from coverage;
- c) you are not obligated to pay for or for which no charge would be made in the absence of benefit coverage; or for which payment is made on your behalf by a not-for-profit prepayment association, insurance carrier, third party administrator, like agency or a party other than Green Shield, your plan sponsor or you;
- d) are provided by a health practitioner whose license by the relevant provincial regulatory and/or professional association has been suspended or revoked;
- e) are not provided by a designated provider of service in response to a prescription issued by a legally qualified health practitioner;
- f) are used solely for recreational or sporting activities and which are not medically necessary for regular activities;
- g) are primarily for cosmetic or aesthetic purposes, or are to correct congenital malformations;
- h) are provided by an immediate family member related to you by birth, adoption, or by marriage and/or a practitioner who normally resides in your home. An immediate family member includes a parent, spouse, child or sibling;
- i) are provided by your plan sponsor and/or a practitioner employed by your plan sponsor, other than as part of an employee assistance plan;
- are a replacement of lost, missing or stolen items, or items that are damaged due to negligence. Replacements are eligible when required due to natural wear, growth or relevant change in your medical condition but only when the equipment/prostheses cannot be adjusted or repaired at a lesser cost and the item is still medically required;
- k) are video instructional kits, informational manuals or pamphlets;
- I) are delivery and transportation charges;
- m) are a duplicate prosthetic device or appliance;
- n) are from any governmental agency which are obtained without cost by compliance with laws or regulations enacted by a federal, provincial, municipal or other governmental body;
- o) would normally be paid through any provincial health insurance plan, Workplace Safety and Insurance Board or tribunal, or any other government agency, or which would have been payable under such a plan had proper application for coverage been made, or had proper and timely claims submission been made:
- p) relates to treatment of injuries arising from a motor vehicle accident;
 - Note: Payment of benefits for claims relating to automobile accidents for which coverage is available under a motor vehicle liability policy providing no-fault benefits will be considered only if—
 - i) the service or supplies being claimed is not eligible; or
 - ii) the financial commitment is complete;
 - A letter from your automobile insurance carrier will be required;
- q) are cognitive or administrative services or other fees charged by a provider of service for services other than those directly relating to the delivery of the service or supply.

CLAIM INFORMATION

Inquiries

For detailed inquiries, contact your Benefits Administrator or contact us:

- ◆ Call our Customer Service Centre at 1.888.711.1119 to determine eligibility for a specific item or service and Green Shield's pre-authorization requirements, or
- Visit our website at <u>greenshield.ca</u> to e-mail your question

Pre-authorization

For **pre-authorization** forward a pre-authorization form OR a physician's prescription indicating the diagnosis and what is prescribed.

Submitting Claims

When submitting a claim to Green Shield, you must show the Green Shield Identification Number for the person who has received the benefit. You can find the applicable Green Shield Identification Number for yourself and each of your dependents listed on your Green Shield Identification Card. Original itemized paid receipts are required for claims reimbursement (cash receipts or credit card receipts alone are not acceptable as proof of payment).

For claims reimbursement forward an original itemized paid receipt (cash receipts or credit card receipts alone are not acceptable) including:

- Covered person's name, address and Green Shield Identification Number
- Provider's name and address
- Date of service (this is the date of pick up)
- Charges for each service or supply
- A detailed description of the service or supply
- Medical referral/ physician prescription when required
- For Audio, a copy of audiogram and details of provincial funding, if applicable

For dental claims, forward a dental claim form, completed by both the plan member and the dentist. If your claim is the result of an accident, a Dental Accident Report Form and your dental X-rays must be submitted to Green Shield for prior approval. Failure to comply may result in non-payment.

When Green Shield is identified as a secondary carrier, submit the original Explanation of Benefits statement from the primary carrier and a copy of the claim form in order to receive any balances owing.

All claims must be received by Green Shield no later than 12 months from the date the eligible benefit was incurred.

Submit all Claim Forms to: Green Shield Canada

Attn: Drug Department	PO Box 1652	Windsor, ON	N9A 7G5
Attn: Medical Items	PO Box 1623	Windsor, ON	N9A 7B3
Attn: Professional Services	PO Box 1699	Windsor, ON	N9A 7G6
Attn: Vision Department	PO Box 1615	Windsor, ON	N9A 7J3
Attn: Out-of-Country Department	PO Box 1606	Windsor, ON	N9A 6W1
Attn: Dental Department	PO Box 1608	Windsor, ON	N9A 7G1

Reimbursement

Reimbursement will be made by one of the following methods:

- a) Direct deposit to your personal bank account, when requested;
- b) A reimbursement cheque; or
- c) Direct payment to the provider of services, where applicable.

All maximums and limitations stated are in Canadian currency. Reimbursement will be made in Canadian or U.S. funds for both providers and plan members, based on the country of the payee.

Direct Payment to the Provider of Service (where applicable)

Present your Green Shield Identification Card to your provider and, after you pay any applicable copayment, they may bill Green Shield directly and in many cases, payment will be made directly to your provider of service. Most providers will also have a supply of claim forms.

Emergency Travel

Green Shield Travel Assistance must be contacted by phone within 48 hours of commencement of treatment.

Call our Customer Service Centre at 1.888.711.1119 for detailed claims submission instructions.

If you have incurred out of pocket expenses, claims must be submitted together with supporting original receipts to Green Shield Travel Assistance who will then co-ordinate with the provincial health insurance plan reimbursement of those approved, eligible expenses.

To make a claim, submit the patient name, provincial health insurance plan number, address and Green Shield Identification Number with a detailed statement showing the services rendered and the fees charged for each service.

Subrogation

Green Shield retains the right of subrogation if benefits paid on behalf of you or your dependent are or should have been paid or provided by a third party liability. This means that Green Shield has the right to recover payment for reimbursement where you or your dependent receives reimbursement, in whole or in part, in respect of benefits or payments made or provided by Green Shield, from a third party or other coverage(s). In cases of third party liability, you must advise your lawyer of our subrogation rights.

Co-ordination of Benefits (COB)

If you are covered for extended health and dental benefits under more than one plan, your benefits under this plan will be coordinated with the other plan so that you may be reimbursed up to 100% of the eligible expense incurred.

Claims must be submitted to the primary payer first. Any unpaid balances should then be submitted to the secondary plan(s). Use the following guidelines to identify the primary and secondary plans:

Green Shield Plan Member

Green Shield coverage for you is always primary. If you are the plan member under two group plans, priority goes in the following order:

- The plan where you are a full-time plan member
- The plan where you are a part-time plan member
- The plan where you are a retiree

Spouse

If your spouse is a plan member under another benefit plan, this Green Shield coverage is always secondary. Your spouse must first submit claims to his/her benefit plan.

Children

When dependent children are covered under both your Green Shield plan and your spouse's benefit plan, use the following order to determine where to submit the claims:

- The plan of the parent whose birth date (month and day) occurs earliest in the calendar year
- The plan of the parent whose first name begins with the earlier letter of the alphabet, if the parents have the same birth date
- In cases of separation or divorce with multiple benefit plans for the children, the following order applies:
 - The benefit plan of the parent who has custody of the dependent child
 - The plan of the spouse of the parent who has custody of the dependent child
 - The plan of the parent who does not have custody of the dependent child
 - The plan of the spouse of the parent who does not have custody of the dependent child

If the parents have joint custody and both have the children listed as dependents under their plans, claims should first be submitted to the plan of the parent whose birth date (month and day) occurs earliest in the calendar year. Balances can then be submitted to the other parent's plan.

Travel Benefits

In the event of a travel claim, all plans equally share the cost of the claim.

When Green Shield is identified as a secondary carrier, submit the original Explanation of Benefits statement from the primary carrier and a copy of the claim form in order to receive any balances owing.

PREFERRED PROVIDER VISION NETWORK ARRANGEMENT

As a Green Shield plan member, you have access to our national preferred provider vision network arrangement where all Green Shield plan members are eligible to receive a discount on eyewear and laser eye surgery.

Features of this great value-added service for either eyewear or laser eye surgery include:

- 1. Offer applies to any Green Shield plan member, regardless of whether you have Green Shield vision benefits or not;
- 2. The vision provider may bill Green Shield directly; the plan member just pays any portion of the expense not covered under their vision benefit;
- 3. Trustworthy retail chains with convenient locations;
- 4. The discount offer applies to everything such as all extra coatings, upgrades and accessories;
- 5. Hundreds of the latest frame styles to choose from plus the latest lens and coating technology;
- 6. Professional opticians to assist in selecting products;
- 7. For some vendors, this offer applies to non-disposable contact lenses only (excludes disposable contact lenses.

Visit our website at <u>greenshield.ca</u> or call our Customer Service Centre at 1.888.711.1119 for information on the vision providers.

How to Submit Your Vision Claim

- 1. Present your Green Shield Identification Card as proof of being a Green Shield plan member.
- 2. The vision provider will apply the appropriate discount(s) to your claim and may submit the claim directly to Green Shield for payment. You pay your vision provider any balance not covered under your vision benefit.
- 3. If no vision benefit exists, you pay your provider the full balance owing after the applicable discounts have been applied.

OUR COMMITMENT TO PRIVACY

The Green Shield Canada Privacy Code balances the privacy rights of our group and benefit plan members and their dependents, and our employees, with the legitimate information requirements to provide customer service. It consists of the following key principles:

1. We ask for your personal information for the following purposes:

- To establish your identification
- To provide you and/or your dependents with the applicable benefit coverage
- To protect you and us from error and fraud
- To provide ongoing access to other services at Green Shield

2. Consent

When you enrolled in your group benefit plan as a plan member, your personal information was obtained and used only with your consent. We obtained your consent before we:

- Provided benefit coverage
- Offered you other Green Shield services
- Obtained, used or disclosed to other persons, information about you unless we were obliged to do so by law or to protect our interests
- Used your personal information in any way we did not tell you about previously

Your consent can be either express or implied. Express consent can be verbal or written.

Consent can be implied or inferred from certain actions. For our existing group and benefit plan members and their dependents, we will continue to use and disclose your personal information previously collected in accordance with our current privacy code, unless you inform us otherwise and will infer that consent has been obtained by your continued use.

3. Withdrawal of Consent

You can withdraw your consent any time after you've given it to us, provided there are no legal or regulatory requirements to prevent this.

If you don't consent to certain uses of personal information, or if you withdraw your consent, we will no longer be able to administer your benefit coverage. If so, we will explain the situation to you to help you with your decision.

For further information on our privacy policies and procedures, please refer to the Green Shield website at <u>greenshield.ca</u>.

ATTACHMENT 4-2 POST RETIREMENT VALUATION REPORT



Collins Barrow Toronto Actuarial Services Inc.

Collins Barrow Place 11 King Street West Suite 700, PO Box 27 Toronto, Ontario M5H 4C7 Canada

T 416.480.0160 F 416.480.2646

www.collinsbarrow.com

February 10, 2015

BY E-MAIL: maryjocorkum@miltonhydro.com

Ms. Mary-Jo Corkum Vice President, Finance Milton Hydro Distribution Inc. 8069 Lawson Road Milton, ON L9T 5C4

Dear Ms. Corkum:

Re: Milton Hydro Distribution Hydro Inc. (the "Corporation") Actuarial Valuation Report as at January 1, 2014: Post-Retirement Non-Pension Benefit Plan

The intended users of this letter and attachments include the Corporation and its auditors for financial reporting in compliance with CICA guidelines in respect of its post-retirement non-pension benefit plan.

The calculations were performed in accordance with the guidelines set forth in Section 3461 Employee Benefits of the Canadian Institute of Chartered Accountants (CICA) Handbook Accounting Part V Pre-Changeover Accounting Standards ("CICA Section 3461").

The Report provides details of the calculation of the FY 2014 benefit income of approximately \$14,000 for post-retirement non-pension benefits. In addition, we have attached accounting disclosure worksheets summarizing an approximation of the December 31, 2014 Accrued Benefit Obligation ("ABO") of approximately \$289,000 which is based on an extrapolation of the January 1, 2014 valuation results using the same data and assumptions with the exception of the discount rate (see below for details on the discount rate).

Discount Rate Assumption as at December 31, 2014

A discount rate assumption of 4.10% per annum as at December 31, 2014 has been selected to reflect the current yields on high quality debt instruments. As you are aware, the Canadian Institute of Actuaries ("CIA") released an Educational Note on the "Accounting Discount Rate Assumption for Pension and Post-Employment Benefit Plans" (Educational Note) in September 2011. Along with the Educational Note, the CIA has also acquired the services of Fiera Capital Investment Management Inc. (a portfolio investment management firm in Canada) to produce a monthly spot rate curve that is derived using the methodology described in the Educational Note.



Based on the Corporations expected projected benefit cash flows for post-retirement non-pension benefits and the most recent available spot rate curve published by Fiera Capital (i.e. as at December 31, 2014), a discount rate assumption of 4.10% per annum as at December 31, 2014 has been selected. For your reference, a discount rate assumption of 5.00% per annum is used for the valuation at January 1, 2014.

Results under International Financial Reporting Standards ("IFRS")

Also, included in separate accounting worksheets attached hereto, are the following items on the basis of International Financial Reporting Standards IAS 19 (Employee Benefits):

- Calculations of the present value of the defined benefit obligations at January 1, 2014.
- Extrapolation of the January 1, 2014 IAS 19 results for fiscal years ending December 31, 2014, December 31, 2015, and December 31, 2016.

Pursuant to paragraph 24 of IFRS 1 (First-Time Adoption of IFRS), the attached results are prepared based on the understanding that the Corporation will book an adjustment for all unrecognized actuarial gains and losses at the date of transition to IFRS, i.e. January 1, 2014.

The following is noted in regards to the attached IAS19 figures:

- > The employee data used is as detailed in the Report on the Actuarial Valuation of Post-Retirement Non-Pension Benefits as at January 1, 2014 ("Valuation Report") for Milton Hydro Distribution Hydro Inc.
- > The assumptions used are the same as those detailed in the Valuation Report.
- Our calculations conform to the standards as set out in International Accounting Standard 19 (Employee Benefits).

The table below provides details of the adjustments to retained earnings to be made at the IFRS transition date for each of the entities noted above.

January 1, 2014	CICA 3461	Adjustment	IAS 19
ABO / Present Value Defined Benefit Obligation	\$231,449	\$ -	\$ 231,449
Actuarial Gains/(Losses)	\$ 33,808	\$(33,808)	-
Net Liability/(Asset)	\$265,257	\$(33,808)	\$ 231,449

The figures above at January 1, 2014 under CICA 3461 reflect the full actuarial valuation completed at that date (please see Valuation Report) and are different than the December 31, 2013 figures reported by the Corporation.



We are not aware of any subsequent events that would have a significant impact on our calculations.

If you have any questions regarding the above or accounting schedules, please do not hesitate to give us a call.

Yours truly,

Stanley Caravaggio Senior Manager

[Telephone: 416.408.5306]

[E-mail: srcaravaggio@collinsbarrow.com]

Patrick G. Kavanagh

Manager

[Telephone: 416.408.5327]

[E-mail: pgkavanagh@collinsbarrow.com]

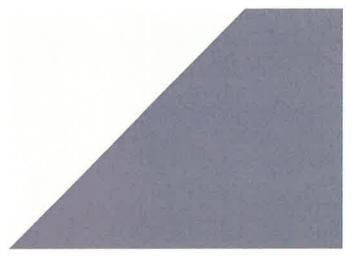
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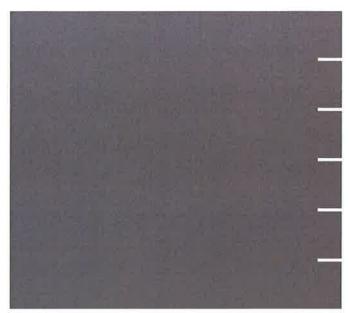


COLLINS BARROW TORONTO

ACTUARIAL SERVICES







MILTON HYDRO DISTRIBUTION INC.

Report on the Actuarial Valuation of Post-Retirement Non-Pension Benefits



As at January 1, 2014

FINAL - February 10, 2015



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EXECUTIVE SUMMARY

PURPOSE

MEARIE Actuarial Services and Collins Barrow Toronto Actuarial Services Inc. were engaged by Milton Hydro Distribution Inc. (the "Corporation") to perform an actuarial valuation of the post-retirement non-pension benefits sponsored by the Corporation and to determine the accounting results for those benefits for the fiscal period ending December 31, 2014. The nature of these benefits is defined benefit.

This report is prepared in accordance with The Canadian Institute of Chartered Accountants (the "CICA") guidelines outlined in Employee Future Benefits, Section 3461 of the CICA Handbook-Accounting ("CICA Section 3461"). CICA Section 3461 was first applied to the Corporation with effect from January 1, 2000.

The most recent full valuation was prepared as at January 1, 2011 based on the then appropriate assumptions.

The purpose of this valuation is threefold:

- to determine the Corporation's liabilities in respect of post-retirement non-pension benefits at January 1, 2014;
- ii) to determine the benefit expense for fiscal year 2014; and
- iii) to provide all other pertinent information necessary for compliance with CICA Section 3461.

The intended users of this report include the Corporation and their auditors. This report is not intended for use by the plan beneficiaries or for use in determining any funding of the benefit obligations.





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SUMMARY OF KEY RESULTS

The key results of this actuarial valuation as at January 1, 2014 with comparative results from the previous valuation as at January 1, 2011 are shown below:

	January 1, 2011 (\$000s)	January 1, 2014 (\$000s)
Accrued Benefit Obligation (ABO) a) People in receipt of benefits b) Fully eligible actives c) Not fully eligible actives Total ABO	105 36 <u>72</u> 213	104 47 80 231
Current Service Cost: for following 12 months	8	8
Benefit Expense (Gain)/Loss: for following 12 months	48	(14)
Prepaid Benefit Liability: at January 1		265

The January 1, 2014 Prepaid Benefit Liability is based on the Corporation's financial statements as at December 31, 2013.





ACTUARIAL CERTIFICATION

An actuarial valuation has been performed on the post-retirement non-pension benefit plans sponsored by Milton Hydro Distribution Inc. (the "Corporation") as at January 1, 2014, for the purposes described in this report.

In accordance with the Canadian Institute of Actuaries Consolidated Standards of Practice General Standards, we hereby certify that, in our opinion, for the purposes stated in the Executive Summary:

- 1. The data on which the valuation is based is sufficient and reliable;
- 2. The assumptions employed, as outlined in this report, have been selected by the Corporation as management's best estimate assumptions (no provision for adverse deviations) and we express no opinion on them;
- 3. All known substantive commitments with respect to the post-retirement non-pension benefits sponsored by and identified by the Corporation are included in the calculations; and
- 4. This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada.

We are not aware of any subsequent events from January 1, 2014 up to the date of this report that would have a significant effect on our valuation.

The latest date on which the next actuarial valuation should be performed is January 1, 2017. If any supplemental advice or explanation is required, please advise the undersigned.

Respectfully submitted,

COLLINS BARROW TORONTO ACTUARIAL SERVICES INC.

Stanley Caravaggio, FSA FCIA

Senior Manager

Patrick G. Kavanagh, AB ASA ACIA

Manager

Toronto, Ontario

February 10, 2015





4 Milton Hydro Distribution Inc. –
Actuarial Valuation Report as at January 1, 2014 – Final

SECTION A— VALUATION RESULTS

<u>Table A - 1</u> shows the key valuation results for the prior valuation and the current valuation.

<u>Table A - 2</u> shows the sensitivity of the valuation results to certain changes in assumptions. We have shown a change to the assumed discount rate from 5% to 4% per annum, and a decrease in the withdrawal rate of the active employees from 2% per annum to 1% per annum.

<u>Table A - 3</u> presents the determination of the actuarial gain/(loss) from the previous valuation at January 1, 2011.





VALUATION RESULTS

Table A.1—Valuation Results (in thousands of dollars)

		January 1, 2011	January 1, 2014
1. Tota	Accrued Benefit Obligation a) People in receipt of benefits b) Fully eligible actives c) Not fully eligible actives	105 36 <u>72</u> 213	104 47 80 231
2.	Benefit Expense a) Current Service Cost b) Interest Cost c) Expected Return on Assets d) Amortization of Transition Amount e) Amortization of Prior Service Cost f) Amortization of (Gain)/Losses	8 11 - - - 29	8 12 - - - (34)
	al Benefit Expense (Gain)/Loss collowing 12 months	48	(14)
3.	Expected Benefit Payments for following 12 months	13	11





SENSITIVITY ANALYSIS

Table A.2—Sensitivity Analysis (in thousands of dollars)

			January 1, 2014	
		Valuation Results	4% Discount Rate	Withdrawal Rate 1%
1.	Accrued Benefit Obligation a) People in receipt of benefits b) Fully eligible actives c) Not fully eligible actives	104 47 80	116 58 	104 47 84
Tota	al ABO	231	283	235
2.	Current Service Cost for following 12 months	8	11	9
3.	Interest Cost for following 12 months	12	12	12
4.	Expected Average Remaining Service Lifetime of the Current Active Employees (years)	13	13	13





DEVELOPMENT OF NET GAINS OR LOSSES

Table A.3—Development of Net Gains or Losses (in thousands of dollars)

Expected ABO at December 31, 2013 per financial statements	265
Actual ABO at January 1, 2014	_231
Actuarial Loss/(Gain)	(34)
Amortization of Unamortized Actuarial Loss	
Unamortized Net Actuarial Loss (Gain) at December 31, 2013	· er
Actuarial Loss (Gain) for Current Year at January 1, 2014	_(34)
Total Loss (Gain) at January 1, 2014	(34)
Less: Actual Amortization for 2014	<u>(34)</u>
Expected Unamortized Actuarial Loss (Gain) at December 31, 2014	224

Please note that the actual ABO at January 1, 2014 is approximately \$34,000 lower than the expected ABO at December 31, 2013. This is due to a combination of the following factors:

- A change in the mortality assumptions (a decrease of approximately \$37,000)
- A change in the salary rate assumptions (a decrease of approximately \$3,000)
- A change in the discount rate assumptions (a decrease of approximately \$24,000)
- Deviations from the expected demographic changes of the valued group and other miscellaneous factors (an increase of approximately \$30,000 in the total ABO)

CICA Section 3461 States that any gain or loss in excess of 10% of the ABO must, at minimum, be amortized over the expected average remaining service lifetime ("EARSL"). The EARSL of the current active group is 13 years. CICA Section 3461 also allows for a method of amortization which recognizes gains and losses sooner than the minimum. However, the method chosen must be applied consistently from year to year. The Corporation has previously recognized the full actuarial (gain)/loss in the period immediately following the calculation change. Thus, the amount of actuarial gains to be recognized in year 2014 is approximately \$34,000.





SECTION B— PLAN PARTICIPANTS

<u>Table B -1</u> sets out the summary information with respect to the plan participants valued in the report, along with comparisons to the participants in the previous valuation at January 1, 2011.

<u>Table B -2</u> reconciles the number of participants in the last valuation to the number of participants in the current valuation.





PARTICIPANT DATA

Table B.1—Participant Data

Membership data as at January 1, 2014 was received from the Corporation via e-mail and included information such as name, sex, age, date of hire, current salary, benefit amounts and other applicable details for all active employees and people in receipt of benefits.

We have reviewed the data and compared it to the data used in the prior valuation for consistency and reliability for use in this valuation. The main tests of sufficiency and reliability that were conducted on the membership data are as follows:

- Date of birth prior to date of hire
- Salaries less than \$20,000 per year, or greater than \$250,000 per year
- Ages under 18 or over 100
- Abnormal levels of benefits and/or premiums
- Duplicate records





In addition, the following tests were performed:

- A reconciliation of statuses from the prior valuation to the current valuation;
- A review of the consistency of individual data items and statistical summaries between the current and prior valuations; and
- A review of the reasonableness of changes in such information since the prior valuation.

Active Employees

As of January 1		2011				2014	
	<u>Male</u> 22	Female 18	<u>Total</u> 40		<u>Male</u> 27	<u>Female</u> 21	<u>Total</u> 48
Number of Employees	22	10	40		21	21	40
Average Length of Service	10.9	9.2	10.2		10.6	10.6	10.6
As of January 1, 2014			Curre	nt Age			
•	Active L	.ives—Not fu		•	Active	Lives—Fully	eligible
		Count				Count	
	<u>Male</u>	<u>Female</u>	<u>Total</u>		<u>Male</u>	<u>Female</u>	<u>Total</u>
Age Band							
Less than 30	8	1	9		-	-	-
30-35	3	2	5		-	-	-
36-40	1	1	2		-	-	-
41-45	4	-	4		-	-	-
46-50	5	5	10		-	-	-
51-55	2	8	10		-	_	-
56-60	-	-	(= 0		3	4	7
61-65	_	-	:#8		1	-	1
66-70	-,	-	-		-	-	-
71-75	546	-	(=):		_	-	-
Greater than 75	9 9 0	-	18 0		-	Ħ	-
Total	23	17	40		4	4	8





As of January 1,2014			Average Service	ce		
	Active L	ives—Not fully			ive Lives—Fully	eligible
		Service		-	Service	
_	<u>Male</u>	<u>Female</u>	<u>Total</u>	Male	<u>Female</u>	<u>Total</u>
Age Band						
Less than 30	2.8	2.9	2.8	: . :	-	
30-35	9.2	4.5	7.3	.=:	=	=
36-40	1.3	3.6	2.5	3	<u> </u>	Ē
41-45	8.5	<u>u</u>	8.5	140	4	2
46-50	12.8	6.6	9.7	•	#	-
51-55	32.0	12.8	16.6	-	=	2
56-60		·	14	14.5	18.2	16.6
61-65	:=::	æ	1060	29.3	*	29.3
66-70	:#2:	#	N e s			
71-75	-	₩	· <u>·</u>	-	<u>#</u>	<u> </u>
Greater than 75	: =)	벌	12	(€)	=	=
Total	9.2	8.8	9.1	18.2	18.2	18.2

People in Receipt of Benefits

As of January 1	2011 2014					
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	Total
Number of Members	7	2	9	8	1	9
As of January 1, 2014		Evnos	ted Annual Benet	fit Baymonta		
Age Band	Male		Femal		Tota	l
3		=		_		•
Less than 30			·		2. 	
30-35			, ,		\ -	
36-40	~		2		(age)	
41-45			*		5 = :	
46-50					S=1	
51-55	9				824	
56-60	360		91		451	
61-65	.=		7 2 2			
66-70	289				289	
71-75	<u>a</u>		12°		<u></u>	
Greater than 75	6,107		S ⊕ 3		6,107	
Total	6,756		91		6,847	





PARTICIPATION DATA

Table B.2—Participation Data

	Actives	Retirees
As at January 1, 2011	40	9
New Entrants	12	8 2 7
New Dependents		S
Active	*:	1
LTD	₽	E
Terminated	(3)	-
Deceased	-	(1)
Retired	(1)).E/
As at January 1, 2014	48	9





SECTION C— SUMMARY OF ACTUARIAL METHOD AND ASSUMPTIONS

ACTUARIAL METHOD

The aim of an actuarial valuation of post-retirement non-pension benefits is to provide a reasonable and systematic allocation of the cost of these future benefits to the years in which the related employees' services are rendered. To accomplish this, it is necessary to:

- make assumptions as to the discount rates, salary rate increases, mortality and other decrements:
- use these assumptions to calculate the present value of the expected future benefits; and
- adopt an actuarial cost method to allocate the present value of expected future benefits to the specific years of employment.

The ABO and Current Service Cost were determined using the projected benefit method, pro-rated on service. This is the method stipulated by CICA Section 3461 when future salary levels or cost escalation affect the amount of the employee's future benefits. Under this method, the projected post-retirement benefits are deemed to be earned on a pro-rata basis over the years of service in the attribution period. CICA Section 3461 stipulates that the attribution period commences at the employee's hire date and ends at the earliest age at which the employee could retire and qualify for the post-retirement non-pension benefits valued herein.

For each employee not yet fully eligible for benefits, the ABO is equal to the present value of expected future benefits multiplied by the ratio of the years of service to the valuation date to the total years of service in the attribution period. The Current Service Cost is equal to the present value of expected future benefits multiplied by the ratio of the year (or part) of service in the fiscal year to total years of service in the attribution period.

The ABO at January 1, 2014 is based on membership data and management's best estimate assumptions at January 1, 2014.

ACCOUNTING POLICIES

Corporation recognizes the entire amount of any actuarial gain or loss during the calendar year in which it was determined.

MANAGEMENT'S BEST ESTIMATE ASSUMPTIONS

The following are management's best estimate economic and demographic assumptions as at January 1, 2014.





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ECONOMIC ASSUMPTIONS

Consumer Price Index

The consumer price index is assumed to be 2.00% per annum.

This is the same assumption used in the previous valuation.

Discount Rate

The rate used to discount future benefits is assumed to be 5.00% per annum. This rate reflects the market interest rates at the measurement date on high quality debt instruments with consideration given to the timing and amount of projected benefit payments.

The assumption used in the previous valuation was 5.00% per annum as at January 1, 2011 which was subsequently updated to 4.50% per annum as at December 31, 2011.

Salary Increase Rate

The rate used to increase salaries is assumed to be 3.20% per annum. This long term assumption reflects the expected Consumer Price Index adjusted for productivity, merit and promotion.

The assumption used in the previous valuation at January 1, 2011 was 3.50% per annum.

DEMOGRAPHIC ASSUMPTIONS

Mortality Table

The mortality tables used are as per the Canadian Institute of Actuaries Canadian Pensioners' Mortality Pension Experience Subcommittee report dated February 11, 2014 (CIA Report). More specifically, the Canada Pensioners Mortality ("CPM") Table Public Sector (CPM 2014 PUBL) has been used with the generational projection of mortality improvement based upon CPM Improvement Scale B1-2014.

Mortality rates are applied on a sex-distinct basis.

The previous valuation at January 1, 2011 used the 1994 Uninsured Pensioner Mortality (UP-94) table, with a projection of mortality improvements to the year 2020 based upon Projection Scale AA.

Rates of Withdrawal

Termination of employment prior to age 55 is assumed to be equal to 2.00% per annum. This is the same assumption used in the prior valuation.

Retirement Age

All active employees are assumed to retire at age 60 (or immediately if currently over age 60).

This assumption remains unchanged from the previous valuation.

Expenses and Taxes

We have assumed 10% of benefits is required for the cost of sponsoring the program for life insurance. This is the same assumption that was used in the prior valuation.





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SECTION D— SUMMARY OF POST-RETIREMENT BENEFITS

The following is a summary of the plan provisions that are pertinent to this valuation, based on information provided by and discussions with the Corporation.

GOVERNING DOCUMENTS

The program is governed by the following documents and agreements:

Collective Agreement between Milton Hydro Distribution Inc. and Power Workers' Union, Local 1000 of the Canadian Union of Public Employees, CLC, Representing the Workers of the Corporation effective until December 31, 2016.

What follows is only a summary of the post-retirement non-pension benefits program. For a complete description, please refer to the above-noted document.

ELIGIBILITY

All employees who retire from the Corporation are eligible for post-retirement life insurance benefits.

PARTICIPANT CONTRIBUTIONS

The Corporation shall pay 100% of the cost of the post-retirement life insurance benefits.

PAST SERVICE

Past service is defined as continuous service prior to joining the plan if the participant was employed by another electrical distribution company/hydro prior to joining the Corporation.

LENGTH OF SERVICE

Length of service is defined as continuous service from the date of hire to the valuation date, measured in years and months.





SUMMARY OF BENEFITS

Life Insurance

All current employees who retire from the Corporation are eligible for post-retirement life insurance, as per the MEARIE plan, administered by Great West Life, based upon the following table:

Plan Option	Amount of Coverage	Eligibility
1	Flat \$2,000.	If employee retires with less than 10 years of service in the Plan.
2	50% of final annual earnings reducing by 2.5% of final annual earnings each year thereafter for 10 years, to a final benefit equal to 25.0% of final annual earnings.	If employee was ever insured under Employee Plan options 2, 3 or 4, or if employee retires with 10 or more years of service in Plan but was never in superseded plan.
	Reduction occurs on anniversary date of retirement.	
3	50% of final annual earnings.	If employee was insured under superseded plan and was hired on or after May 1, 1967 and elected coverage under Option 1 only.
4	70% of the final amount insured for under the life plan immediately prior to retirement.	If employee was insured under the superseded plan and was hired before May 1, 1967 and elected coverage under Option 1 only.
5	Amount of retirement insurance coverage in force under superseded plan grandfathered.	Frozen group of insured whose retirement occurred under superseded plan prior to transfer to Sun Life.





SECTION E-**EMPLOYER CERTIFICATION**

Post-Retirement Non-Pension Benefit Plan of Milton Hydro Distribution Inc. Actuarial Valuation as at January 1, 2014

I hereby confirm as an authorized signing officer of the administrator of the Post-Retirement Non-Pension Benefit Plan of Milton Hydro Distribution Inc. that, to the best of my knowledge and belief, for the purposes of the valuation:

- i) the membership data summarized in Section B is accurate and complete;
- ii) the assumptions upon which this report is based as summarized in Section C are management best estimate assumptions and are adequate and appropriate for the purposes of this valuation; and
- the summary of Plan Provisions in Section D is an accurate and complete summary of the terms iii) of the Plan in effect on January 1, 2014.

MILTON HYDRO DISTRIBUTION INC.

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ATTACHMENT 4-3 PURCHASING POLICY

M

MILTON HYDRO DISTRIBUTION INC.

PURCHASING POLICY & PROCEDURES

1. Objectives

The objectives of the Corporation are as follows:

- 1.1 To provide prompt efficient procurement of quality equipment, materials and services at the lowest overall long-term cost to Milton Hydro Distribution Inc.
- 1.2 All contacts and dealings with suppliers will be governed by fairness, integrity, courtesy and good will.
- 1.3 To encourage competing and locally established suppliers of key products and services
- 1.4 To comply fully with Milton Hydro's "Code of Business Conduct".

2. President/CEO's Authority

2.1 Authority for administering the Corporation Purchasing Policy and Procedures rests with the President/CEO.

3. Purchasing Function

- 3.1 The purchasing function is to provide a service that assists the organization in achieving the Corporation's objectives. The supervisor responsible for this function shall conduct all purchasing activities in accordance with established policies and procedures. The procedures shall address topics such as the tendering process, award procedures, approval to purchase, pre-qualified bidders, exclusive services and exceptions to policy.
- 3.2 All requisitions to purchase must be formally approved according to established procedures.
- 3.3 Competitive prices shall be obtained from the widest practical range of sources with the objective of obtaining a minimum of three bids. Methods to be used may include, but are not limited to, requests for proposals, tenders, advertised tenders, public tenders, and other vehicles as deemed appropriate by the Board.

3.4 Vendor Relationships

It is recognized that where appropriate, and in the interest of lowest overall costs, long-

Purchasing Policy and Procedures

term sole supplier relationships with vendors may be established. These sole supplier relationships will in effect mean a sole supplier for a line of equipment, and must be reviewed by the President/CEO annually and reported to the Board. Establishing a long-term, sole supplier vendor relationship shall take into account lowest overall long-term cost, standardization of equipment, maintenance and operation, inventory levels and safety. A pricing check mechanism must be applied every two to three years to ensure that competitive pricing continues to exist.

3.5 <u>Co-operative Ventures</u>

The Corporation may participate with other agencies or public authorities in co-operative acquisition ventures where it is in the best interest of the Corporation to do so and may follow the procedures set out by the agency responsible for the venture.

- 3.6 The responsibilities of the purchasing function shall include:
 - a. Obtaining competitive prices
 - b. Awarding of contracts
 - c. Negotiating on behalf of the Corporation where required
 - d. Preparing and issuing purchase orders
 - e. Expediting to meet user/consumer requirements
 - f. Maintaining vendor relationship and evaluating vendor performance
 - g. Protecting the interest and integrity of the Corporation
 - h. Disposal of surplus and/or obsolete material

4. Reporting

- 4.1 Reporting to the Board on purchasing activity shall be as follows:
 - a. Deviations from purchasing policy and procedures;
 - b. Quarterly spending by Vendor showing YTD spending.

PURCHASING PROCEDURES

5. **Definitions**

<u>Tender</u> A formal or informal response from vendors to a request to

supply goods or services being quoted.

Requests for Proposal A form of tender called when the requirements or services

cannot be definitely specified and where such proposals would result in specific offers by the bidders to fulfill the requirements,

services or function at a particular price.

Prime Vendor The vendor selected to be the primary source of the goods or

services being quoted usually for a one-year period.

Purchasing Policy and Procedures

<u>Professional Services</u> Provided by a person or organizations that by virtue of expertise

and/or professional qualifications, provides advice, counsel and/or recommendations concerning actions to be taken, or provides a service requiring such expertise or qualification. This definition does not include rental staff from temporary agencies.

Field Purchases Where a need cannot be filled from stores but can be obtained

locally or where as a matter of logical convenience it represents

best value to the Corporation to buy locally.

Emergency Purchases Where immediate action is required to prevent injury to a person,

protect property from damage or destruction or restore

operations due to unplanned power outages.

After Hours Purchases Purchases required to complete activity where an unforeseeable

need that must be met occurs outside regularly scheduled

business hours for the organization.

<u>Exclusive Service</u> One approved source of supply only for goods and services.

6. Approval Levels

6.1 General

Expenditure approvals are as follows:

Less than \$200 Visa/petty cash/expenses signed by Requester and Supervisor

Up to \$5,000 Signed by Requester and Department Head

Over \$5,000 Signed by Requester, Department Head and President/CEO

Approval must be obtained from the President/CEO for all Professional Services.

The Board will be presented with all purchases of equipment, materials and/or services exceeding \$50,000. Any extraordinary purchases greater than \$10,000 must be approved by the Board.

7. <u>Selection Criteria</u>

7.1 Milton Hydro will deal only with reputable vendors. New vendors shall be added to the supplier list only after investigation by the Purchasing group and approval by the President/CEO or his designate. Approved Vendor List: See Pre-qualification item 9.5

Purchasing Policy and Procedures

- 7.2 The criteria for adding a new vendor to the supplier list and evaluating existing suppliers shall include:
 - a. Ouality
 - b. Service
 - c. Price
 - d. Delivery
 - e. Financial Strength
 - f. Integrity
 - g. Or the vendor may be the only source for the item or service required.

Life cycle costs or price shall be the determining selection criteria for goods when the above criteria are satisfied.

7.3 Services

The selection criteria for services shall be based on the lowest priced "Responsible Vendor". In determining a "Responsible Vendor" the following criteria are considered:

- a. The ability, capacity and skill of the vendor to perform the service
- b. Whether the vendor can perform the service promptly or within the time specified, without delay or interference
- c. The character, integrity, reputation, judgement, experience and efficiency of the vendor
- d. The quality of performance provided on previous contracts or services

Price shall be the determining selection criteria for services when the above criteria are satisfied.

7.4 <u>Pre-qualification</u>

The following is applicable to the awarding of contracts for specific construction projects and to the engagement of contract workers and services to augment the Corporation's work force.

The following criteria will be evaluated in establishing pre-qualified contractors:

- a. Place of Business
- b. Manpower: name(s), technical qualification(s), certificate(s), provincial certificate(s)
- c. Work history, equipment listing
- d. Company financial report (most recent)
- e. WSIB certificate of clearance
- f. E&USA (Electrical & Utilities Safety Association of Ontario) membership (if required)

Purchasing Policy and Procedures

- g. Liability insurance, certificate
- h. Description of the company's training program
- i. Safety record and safety policy

Contractors may be removed from the Pre-Qualified List for the following reasons:

- a. consistently fails to bid without adequate reason
- b. does not meet the terms and conditions of the contracts and specifications of the project
- c. is always high bid and is non-competitive on three tenders
- d. fails to notify of any changes that would impact pre-qualification
- e. fails to meet conditions of "Responsible Vendor" (Section 7.2)

In all cases, the firm will be advised before this action is taken.

8. Procedure

8.1 Requisition

Purchase Orders are required for all purchases (except as noted in Section 10). All purchase orders shall be created from approved purchase requisitions which should have:

- a. Authorization to purchase as per approval level (Section 6)
- b. List of recommended vendors optional
- c. Detailed specification or manufacturer's catalogue number

8.2 Tenders

- a. Tenders will be co-ordinated by the purchasing function subject to the following guidelines:
 - 1. All tenders will include a clause specifying that the lowest (highest) or any tender may not necessarily be accepted.
 - 2. Contracts resulting from tenders will be signed by one of the Corporation's signing authorities.

b. <u>Irregularities</u>

- 1. Sealed, specific closing-time tenders will not be accepted after closing time.
- 2. Sealed, specific closing-time tenders that are received late will be returned to the bidder without opening.
- 3. If all tenders received are at variance with the specifications then the requirement may be to re-bid or the existing specifications may be reviewed to determine acceptability of any or all of these tenders. Vendors may be contacted for verification of submission to review specifications.

Purchasing Policy and Procedures

9. Negotiations

- 9.1 The President/CEO or designated Department Head may negotiate where:
 - a. There is only one source of supply for the goods or services (Exclusive Service Supplier),

or

b. There is merit in purchasing at a public auction,

or

- c. All tenders or quotations received fail to meet specifications or terms and conditions and it is unreasonable to recall tender or quotations.
- 9.2 Prior authorization specifying upper price limits must be obtained as per approval level (Section 6) when purchasing is at a public auction.
- 9.3 The negotiation procedures shall be those accepted as standard negotiating procedures that employ fair and ethical practices.

9.4 Standardization

Where in the interest of lowest overall acquisition, installation, maintenance, operating and inventory costs, standardization has been established, these purchases will be reported on the Exclusive Services List.

9.5 Field, Emergency & After-Hours Purchases

Purchase Orders signed by the appropriate approval level as outlined in section 6.1 must follow all field, emergency and after-hours purchases.

9.6 <u>Vendor Performance</u>

If the prime vendor does not perform according to agreement then the Purchasing Function will obtain the goods or services from an alternate vendor with an existing quote on file that can supply the Corporation's requirements at a cost that represents best value to the Corporation. In some cases it may be necessary to request new tenders for the goods or service.

Non-performing vendors may be assessed a penalty. Penalties may include:

- a. Removal of vendor from bidder's list
- b. Suspension of vendor for a period of time
- c. Payment of Corporation's related costs

Non-performing vendors must be notified in writing.

Purchasing Policy and Procedures

10. Exceptions

- 10.1 Purchase orders are not required where an alternate approval procedure is in place for the following:
 - a. Purchases made through Petty Cash/Visa up to the limits established by the organization.
 - b. Small purchases of non-repetitive use items made through approved controlled procedures where it is in the best interest of the Corporation to not issue a purchase order.
 - c. Training and education:
 - 1. Conferences
 - 2. Courses
 - 3. Conventions
 - 4. Magazines
 - 5. Manuscripts
 - 6. Periodicals
 - 7. Seminars
 - 8. Subscriptions
 - 9. Memberships
 - d. Employee expenses:
 - 1. Advances
 - 2. Meals
 - 3. Travel expenses
 - 4. Allowances clothing, boots, . . .
 - e. General expenses:
 - 1. Payroll deduction remittances
 - 2. Medicals
 - 3. Insurance
 - 4. Tax remittances
 - 5. Audit expenses
 - 6. Legal services
 - 7. Banking services
 - 8. Canada Post
 - 9. Ontario Power Generation power bills
 - 10. Electrical Safety Authority inspections
 - 11. Halton Regional Police
 - 12. Pole rentals
 - 13. Consumers & Corporate Affairs Canada Meter Inspections
 - 14. Credit agencies
 - 15. Advertising
 - 16. Ministry of Transport licences
 - 17. Meter Reading Services

Purchasing Policy and Procedures

- f. Utilities:
 - 1. Postage
 - 2. Water
 - 3. Telephones
- g. Items purchased under contract/lease:
 - 1. Any item purchased under a contract or lease

11. <u>Disposals</u>

- 11.1 The Purchasing Function in co-operation with Department Heads or their designate shall have the authority to sell, exchange or otherwise dispose of all goods declared as surplus to the needs of the Corporation (approvals as per 6 where value is estimated). Where it is in the best interest of the Corporation, items or groups of items may:
 - a. Be offered to public agencies.
 - b. Be sold by external advertisement, formal request, auction or public sale.
 - c. Be advertised by public offering for sale and sealed bids will be received with the award to the highest bidder.
- In the event that all efforts to dispose of goods by sale are unsuccessful, these items may be offered for refuse or donated to a charity.
- 11.3 The purchasing function may sell or trade obsolete or surplus goods to the original supplier or others in that line of business where it is determined that a higher net return will be obtained than by following the procedures set out above in Subsection 11.1.
- Where it is deemed appropriate by the purchasing function, a reserve price may be established.

12. Conflict of Interest

- 12.1 Employees, Directors and contracted staff of Milton Hydro must be free of conflicting interest when representing Milton Hydro in business dealings. A conflict of interest would exist when an employee's responsibility to act in Milton Hydro's best interests is adversely influenced by his or her personal or financial affairs. A conflict of interest may be direct (the employee) or indirect (a family member, relative or a business enterprise in which these individuals have an interest.
- 12.2 <u>Gifts or Favours</u>: Employees are expressly prohibited from accepting, directly or indirectly from any person, company or corporation to which any purchase order or contract is, or might be awarded, any rebate, gift or favour which may limit or appear to limit the employee from acting in the best interests of Milton Hydro.
 - a) A gift or favour would include any loan, discount, service, money or article of value.
 - b) Articles of nominal value normally used for sales promotions, ordinary business meals or moderate hospitality would not be considered a conflict of interest.

Purchasing Policy and Procedures

- 12.3 The Corporation shall be advised prior to the awarding of business if goods or services are being purchased by Milton Hydro from an employee. A purchase is deemed to be made from an employee when it is made either directly or indirectly from the employee, their spouse or an immediate family member or from a company owned, controlled or operated by any of these individuals.
- 12.4 <u>Private Purchases</u>: Personal purchases for Board members or employees of the Corporation shall not be permitted.

13. Confidentiality

Milton Hydro employees may have, during their day-to-day business activities, access to information of a confidential nature. Employees are obligated to respect the nature of such information and to use it exclusively for business purposes, not revealing it externally without the approval of the President/CEO or designate.

All price information is confidential. No supplier will be informed of a competitor's price.

If circumstances require that confidential information be shared with an outside party, the information must be designated confidential. Signing of a confidentiality agreement may be required by the receiving party.

In cases where Milton Hydro employees receive information from or sign agreements with outside parties, such as in software licensing, employees must adhere strictly to the agreements and treat such information as confidential in order to protect Milton Hydro from defaulting on any agreement.

Any questions relating to confidentiality issues should be referred to the President/CEO.

14. <u>Take-or-Pay Contracts</u>

Contracts or agreements representing take-or-pay commitments require the approval of the President/CEO.

Appendix B

Addendum to Milton Hydro Purchasing Policy (July 2007)

Subject: low voltage ancillary equipment

Memo to all staff:

To ensure compliance with Ont. Regulation 22/04, please be advised that effective immediately, any low voltage ancillary equipment purchased by Milton Hydro must bear at least one of the following safety standards symbols

Staff involved in purchasing must ensure this condition is met prior to purchasing the required

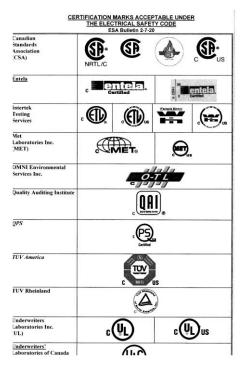
MILTON HYDRO DISTRIBUTION INC. Purchasing Policy and Procedures

item

Thank you,

George Matai, P.Eng. Electrical Distribution Engineer Milton Hydro Distribution Inc.

CERTIFICATION MARKS ACCEPTABLE UNDER THE ELECTRICAL SAFETY CODE ESA Bulletin 2-7-20



ATTACHMENT 4-4 INCOME TAX/PILS WORKFORM



Version

1.0

Utility Name	Milton Hydro Distribution Inc.	
Assigned EB Number	EB-2015-0089	
Name and Title	Cameron McKenzie	
Phone Number	289-429-5212	
Email Address	cameronmckenzie@miltonhydro.com	
Date	28-Aug-15	
Last COS Ro-hasad Year	2011	

Note: Drop-down lists are shaded blue; Input cells are shaded green.

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your rate application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.

Instructions

Purpose

The purpose of this workbook is to calculate the estimated Payment in Lieu of Taxes (PILs) for the Test Year. The calculation of PILs for the Test Year is on tab T0 and is based on the inputs on the other tabs.

Tab S Summary is a summary of the amounts to be transferred to the Revenue Requirement Workform. The Revenue Requirement Workform is on tab 3 of the Revenue Requirement Workform.

Methodology

To calculate the PILs for the Test Year:

- 1) input the balances from the income tax return of the Historical Year in tabs H1 to H13.
- 2) input the balances for the subsequent two (2) years (the Bridge Year and the Test Year). Inputs should include:
 - non-deductible expenses (Schedule 1 B1 and T1)

 - capital additions (Schedule 8 B8 and T8)
 cumulative eligible expenditures (Schedule 10 B10 and T10)
 - non-deductible reserves (Schedule 13 B13 and T13)
- 3) make any other adjustments and inputs required so that the PILs amount calculated for the Test Year on tab T0 is reasonable.

Other Notes

is

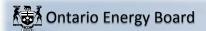
Tabs H1 to H13 relate to the Historical Year. Tabs B1 to B13 relate to the Bridge Year. Tabs T1 to T13 relate to the Test Year.

The amounts on tabs H1 to H13 should agree to the tax return filed with the Canada Revenue Agency. Any CRA audit adjustments or corrections should also be reflected.

It is assumed the net income before tax for the Test Year is equal to the Return on Equity. Return on Equity is calculated on tab A.

On tab "A. Data Input Sheet", input the "Rate Base" amount and "Return on Rate Base" amounts. е

For the 2016 Application, the "Test Year" is 2016, the "Historical Year" is 2014, and the "Bridge Year" is 2015.



1. Info

S. Summary

A. Data Input Sheet

B. Tax Rates & Exemptions

Historical Year H0 - PILs, Tax Provision Historical Year

H1 - Adj. Taxable Income Historical Year

H4 - Schedule 4 Loss Carry Forward Historical Year

H8 - Schedule 8 Historical'!A1

<u>H10 - Schedule 10 CEC Historical Year</u> <u>H13 - Schedule 13 Tax Reserves Historical</u>

Bridge Year <u>B0 - PILs,Tax Provision Bridge Year</u>

B1 - Adj. Taxable Income Bridge Year

B4 - Schedule 4 Loss Carry Forward Bridge Year

<u>B8 - Schedule 8 CCA Bridge Year</u> <u>B10 - Schedule 10 CEC Bridge Year</u>

B13 - Schedule 13 Tax Reserves Bridge Year

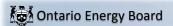
Test Year To PILs, Tax Provision Test Year

T1 Taxable Income Test Year

T4 Schedule 4 Loss Carry Forward Test Year

T8 Schedule 8 CCA Test Year
T10 Schedule 10 CEC Test Year
T13 Schedule 13 Reserve Test Year

1

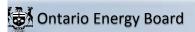


No inputs required on this worksheet.

Inputs on Service Revenue Requirement Worksheet

The Service Revenue Requirement is in the 'Revenue Requirement Workform' - Tab 3.

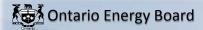
Item	Reference	
Adjustments required to arrive at taxable income	as below	-2,709,732
Test Year - Payments in Lieu of Taxes (PILs)	<u>T0</u>	188,316
Test Year - Grossed-up PILs	<u>T0</u>	256,212
Federal Tax Rate	<u>T0</u>	15.0%
Ontario Tax Rate	<u>T0</u>	11.5%
Calculation of Adjustments required to arrive at Taxable Income		
Regulatory Income (before income taxes)	<u>T1</u>	3,420,359
Taxable Income	<u>T1</u> _	710,626
Difference	calculated	-2.709.732 as above



Rate Base		s	\$ 91,945,126		
Return on Ratebase					
Deemed ShortTerm Debt %	4.00%	Т	\$ 3,677,805	W = S * T	
Deemed Long Term Debt %	56.00%	U	\$ 51,489,271	X = S * U	
Deemed Equity %	40.00%	٧	\$ 36,778,051	Y = S * V	
Short Term Interest Rate	2.16%	Z	\$ 79,441	AC = W * Z	
Long Term Interest	4.19%	AA	\$ 2,157,636	AD = X * AA	
Return on Equity (Regulatory Income)	9.30%	AB	\$ 3,420,359	AE = Y * AB	<u>T1</u>
Return on Rate Base			\$ 5,657,436	AF = AC + AD + A	4 <i>E</i>

Questions that must be answered
Does the applicant have any Investment Tax Credits (ITC)?
2. Does the applicant have any SRED Expenditures?
3. Does the applicant have any Capital Gains or Losses for tax purposes?
4. Does the applicant have any Capital Leases?
5. Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?
6. Since 1999, has the applicant acquired another regulated applicant's assets?
7. Did the applicant pay dividends? If Yes, please describe what was the tax treatment in the manager's summary.
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?

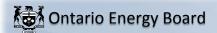
Historical	Bridge	Test Year
No	No	No
Yes	No	No
No	No	No
Yes	Yes	Yes
No	Yes	No



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	20.000/	20.000/	20.000/	20.000/	20.000/
General corporate rate Federal tax abatement	38.00% -10.00%	38.00% -10.00%	38.00% -10.00%	38.00% -10.00%	38.00% -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 Ontario Small Business Threshold	500,000 500,000	500,000 500,000	500,000 500,000	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.



PILs Tax Provision - Historical Year

Note: Input the actual information from the tax returns for the historical year.

Regulatory Taxable Income Combined Tax Rate and PILs

Ontario Tax Rate (Maximum 11.5%) Federal tax rate (Maximum 15%) Combined tax rate (Maximum 26.5%)

Total Income Taxes

Investment Tax Credits
Miscellaneous Tax Credits

Total Tax Credits

Corporate PILs/Income Tax Provision for Historical Year

Wires Only

11.50%

15.00%

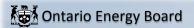
С

\$ 3 A

26.50% M = K + L

\$ 1 E = A * D

\$ 1 I = H + E



Adjusted Taxable Income - Historical Year

	T2S1 line	Total for Legal	Non-Distribution	Historic
	#	Entity	Eliminations	Wires Only
Income before PILs/Taxes	A	2,941,700		2,941,700
Additions:				
Interest and penalties on taxes	103	14,890		14,890
Amortization of tangible assets	104	2,513,457		2,513,457
Amortization of intangible assets	106	112,526		112,526
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			0
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	054		0
Non-deductible club dues and fees	120	354		354
Non-deductible meals and entertainment expense	121	4,545		4,545
Non-deductible automobile expenses Non-deductible life insurance premiums	122 123			0
Non-deductible line insurance premiums Non-deductible company pension plans	123			0
Tax reserves deducted in prior year	124			0
		200.070		288,978
Reserves from financial statements- balance at end of year	126 127	288,978		200,970
Soft costs on construction and renovation of buildings	205			0
Book loss on joint ventures or partnerships 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	4,737,493		4,737,493
Realized Income from Deferred Credit Accounts	291	948,925		948,925
Pensions	292	·		0
Non-deductible penalties	293	25,576		25,576
·	294	,		0
	295			0
ARO Accretion expense				0
Capital Contributions Received (ITA 12(1)(x))				0
Lease Inducements Received (ITA 12(1)(x))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
				0
Provision for Income Taxes - current Line 101		40,557		40,557
Provision for Income Taxes - deferred Line 102		387,138		387,138
				0
				0
				0
				0
				0
				0
				0
Total Additions		9,074,439	0	9,074,439

Gain on disposal of assets per financial statements	401	1.200		1,20
Dividends not taxable under section 83	402	1,200		1,2
Capital cost allowance from Schedule 8	403	2,389,605		2,389,6
Terminal loss from Schedule 8	404	2,303,003		2,303,0
Cumulative eligible capital deduction from Schedule 10	405	5.974		5,97
Allowable business investment loss	406	5,974		5,9
Deferred and prepaid expenses	409			
Scientific research expenses claimed in year	411			
Tax reserves claimed in current year	413			
Reserves from financial statements - balance at beginning of year	414	265,257		265,2
Contributions to deferred income plans	416	200,201		203,2
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)	300			
Outer deductions. (Fredse explain in detail the hattire of the item)				
Interest capitalized for accounting deducted for tax	390	4,737,493		4,737,49
Capital Lease Payments	391	3,523		3,5
Non-taxable imputed interest income on deferral and variance accounts	392	2,902,440		2,902,4
Overhead Capitalized for accounting	393	1,406,300		1,406,30
Repair Costs capitalized for accounting	394	304,344		304,3
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)				
otal Deductions		12,016,136	0	12,016,13
		12,010,100		12,010,1
let Income for Tax Purposes		3	0	
Charitable donations from Schedule 2	311			
axable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320			
Ion-capital losses of preceding taxation years from Schedule 4	331			
let-capital losses of preceding taxation years from Schedule 4 (Please include explanation and				
alculation in Manager's summary)	332			
imited partnership losses of preceding taxation years from Schedule 4	335			
AXABLE INCOME		3	0	



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		0	<u>B4</u>
				,
		Non-		

<u>B4</u>

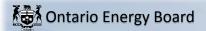
Non-Distribution Portion

Actual Historical

Non-Distribution Portion

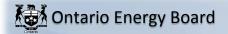
Outility Balance Portion

0



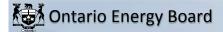
Schedule 8 - Historical Year

Class	Class Description	UCC End of Year Historical per tax returns	Less: Non- Distribution Portion	UCC Regulated Historical Year	Working Paper Reference
1	Distribution System - post 1987	23,497,120		23,497,120	<u>B8</u>
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election			0	<u>B8</u>
2	Distribution System - pre 1988			0	<u>B8</u>
8	General Office/Stores Equip	3,623,969		3,623,969	<u>B8</u>
10	Computer Hardware/ Vehicles	933,865		933,865	B8 B8 B8 B8 B8 B8
10.1	Certain Automobiles			0	<u>B8</u>
12	Computer Software	71,196		71,196	<u>B8</u>
13 ₁	Lease # 1	56,942		56,942	<u>B8</u>
13 ₂	Lease #2			0	<u>B8</u>
13 3	Lease # 3			0	B8
13 4	Lease # 4			0	B8 B8 B8 B8 B8 B8 B8 B8 B8 B8 B8 B8
14	Franchise			0	B8
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs			0	B8
42	Fibre Optic Cable			0	<u>B8</u>
43.1	Certain Energy-Efficient Electrical Generating Equipment			0	B8
43.2	Certain Clean Energy Generation Equipment			0	<u>B8</u>
45	Computers & Systems Software acq'd post Mar 22/04	1,558		1,558	<u>B8</u>
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			0	<u>B8</u>
47	Distribution System - post February 2005	32,679,515		32,679,515	<u>B8</u>
50	Data Network Infrastructure Equipment - post Mar 2007	156,988		156,988	<u>B8</u>
52	Computer Hardware and system software			0	<u>B8</u>
95	CWIP	5,172,305		5,172,305	<u>B8</u>
				0	
				0	
				0	
				0	
				0	
				0	1
				0	1
				0	1
				0	1
				0	1
	SUB-TOTAL - UCC	66,193,458	0	66,193,458	I



Schedule 10 CEC - Historical Year

Cumulative Eligible Capital				85,338
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
Subtota			_	85,338
<u>Deductions</u>				
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year				
Other Adjustments	0			
Subtota	0	x 3/4 =	_	0
Cumulative Eligible Capital Balance				85,338
Current Year Deduction		85,338	x 7% =	5,974
Cumulative Eligible Capital - Closing Balance				79,364



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 pur	rposes		
Reserve for doubtful accounts ss. 20(1)(I)			0
Reserve for goods and services not delivered ss. 20(1)(m)			0
Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & Share Issue Expenses ss. 20(1)(e)			0
Other tax reserves			0
			0
			0
			0
			0
			0
Total	0	0	0
Financial Statement Reserves (not deductible	for Tax Purposes)		
General Reserve for Inventory Obsolescence			0
(non-specific)			
General reserve for bad debts			0
Accrued Employee Future Benefits:	288,978		288,978
- Medical and Life Insurance			0
-Short & Long-term Disability			0
-Accmulated Sick Leave			0
- Termination Cost			0
- Other Post-Employment Benefits			0
Provision for Environmental Costs			0
Restructuring Costs			0
Accrued Contingent Litigation Costs			0
Accrued Self-Insurance Costs			0
Other Contingent Liabilities			0
Bonuses Accrued and Not Paid Within 180 Days			0
of Year-End ss. 78(4)			0
Unpaid Amounts to Related Person and Not			0
Paid Within 3 Taxation Years ss. 78(1)			
Other			0
			0
			0
Total	288,978	0	288,978



PILS Tax Provision - Bridge Year

Regulatory Taxable Income

Combined Tax Rate and PILs Effective Ontario Tax Rate Federal tax rate (Maximum 15%)

Combined tax rate

Wires Only

Reference 1,090,911 **A**

26.50% **D = B + C**

Total Income Taxes

Investment Tax Credits Miscellaneous Tax Credits

Total Tax Credits

Corporate PILs/Income Tax Provision for Bridge Year

calculated \$

11.50%

15.00%

В

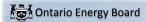
С

289,091 E = A * D

289,091 I = H + E

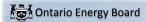
Note:

1. This is for the derivation of Bridge year PILs income tax expense and should not be used for Test year revenue requirement calculations.



Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	Α	TOTOTOTIO	3,676,571
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets	104		2,899,224
Amortization of intangible assets	106		132,060
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	110 111		
Loss on disposal of assets 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 Non-deductible meals and entertainment	120 121		4,545
expense Non-deductible automobile expenses	122		•
Non-deductible life insurance premiums	123		
Non-deductible ine insurance premiums Non-deductible company pension plans	124		
Tax reserves deducted in prior year	125	<u>B13</u>	0
Reserves from financial statements- balance at end of year	126	<u>B13</u>	304,086
Soft costs on construction and renovation of buildings	127		
Book loss on joint ventures or partnerships	205		
Capital items expensed	206		
Debt issue expense Development expenses claimed in current	208 212		
year 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 Amounts received in respect of qualifying	236		
environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2) Other Additions	237		
Interest Expensed on Capital Leases	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		
Non-deductible penalties	293		
	294		
	295		
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			
Prior Year Investment Tax Credits received			
			0
Total Additions			3,339,915



Adjusted Taxable Income - Bridge Year

Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	<u>B8</u>	5,631,04
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10	405	<u>B10</u>	5,55
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	
Reserves from financial statements -	414	B13	288,97
balance at beginning of year		<u>510</u>	200,51
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		1	
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	5,925,57
Net Income for Tax Purposes		calculated	1,090,91
Charitable donations from Schedule 2	311		,,
Faxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320		
Non-capital losses of preceding taxation years rom Schedule 4	331	<u>B4</u>	
		1	
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 axation years from Schedule 4	335		
TAYADI E INCOME		enlaster d	4 000 01
TAXABLE INCOME		calculated	1,090,91



Corporation Loss Continuity and Application

Schedule 4 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction		Total
Actual Historical	<u>H4</u>	0
Application of Loss Carry Forward to reduce taxable income in Bridge Year		
Other Adjustments Add (+) Deduct (-)	<u>B1</u>	0
Balance available for use in Test Year	calculated	0
Amount to be used in Bridge Year	<u>B1</u>	0
Balance available for use post Bridge Year	calculated	0

Net Capital Loss Carry Forward Deduction

Actual Historical

Application of Loss Carry Forward to reduce taxable income in Bridge Year

Other Adjustments Add (+) Deduct (-)

Balance available for use in Test Year

Amount to be used in Bridge Year

Balance available for use post Bridge Year

Calculated

Calculated

Calculated

<u>T4</u>

<u>T4</u>

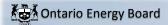
Schedule 8 CCA - Bridge Year

Class	Class Description	Working Paper Reference	UCC Regulated Historical Year	Additions	Disposals (Negative)	UCC Before 1/2 Adjustment	Yr 1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Bridge Year CCA		UCC End of Bridge Year	Workii Pape Referei
1	Distribution System - post 1987	H8	\$ 23,497,120	\$ -		\$ 23,497,12		\$ 23,497,120	4%	\$ 939,885		\$ 22,557,235	<u>T8</u>
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	<u>H8</u>		\$ 10,500,000		\$ 10,500,00	0 \$ 5,250,000	\$ 5,250,000	6%	\$ 315,000		\$ 10,185,000	<u>T8</u>
2	Distribution System - pre 1988	<u>H8</u>				\$ -	\$ -	\$ -	6%	\$ -		\$ -	<u>T8</u>
8	General Office/Stores Equip	<u>H8</u>	\$ 3,623,969			\$ 5,350,50	1 \$ 863,266	\$ 4,487,235	20%	\$ 897,447		\$ 4,453,054	<u>T8</u>
10	Computer Hardware/ Vehicles	<u>H8</u>	\$ 933,865	\$ 530,000		\$ 1,463,86	5 \$ 265,000	\$ 1,198,865	30%	\$ 359,660		\$ 1,104,206	T8
10.1	Certain Automobiles	<u>H8</u>				\$ -	\$ -	\$ -	30%	\$ -		\$ -	<u>T8</u>
12	Computer Software	<u>H8</u>	\$ 71,196	\$ 174,000		\$ 245,19	6 \$ 87,000		100%	\$ 158,196		\$ 87,000	<u>T8</u>
13 1	Lease # 1	<u>H8</u>	\$ 56,942			\$ 56,94	2 \$ -	\$ 56,942		\$ -		\$ 56,942	T8
13 2	Lease #2	<u>H8</u>				\$ -	\$ -	\$ -		\$ -		\$ -	T8
13 3	Lease # 3	<u>H8</u>				\$ -	\$ -	\$ -		\$ -		\$ -	<u>T8</u>
13 4	Lease # 4	<u>H8</u>				\$ -	\$ -	\$ -		\$ -		\$ -	T8
14	Franchise	<u>H8</u>				\$ -	\$ -	\$ -		\$ -		\$ -	T8
	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	<u>H8</u>				\$ -	\$ -	\$ -	8%	\$ -		\$ -	T8
	Fibre Optic Cable	<u>H8</u>				\$ -	\$ -	\$ -	12%	\$ -		\$ -	T8
	Certain Energy-Efficient Electrical Generating Equipment	<u>H8</u>				\$ -	\$ -	\$ -	30%	\$ -		\$ -	T8
	Certain Clean Energy Generation Equipment	<u>H8</u>				\$ -	\$ -	\$ -	50%	\$ -		\$ -	T8
	Computers & Systems Software acq'd post Mar 22/04	<u>H8</u>	\$ 1,558			\$ 1,55	8 \$ -	\$ 1,558	45%	\$ 701		\$ 857	T8
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	<u>H8</u>				\$ -	\$ -	\$ -	30%	\$ -		\$ -	T8
47	Distribution System - post February 2005	<u>H8</u>	\$ 32,679,515	\$ 5,936,220		\$ 38,615,73	5 \$ 2,968,110	\$ 35,647,625	8%	\$ 2,851,810		\$ 35,763,925	T8
50	Data Network Infrastructure Equipment - post Mar 2007	<u>H8</u>	\$ 156,988	\$ 80,000		\$ 236,98	8 \$ 40,000	\$ 196,988	55%	\$ 108,343		\$ 128,645	T8
52	Computer Hardware and system software	<u>H8</u>		\$ -		\$ -	\$ -	\$ -	100%	\$ -		\$ -	T8
95	CWIP	<u>H8</u>	\$ 5,172,305		-\$ 5,172,305	\$ -	\$ -	\$ -		\$ -		\$ -	T8
						\$ -	\$ -	\$ -	5%	\$ -		\$ -	1
						\$ -	\$ -	\$ -	10%	\$ -		\$ -	
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•	TOTAL		\$ 66,193,458	\$ 18.946.752	-\$ 5.172.305	\$ 79.967.90	5 \$ 9,473,376	\$ 70,494,529		\$ 5.631.042	B1	\$ 74.336.863	1



Schedule 10 CEC - Bridge Year

		ŀ	Reference		
Cumulative Eligible Capital			<u>H10</u>	79,364	
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			_	79,364	
<u>Deductions</u>					
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				79,364	
Current Year Deduction		79,364	x 7% =	5,556	<u>B1</u>
Cumulative Eligible Capital - Closing Balance				73,809	<u>T10</u>



Schedule 13 Tax Reserves - Bridge Year

Continuity of Reserves

						Bridge Year Adjustments					
Description	Reference	Historical Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance		Additions	Disposals	Balance for Bridge Year		Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)	<u>H13</u>	0		0				0	<u>T13</u>	0	
Tax Reserves Not Deducted for accounting purposes											
Reserve for doubtful accounts ss. 20(1)(I)	<u>H13</u>	0		0					<u>T13</u>	0	
Reserve for goods and services not delivered ss. 20(1)(m)	<u>H13</u>	0		0				0	<u>T13</u>	0	
Reserve for unpaid amounts ss. 20(1)(n)	<u>H13</u>	0		0				0	T13	0	
Debt & Share Issue Expenses ss. 20(1)(e)	<u>H13</u>	0		0				0	<u>T13</u>	0	
Other tax reserves	<u>H13</u>	0		0				0	<u>T13</u>	0	
		0		0				0		0	
T-4-1		0		0	D4			0	D4	0	0
Total		0	U	U	<u>B1</u>	U	U	0	<u>B1</u>	U	U
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	288,978		288,978		304,086	288,978	304,086	T13	15,108	
- 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	0		0				0	T13	0	
Provision for Environmental Costs	H13	0		0				0	T13	0	
Restructuring Costs	<u>H13</u>	0		0				0	T13	0	
Accrued Contingent Litigation Costs	H13	0		0				0	<u>T13</u>	0	
Accrued Self-Insurance Costs	H13	0		0				0	<u>T13</u>	0	
Other Contingent Liabilities	<u>H13</u>	0		0				0	<u>T13</u>	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	<u>H13</u>	0		0				0	<u>T13</u>	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	<u>H13</u>	0		0				0	<u>T13</u>	0	
Other	<u>H13</u>	0		0				0	<u>T13</u>	0	
		0		0				0		0	
		0		0				0		0	
Total		288,978	0	288,978	<u>B1</u>	304,086	288,978	304,086	<u>B1</u>	15,108	0



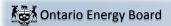
PILs Tax Provision - Test Year

Regulatory Taxable Income			<u>T1</u>	\$ 710,626 A
Combined Tax Rate and PILs	Ontario Tax Rate (Maximum 11.5%) Federal tax rate (Maximum 15%) Combined tax rate (Maximum 26.5%)	11.50% 15.00%	ВС	26.50% D = B + C
Total Income Taxes Investment Tax Credits Miscellaneous Tax Credits Total Tax Credits				\$ 188,316 E = A * D F G H = F + G
Corporate PILs/Income Tax Provision		73,50%		\$ 188,316 I = H + E
Corporate PILs/Income Tax Provision Income Tax (grossed-up)	on Gross op	73.3076	J	\$ 256,212 L = K + I <u>S. Summary</u>

Wires Only

Note:

^{1.} This is for the derivation of revenue requirement and should not be used for sufficiency/deficiency calculations.

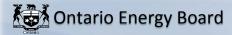


Taxable Income - Test Year

Taxable income - Test Teal	Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes	<u>A.</u>	3,420,359

Net Income Before Taxes	T	A.	3,420,359
Net income before taxes		<u> </u>	3,420,338
	T2 S1 line #		
Additions:			
Interest and penalties on taxes Amortization of tangible assets	103		
2-4 ADJUSTED ACCOUNTING DATA P489	104		3,384,642
Amortization of intangible assets	106		132,060
2-4 ADJUSTED ACCOUNTING DATA P490	100		102,000
Recapture of capital cost allowance from Schedule 8	107		
Gain on sale of eligible capital property from	400		
Schedule 10	108		
Income or loss for tax purposes- joint ventures or	109		
partnerships			
Loss in equity of subsidiaries and affiliates Loss on disposal of assets	110 111		
Charitable donations	112		
Taxable Capital Gains	113		
Political Donations	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on	118		
financial statements			
Capitalized interest	119		
Non-deductible club dues and fees Non-deductible meals and entertainment	120		
expense	121		4,545
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves beginning of year	125	<u>T13</u>	(
Reserves from financial statements- balance at	126	<u>T13</u>	319,82
end of year Soft costs on construction and renovation of	1		0.0,0=
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 Non-deductible interest	226 227		
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)	000		
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			
	-		
	<u> </u>		
	<u> </u>		
	-		
Total Additions			2 044 000
Total Additions	<u> </u>		3,841,06

Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	<u>T8</u>	6,241,548
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10 CEC	405	<u>T10</u>	5,167
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves end of year Reserves from financial statements - balance at	413	<u>T13</u>	0
beginning of year	414	<u>T13</u>	304,086
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		
and variance decounts	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)			
otal Deductions		calculated	6,550,800
NET INCOME FOR TAX PURPOSES		calculated	710,626
Charitable donations	311		
axable dividends received under section 112 or 13	320		
Ion-capital losses of preceding taxation years from schedule 7-1	331	<u>T4</u>	O
let-capital losses of preceding taxation years	332		
Please show calculation) imited partnership losses of preceding taxation	335		
ears from Schedule 4			
REGULATORY TAXABLE INCOME		calculated	710,626

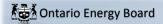


Schedule 7-1 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

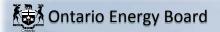
Non-Capital Loss Carry Forward Deduction	Working Paper Reference	Total	Non- Distribution Portion	Utility Balance
Actual/Estimated Bridge Year	<u>B4</u>	0		0
				0
Other Adjustments Add (+) Deduct (-)	<u>T1</u>	0		0
Balance available for use in Test Year	calculated	0	0	0
Amount to be used in Test Year	<u>T1</u>	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	<u>B4</u>	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



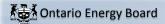
Schedule 8 CCA - Test Year

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			nd of Test 'ear
1	Distribution System - post 1987	B8	\$ 22,557,235			\$ 22,557,235	\$ -	\$ 22,557,235	4%	\$ 902,289		\$ 21	21,654,946
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	B8	\$ 10,185,000			\$ 10,185,000	\$ -	\$ 10,185,000	6%	\$ 611,100		\$ 9	9,573,900
2	Distribution System - pre 1988	<u>B8</u>	\$ -			\$ -	\$ -	\$ -	6%	\$ -		\$	-
8	General Office/Stores Equip	<u>B8</u>	\$ 4,453,054	907,500		\$ 5,360,554	\$ 453,750	\$ 4,906,804	20%	\$ 981,361		\$ 4	4,379,193
10	Computer Hardware/ Vehicles	<u>B8</u>	\$ 1,104,206	510,000		\$ 1,614,206	\$ 255,000	\$ 1,359,206	30%	\$ 407,762		\$ 1	1,206,444
10.1	Certain Automobiles	<u>B8</u>	\$ -			\$ -	\$ -	\$ -	30%	\$ -		\$	-
12	Computer Software	<u>B8</u>	\$ 87,000	50,000		\$ 137,000	\$ 25,000	\$ 112,000	100%	\$ 112,000		\$	25,000
	Lease # 1	<u>B8</u>	\$ 56,942			\$ 56,942	\$ -	\$ 56,942		\$ -		\$	56,942
	Lease #2	<u>B8</u>	\$ -			\$ -	\$ -	\$ -		\$ -		\$	-
13 3	Lease # 3	<u>B8</u>	\$ -			\$ -	\$ -	\$ -		\$ -		\$	-
13 4	Lease # 4	<u>B8</u>	\$ -			\$ -	\$ -	\$ -		\$ -		\$	
14	Franchise	<u>B8</u>	\$ -			\$ -	\$ -	\$ -		\$ -		\$	
	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than B	<u>B8</u>	\$ -			\$ -	\$ -	\$ -	8%	\$ -		\$	-
42	Fibre Optic Cable	<u>B8</u>	\$ -			\$ -	\$ -	\$ -	12%	\$ -		\$	-
43.1	Certain Energy-Efficient Electrical Generating Equipment	<u>B8</u>	\$ -			\$ -	\$ -	\$ -	30%	\$ -		\$	
	Certain Clean Energy Generation Equipment	<u>B8</u>	\$ -			\$ -	\$ -	\$ -	50%	\$ -		\$	-
	Computers & Systems Software acq'd post Mar 22/04	<u>B8</u>	\$ 857			\$ 857	\$ -	\$ 857	45%	\$ 386		\$	471
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	<u>B8</u>	\$ -			\$ -	\$ -	\$ -	30%	\$ -		\$	-
47	Distribution System - post February 2005	<u>B8</u>	\$ 35,763,925	6,798,913		\$ 42,562,838	\$ 3,399,457	\$ 39,163,382	8%	\$ 3,133,071		\$ 39	39,429,767
	Data Network Infrastructure Equipment - post Mar 2007	<u>B8</u>	\$ 128,645	83,000		\$ 211,645	\$ 41,500	\$ 170,145	55%	\$ 93,580		\$	118,065
	Computer Hardware and system software	<u>B8</u>	\$ -	0		\$ -	\$ -	\$ -	100%	\$ -		\$	-
95	CWIP	<u>B8</u>	\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$	-
			\$ -			\$ -	\$ -	\$ -	5%	\$ -		\$	-
			\$ -			\$ -	\$ -	\$ -	10%	\$ -		\$	-
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$	-
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$	-
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$	-
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$	-
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$	-
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$	-
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$	-
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$	-
	TOTAL		\$ 74,336,863	\$ 8,349,413	\$ -	\$ 82,686,276	\$ 4,174,707	\$ 78,511,570		\$ 6,241,548	<u>T1</u>	\$ 76	76,444,729



Schedule 10 CEC - Test Year

Cumulative Eligible Capital		<u>B10</u>	73,809				
Additions Cost of Eligible Capital Property Acquired during Test Year	0						
Other Adjustments	0						
	Subtotal 0	x 3/4 =)				
Non-taxable portion of a non-arm's length transferor's gain realized on th transfer of an ECP to the Corporation after Friday, December 20, 2002	0	x 1/2 =)				
			0				
Amount transferred on amalgamation or wind-up of subsidiary	0		0				
	Subtotal		73,809				
<u>Deductions</u>							
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			73,809				
Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income") 73,809 x 7% =							
Cumulative Eligible Capital - Closing Balance			68,642				



Income Tax/PILs Workform for 2016 Filers

Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

·						Test Year A	djustments				
Description	Working Paper Reference	Bridge Year	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance		Additions	Disposals	Balance for Test Year		Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)	<u>B13</u>	0		0				0		0	
Tax Reserves Not Deducted for accounting purposes											
Reserve for doubtful accounts ss. 20(1)(I)	<u>B13</u>	0		0		0	0	0		0	
Reserve for goods and services not delivered ss. 20(1)(m)	<u>B13</u>	0		0				0		0	
Reserve for unpaid amounts ss. 20(1)(n)	<u>B13</u>	0		0				0		0	
Debt & Share Issue Expenses ss. 20(1)(e)	<u>B13</u>	0		0				0		0	
Other tax reserves	<u>B13</u>	0		0				0		0	
		0		0				0		0	
		0		0				0		0	
Total		0	0	0	<u>T1</u>	0	0	0	<u>T1</u>	0	0
Financial Statement Reserves (not deductible for Tax Purposes)											
General Reserve for Inventory Obsolescence (non-specific)	<u>B13</u>	0		0				0		0	
General reserve for bad debts	<u>B13</u>	0		0				0		0	
Accrued Employee Future Benefits:	<u>B13</u>	304,086		304,086		319,821	304,086	319,821		15,735	
- Medical and Life Insurance	<u>B13</u>	0		0				0		0	
-Short & Long-term Disability	<u>B13</u>	0		0				0		0	
-Accmulated Sick Leave	<u>B13</u>	0		0				0		0	
- Termination Cost	<u>B13</u>	0		0				0		0	
- Other Post-Employment Benefits	<u>B13</u>	0		0				0		0	
Provision for Environmental Costs	<u>B13</u>	0		0				0		0	
Restructuring Costs	<u>B13</u>	0		0				0		0	
Accrued Contingent Litigation Costs	<u>B13</u>	0		0				0		0	
Accrued Self-Insurance Costs	<u>B13</u>	0		0				0		0	
Other Contingent Liabilities	<u>B13</u>	0		0				0		0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	<u>B13</u>	0		0				0		0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	<u>B13</u>	0		0				0		0	
Other	<u>B13</u>	0		0				0		0	
		0		0				0		0	
		0		0				0		0	
Total		304,086	0	304,086	<u>T1</u>	319,821	304,086	319,821	<u>T1</u>	15,735	0

ATTACHMENT 4-5 2014 TAX RETURN

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Canada Revenue Ag Agency du

Agence du revenu du Canada

T2 Corporation Income Tax Return

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

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.

055	Do not use this area

┌ Identification ─────	
Business number (BN)	
Corporation's name	To which tax year does this return apply?
002 MILTON HYDRO DISTRIBUTION INC.	Tax year start Tax year-end
Address of head office	060 <u>2014-01-01</u> <u>061 <u>2014-12-31</u></u>
Has this address changed since the last time we were notified?	YYYY MM DD YYYY MM DD
	Has there been an acquisition of control to which subsection 249(4) applies since
(If yes, complete lines 011 to 018.) 011 8069 Lawson Road	the tax year start on line 060? 063 1 Yes 2 No X
012	If yes, provide the date
City Province, territory, or state	control was acquired
015 MILTON 016 ON	
Country (other than Canada) Postal code/Zip code	Is the date on line 061 a deemed tax year-end according to
017 018 L9T 5C4	subsection 249(3,4)?
Mailing address (if different from head office address)	
Has this address changed since the last time we were notified?	Is the corporation a professional corporation that is a member of
time we were notified?	a partnership? 067 1 Yes 2 No X
021 do MARY-JO CORKUM	As this the first year of filing after:
022 8069 Lawson Road	Incorporation?
023	Amalgamation?
City Province, territory, or state	If yes, complete lines 030 to 038 and attach Schedule 24.
025 MILTON 026 ON	Has there been a wind-up of a
Country (other than Canada) Postal code/Zip code	subsidiary under section 88 during the current tax year?
027 028 L9T 5C4	current tax year?
Location of books and records (if different from head office address) Has the location of books and records	Is this the final tax year
changed since the last time we were	before amalgamation? 076 1 Yes 2 No X
notified? 030 1 Yes X	Is this the final return up to
(If yes, complete lines 031 to 038.)	dissolution?
031 8069 Lawson Road	If an election was made under
City Province territory, or state	section 261, state the functional currency used
035 MILTON 036 ON B	
Country (other than Canada) Posta/code/Zip code	Is the corporation a resident of Canada? If no, give the country of residence on line
038 L9T 5C4	1 Yes X 2 No 1 If no , give the country of residence on line 081 and complete and attach Schedule 97.
040 Type of corporation at the end of the tax year	081
Canadian controlled Cornoration controlled	Is the non-resident corporation
private corporation (CCPC) 4 Use a public corporation	claiming an exemption under an income tax treaty?
2 Other private 5 Other corporation (specify, below)	an income tax treaty?
Dublic	If the corporation is exempt from tax under section 149,
3 Corporation	tick one of the following boxes:
If the type of corporation changed during	085 1 Exempt under paragraph 149(1)(e) or (l)
the tax year, provide the effective	Exempt under paragraph 149(1)(j)
date of the change	3 Exempt under paragraph 149(1)(t) 4 X Exempt under other paragraphs of section 149
UU MINITT	The 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.	
	Schedule
Is the corporation related to any other corporations?	9
Is the corporation an associated CCPC?	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	49
Does the corporation have any non-resident shareholders who own voting shares?	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees,	1
other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	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?	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	15
Is the corporation claiming a loss or deduction from a tax shelter?	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	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	۰.
with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94):	22
Dig the corporation own any shares in one of more loneign animates in the tax year:	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1)	29
of the federal Income Tax Regulations?	T106
Did the corporation have a total amount over \$1 million of reportable transactions with non-arm's length non-residents? For private corporations: Does the corporation have any shareholders who own 10% or more of the corporations.	, 1100
common and/or preferred shares?	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year? 172	<u> </u>
Does the corporation earn income from one or more Internet webpages or websites?	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?] 1
Has the corporation made any charitable donations; nifts to Canada, a province, or a territory.	1
gifts of cultural or ecological property; or gifts of medicine?	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	3
Is the corporation claiming any type of losses?	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	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	7
II) does the corporation have aggregate investment income at time 4401	
Does the corporation have any property that is engine for capital cost and sales.	
Does the corporation have any property that is engine capital property.	12
Does the corporation have any resource-related deductions:	13
is the corporation claiming deductible reserves (other than transactorial especiation occurrence).	16
is the corporation daining a patronage dividend deduction:	17
Is the corporation a credit difficility a decident in a smooth of the corporation as a smooth	18
is the corporation armives the fit corporation of a modern terroscopy of cities.	20
Is the corporation carrying on business in Canada as a non-resident corporation?	21
Does the corporation have any Canadian manufacturing and processing profits?	27
Is the corporation claiming an investment tax credit?	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	T661
le the total tayable capital employed in Capada of the corporation and its related corporations over \$10,000,000?	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	
Is the corporation claiming a surtax credit?	37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	38
Is the corporation claiming a Part I tax credit?	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?	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or	٦ .
more members subject to gross Part VI tax?	39
Is the corporation claiming a Canadian film or video production tax credit refund?	T1131
Is the corporation claiming a film or video production services tax credit refund?	T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	92

Attachments – continued from page 2 Yes Schedi
074
Did the corporation have any foreign affiliates in the tax year? T113 Did the corporation own specified foreign property in the year with a cost amount over \$100,000? T113
Did the corporation transfer or loan property to a non-resident trust?
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?
The the corporation of the corpo
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?
That the solphation mass an election and si
Has the corporation revoked any previous election made under subsection 89(11)? 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? 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?
┌ Additional information
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements? 270 1 Yes 2 No 2
Is the corporation inactive? 280 1 Yes 2 No 2
What is the corporation's main
revenue-generating business activity? <u>221122</u> <u>Electric Power Distribution</u>
Specify the principal product(s) mined, manufactured, 284 HYDRO DISTRIBUTION 285 100.000 %
sold, constructed, or services provided, giving the
approximate percentage of the total revenue that each
productor service represente.
Did the corporation immigrate to Canada during the tax year?
Did the corporation emigrate from Canada during the tax year?
Do you want to be considered as a quarterly instalment remitter if you are eligible?
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
the date the corporation ceased to be eligible
If the corporation's major business activity is construction, did you have any subcontractors during the tax year? 295 1 Yes 2 No
Touchle income
Net income or (loss) for income tax purposes from Schedule 1. financial statements, or GIFI.
Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI.
Deduct: Charitable donations from Schedule 2
Gifts to Canada, a province, or a territory from Schedule 2
Cultural gifts from Schedule 2
Ecological gifts from Schedule 2
Gifts of medicine from Schedule 2 315
Taxable dividends deductible under section 112 or 113, or subsection 138(6)
from Schedule 3
Part VI.1 tax deduction*
Non-capital losses of previous tax years from Schedule 4
Net capital losses of previous tax years from Schedule 4
Net capital losses of previous tax years from Schedule 4
Net capital losses of previous tax years from Schedule 4
Net capital losses of previous tax years from Schedule 4
Net capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4 Farm losses of previous tax years from Schedule 4 Limited partnership losses of previous tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union 332 333 334 Limited partnership losses of previous tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union
Net capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4 Farm losses of previous tax years from Schedule 4 Limited partnership losses of previous tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from
Net capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4 Farm losses of previous tax years from Schedule 4 Limited partnership losses of previous tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union Prospector's and grubstaker's shares Subtotal
Net capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4 Farm losses of previous tax years from Schedule 4 Limited partnership losses of previous tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union Prospector's and grubstaker's shares Subtotal Subtotal (amount A minus amount B) (if negative, enter "0") 332 333 340 340 Subtotal (amount A minus amount B)
Net capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4 Farm losses of previous tax years from Schedule 4 Limited partnership losses of previous tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union Prospector's and grubstaker's shares Subtotal Subtotal (amount A minus amount B) (if negative, enter "0") 3 Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions
Net capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4 Farm losses of previous tax years from Schedule 4 Limited partnership losses of previous tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union Prospector's and grubstaker's shares Subtotal Subtotal (amount A minus amount B) (if negative, enter "0") 332 333 334 335 336 337 340 350 350 350 350 350 350 350 350 350 35
Net capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4 Farm losses of previous tax years from Schedule 4 Limited partnership losses of previous tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union Prospector's and grubstaker's shares Subtotal Subtotal
Net capital losses of previous tax years from Schedule 4 Restricted farm losses of previous tax years from Schedule 4 Farm losses of previous tax years from Schedule 4 Limited partnership losses of previous tax years from Schedule 4 Taxable capital gains or taxable dividends allocated from a central credit union Prospector's and grubstaker's shares Subtotal Subtotal (amount A minus amount B) (if negative, enter "0") Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions Taxable income (amount C plus amount D) 332 333 340 340 Subtotal (amount A minus amount B) (if negative, enter "0") 355 360 360 3

┌ Small business deduction	
Canadian-controlled private corporations (CCPCs) throughout the tax year	
Income from active business carried on in Canada from Schedule 7	400 3 A
Taxable income from line 360 on page 3, minus 100/28 3.57143 of the amount on line 632* on page	
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
	410 c
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	r 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.	
2. For associated CC1 CS, use obtriedule 20 to calculate the difficulties of official strains.	
Business limit reduction:	
Amount	E
11,250	W777
Reduced business limit (amount C minus amount E) (if negative, enter "0")	425 F
Small business deduction	
470/	
Amount A, B, C, or F, whichever is the least x 17 % =	
Enter amount G on line I on page 7.	
* Calculate the amount of foreign non-business income tax credit deductible on line 632 without referen	ce to the refundable tax on the CCPC's
investment income (line 604) and without reference to the corporate tax reductions under section 123	3 .
** 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 year	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%.	, and amount to be different entire to the
If the corporation is not associated with any corporations in the current tax year, but was associated.	f 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 \$10,0	00,000) x 0.225%.
• For comprations associated in the current tay year, see Schedule 23 for the special rules that ann	1

┌ 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	В	
Amount QQ from Part 13 of Schedule 27	C	
Personal service business income	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)	>	н
Amount A minus amount H (if negative, enter "0")		
General tax reduction for Canadian-controlled private corporations – Amount I multiplied by		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 subse	ection 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 result of the corporation of the	nortgage investment corpora	ition.
a mutual fund corporation, or any corporation with taxable income that is not subject to the corporation tax ra	ite of 38%.	,
		К
Taxable income from page 3 (line 360 or amount Z, whichever applies)	· · · · · · · · · · · · · · · · · · ·	^
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	N	
Amount used to calculate the credit union deduction (amount F from Schedule 17)	0	
Amount used to calculate the dealt union deduction (union to notice as 17)		
Subtotal (add amounts L to O)	>	P
Amount K minus amount P (if negative, enter "0")		Q
Amount (in negative, enter 6)		
General tax reduction – Amount Q multiplied by	<u></u>	R
Enter amount R on line 639 on page 7.		
VIEW CONTINUE TO A STATE OF THE		

- Pefundable nortion of Part I tay	
Refundable portion of Part I tax Canadian-controlled private corporations throughout the tax year	
" oc o 4 0 % -	
Aggregate investment income	А
Foreign non-business income tax credit from line 632 on page 7	В
Deduct:	
Foreign investment income	
Amount A minus amount D (if negative, enter "0")	E
Taxable income from line 360 on page 3	<u>3</u> F
Deduct:	
Amount from line 400, 405, 410, or 425 on page 4, whichever is the least	
Foreign non-business income tax credit	
from line 632 on page 7 × 100 / 35 = H	
Foreign business income tax credit from line 636 on	
page 7 × 4 = 1	
Subtotal	J
× 26 2 / 3	<u>s</u> K % = 1 ı
	
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	_
Deduct: Dividend refund for the previous tax year	
Add the total of:	= ▶c
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	<u></u>
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 1,250,000 × 1 /	3 = 416,667 s
Refundable dividend tax on hand at the end of the tax year from line 485 above	<u> </u>
Dividend refund – Amount S or T, whichever is less	<u></u> U
Enter amount U on line 784 on page 8.	

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	В
Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC (if it was a CCPC throughout the tax year)	C) investment income		
Aggregate investment income from line 440 on page 6		С	
Taxable income from line 360 on page 3			
Deduct:			
Amount from line 400, 405, 410, or 425 on page 4, whichever			
is the least	—E	2	
Net amount (amount D minus amount E)	<u>3</u> ▶	<u>3</u> F	
Refundable tax on CCPC's investment income – 6 2 / 3 % of whichever is less: an	mount C or amount F	604	G
	Subtotal (add amor	unts A, B, and G)	н
Deduct:			
Small business deduction from line 430 on page 4		I	
Federal tax abatement			
Manufacturing and processing profits deduction from Schedule 27			
Investment corporation deduction	620		
Taxed capital gains 624	A Y		
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	 >	J
Part I tax payable – Amount H minus amount J		· · · · · · · · · · · · · · · · · · ·	к
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 surfax 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)	700
Net provincial or territorial tax payable (except Quebec and Alberta)	
	Total tax payable 770 A
Deduct other credits:	700
Investment tax credit refund from Schedule 31	704
Dividend refund from amount U on page 6	7
Federal capital gains refund from Schedule 18	788
Federal qualifying environmental trust tax credit refund	
Canadian film or video production tax credit refund (Form T1131)	796
Film or video production services tax credit refund (Form T1177)	
Tax withheld at source	800
Total payments on which tax has been withheld	
Provincial and territorial capital gains refund from Schedule 18	808
Provincial and territorial refundable tax credits from Schedule 5	812
Tax instalments paid	
kszó.	
	Loredits 890 > B
Refund code 894 1 Overpayment	Balance (amount A minus amount B)
Refund code 894 1 Overpayment Direct deposit request	Balance (amount A minus amount B) If the result is positive, you have a balance unpaid.
Refund code 894 1 Overpayment Direct deposit request To have the corporation's refund deposited directly into the corporation's bank	Balance (amount A minus amount B) If the result is positive, you have a balance unpaid. If the result is negative, you have an overpayment.
Refund code 894 1 Overpayment Direct deposit request	Balance (amount A minus amount B) 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.
Refund code 894 1 Overpayment 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:	Balance (amount A minus amount B) If the result is positive, you have a balance unpaid. If the result is negative, you have an overpayment.
Refund code 894 1 Overpayment 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 ou already gave us, complete the information below: Start Change information 910 Branch number	Balance (amount A minus amount B) 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
Refund code 894 1 Overpayment 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 ou already gave us, complete the information below: Start Change information 910 Branch number 914	Balance (amount A minus amount B) 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.
Refund code 894 1 Overpayment 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 ou already gave us, complete the information below: Start Change information 910 Branch number	Balance (amount A minus amount B) 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
Refund code 894 1 Overpayment 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 Account number	Balance (amount A minus amount B) 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
Refund code 894 1 Overpayment 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 ou already gave us, complete the information below: Start Change information 910 Branch number 914	Balance (amount A minus amount B) 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
Refund code Start	Balance (amount A minus amount B) 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.
Refund code 894 1 Overpayment Direct deposit request To have the corporation's refund deposited directly into the corporation's pank account at a financial institution in Canada, or to change banking information vou already gave us, complete the information below: Start Change information 910 Branch number Institution number Account number	Balance (amount A minus amount B) 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.
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Refund code Start Change information	Balance (amount A minus amount B) 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. 896 1 Yes 2 No X 920 A6698
Refund code Start Change information	Balance (amount A minus amount B) 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. 896 1 Yes 2 No X 920 A6698 FROM INFORMATION PROVIDED BY THE TAXPAYER.
Refund code Start	Balance (amount A minus amount B) 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
Refund code Direct deposit request To have the corporation's refund deposited directly into the corporation's pank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below: Start	Balance (amount A minus amount B) 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. 1 Yes 2 No X 920 A6698 FROM INFORMATION PROVIDED BY THE TAXPAYER. 1 VICE-PRESIDENT, FINANCE Position, office, or rank including accompanying schedules and statements, and that
Refund code Start	Balance (amount A minus amount B) 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.
Refund code Start	Balance (amount A minus amount B) 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. 896 1 Yes 2 No X 920 A6698 FROM INFORMATION PROVIDED BY THE TAXPAYER. 954 VICE-PRESIDENT, FINANCE Position, office, or rank including accompanying schedules and statements, and that so certify that the method of calculating income for this tax ment attached to this return.
Direct deposit request To have the corporation's refund deposited directly into the corporation's pank 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 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? If this return was prepared by a tax preparer for a fee, provide their EFILE number PREPARED SPIECY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW Certification I, 950 CORKUM 951 MARY-JO Last name (print) am an authorized signing officer of the corporation. I certify that I have examined this return, in the information given on this return is, to the best of my knowledge, correct and complete. I all year is consistent with that of the previous tax year except as specifically disclosed in a staten	Balance (amount A minus amount B) 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
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 918 Institution 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? If this return was prepared by a tax preparer for a see, provide their EFILE number PREPARED SOLERY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW Certification I, 950 CORKUM 951 MARY-JO Last name (print) First name (print) am an authorized signing officer of the corporation. I certify that I have examined this return, in the information given on this return is, to the best of my knowledge, correct and complete. I all year is consistent with that of the previous tax year except as specifically disclosed in a staten pate (yyyy/mm/dd) Signature of the authorized signing officer of the corporation.	Balance (amount A minus amount B) 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. 396 1 Yes 2 No X 920 A6698 FROM INFORMATION PROVIDED BY THE TAXPAYER. 954 VICE-PRESIDENT, FINANCE Position, office, or rank including accompanying schedules and statements, and that so certify that the method of calculating income for this tax ment attached to this return. 956 (905) 876-4611 Telephone number
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 Humber Institution 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? If this return was prepared by a tax preparer for a see, provide their EFILE number PREPARED SLIENT FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW Certification I, 950 CORKUM 951 MARY-JO First name (print) am an authorized signing officer of the corporation. I certify that I have examined this return, in the information given on this return is, to the best of my knowledge, correct and complete. I all year is consistent with that of the previous tax year except as specifically disclosed in a staten pate (yyyy/mm/dd) Signature of the authorized signing officer of the Is the contact person the same as the authorized signing officer? If no, complete the information of the information of the same as the authorized signing officer? If no, complete the information of the information of the contact person the same as the authorized signing officer? If no, complete the information of the contact person the same as the authorized signing officer? If no, complete the information of the contact person the same as the authorized signing officer? If no, complete the information of the contact person the same as the authorized signing officer? If no, complete the information of the contact person the same as the authorized signing officer? If no, complete the information of the contact person the same as the authorized signing officer? If no, complete the information of the contact person the same as the authorized signing officer? If no, complete the information of the contact person the same as the authorized signing officer.	Balance (amount A minus amount B) 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. 896 1 Yes 2 No X 920 A6698 FROM INFORMATION PROVIDED BY THE TAXPAYER. 954 VICE-PRESIDENT, FINANCE Position, office, or rank including accompanying schedules and statements, and that so certify that the method of calculating income for this tax inent attached to this return. 956 (905) 876-4611 Telephone number in below 957 1 Yes X 2 No
Direct deposit request To have the corporation's refund deposited directly into the corporation's dank account at a financial institution in Canada, or to change banking information under already gave us, complete the information below: Start Change information 910 Branch number Institution 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? If this return was prepared by a tax preparer for a ref, provide their EFILE number PREPARED SCIENT FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW Certification I, 950 CORKUM 951 MARY-JO Last name (print) am an authorized signing officer of the corporation. I certify that I have examined this return, in the information given on this return is, to the best of my knowledge, correct and complete. I all year is consistent with that of the previous tax year except as specifically disclosed in a staten pate (yyyy/mm/dd) Signature of the authorized signing officer of the Is the contact person the same as the authorized signing officer? If no, complete the informations.	Balance (amount A minus amount B) 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.
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Direct deposit request To have the corporation's refund deposited directly into the corporation's pank 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 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? If this return was prepared by a tax preparer for a ree, provide their EFILE number PREPARED SQUENT FOR INJOME TAX PURPOSES WITHOUT AUDIT OR REVIEW Certification I, 950 CORKUM 951 MARY-JO Last name (print) First name (print) First name (print the information given on this return is, to the best of my knowledge, correct and complete. I all year is consistent with that of the previous tax year except as specifically disclosed in a staten pate (yyyy/mm/dd) Signature of the authorized signing officer of the street information of the contact person the same as the authorized signing officer? If no, complete the information of the contact person the same as the authorized signing officer? If no, complete the information of the corporation of the contact person the same as the authorized signing officer? If no, complete the information of the corporation of the corporation. Name (print) Language of correspondence — Langue de correspondance	Balance (amount A minus amount B) 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
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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			
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2014-12-31			

Balance sheet information

Account	Description	GIFI	Current year	Prior year
Assets -				
	Total current assets		27,073,854	25,338,91
	Total tangible capital assets		72,276,424	60,769,17
	Total accumulated amortization of tangible capital assets			
	Total intangible capital assets	<mark>2178</mark> + _		
	Total accumulated amortization of intangible capital assets	<mark>2179</mark> – _		
	Total long-term assets		2,916,002	792,51
	*Assets held in trust			
	Total assets (mandatory field)	2599 = _	102,266,280	86,900,60
Liabilities	S			
	Total current liabilities		17,880,506	15,057,37
	Total long-term liabilities	3450 +	47,358,268	36,507,42
	*Subordinated debt	3460 +		
	*Amounts held in trust			
	Total liabilities (mandatory field)	3499 =	65,238,774	51,564,79
Sharehol	der equity			
	Total shareholder equity (mandatory field)	3620 +	37,027,506	35,335,80
	_ Total liabilities and shareholder equity	3640 =	102,266,280	86,900,60
Retained	earnings			
	Retained earnings/deficit – end (mandatory field)		20,018,598	18,326,89

Current Assets

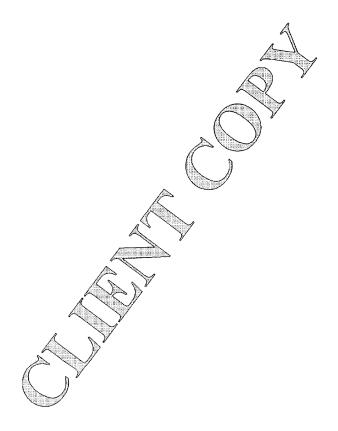
Om Identific	1599			
Account	Description	GIFI	Current year	Prior year
Cash and	deposits			
	*Cash and deposits		5,600,053	4,293,90
	Cash and deposits	+	5,600,053	4,293,90
Accounts	receivable			
	*Accounts receivable	1060	8,384,634	9,266,44
	Accounts receivable	+	8,384,634	9,266,44
Inventorie	s			
	* Inventories		1,390,311	1,075,78
	Inventories	+	1,390,311	1,075,78
Other curi	ent assets	A		
	* Other current assets		10,220,477	10,258,93
	Taxes recoverable/refundable		982,824	
	Prepaid expenses	1484	495,555	443,85
	Other current assets	+	11,698,856	10,702,78
	_ Total current assets		27,073,854	25,338,91

Tangible Capital Assets and Accumulated Amortization

SCHEDULE 100

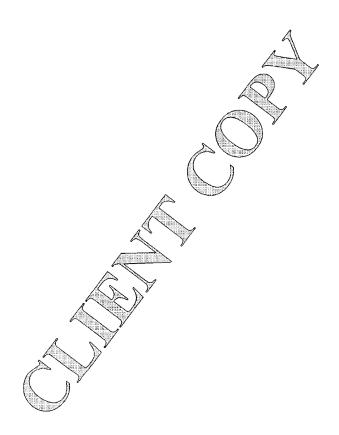
Account	Description	GIFI	Tangible capital assets	Accumulated amortization	Prior year
Other tang	ible capital assets				
	* Other tangible capital assets		72,276,424 72,276,424		60,769,17
	Total tangible capital assets	2008 = _	72,276,424		60,769,17
	Total accumulated amortization of tangible				

* Generic item



Long-term Assets

Account	Description	GIFI	Current year	Prior year
ther long	-term assets			
	* Other long-term assets	2420	2,916,002	368,68
	Future (deferred) income taxes	. 2421		423,83
	Other long-term assets	+	2,916,002	792,51
	Total long-term assets	2589 =	2,916,002	792,5:

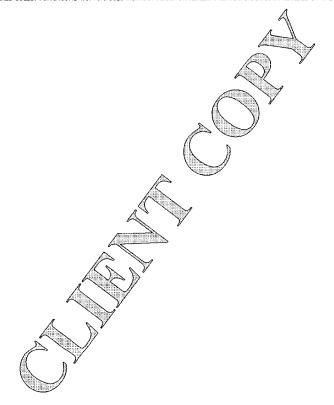


Current Liabilities

Form identifie	r3139			
Account	Description	GIFI	Current year	Prior year
Amounts	payable and accrued liabilities			
	_*Amounts payable and accrued liabilities	2620	16,025,186	13,329,65
	Amounts payable and accrued liabilities	· + <u>-</u>	16,025,186	13,329,65
	_*Taxes payable	. 2680 + _	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	808,83
Due to rela	ated parties			
	*Due to related parties	2860	175,516	20,72
	Due to related parties	·	175,516	20,72
	_* Current portion of long-term liability	. 2920 +	1,122,700	898,17
Other curi	rent liabilities	4		
	Future (deferred) income taxes	<i>§</i> 2963	557,104	_
	Other current liabilities	/ / =	557,104	
	_ Total current liabilities	3139 = _	17,880,506	15,057,37
* Generic item		7		

Long-term Liabilities

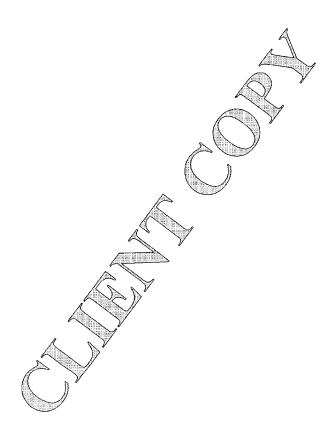
Account	Description	GIFI	Current year	Prior year
.ong-term	n debt			
	_*Long-term debt	. 3140	42,683,050	31,788,85
	Long-term debt	. + =	42,683,050	31,788,85
Other long	g-term liabilities			
	_*Other long-term liabilities		4,386,240	4,453,31
	Long-term obligations/commitments/capital leases	3321	288,978	265,25
			4,675,218	4,718,57
····	Other long-term liabilities	· '=	.,0,0,220	17. 22/2.



Shareholder Equity

Account	Description	GIFI	Current year	Prior year
	*Commonshares		17,008,908	17,008,908
	* Retained earnings/deficit	3600 + _	20,018,598	18,326,898
	_ Total shareholder equity	3620 = _	37,027,506	35,335,806

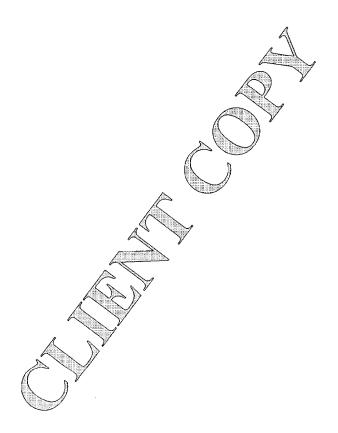
^{*} Generic item



Retained Earnings/Deficit

Form identifier	3849		7-1-4MF	
Account	Description	GIFI	Current year	Prior year
	*Retained earnings/deficit – start	3660 + _	18,326,898	16,339,645
	* Netincome/loss	3680 + _	2,941,700	3,237,253
Dividends	declared			
	*Dividends declared	3700	1,250,000 1,250,000	1,250,000
	Dividends declared	··=	1,230,000	1,250,000
	Retained earnings/deficit – end	3849 = _	20,018,598	18,326,898

* Generic item



				89573 0216 RC
Cana Ager	•			SCHEDULE
orm identifier	125 GENERAL INDEX OF FINANCIAL INFOR			
Corporation's n	ame	Bus	siness number	Tax year end Year Month Day
MILTON HY	DRO DISTRIBUTION INC.	89573 0216 RC0001		2014-12-31
	tement information			
Description	GIFI			
Operating nam				
Description of t		•		
Sequence num	ber 0003 <u>01</u>			
Account	Description	GIFI	Current year	Prior year
Income s	tatement information			
	Total sales of goods and services	8089 +	105,849,315	97,680,
	Cost of sales	, 8518 – _	90,675,253	83,153,
	Gross profit/loss	8519 🚽	15,174,062	14,526,
	· · · · · · · · · · · · · · · · · · ·	8518 +	90,675,253	83,153,
	Cost of sales	9367 +	12,993,966	12,709,
	Total operating expenses Total expenses (mandatory field)	9368 =	103,669,219	95,862,
	Total expenses (mandatory lield)			
	Total revenue (mandatory field)	<i>]</i> <mark>8299 +</mark> _	107,038,614	99,094,
	Total expenses (mandatory field)	9368 – _	103,669,219	95,862,
	Net non-farming income	9369 = _	3,369,395	3,232,
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 = _	3,369,395	3,232,
	Total other comprehensive income	9998 = _		

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

9975

9976

9980

9985

9990

9995

9998

9999

40,557

387,138

2,941,700

50,971

-56,037

3,237,253

Extraordinary items and income (linked to Schedule 140)

Net income/loss after taxes and extraordinary items (mandatory field)

Extraordinary item(s)

Unrealized gains/losses

Current income taxes

Future (deferred) income tax provision

Total – Other comprehensive income

Legal settlements

Unusual items

Revenue

* Generic item

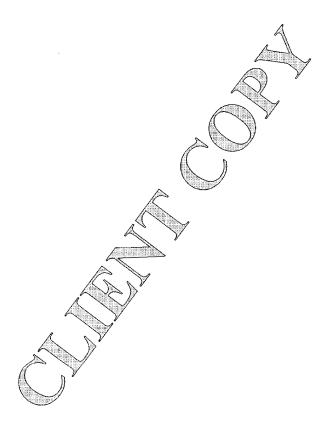
Form identifier	8299		the control of the co	
Account	Description	GIFI	Current year	Prior year
	_* Trade sales of goods and services	8000 + _	105,849,315	97,680,131
	_ Total sales of goods and services	8089 = _	105,849,315	97,680,131
Realized g	ains/losses on disposal of assets			
	_* Realized gains/losses on disposal of assets	8210	1,200	
	Realized gains/losses on disposal of assets	······ + ₌	1,200	
Other reve	enue			
	_*Otherrevenue	8230	1,188,099	1,414,749
	Other revenue	· · · · · · + <u>-</u>	1,188,099	1,414,749
	_ Total revenue	<mark>8299</mark> = _	107,038,614	99,094,880

Attached Schedule with Total

GIFI code 8230 - Amount - Other revenue

Title GIFI code 8230 – Amount – Other revenue

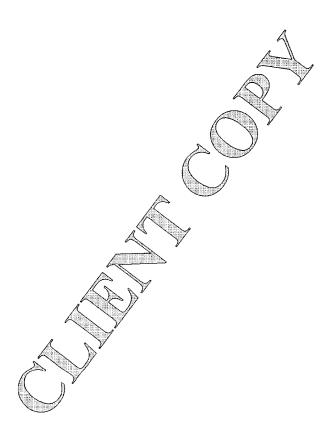
Description	Amount
Other revenue	1,189,299 00
Gain on disposal of asset, presented separately on GIFI	
Tr	otal 1.188.099 00
	1/100/033/00



Cost of Sales

Form identifier 8518

Account	Description	GIFI	Current year	Prior year
·	_*Purchases/cost of materials	8320 + _	90,675,253	83,153,242
* Generic item	_ Cost of sales	<mark>8518</mark> = _	90,675,253	83,153,242



MILTON HYDRO DISTRIBUTION INC. 89573 0216 RC0001

Operating Expenses

SCHEDULE 125

] .	Form identifier	9367			
ן ר	Account	Description	GIFI	Current year	Prior year
]	Interest ar	ad bank charges * Interest and bank charges	8710	1,954,915	1,846,313
)	Repairs ar	Interest and bank charges	. +	1,954,915	1,846,313
}		* Repairs and maintenance Repairs and maintenance	8960 +	3,001,627 3,001,627	3,550,969 3,550,969
	Other exp		9270	2,495,154	2,427,165
j		* Other expenses	0204	5,542,270	4,885,004
}		Other expenses	4	8,037,424	7,312,169
J	* Generic item	_ Total operating expenses	9367 =	12,993,966	12,709,451

Schedule 141

Canada Revenue Agence du revenu

Agency du Canada Notes Che	ecklist	
Corporation's name	Business number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2014-12-31
 Parts 1, 2, and 3 of this schedule must be completed from the perspective of the per reported on the financial statements. If the person preparing the tax return is not the and 4, as applicable. 	accountant referred to above, they must still complete	o prepared or Parts 1, 2, 3,
For more information, see Guide RC4088, General Index of Financial Information (G		
Complete this schedule and include it with your T2 return along with the other GIFI s	schedules.	
- Part 1 – Information on the accountant who prepared or repo	orted on the financial statements —	
Does the accountant have a professional designation?		1 Yes X 2 No
Is the accountant connected* with the corporation?		1 Yes 2 No X
Note		
If the accountant does not have a professional designation or is connected to the corschedule. However, you do have to complete Part 4, as applicable.	rporation, you do not have to complete Parts 2 and 3 of	this
* A person connected with a corporation can be: (i) a shareholder of the corporation w officer, or an employee of the corporation; or (iii) a person not dealing at arm's length	ho owns more than 10% of the common shares; (ii) a d with the corporation	irector, an
- Part 2 – Type of involvement with the financial statements —	y y	
Choose the option that represents the highest level of involvement of the accountant:	198	• _
Completed an auditor's report		. 1 🗓
Completed a review engagement report		. 2 🔛
Conducted a compilation engagement		. 3 📗
- Part 3 - Reservations	WHIT .	
If you selected option 1 or 2 under Type of involvement with the financial statement	nts above, answer the following question:	
	<i>"</i>	1 Yes 2 No X
Has the accountant expressed a reservation?		1163 2110
– 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:		1
Prepared the tax return (financial statements prepared by client)		. 1 🔲
Prepared the tax return and the financial information contained therein (financial state	ements have not been prepared)	. 2 📙
Were notes to the financial statements prepared?		1 Yes X 2 No
If yes, complete lines 104 to 107 below:		
Are subsequent events mentioned in the notes?		1 Yes 2 No X
Is re-evaluation of asset information mentioned in the notes?		1 Yes 2 No X
Is contingent liability information mentioned in the notes?		1 Yes 2 No X
Is information regarding commitments mentioned in the notes?		1 Yes X 2 No
Does the corporation have investments in joint venture(s) or partnership(s)?		1 Yes 2 No X

− Part 4 − Other information (continued) ────			89573 0216 RC	000
Impairment and fair value changes				
In any of the following assets, was an amount recognized in net incorresult of an impairment loss in the tax year, a reversal of an impairme		stax year, or a	. 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	0	211	_	
Intangible assets	5	216	_	
Investment property	0			
Biological assets	5			
Financial instruments	0	231	_	
Other	5	236	_	
Financial instruments				
Did the corporation derecognize any financial instrument(s) during the	e tax year (other than trade rece	ivables)?	. 250 1 Yes 2 No	X
Did the corporation apply hedge accounting during the tax year?		A	. 255 1 Yes 2 No	X
Did the corporation discontinue hedge accounting during the tax year	?		. 260 1 Yes . 2 No	X
Adjustments to opening equity				
Was an amount included in the opening balance of retained earnings recognize a change in accounting policy, or to adopt a new accounting			265 1 Yes 2 No	X
If yes , you have to maintain a separate reconciliation.				
	" "			

Canada Revenue 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
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	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.

mount calculated on line 9999 from Schedule 125	· · · · · · · · · · · · · · · · · · ·	2,941,700 A
Add:		
Provision for income taxes – current	40,557	
Provision for income taxes – deferred	387,138	
Interest and penalties on taxes	14,890	
Amortization of tangible assets	2,513,457	
Amortization of intangible assets	112,526	
Non-deductible club dues and fees	354	
Non-deductible meals and entertainment expenses	4,545	
Reserves from financial statements – balance at the end of the year	288,978	
Subtotal of additions	7 3,362,445 ▶	3,362,445
Other additions:		
Miscellaneous other additions: 600. section 12(1)(a) income	4,737,493	
N 1998		
Opening Regulatory Asset (debit balance)	948,925	
603		
Inducement - ITA 12(1)(x) 25,576		
Total	25,576	
604		
Total	·····	
Subtotal of other additions 199	5,711,994	5,711,994
Total additions 500	9,074,439	9,074,439 E
Amount A plus amount B		12,016,139

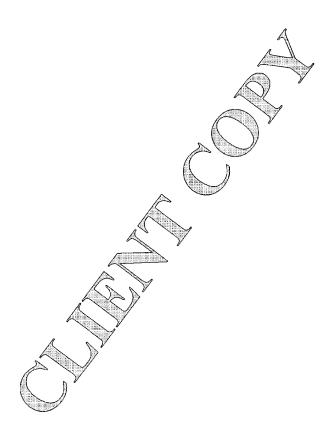
				89573 0216 RC0
Deduct:				
Gain on disposal of assets per financial statements		401	1,200	
Capital cost allowance from Schedule 8			2,389,605	
Cumulative eligible capital deduction from Schedule 10		405	5,974	
Reserves from financial statements – balance at the beg	inning of the year	414	265,257	
		Subtotal of deductions	2,662,036	2,662,036
Other deductions:				
Miscellaneous other deductions:		_		
700 section 20(1)(m) reserve		390	4,737,493	
701 Financing Fees 20(1)(e)		391	3,523	
702 Regulatory assets - closing balance (Debit position	on)	392	2,902,440	
703 Overhead capitalized for accounting		1,406,300		
	Total	1,406,300 393	1,406,300	
704 Repair costs capitalized for accounting		304,344		
	Total	304,344 394	304,344	
	Subtotal of	fother deductions 499	9,354,100	9,354,100
	т	otal deductions 510	√ 12,016,136 ►	12,016,136
Net income (loss) for income tax purposes – enter on			····· =	3
T2 SCH 1 E (12)				Canad
		,		

Attached Schedule with Total

Line 290 - Amount for line 600

Title Line 290 – Amount for line 600

Description	Amount
Long term portion of customer deposits per GL - D-03	316,900 00
Current portion of customer deposits per GL - D-03	4,420,593 33
Total	4,737,493 33



Attached Schedule with Total

Line 390 - Amount for line 700

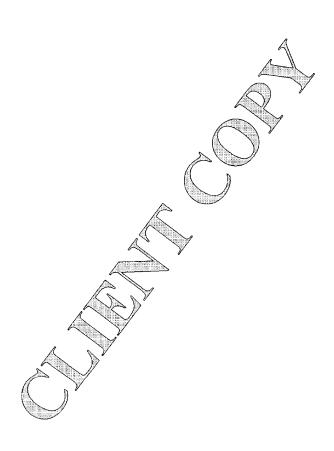
Title Line 390 – Amount for line 700

Description
ST Customer Deposits
LT Customer Deposits

Amount 316,900 00 4,420,593 33

Total

4,737,493 33



I	n	d	u	C	e	n	16	16	1	ţ
---	---	---	---	---	---	---	----	----	---	---

This form is used to calculate inducements that a corporation must add to its income under paragraph 12(1)(x) of the ITA. If an amount redu of a property, this amount will be indicated in Part "Tax credits whose amount should reduce the capital cost of property."	
If you want to transfer an amount to Schedule 1 and include it in the corporation's income for tax purposes, select the corresponding check by You can also select the option Select this check box to add all the amounts to income calculated in Schedule 1 to transfer all the amount and it will therefore be updated to Schedule 1. In either case, the column A check box will be selected for that amount and it will therefore be updated to Schedule 1.	ox in column A. unts to Schedule 1.
Tax credits whose amount should be added to income	
Select this check box to add all the amounts to income calculated in Schedule 1.	
Ontario	
<u>A</u>	
Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and	
portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	<u> </u>
Montario co-operative education tax credit	
Ontario apprenticeship training tax credit	19,014
Ontario computer animation and special effects tax credit*	
* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
Ontario film and television tax credit*	· · ·
* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
Ontario production services tax credit*	
* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
Ontario interactive digital media tax credit*	· · · <u> </u>
* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
Ontario sound recording tax credit*	· · · ·
* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
Ontario book publishing tax credit	• • •
Portion of the Ontario innovation tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	· · ·
Ontario business-research institute tax credit	
Ontario community food program donation tax credit for farmers	
Tax credits whose amount should reduce the capital cost of property	

ne of corporation				Business	Number	Taxyear-end
TON INDDO DICTRIBUTE	ON INC			80573	0216 RC0001	Year Month Day 2014-12-31
ILTON HYDRO DISTRIBUTI				69373	0216 RC0001	2014-12-31
his schedule is for the use of any	•					
– non-taxable dividends under s – deductible dividends under su						
 deductible dividends deductible f 	om income under section 1	12. subsecti	on 113(2) and paragra	aphs 113(1)(a), (b) or	· (d); or	
 taxable dividends gaid in the taxable 						
he calculations in this schedule			ns.			
arts, sections, subsections, and	paragraphs referred to on th	nis schedule	are from the federal II	ncome Tax Act.		
recipient corporation is connect	ed with a payer corporation	at any time ii	a tax year, if at that ti	me the recipient corp	oration:	
- controls the payer corporation	, other than because of a rig	ht referred to	in paragraph 251(5)(b); or		
 owns more than 10% of the is fair market value of all shares 	of the payer corporation.			e a fair market value	of more than 10% of t	he
ile one completed copy of this s						
Column A – Enter "X" if dividends						
olumn F1 – Enter the amount of						
Column F2 – Enter the code that	pplies to the deductible tax	able dividend	i.			
Column F3 – Enter if dividends ha omplete Schedules 71 and 72. I	or more details with regards	to this colu	nn, consult the Help.		corporations that mus	L
······································			ds received in t			
Do not include dividends re	ceived from foreign non-a	ffiliates.	Comp	ete it payer corporat		
			A B	Business Number	D Tax year-end of the	E Non-taxable
	fpayer corporation nich the corporation		Enter 1	of connected	payer corporation i	
Y	ved the dividend)		ifpayer	orporation	which the sections	s section 83
			corporation		112/113 and subsection 138(6)	,
			connected		dividends in column	
					were paid	
					YYYY/MM/DD (See note)	
	000	A	205	210	220	230
	200		205	210	220	230
			. ,	Total (enter o	n line 402 of Schedule	1)
		A ST	V			
e: If your corporation's tax year-	end is different than that of the	e connected	payer corporation, yo	our corporation could	have received divider	nds from more than
tax year of the payer corporatio more details, consult the Help.	1. ITSO, use a separate line n	S DI OAIDE II IE	minimation in each	ax year or the payer t	corporation.	
more detaile, concert are troops	A	\mathcal{N}	Complete if	aver corneration is a	opposted	
	- -	7-0 50		payer corporation is c	H	1
F Taxable dividends	Eligible dividends	F2 F3	G Total taxable	Divid	n dend refund	Part IV tax
deductible from taxable	(included in		dividends paid	d of the	e connected	before deductions
income under section 112	1 1600 10		by connected	7.2	rcorporation	Fx 1/3 ***
subsections 113(2) and			payer corporation (for tax year		ortax year olumn D)**	
138(6), and paragraphs			in column D)		J. J	
113(1)(a). (b). or (d)"						
113(1)(a), (b), or (d)*			250		260	270

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 = Column F x Column H

Column G

	- 10 O				89573 0216 RC0
	Part 2 – Calc	ulation of Part IV tax pa	ayable		
Part I	V tax before deductions (amount J in Part 1)				
Dedu				320	
Par	t IV.I tax payable on dividends subject to Part IV tax		• • • • • • • • • •		***
Dedu	ct:				
Cur	rent-year non-capital loss claimed to reduce Part IV tax	330		_	
Nor	a-capital losses from previous years claimed to reduce Part IV tax			_	
Cur	rent-year farm loss claimed to reduce Part IV tax m losses from previous years claimed to reduce Part IV tax			_	
ган		applied against Part IV tax		_ _ × 1/3 =	
Part I		···		200	
aiti					
	Part 3 – Taxable dividends paid	in the tax year that qua	alify for a divi	dend refund —	
	A	В	С	D	D1
	Name of connected recipient corporation	Business Number	Tax year end of connected	Taxable dividends paid to connected	Eligible dividends
	Name of connected recipient corporation	Business rumbs.	recipient	corporations	(included in
	·		corporation in which the		column D)
			dividends in column D		
			were received		
			YYYY/MM/DD (See note)		
	400	410	420	430	
1	MILTON HYDRO HOLDINGS INC.	86499 6764 RC0001	2014-12-31	1,250,000	
Note					
lfyou	r corporation's tax year-end is different than that of the connected re	ecipient corporation, your corpor	ation		1 250 000
coula provid	have paid dividends in more than one tax year of the recipient corp de the information for each tax year of the recipient corporation. For	r more details, consult the Help.	÷ 10	Total	1,250,000
Total	taxable dividends paid in the tax year to other than connected corpo	prations		450	
	· · · · · · · · · · · · · · · · · · ·	No.			•
_::h	le dividende (included in line 450)	450a			
•	ele dividends (included in line 450)	450a			
Total	taxable dividends (included in line 450) taxable dividends paid in the tax year that qualify for a dividend refu			460	1,250,000
Total	taxable dividends paid in the tax year that qualify for a dividend refu of column D above plus line 450)	und		460	1,250,000
Total	taxable dividends paid in the tax year that qualify for a dividend refu of column D above plus line 450)	und		460	1,250,000
Total (total	taxable dividends paid in the tax year that qualify for a dividend refu of column D above plus line 450) Part 4 Total	dividends paid in the t	ax year ——	460	1,250,000
Total (total	taxable dividends paid in the tax year that qualify for a dividend refund for column D above plus line 450) Part 4 Total plete this part if the total taxable dividends paid in the tax year that cends paid in the tax year.	dividends paid in the t	ax year ——	460	
Total (total Comp divide	taxable dividends paid in the tax year that qualify for a dividend refu of column D above plus line 450) Part 4 Total plete this part if the total taxable dividends paid in the tax year that cends paid in the tax year. taxable dividends paid in the tax year for the purposes of a dividence	dividends paid in the toqualify for a dividend refund (line	ax year ———460 above) is diffe	460	1,250,000
Total (total Comp divide Total	taxable dividends paid in the tax year that qualify for a dividend refu of column D above plus line 450) Part 4 Total plete this part if the total taxable dividends paid in the tax year that cends paid in the tax year. taxable dividends paid in the tax year for the purposes of a dividend	dividends paid in the t	ax year ———460 above) is diffe	460	
Total (total Comp divide Total Other	taxable dividends paid in the tax year that qualify for a dividend refund for column D above plus line 450) Part 4 Total plete this part if the total taxable dividends paid in the tax year that cends paid in the tax year. taxable dividends paid in the tax year for the purposes of a dividend or dividends paid in the tax year (total of 510 to 540) dividends paid in the tax year	dividends paid in the toqualify for a dividend refund (line	ax year ———460 above) is diffe	rent from the total	1,250,000
Total (total Comp divide Total Other Total	taxable dividends paid in the tax year that qualify for a dividend refund for column D above plus line 450) Part 4 Total plete this part if the total taxable dividends paid in the tax year that cents paid in the tax year. taxable dividends paid in the tax year (total of 510 to 540) dividends paid in the tax year	dividends paid in the t	ax year ———460 above) is diffe	rent from the total	1,250,000
Total (total Complete Total Total Dedu	taxable dividends paid in the tax year that qualify for a dividend refund for column D above plus line 450) Part 4 Total plete this part if the total taxable dividends paid in the tax year that cends paid in the tax year. taxable dividends paid in the tax year for the purposes of a dividend or dividends paid in the tax year (total of 510 to 540) dividends paid in the tax year	dividends paid in the toqualify for a dividend refund (line d refund (from above)	ax year ———460 above) is diffe	rent from the total	1,250,000
Total (total (total Complete C	plete this part if the total taxable dividends paid in the tax year that qualify for a dividend refuence place this part if the total taxable dividends paid in the tax year that dends paid in the tax year. taxable dividends paid in the tax year for the purposes of a dividender dividends paid in the tax year (total of 510 to 540) dividends paid in the tax year (total of 510 to 540) dividends paid in the tax year (total of 510 to 540) dividends paid out of capital dividend account pital gains dividends idends paid on shares described in subsection 129(1.2)	dividends paid in the translation of the dividend refund (line direfund (from above)	ax year ———460 above) is diffe	rent from the total	1,250,000
Total (total complete	plete this part if the total taxable dividends paid in the tax year that qualify for a dividend refunds paid in the tax year that dends paid in the tax year. It taxable dividends paid in the tax year for the purposes of a dividend or dividends paid in the tax year (total of 510 to 540) dividends paid in the tax year dividends paid out of capital dividend account pital gains dividends paid on shares described in subsection 129(1.2) cable dividends paid to a controlling corporation that was bankrupt	dividends paid in the toqualify for a dividend refund (line direfund (from above)	ax year ———460 above) is diffe	rent from the total	1,250,000
Total (total complete	plete this part if the total taxable dividends paid in the tax year that qualify for a dividend refunds paid in the tax year that dends paid in the tax year. It taxable dividends paid in the tax year for the purposes of a dividend or dividends paid in the tax year (total of 510 to 540) dividends paid in the tax year idends paid out of capital dividend account pital gains dividends paid to a controlling corporation that was bankrupt	dividends paid in the toqualify for a dividend refund (line direfund (from above)	ax year ———460 above) is diffe	rent from the total	1,250,000
Total (total Complete of the control of the contro	taxable dividends paid in the tax year that qualify for a dividend refund footnum D above plus line 450) Part 4 Total plete this part if the total taxable dividends paid in the tax year that cends paid in the tax year. taxable dividends paid in the tax year for the purposes of a dividend of dividends paid in the tax year (total of 510 to 540) dividends paid in the tax year (total of 510 to 540) dividends paid out of capital dividend account pital gains dividends paid on shares described in subsection 129(1.2) cable dividends paid to a controlling corporation that was bankrupt any time in the year	dividends paid in the toqualify for a dividend refund (line direfund (from above) 510 520 530 540 Subtotal	ax year ———460 above) is diffe	rent from the total	1,250,000
Total (total Completion of the completion of th	plete this part if the total taxable dividends paid in the tax year that qualify for a dividend refunds paid in the tax year that dends paid in the tax year. It taxable dividends paid in the tax year for the purposes of a dividend or dividends paid in the tax year (total of 510 to 540) dividends paid in the tax year dividends paid out of capital dividend account pital gains dividends paid on shares described in subsection 129(1.2) cable dividends paid to a controlling corporation that was bankrupt	dividends paid in the toqualify for a dividend refund (line direfund (from above) 510 520 530 540 Subtotal	ax year ———460 above) is diffe	rent from the total	1,250,000

2014-12-31

MILTON HYDRO DISTRIBUTION INC. 89573 0216 RC0001

Schedule 8

Capital Cost Allowance (CCA)

Canada Revenue Agence du revenu Agency du Canada

+

Corporation's name	Business Number	Tax year end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2014-12-31

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

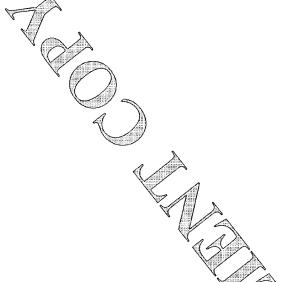
		7	က	4	'n	ဖ	_	&	o	9	÷	12
Class number (See Note)	Description	cost ginning year f from n 12 rear's ile 8)	Cost of acquisitions during the year (new property must be available for use)*	Adjustments and transfers**	Proceeds of dispositions during the year (amount not to exceed the capital cost)	50% rule (1/2 of the amount, fany, by which the net cost of acquisitions exceeds column 5)***	Reduced undepreciated capital cost	CCCA rate with the rate rate rate rate rate rate rate rat	Recapture of capital cost allowance***** (line 10 of Schedule 1)	Terminal loss (line 404 of Schedule 1)	Capital cost allowance (for declining balance method, column 7 mutiplied by column 8, or a lower amount) (line 4030 of Schedule 1)	Undepreciated capital cost at the end of the year (column 6 plus column 11)
-		24.476.167			0		24,476,167	4	0	0	979,047	23,497,120
8		3,797,993	403,510		0~	201/955	3,999,748	20	0	0	577,534	3,623,969
		679,382	540,373		\$200	269,587	948,968	30	0	0	284,690	933,865
45	Computers	2,833					2,833	45	0	0	1,275	1,558
47		29,223,779	3,455,736			1,727,868	30,951,647	8	0	0		32,679,515
95	CIP	1,429,961	3,742,344			1,871,172	3,301,133	0	0	0		5,172,305
22		190,592	98,237		0	49,119	239,710	55	0	0	131,841	156,988
12	Software	268,621	142,392	J/ \	0	71,196	339,817	100	0	0	339,817	71,196
13	Leasehold Improvements	132,343			0		132,343	¥	0	0	75,401	56,942
	Totale	60.201.671	8.382.592		1.200	4.190.697	64.392.366				2,389,605	66, 193, 458

ON INC. RC0001	
DISTRIBUTION INC 89573 0216 RC000	
MILTON HYDRO DISTRIBUTION INC. 89573 0216 RC0001	
MILTON	
_	
2014-12-31	

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).
- 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 72 Corporation Income Tax Guide ** Enter in column 4, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost. 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 72 Corporation Income Tax Guide for more information.

T2 SCH 8 (14)



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RELATED AND ASSOCIATED CORPORATIONS

SCHEDULE 9

Name of corporation	Business Number	Tax year end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	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.

		Country of resi- dence (other than Canada)	Business number (see note 1)	Rela- tion- ship 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.	MILTON HYDRO HOLDINGS INC.		86499 6764 RC0001	1					
2.	Milton Energy and Generation Soluti		86499 6566 RC0001	3					
3.	MILTON HYDRO SERVICES INC.		89573 0414 RC0001	3		A			
4.	Town of Milton		NR	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 - State diary 3 - Associated 4 - Related but not associated

T2 SCH 9 (11)

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SCHEDULE 10

CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

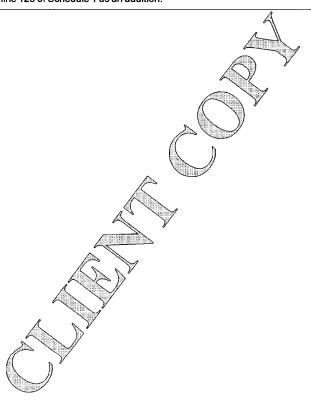
Name of corporation	Business Number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2014-12-31
 For use by a corporation that has eligible capital property. For more information, see the <i>T2 Corporation</i> A separate cumulative eligible capital account must be kept for each business. 	n Income Tax Guide.	
Part 1 – Calculation of current year deduction a	nd carry-forward —	
Cumulative eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0 Add: Cost of eligible capital property acquired during the taxation year	")	<u>85,338</u> A
Other adjustments	_	
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	=C	
amount B minus amount C (if negative, enter *		D
Amount transferred on amalgamation or wind-up of subsidiary	(add amounts A, D, and E) 230	85,338 F
Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) Other adjustments	G H I	
(add amounts G,H, and I)	x 3 / 4 = 248	J
Cumulative eligible capital balance (amount F minus amount J)		85,338 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 amount K 85,338	19	
Current year deduction line 249 7.00 % = 25	5,974 +	
(line 249 plus line 250) (enter this amount at line 405 of Schedule		5,974 L
Cumulative eligible capital – Closing balance (amount K minus amount L) (if negative, enter "0")	300	79,364 _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 355.	THANHIUM	

(complete this part only if the amount a	it line K is negative)		
Amount from line K (show as positive amount) Total of cumulative eligible capital (CEC) deductions from income for taxation years beginning after June 30, 1988		1	N
Total of all amounts which reduced CEC in the current or prior years under subsection 80(7) Total of CEC deductions claimed for taxation years beginning before July 1, 1988	<mark>401</mark> 3	2	
Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988	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 =	
Line P minus line Q (if negative, enter "0")			^K
Amo	ount R	x 2 / 3 =	s
Amount N or amount O, whichever is less	· · · · · / / / / · · · · › / · ·	·····	т
Amount to be included in income (amount S plus amount T) (enter this amount on line 108	8 of Søbedule 1) .	410	

Continuity of 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
	Employee Future Benefits	265,257		288,978	265,257	288,978
	Reserves from Part 2 of Schedule 13					
	Totals	265,257		288,978	265,257	288,978

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
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	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	Address of recipient	Royalties	Research and development fees	Management fees	Technical assistance fees	Similar payments
	100	200	300	400	500	600	700
1	MILTON HYDRO HOLDINGS II	8069 Lawson Road			127,348		
		MILTON			1		
		ON L9T 5C4					

T2 SCH 14 (99)

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Schedule 15

Deferred Income Plans

Corporation's name	Business number	Tax year end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	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
- 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	466,130	0345983		7	
Note 1	applicable	Note 2	to Schedule 1 any payments you made to defer	rred income plans.	
code num		To reconcile such paym	nents, calculate the following amount:		
1 – RPP		Total of all amounts ind	licated in column 200 of this schedule	· · · · · · · · · · · · · · · · · · ·	466,130 A
2 - RSUB	3P	Less:			
3 - DPSP	•	Total of all amounts for	deferred income plans deducted in your financi	al statements	<u>466,130</u> B
4 – EPSP	•		or contributions to deferred income plans		0
5 – PRPP	•	(amount A minus amo	unt B) (if regative, enter "0")	· · · · · · · · · · · · · · · · · · ·	
		Enter amount C on line	417 of Schedule 1		
		Note 3			
		T4PS slip(s) filed by:	Yousteel 2 Employer (EPSP only)		
	A Care S · ·	1			Canadi

T2 SCH 15 (13)

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Canada Revenue Agency Agence du revenu du Canada **SCHEDULE 23**

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year, is required to file an agreement for each tax year ending in that calendar year.
- Column 1: Enter the legal name of each of the corporations in the associated group. Include non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the *Income Tax Act* (ITA) not to be associated for purposes of the small business deduction.
- Column 2: Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").
- Column 3: Enter the association code that applies to each corporation:
 - 1 Associated for purposes of allocating the business limit (unless code 5 applies)
 - 2 CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
 - 3 Non-CCPC that is a "third corporation" as defined in subsection 256(2)
 - 4 Associated non-CCPC
 - 5 Associated CCPC to which code 1 does not apply because of a subsection 256(2) election made by a "third corporation"
- Column 4: Enter the business limit for the year of each corporation in the associated group. The business limit is computed at line 4 on page 4 of each respective corporation's T2 return.
- Column 5: Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.
- Column 6: Enter the business limit allocated to each corneration by multiplying the amount in column 4 by the percent
- 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:

Calendaryear	Acceptable range	
2006	maximum \$300,000	
2007	\$300,001 to \$400,000	

Callendaryear	Acceptable range
2008	maximum \$400,000
2009	\$400,001 to \$500,000

If the calendar year to which this agreement applies is after 2008, ansure that the total at line A does not exceed \$500,000.

	if the calendar year to which this agreement ap	plies is after 2009, ensure the	at the total	at line A does not exceed	J \$500,000.	
┌ All	ocating the business limit			×		Year Month Day
Date	filed (do not use this area)				025	real Monut Day
						Year
Ente	the calendar year to which the agreement applies	()			050	2014
	s an amended agreement for the above-noted calendar yes by any of the associated corporations listed below?	ar that is intended to replace a	n agreem	ent previously	075	1 Yes 2 No X
	Names of associated corporations	2 Business Number of associated corporations	3 Asso- ciation code	4 Business limit for the year (before the allocation) \$	5 Percentage of the business limit %	6 Business timit allocated* \$
	100	200	300		350	400
1	MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	1	500,000		
2	MILTON HYDRO HOLDINGS INC.	86499 6764 RC0001	1	500,000		
3	Milton Energy and Generation Solutions Inc.	86499 6566 RC0001	1	500,000	100.0000	500,000
4	MILTON HYDRO SERVICES INC.	89573 0414 RC0001	1	500,000		
5	Town of Milton	NR	1	500,000		
				Total	100.0000	500,000

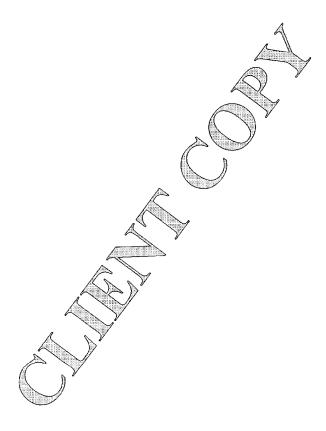
Business limit reduction under subsection 125(5.1) of the ITA

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "Large corporation amount" at line 415 of the T2 return. If the corporation is a member of an associated group** of corporations in the current tax year, the amount at line 415 of the T2 return is equal to 0.225% x (A - \$10,000,000) where, "A" is the total of taxable capital employed in Canada*** of each corporation in the associated group for its last tax year ending in the preceding calendar year.

- * Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.
 - Special rules apply if a CCPC has more than one tax year ending in a calendar year and is associated in more than one of those years with another CCPC that has a tax year ending in the same calendar year. If the tax year straddles January 1, 2009, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit that would have been determined for the first tax year ending in the calendar year, if \$500,000 was used in allocating the amounts among associated corporations and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year. Otherwise, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit determined for the first tax year ending in the calendar year and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year.
- ** The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.
- *** "Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the ITA.

T2 SCH 23 (09)

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2014-12-31

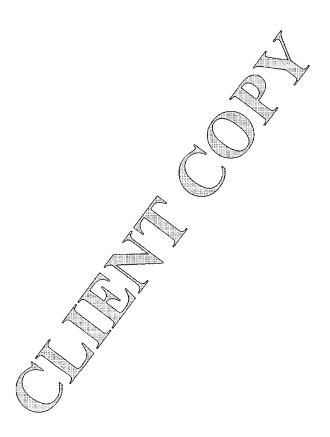
- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than \$10,000,000.
- If the total taxable capital employed in Canada of the corporation and its 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:	
Reserves that have not been deducted in computing income for the year under Part I 101 288,978	
Capital stock (or members' contributions if incorporated without share capital)	
Retained earnings	
Contributed surplus	
Any other surpluses	
Deferred unrealized foreign exchange gains	
All loans and advances to the corporation 48,367,506	
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages hypothecary claims, bankers' acceptances, or similar obligations	
Any dividends declared but not paid by the corporation before the end of the year	
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	
The total of all amounts, each of which is an amount under paragraph 181.2(3) to 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)	
Sebtotal (add lines 101 to 112) 85,683,990	85,683,990 A
Deduct the following amounts:	
Deferred tax debit balance at the end of the year 121	
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	
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	
Deferred unrealized foreign exchange losses at the end of the year	
Subtotal (add lines 121 to 124)	E
Capital for the year (amount A minus amount B) (if negative, enter "0")	<u>85,683,990</u>
Note of the 440 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
A loan or advance to another corporation (other than a financial institution)
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation
(other than a financial institution)
Long-term debt of a financial institution
A dividend payable on a share of the capital stock of another corporation
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).
An interest in a partnership (see note 2 below)
Investment allowance for the year (add lines 401 to 407)
Investment anowance for the year (add lines 401 (0 407)
Notes:
 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).
 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) 85,683,990 C
Deduct: Investment allowance for the year (line 490)
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")
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 income earned the year (line 500)85,188,435 xin Canada
the year (line 500) 85,188,435 x in Canada 510 1,000 = employed in Canada 630 65,188,435 Taxable income 1,000
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 tursiness 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
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
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
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)
Total deductions (add lines 711, 712, and 713) E
Taxable capital employed in Canada (line 701 minus amount E) (if negative, enter "0")
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")	Н
Calculation for purposes of the small business deduction (amount H x 0.225%)	
Enter this amount at line 415 of the T2 return.	

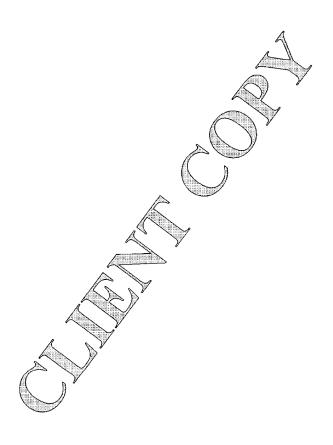


Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Part 1 – All loans and advances to the corporation

Description		Amount
Current portion of customer deposits		316,900 00
Due to related companies		175,516 00
Current portion of long-term debt		805,800 00
Long-term debt		42,683,050 00
Long-term portion of customer deposits		4,386,240 00
	Total	48,367,506 00

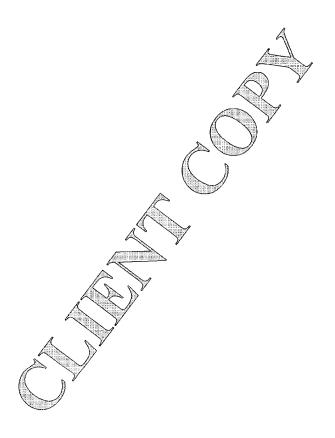


Attached Schedule with Total

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
Prepaids			495,554 65
		Total	495.554 65



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SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	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.

	Provide only o	ne number per sha	reholder		
Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Business Number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
100	200	300	350	400	500
1 MILTON HYDRO HOLDINGS INC.	86499 6764 RC0001			100.000	
2					
3					
4		 			
6					
7					
8					
9					
0					

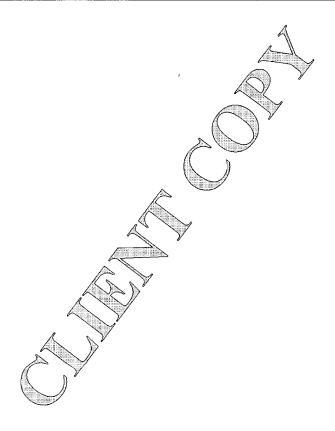
Canada Revenue Agency

Agence du revenu du Canada

SCHEDULE 546

CORPORATIONS INFORMA	ION ACT ANNUAL RE	URN FUR	UNTARIO COR	PURATI	UNS
Name of corporation			Business Nur		Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.			89573 0216 R		2014-12-31
 This schedule should be completed by a corporation that Corporations Act (BCA) or Ontario Corporations Act (CA as a Corporations Information Act Annual Return under the 	A), except for registered charities t	ınder the feder	Ontario and subject to al <i>Income Tax Act</i> . T	the Ontario his complete	Business ed schedule serves
 Complete parts 1 to 4. Complete parts 5 to 7 only to repo public record. 	rt change(s) in the information rec	orded on the C	Intario Ministry of Go	vernment Se	ervices (MGS)
 This schedule must set out the required information for the 	ne corporation as of the date of de	livery of this so	chedule.		
 A completed Ontario Corporations Information Act Annu The MGS considers this return to be delivered on the dat income tax return. 	al Return must be delivered within e that it is filed with the Canada R	six months aft evenue Agenc	er the end of the corp y (CRA) together with	oration's tax the corpora	year-end. ation's
 It is the corporation's responsibility to ensure that the info shown for the corporation on the public record maintaine information. 	rmation shown on the MGS publi d by the MGS, obtain a Corporation	c record is accu on Profile Repo	urate and up-to-date. ort. Visit www.Servic	To review the Ontario.ca	e information for more
 This schedule contains non-tax information collected un- MGS for the purposes of recording the information on the 	der the authority of the Ontario Co e public record maintained by the	rporations Info MGS.	rmation Act. This info	rmation will	be sent to the
Part 1 – Identification —————					
Corporation's name (exactly as shown on the MGS p	public record)		7		
MILTON HYDRO DISTRIBUTION INC.					
Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	110 Date of incorporation or amalgamation, whichever	the	Year Month Day	120 Onta	rio Corporation No.
Ontario	most recent		2000-08-30	14	37315
Part 2 – Head or registered office address	₃ (P.O. box not acceptab	le as stand	d-alone address	s) ———	
Care of (if applicable)					
210 Street number 8069 Street name/Rural route/Lo		230	Suite number		
Additional address information if applicable (line 220) must be completed first)				
250 Municipality (e.g., city, town)	260 Province/state	270 Coun	try 280	Postal/zip	code
Milton	/ S/ON	CA		L9T 50	X4
D. 10. Oliver Mandiffer					
Have there been any changes in any of the information in names, addresses for service, and the date elected apposenior officers, or with respect to the corporation mailing public record maintained by the MGS, obtain a Corporation of the corp	nited and, if applicable, the date the address or language of preference in Profile Report. For more informa- is box and then go to "Part 4 – Ce	e election/appo ce? To review t ation, visit wwv rtification."	ointment ceased of the he information showr v.ServiceOntario.ca	e directors a n for the corp	nd five most oration on the
Part 4 – Certification ————————————————————————————————————					
I certify that all information given in this Corporations Info	mation Act Annual Return is true,	correct, and co	omplete.		
450 CORKUM	451 MARY-				
Lastname		Fi	rstname		
454	,				
Middle name(s)					
Please enter one of the following numbers in knowledge of the affairs of the corporation.			ctor, 2 for officer, or	3 for other in	dividual having
Note: Sections 13 and 14 of the Ontario Corporations Info	ormation Act provide penalties for	making false o	r misleading stateme	nts or omiss	ions

0	Please enter one of the following numbers in this box:	1 - Show no mailing addr2 - The corporation's mai registered office addr	•	e as the head or
		3 - The corporation's con	nplete mailing address is	s as follows:
10	Care of (if applicable)			
20	Street number 530 Street name/Rural route/Lot and Co	ncession number	540 Suite nu	mber
50	Additional address information if applicable (line 530 must be	e completed first)		
60	Municipality (e.g., city, town)	70 Province/state	580 Country	590 Postal/zip code



CDA	internal	form	identifier 54'	7

- Part 7 Director/Officer information • Director: If the individual named in this part is a director (or must be reported ceased as a director), complete lines 700 to 797.
- Officer: If the individual named in this part is one of the corporation's five most senior officers (or must be reported ceased in an officer position), complete lines 700 to 790 and the applicable lines from 801 to 912.
- **Director and officer:** If the individual named in this part is a director and one of the corporation's five most senior officers (or must be reported ceased in these position(s)), complete lines 700 to 797 and the applicable lines from 801 to 912.
- . The corporation is required to show information on the MGS public record for all its directors and a maximum of five of its most senior officers. If the MGS public record shows more than five officer positions, report cease dates for all except the corporation's five most senior officer positions.
- To report changes to the name of a director/officer, or changes to both the address and the date elected/appointed of a director/officer, enter the director/officer information exactly as shown incorrectly on the public record, with a cease date, and then photocopy and complete only Part 7 with the correct director/officer information.

Please photocopy this page and complete Part 7 only for each additional individual for whom director/officer information changes are being reported.

Full name and address for service (P.O. box not acceptable as stand-alone address). The name entered in lines 700 to 710 must be exactly as

shown on the MGS public record.	· · · · · · · · · · · · · · · · · · ·		
700 Lastname	705 First name	710 Mid	dle name(s)
BARKLEY	SHARON		
720 Street number 730 Street name/Rural rout	te/Lot and Concession number	740 Suite number	
2665 DERRY RD W RR3			
750 Additional address information if applicable (line	e 730 must be completed first)	A	
760 Municipality (e.g., city, town)	770 Province/state	780 Country	790 Postal/zip code
CAMPBELLVILLE	ON		L0P 1B0
Director		Date elected/appointed	Date ceased, if applicable
Is this director a resident Canadian? 795	Yes X 2 No	Year Month Day	Year Month Day
(applies to directors of corporations with share capital only	796	2610-12-20	797 2014-11-03
Officer information		Date appointed Year Month Day	Date ceased, if applicable Year Month Day
President	801 🔏		802
Secretary			807
Treasurer			812
General Manager			817
Chair			822
Chairperson			827
Chairman	831		832
Chairwoman	836		837
Vice-Chair			842
Vice-President	846		847
Assistant Secretary			852
Assistant Treasurer			857
ChiefManager	861		862
Executive Director	866		867
Managing Director	871		872
Chief Executive Officer))		877
Chief Financial Officer	881		882
Chief Information Officer			887
Chief Operating Officer			892
Chief Administrative Officer			897
Comptroller	901		902
Authorized Signing Officer	906		907
Other (untitled)	911		912

Once you have completed this page, complete the certification in Part 4 of this schedule.

D. C. D. C. L. LOSS - and information			CRA internal form identifier 547
Part 7 – Director/Officer information	nuet be reported enough as a d	irostor) complete lines 700 to	707
Director: If the individual named in this part is a director (or name of the control of the			
 Officer: If the individual named in this part is one of the corpolines 700 to 790 and the applicable lines from 801 to 912. 			
 Director and officer: If the individual named in this part is a in these position(s)), complete lines 700 to 797 and the applic 	cable lines from 801 to 912.		
 The corporation is required to show information on the MGS public record shows more than five officer positions, report or 	public record for all its director ease dates for all except the co	s and a maximum of five of its r rporation's five most senior offi	most senior officers. If the MGS cer positions.
 To report changes to the name of a director/officer, or change director/officer information exactly as shown incorrectly on the with the correct director/officer information. 	es to both the address and the depublic record, with a cease de	date elected/appointed of a dire ate, and then photocopy and co	ector/officer, enter the implete only Part 7
Please photocopy this page and complete Part 7 only for each a	additional individual for whom d	irector/officer information char	iges are being reported.
Full name and address for service (P.O. box not acceptable shown on the MGS public record.	e as stand-alone address). The	name entered in lines 700 to 7	10 must be exactly as
700 Lastname 705	Firstname	710 Midd	le name(s)
DI LORENZO	RICK		
720 Street number 730 Street name/Rural route/Lot and	Concession number	740 Suite number	
1162 WINTER CRESCENT			
750 Additional address information if applicable (line 730 mu	st be completed first)	A	
760 Municipality (e.g., city, town)	770 Province/state	780 Country ₹ 7	90 Postal/zip code
MILTON	ON		 L9T 6V9
Director		ate elected/appointed	Date ceased, if applicable
Is this director a resident Canadian? 795 1 Yes X	2 No 🗍	Year Month Day	Year Month Day
(applies to directors of corporations with share capital only)	796	2610-12-20	797 2014-11-08
(4,5,5)			
Officer information		Date appointed Year Month Day	Date ceased, if applicable Year Month Day
President	801 🤻	3	802
Secretary	806	//	807
Treasurer			812
General Manager			817
Chair			822
Chairperson			827
Chairman			832
Chairwoman	836		837
Vice-Chair	841		842
Vice-President	846		847
Assistant Secretary	851		852
Assistant Treasurer	856		857
ChiefManager	861		862
Executive Director	866		867
Managing Director	871		872
Chief Executive Officer	876		877
Chief Financial Officer			882
			887
Chief Information Officer			892
Chief Operating Officer			897
Chief Administrative Officer			
A 4 11			
Comptroller	901		902

Once you have completed this page, complete the certification in Part 4 of this schedule.



Canada Revenue Agency

Agence du revenu du Canada

Information Return for Corporations Filing Electronically

- You have to complete this return for every initial and amended T2 Corporation Income Tax Return electronically filed to the Canada Revenue Agency (CRA) on your behalf.
- By completing Part 2 and signing Part 3, you acknowledge that, under the *Income Tax Act*, you have to keep all records used to prepare your corporation income tax return, and provide this information to us on request.
- · Part 4 must be completed by either you or the electronic transmitter of your corporation income tax return.
- Give the signed original of this return to the transmitter and keep a copy in your own records for six years.
- . Do not submit this form to the CRA unless we ask for it.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted it.

	This return	is for your records. Do not se	nd it to us unless we ask for it.
- Part 1 – Ident	tification———		
Name of corporation	า		Business Number
MILTON HYDRO	DISTRIBUTION INC.	,	89573 0216 RC0001
Tax year 🕨	From Y M D 2014-01-01	To Y M D 2014-12-31	Is this an amended return? Yes No X
- Part 2 – Decla	aration —		
Enter the following a	amounts, if applicable, from your corp	ooration income tax return for the	ax year noted above:
Net income or (los	ss) for income tax purposes from Sch	nedule 1, financial statements or	GIFI (line 300)3
Part I tax payable	(line 700)		
Part II surtax paya	able (line 708)		
Part III.1 tax paya	ble (line 710)		
Part IV tax payabl	le (line 712)		<i></i>
Part IV.1 tax paya	ible (line 716)		
Part VI tax payabl	le (line 720)		
Part VI.1 tax paya	•		
Part XIV tax paya	,		
Net provincial and	territorial tax payable (line 760)		
– Part 3 – Certi	fication and authorization		
i, <u>Corkum</u>		MARY-20	VICE-PRESIDENT, FINANCE ,
and statements, and complete. I also cer	d that the information given on the T2	return and this T183 Corp inform	e Position, office, or rank oration T2 income tax return, including accompanying schedules nation return is, to the best of my knowledge, correct and with that of the previous tax year except as specifically
	ly filed in response to any errors Cana		ax return identified in Part 1. The transmitter can also modify the his authorization expires when the Minister of National Revenue
Date (yyyy/mm/dd)	Siar	nature of an authorized signing office	r of the corporation Telephone number
() ////////////////////////////////	- Oigi		
	smitter identification ——— mitter has electronically filed the tax n	eturn of the corneration identified	in Part 1
J	miller has electronically filed the tax f	etam of the corporation identified	IIII aiti.
Name of person or firm Ki	PMG LLP		Electronic filer number A6698

Privacy Act, Personal Information Bank number CRA PPU 047

T183 CORP E (14)
CORPORATE TAXPREP / TAXPREP DES SOCIÉTÉS - EP23 VERSION 2015 V1.1



ATTACHMENT 4-6 2013 OPA PROGRAM FINAL REPORT



Message from the Vice President:

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

2013 Report highlights:

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

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

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

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

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

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

Sincerely,

Andrew Pride

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Table 2	LDC Adjustments to Net Verified Results	Provides LDC-specific initiative level adjustments from previous years (activity, net peak demand and energy savings).	5		
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OPA-Contracted Province-Wide CDM Programs Final Verified 2013 Results

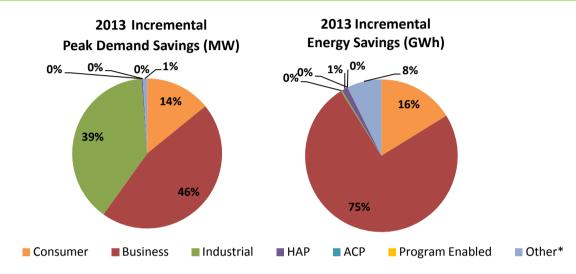
LDC: Milton Hydro Distribution Inc.

FINAL 2013 Progress to Targets	2013 Incremental	Program-to-Date Progress to Target (Scenario 1)	Scenario 1: % of Target Achieved	Scenario 2: % of Target Achieved
Net Annual Peak Demand Savings (MW)	0.7	1.5	18.8%	23.6%
Net Energy Savings (GWh)	2.0	24.4	72.9%	72.9%

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

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

Achievement by Sector



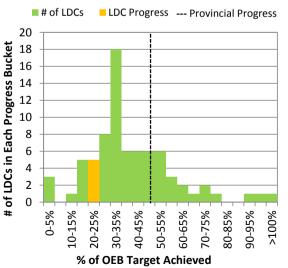
^{*}Other includes adjustments to previous years' results and savings from pre-2011 initiatives

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

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

% of OEB Peak Demand Savings Target Achieved

% of OEB Energy Savings Target Achieved



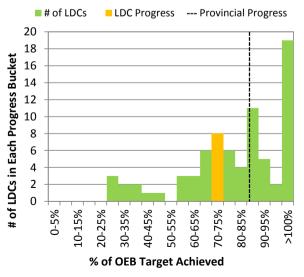


		Table 1: Milto	Incremen	tal Activity		Net Inc	remental Peak	Demand Saving				ergy Savings (k\		Program-to-Date Verif	
Initiative	Unit	(new prog	ram activity occ reportin	curring within t	he specified	(new peak	demand saving specified repo		within the	(new energy	savings from a reporting	ctivity within th g period)	ne specified	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	1				T			_							
Appliance Retirement	Appliances	172	127	84		10	7	5		71,041	50,944	35,954		22	508,497
Appliance Exchange	Appliances	20	14	16		2	2	3		3,453	3,731	5,911		7	36,081
HVAC Incentives	Equipment	292	332	403		103	68	84		186,935	114,519	143,381		256	1,378,060
Conservation Instant Coupon Booklet	Items	4,357	176	1,976		9	1	3		156,127	7,963	43,898		13	736,196
Bi-Annual Retailer Event	Items	5,423	6,042	5,381		10	8	7		167,376	152,535	97,848		25	1,322,803
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						134	88	102		584,932	329,692	326,992		323	3,981,637
Business Program															
Retrofit	Projects	3	27	40		113	239	228		613,680	1,427,328	1,498,670		580	9,734,043
Direct Install Lighting	Projects	8	1	3		10	0	3		25,882	1,250	10,212		14	127,706
Building Commissioning	Buildings	0	0	0		0	0	0		0	0	0		0	0
New Construction	Buildings	0	0	0		0	0	0		0	0	0		0	0
Energy Audit	Audits	0	0	0		0	0	0		0	0	0		0	0
Small Commercial Demand Response	Devices	0	0	0		0	0	0		0	0	0		0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0		0	0	0		0	0
Demand Response 3	Facilities	1	1	1		98	98	100		3,820	1,426	1,329		0	6,575
Business Program Total						221	338	331		643,382	1,430,005	1,510,211		594	9,868,324
Industrial Program										,	, ,	, , ,			.,,
Process & System Upgrades	Projects	0	0	0		0	0	0		0	0	0		0	0
Monitoring & Targeting	Projects	0	0	0		0	0	0		0	0	0		0	0
Energy Manager	Projects	0	0	0		0	0	0		0	0	0		0	0
Retrofit	Projects	9	0	0		19	0	0		131,306	0	0		19	525,226
Demand Response 3	Facilities	1	2	2		162	142	282		9,498	3,429	6,411		0	19,339
Industrial Program Total	i acilities	1				180	142	282		140,805	3,429	6,411		19	544.565
ilidustriai Program Totai						180	142	202		140,803	3,429	6,411		19	344,303
Home Assistance Program Home Assistance Program	Homes	0	0	43	1	0	0	2		0	0	25,977		2	51,157
Home Assistance Program Total	Homes	0		43		0	0	2		0	0	25,977		2	51,157
Hollie Assistance Program Total						U	, U			U		23,377		2	51,157
Aboriginal Program	Transcon.		0	0	1	0		1 0		0		1 0			^
Home Assistance Program	Homes	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					1		1	1			1				
Electricity Retrofit Incentive Program	Projects	14	0	0		233	0	0		1,113,991	0	0		233	4,455,964
High Performance New Construction	Projects	3	0	0		317	1	0		1,630,079	624	0		318	6,522,186
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 Tot	al			•		550	1	0		2,744,070	624	0		551	10,978,150
Other		i									•				
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	1.1011103					0	0	0		0	0	0		0	0
						U				-					
Adjustments to 2011 Verified Results Adjustments to 2012 Verified Results							21	7			-364,864	0 147,889		21 7	-1,459,457 443,668
Energy Efficiency Total						826	328	336		4,099,870	1,758,894	1,861,852		1,488	25,397,919
						260	240	381		13,318	4,856	7,740		0	25,397,919
Demand Response Total (Scenario 1) Adjustments to Previous Years' Verified R	oculte Total					0	21	7		0	-364,864	147,889		27	-1,015,789
OPA-Contracted LDC Portfolio Total (inc. A						1,086	589	724		4,113,188	1,398,885	2,017,481		1,516	24,408,044
•		Th. 1117 11			1-6-1-1				detect	4,113,100	1,330,003				
Activity and savings for Demand Response resource:					en left blank pend	ing a results updat	e rrom evaluation	is; results will be i	updated once			Fu	II OEB Target:	8,050	33,500,000
epresent the savings from all active facilities or dev	ices contracted since	sufficient inform	nation is made ava	ilable								chieved to Date		-,	

*Includes adjustments after Final Reports were issued

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

Table 2: Adjustments to Milton Hydro Distribution Inc. Net Verified Results due to Variances

		Table 2: Adjus	tments to Milto	on Hydro Dist	ribution Inc. Net \	erified Results	due to Variano	es					
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)								gy savings from	nergy Savings (k\ activity within th ng period)		
		2011*	2012*	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program													
Appliance Retirement	Appliances	0	0			0	0			0	0		
Appliance Exchange	Appliances	0	0			0	0			0	0		
HVAC Incentives	Equipment	-89	3			-23	1			-41,951	1,271		
Conservation Instant Coupon Booklet	Items	47	0			0	0			1,570	0		
Bi-Annual Retailer Event	Items	466	0			1	0			12,435	0		
Retailer Co-op	Items	0	0			0	0			0	0		
Residential Demand Response	Devices	0	0			0	0			0	0		
Residential Demand Response (IHD)	Devices	0	0			0	0			0	0		
Residential New Construction	Homes	0	0			0	0			0	0		
	nomes	-				-23	1			-27,946	1,271		
Consumer Program Total						-23	1			-27,946	1,2/1		
Business Program	-												
Retrofit	Projects	0	3			0	6			0	146,618		
Direct Install Lighting	Projects	0	0			0	0			0	0		
Building Commissioning	Buildings	0	0			0	0			0	0		
New Construction	Buildings	0	0			0	0			0	0		
Energy Audit	Audits	0	0			0	0			0	0		
Small Commercial Demand Response	Devices	0	0			0	0			0	0		
Small Commercial Demand Response (IHD)	Devices	0	0			0	0			0	0		
Demand Response 3	Facilities	0	0			0	0			0	0		
Business Program Total						0	6			0	146,618		
											140,010		
Industrial Program	Projects	0	0			0	0			0	0		
Process & System Upgrades		-											
Monitoring & Targeting	Projects	0	0			0	0			0	0		
Energy Manager	Projects	0	0			0	0			0	0		
Retrofit	Projects	0	0			0	0			0	0		
Demand Response 3	Facilities	0	0			0	0			0	0		
Industrial Program Total						0	0			0	0		
Home Assistance Program													
Home Assistance Program	Homes	0	0			0	0			0	0		
Home Assistance Program Total						0	0			0	0		
Aboriginal Program													
Home Assistance Program	Homes	0	0			0	0			0	0		
Direct Install Lighting	Projects	0	0			0	0			0	0		
Aboriginal Program Total	1					0	0			0	0		
						0				U			
Pre-2011 Programs completed in 2011	<u> </u>	_		1		_				_	<u> </u>	T	
Electricity Retrofit Incentive Program	Projects	0	0			0	0			0	0		
High Performance New Construction	Projects	1	0			43	0			-336,918	0		
Toronto Comprehensive	Projects	0	0			0	0			0	0		
Multifamily Energy Efficiency Rebates	Projects	0	0			0	0			0	0		
LDC Custom Programs	Projects	0	0			0	0			0	0		
Pre-2011 Programs completed in 2011 Total	.,,					43	0			-336,918	0		
										553,510			
Other	la : .												
Program Enabled Savings	Projects	0	0			0	0			0	0		
Time-of-Use Savings	Homes	0	0			0	0			0	0		
Other Total						0	0			0	0		
Adjustments to 2011 Verified Results						21				-364.864			
Adjustments to 2011 Verified Results							7			50.,004	147,889		
Total Adjustments to Previous Years' Verified Re	eculte					21	7			-364,864	147,889		
										-304,804	147,889		
Activity and savings for Demand Response resources for each savings from all active facilities or devices contracted since Jack			on the 2013 annu dated once sufficie		en left blank pending s made available.	a results update fr	om evaluations;		previous years' result				n in Table 1 as

(reported cumulatively).

the information presented above does not consider persistence of savings

Table 3: Milton Hydro Distribution Inc. Realization Rate & NTG

			Table 3	: Milton	Hydro Dis	tribution I	nc. Reali	zation Ra	n Rate & NTG							
			P	eak Dema	and Saving	s						Energy	Savings			
Initiative		Realizatio	on Rate			Net-to-Gro	ss Ratio			Realizatio	n Rate		Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement	1.00	1.00	n/a		0.51	0.46	0.42		1.00	1.00	n/a		0.52	0.47	0.44	
Appliance Exchange	1.00	1.00	1.00		0.52	0.52	0.53		1.00	1.00	1.00		0.52	0.52	0.53	
HVAC Incentives	1.00	1.00	n/a		0.60	0.50	0.48		1.00	1.00	n/a		0.60	0.49	0.48	
Conservation Instant Coupon Booklet	1.00	1.00	1.00		1.14	1.00	1.11		1.00	1.00	1.00		1.11	1.05	1.13	
Bi-Annual Retailer Event	1.00	1.00	1.00		1.13	0.91	1.04		1.00	1.00	1.00		1.10	0.92	1.04	
Retailer Co-op	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential Demand Response	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential Demand Response (IHD)	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential New Construction	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Business Program																
Retrofit	0.93	0.96	0.91		0.75	0.78	0.74		1.34	1.14	1.03		0.76	0.79	0.74	
Direct Install Lighting	1.08	0.68	0.81		0.93	0.94	0.94		0.90	0.85	0.84		0.93	0.94	0.94	
Building Commissioning	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
New Construction	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Energy Audit	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Small Commercial Demand Response	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Small Commercial Demand Response (IHD)	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Demand Response 3	0.76	n/a	n/a		n/a	n/a	n/a		1.00	n/a	n/a		n/a	n/a	n/a	
Industrial Program																
Process & System Upgrades	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Monitoring & Targeting	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Energy Manager	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Retrofit																
Demand Response 3	0.84	n/a	n/a		n/a	n/a	n/a		1.00	n/a	n/a		n/a	n/a	n/a	
Home Assistance Program																
Home Assistance Program	n/a	n/a	1.15		n/a	n/a	1.00		n/a	n/a	0.76		n/a	n/a	1.00	
Aboriginal Program						·						•				
Home Assistance Program	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Direct Install Lighting	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Pre-2011 Programs completed in 2011		<u>'</u>	<u>'</u>	<u>'</u>							<u>'</u>	<u> </u>		<u>'</u>	<u>'</u>	
Electricity Retrofit Incentive Program	0.77	n/a	n/a		0.52	n/a	n/a		0.77	n/a	n/a		0.52	n/a	n/a	
High Performance New Construction	1.00	1.00	1.00		0.50	0.50	0.50		1.00	1.00	1.00		0.50	0.50	0.50	
Toronto Comprehensive	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Multifamily Energy Efficiency Rebates	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
LDC Custom Programs	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
-	11/4	11/4	11/4		11/4	11/4	11/4		11/ a	11/0	11/4		11/4	11/4	11/0	
Other		,	<u> </u>													
Program Enabled Savings	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Time-of-Use Savings	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	

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

Summary Progress Towards CDM Targets

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

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

Implementation Period		A	Annual	
implementation renou	2011	2012	2013	2014
2011 - Verified	1.1	0.8	0.8	0.8
2012 - Verified†	0.0	0.6	0.3	0.3
2013 - Verified†	0.0	0.0	0.7	0.3
2014				
Ve	rified Net Annual Po	eak Demand Savin	gs Persisting in 2014:	1.5
Milto	n Hydro Distribution	n Inc. 2014 Annual	CDM Capacity Target:	8.1
Verified Po	Achieved in 2014 (%):	18.8%		

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

Implementation Period		,	Annual		Cumulative						
implementation Period	2011	2012	2013	2014	2011-2014						
2011 - Verified	4.1	4.1	4.1	4.1	16.4						
2012 - Verified†	-0.4	1.4	1.4	1.4	3.8						
2013 - Verified†	0.0	0.1	2.0	2.0	4.2						
2014											
		Verified	Net Cumulative Energy	Savings 2011-2014:	24.4						
	Milton H	Milton Hydro Distribution Inc. 2011-2014 Annual CDM Energy Targe									
	Verified	Portion of Cumul	ative Energy Target Ac	hieved in 2014 (%):	72.9%						

[†]Includes adjustments to previous Years' verified results

				tal Activity			cremental Peak					nergy Savings (k		Program-to-Date Verif (exclud	
Initiative	Unit		reportir	curring within th				orting period)			reportin	activity within t g period)		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			ı					ı	•			1	ı		
Appliance Retirement	Appliances	56,110	34,146	20,952		3,299	2,011	1,433		23,005,812	13,424,518	8,713,107		6,605	149,603,072
Appliance Exchange	Appliances	3,688	3,836	5,337		371	556	1,106		450,187	974,621	1,971,701		1,795	8,455,927
HVAC Incentives	Equipment	92,743	87,427	91,581		32,037	19,060	19,552		59,437,670	32,841,283	33,923,592		70,650	404,121,713
Conservation Instant Coupon Booklet	Items	567,678	30,891	346,896		1,344	230	517		21,211,537	1,398,202	7,707,573		2,091	104,455,900
Bi-Annual Retailer Event	Items	952,149	1,060,901	944,772		1,681	1,480	1,184		29,387,468	26,781,674	17,179,841		4,345	232,254,579
Retailer Co-op	Items	152	0	0		0	0	0		2,652	0	0		0	10,607
Residential Demand Response	Devices	19,550	98,388	171,733		10,947	49,038	93,076		24,870	359,408	390,303		0	774,582
Residential Demand Response (IHD)	Devices	0	49,689	133,657		0	0	0		0	0	0		0	0
Residential New Construction	Homes	26	19	86		0	2	18		743	17,152	163,690		20	381,811
Consumer Program Total						49,681	72,377	116,886		133,520,941	75,796,859	70,049,807		85,506	900,058,189
Business Program			ı		1		<u> </u>	1	1		<u> </u>	1	ı		
Retrofit	Projects	2,819	6,134	8,785		24,467	61,147	59,678		136,002,258	314,922,468	345,346,008		142,831	2,168,497,702
Direct Install Lighting	Projects	20,741	18,691	17,782		23,724	15,284	18,708		61,076,701	57,345,798	64,315,558		49,886	519,693,356
Building Commissioning	Buildings	0	0	0		0	0	0		0	0	0		0	0
New Construction	Buildings	22	69	86		123	764	1,584		411,717	1,814,721	4,959,266		2,472	17,009,564
Energy Audit	Audits	198	345	319		0	1,450	2,811		0	7,049,351	15,455,795		4,261	52,059,644
Small Commercial Demand Response	Devices	132	294	1,211		84	187	773		157	1,068	373		0	1,597
Small Commercial Demand Response (IHD)	Devices	0	0	378		0	0	0		0	0	0		0	0
Demand Response 3	Facilities	145	151	175		16,218	19,389	23,706		633,421	281,823	346,659		0	1,261,903
Business Program Total						64,617	98,221	107,261		198,124,253	381,415,230	430,423,659		199,449	2,758,523,766
Industrial Program			ı		1		<u> </u>	1	1		<u> </u>	1	ı		
Process & System Upgrades	Projects	0	0	3		0	0	294		0	0	2,603,764		294	5,207,528
Monitoring & Targeting	Projects	0	0	0		0	0	0		0	0	0		0	0
Energy Manager	Projects	0	42	205		0	1,086	3,558		0	7,372,108	21,994,263		3,194	54,888,570
Retrofit	Projects	433	0	0		4,615	0	0		28,866,840	0	0		4,613	115,462,282
Demand Response 3	Facilities	124	185	281		52,484	74,056	162,543		3,080,737	1,784,712	4,309,160		0	9,174,609
Industrial Program Total						57,098	75,141	166,395		31,947,577	9,156,820	28,907,187		8,101	184,732,989
Home Assistance Program	l.t.	46	5,033	26.756		2	566	2,361	1	20.202	5,442,232	20.007.275	1	2,904	F7.040.012
Home Assistance Program	Homes	46	5,033	26,756		2	566	2,361		39,283 39,283	5,442,232	20,987,275		2,904 2,904	57,949,913 57,949,913
Home Assistance Program Total						2	500	2,361		39,283	5,442,232	20,987,275		2,904	57,949,913
Aboriginal Program	I			-0.					ı						
Home Assistance Program	Homes	0	0	584		0	0	267		0	0	1,609,393		267	3,218,786
Direct Install Lighting	Projects	0	0	0		0	0	0		0	0	0		0	0
Aboriginal Program Total						0	0	267		0	0	1,609,393		267	3,218,786
Pre-2011 Programs completed in 2011				1								<u> </u>	1		
Electricity Retrofit Incentive Program	Projects	2,028	0	0		21,662	0	0		121,138,219	0	0		21,662	484,552,876
High Performance New Construction	Projects	179	69	4		5,098	3,251	772		26,185,591	11,901,944	3,522,240		9,121	147,492,677
Toronto Comprehensive	Projects	577	0	0		15,805	0	0		86,964,886	0	0		15,805	347,859,545
Multifamily Energy Efficiency Rebates	Projects	110	0	0		1,981	0	0		7,595,683	0	0		1,981	30,382,733
LDC Custom Programs	Projects	8	0	0		399	0	0		1,367,170	0	0		399	5,468,679
Pre-2011 Programs completed in 2011 Tot	al					44,945	3,251	772		243,251,550	11,901,944	3,522,240		48,967	1,015,756,510
Other Program Enabled Savings	Projects	14	56	13		0	2,304	3,692		0	1,188,362	4,075,382		5,996	11,715,850
Time-of-Use Savings	Homes	0	0	0		0	0	0		0	0	0		0	0
Other Total						0	2,304	3,692		0	1,188,362	4,075,382		5,996	11,715,850
Adjustments to 2011 Verified Results							1,406	641			18,689,081	1,736,381		1,797	80,864,121
Adjustments to 2012 Verified Results								6,260			.,	41,947,840		6,180	126,287,857
						136,610	109,191	117,536		603,144,419	482,474,435	554,528,447		351,190	4,920,743,312
Energy Efficiency Total		-				79,733	109,191	117,536 280.099		3,739,185	482,474,435 2.427.011	5.046.495		351,190	4,920,743,312
Demand Response Total (Scenario 1) Adjustments to Previous Years' Verified R	oculte Total	-				79,733	1,406	6,901		3,/39,185	18,689,081	43,684,221		7,976	207,151,978
Adjustments to Previous Years' Verified R OPA-Contracted LDC Portfolio Total (inc. A		-				216,343	1,406 253,267	6,901 404,536		606,883,604	18,689,081 503,590,526	43,684,221 603,259,163		7,976 359,166	5,139,107,980
•			.1		1611			•		000,883,004	303,390,526				
ctivity and savings for Demand Response resources he savings from all active facilities or devices contra			n on the 2013 and ation is made ava		en ieft blank pend	ing a results update	e rrom evaluation:	s; results will be u	poated once			Fu	III OEB Target:	1,330,000	6,000,000,000
	cica since sandary 1,	Jannelent millonni	acioni is illiant ave								_	hieved to Date		27.0%	85.7%

*Includes adjustments after Final Reports were issued

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

Initiative	Unit		7: Adjustments to Province-Wide Net Verified Result Incremental Activity ew program activity occurring within the specified reporting period)			(new peak	remental Peak demand saving specified repo	s from activity orting period)	within the	Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011*	2012*	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
onsumer Program			,										
ppliance Retirement	Appliances	0	0			0	0			0	0		
ppliance Exchange	Appliances	0	0			0	0			0	0		
VAC Incentives	Equipment	-18,844	2,206			-5,271	452			-9,709,500	907,735		
onservation Instant Coupon Booklet	Items	8,216	0			16	0			275,655	0		
i-Annual Retailer Event	Items	81,817	0			108	0			2,183,391	0		
etailer Co-op	Items	0	0			0	0			0	0		
esidential Demand Response	Devices	0	0			0	0			0	0		
esidential Demand Response (IHD)	Devices	0	0			0	0			0	0		
esidential New Construction	Homes	19	0			1	0			13,767	0		
onsumer Program Total						-5,146	452			-7,236,687	907,735		
usiness Program			1			ļ							
etrofit	Projects	303	529			3,204	4,443			16,216,165	28,739,635		
irect Install Lighting	Projects	444	197			501	204			1,250,388	736,541		
uilding Commissioning	Buildings	0	0			0	0			0	0		
ew Construction	Buildings	12	0			828	0			3,520,620	0		
nergy Audit	Audits	95	65			492	337			2,391,744	1,636,457		
mall Commercial Demand Response	Devices	0	0			0	0			0	0		
mall Commercial Demand Response (IHD)	Devices	0	0			0	0			0	0		
emand Response 3	Facilities	0	0			0	0			0	0		
usiness Program Total						5,025	4,984			23,378,917	31,112,632		
dustrial Program													
rocess & System Upgrades	Projects	0	0			0	0			0	0		
Ionitoring & Targeting	Projects	0	0			0	0			0	0		
nergy Manager	Projects	0	3			0	68			0	719,235		
etrofit	Projects	0	0			0	0			0	0		
emand Response 3	Facilities	0	0			0	0			0	0		
dustrial Program Total						0	68			0	719,235		
ome Assistance Program													1
ome Assistance Program	Homes	0	0			0	0			0	0		
ome Assistance Program Total						0	0			0	0		
boriginal Program													
ome Assistance Program	Homes	0	0			0	0			0	0		
irect Install Lighting	Projects	0	0			0	0			0	0		
boriginal Program Total						0	0			0	0		
re-2011 Programs completed in 2011													
ectricity Retrofit Incentive Program	Projects	12	0			138	0			545,536	0		
igh Performance New Construction	Projects	34	0			1,407	0			2,065,200	0		
pronto Comprehensive	Projects	0	0			0	0			0	0		
Iultifamily Energy Efficiency Rebates	Projects	0	0			0	0			0	0		
OC Custom Programs	Projects	0	0			0	0			0	0		
re-2011 Programs completed in 2011 Total	ojecto	, ,				1,545	0			2,610,736	0		
ther										_,:10,:03			
rogram Enabled Savings	Projects	14	40			624	824			1,673,712	9,927,473		
me-of-Use Savings	Homes	0	0			024	0			0	0		
ther Total	rionies	0				624	824			1,673,712	9,927,473		
							824				9,921,473		
djustments to 2011 Verified Results						2,047				20,426,678			
djustments to 2012 Verified Results						2,047	6,328 6,328				42,667,076		
djustments to Previous Years' Verified Results Total										20,426,678	42,667,076		

Table 8: Province-Wide Realization Rate & NTG

			Table 8	Provinc	e-Wide Re	alization	Rate & N	ITG								
			P	eak Dema	and Savings	;						Energy	Savings			
Initiative		Realizatio	n Rate			Net-to-Gro	ss Ratio			Realizatio	n Rate			Net-to-Gro	ss Ratio	
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement	1.00	1.00	1.00		0.51	0.46	0.42		1.00	1.00	1.00		0.46	0.47	0.44	
Appliance Exchange	1.00	1.00	1.00		0.51	0.52	0.53		1.00	1.00	1.00		0.52	0.52	0.53	
HVAC Incentives	1.00	1.00	1.00		0.60	0.50	0.48		1.00	1.00	1.00		0.50	0.49	0.48	
Conservation Instant Coupon Booklet	1.00	1.00	1.00		1.14	1.00	1.11		1.00	1.00	1.00		1.00	1.05	1.13	
Bi-Annual Retailer Event	1.00	1.00	1.00		1.12	0.91	1.04		1.00	1.00	1.00		0.91	0.92	1.04	
Retailer Co-op	1.00	n/a	n/a		0.68	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential Demand Response	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential Demand Response (IHD)	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Residential New Construction	1.00	3.65	0.78		0.41	0.49	0.63		3.65	7.17	3.09		0.49	0.49	0.63	
Business Program																
Retrofit	1.06	0.93	0.92		0.72	0.75	0.73		0.93	1.05	1.01		0.75	0.76	0.73	
Direct Install Lighting	1.08	0.69	0.82		1.08	0.94	0.94		0.69	0.85	0.84		0.94	0.94	0.94	
Building Commissioning	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
New Construction	0.50	0.98	0.68		0.50	0.49	0.54		0.98	0.99	0.76		0.49	0.49	0.54	
Energy Audit	n/a	n/a	1.02		n/a	n/a	0.66		n/a	n/a	0.97		n/a	n/a	0.66	
Small Commercial Demand Response	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Small Commercial Demand Response (IHD)	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Demand Response 3	0.76	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Industrial Program																
Process & System Upgrades	n/a	n/a	0.85		n/a	n/a	0.94		n/a	n/a	0.87		n/a	n/a	0.93	
Monitoring & Targeting	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Energy Manager	n/a	1.16	0.90		n/a	0.90	0.90		1.16	1.16	0.90		0.90	0.90	0.90	
Retrofit	1.11	n/a	n/a		0.72	n/a	n/a		0.91	n/a	n/a		0.75	n/a	n/a	
Demand Response 3	0.84	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Home Assistance Program																
Home Assistance Program	1.00	0.32	0.26		0.70	1.00	1.00		0.32	0.99	0.88		1.00	1.00	1.00	
Aboriginal Program		<u>'</u>					<u>'</u>	,				<u>'</u>			<u>'</u>	
Home Assistance Program	n/a	n/a	0.05		n/a	n/a	1.00		n/a	n/a	0.95		n/a	n/a	1.00	
Direct Install Lighting	n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Pre-2011 Programs completed in 2011							•					•			·	
Electricity Retrofit Incentive Program	0.80	n/a	n/a		0.54	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
High Performance New Construction	1.00	1.00	1.00		0.49	0.50	0.50		1.00	1.00	1.00		0.50	0.50	0.50	
Toronto Comprehensive	1.13	n/a	n/a		0.50	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
Multifamily Energy Efficiency Rebates	0.93	n/a	n/a		0.78	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
LDC Custom Programs	1.00	n/a	n/a		1.00	n/a	n/a		n/a	n/a	n/a		n/a	n/a	n/a	
-	1.00	, ~	1 .,, 4			, ~	, ~		.,, =	, ~	.,,		., ~	, ~	, ~	
Other December 5 method Continues	-/-	1.00	1.00		-/-	1.00	1.00		1.00	2.20	1.00		1.00	1.00	1.00	
Program Enabled Savings	n/a n/a	1.06	1.00		n/a n/a	1.00 n/a	1.00		1.06 n/a	2.26 n/a	1.00		1.00 n/a	1.00 n/a	1.00	
Time-of-Use Savings		n/a	n/a		II/a	II/a	n/a		11/8	11/a	n/a		II/a	II/a	n/a	

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

Summary Provincial Progress Towards CDM Targets

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

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

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

Implementation Period		Anr	nual		Cumulative					
implementation Period	2011	2012	2013	2014	2011-2014					
2011	606.9	603.0	601.0	582.3	2,393.1					
2012†	18.7	503.6	498.4	492.6	1,513.3					
2013†	1.7	44.4	603.3	583.4	1,232.8					
2014										
	Ver	ified Net Cumula	ative Energy Sav	ings 2011-2014:	5,139.1					
		2011-2014 Cumulative CDM Energy Target:								
Ver	red in 2014 (%):	85.7%								

†Includes adjustments to previous Years' verified results

METHODOLOGY

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

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

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Consumer Program	1		
	Includes both retail and home pickup stream; Retail stream allocated based on average of 2008 & 2009 residential throughput; Home pickup stream directly attributed by postal code or customer selection.	Savings are considered to begin in the year the appliance is picked up.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Appliance Exchange	III)(When nostal code is not available results	Savings are considered to begin in the year that	
HVAC Incentives	Results directly attributed to LDC based on customer postal code.	Savings are considered to begin in the year that the installation occurred.	

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

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

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

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

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

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

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

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

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

Retrofit Sector (C&I vs. Industrial Mapping)

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

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

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

Consumer Program Allocation Methodology

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

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

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

Reporting Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Table 11: Milton Hydro Distribution	Inc. Initiative and Program Level	Gross Savings by Year

Initiative	Unit		Gross Incremental Pe	d Program Level Gross Savin ak Demand Savings (kW) ity within the specified report		(new e		Energy Savings (kWh) vithin the specified reporting p	eriod)
		2011	2012	2013	2014	2011	2012	2013	2014
onsumer Program ppliance Retirement**	Appliances	20	7	12		141,076	50,944	76,103	
ppliance Exchange**		5	2	6		6,700	3,731	11,231	
''	Appliances	171	137	173		312,322	232,941	300,302	
IVAC Incentives	Equipment	l				141,621	7,552	38,970	
Conservation Instant Coupon Booklet	Items	8 9	9	7					
i-Annual Retailer Event	Items	0	0	0		153,204 0	166,434 0	93,641	
etailer Co-op	Items								
esidential Demand Response	Devices	0	0	0		0	0	0	
esidential Demand Response (IHD)	Devices	0	0	0		0	0	0	
esidential New Construction	Homes	0	0	0		0	0	0	
onsumer Program Total		212	157	200		754,924	461,600	520,247	
usiness Program			1	<u> </u>			1		
etrofit	Projects	151	276	307		807,072	1,548,007	2,033,424	
Pirect Install Lighting	Projects	10	0	3		27,874	1,503	10,820	
uilding Commissioning	Buildings	0	0	0		0	0	0	
lew Construction	Buildings	0	0	0		0	0	0	
nergy Audit	Audits	0	0	0		0	0	0	
mall Commercial Demand Response	Devices	0	0	0		0	0	0	
mall Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0	
emand Response 3	Facilities	98	98	100		3,820	1,426	1,329	
usiness Program Total		258	375	410		838,767	1,550,936	2,045,573	
ndustrial Program									
rocess & System Upgrades	Projects	0	0	0		0	0	0	
Ionitoring & Targeting	Projects	0	0	0		0	0	0	
nergy Manager	Projects	0	0	0		0	0	0	
etrofit	Projects	25	0	0		171,840	0	0	
emand Response 3	Facilities	162	142	282		9,498	3,429	6,411	
ndustrial Program Total		187	142	282		181,338	3,429	6,411	
Jome Assistance Program						7,11	., .		
ome Assistance Program	Homes	0	0	2		0	0	25,977	
Iome Assistance Program Total	,	0	0	2		0	0	25,977	
								23,377	
boriginal Program	Homes	0	0	0		0	0	0	
ome Assistance Program		0	0	0		0	0	0	
irect Install Lighting	Projects								
boriginal Program Total		0	0	0		0	0	0	
re-2011 Programs completed in 2011									
lectricity Retrofit Incentive Program	Projects	448	0	0		2,142,290	0	0	
igh Performance New Construction	Projects	635	1	0		3,260,158	1,247	0	
oronto Comprehensive	Projects	0	0	0		0	0	0	
Iultifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0	
OC Custom Programs	Projects	0	0	0		0	0	0	
re-2011 Programs completed in 2011 To	tal	1,083	1	0		5,402,448	1,247	0	
ther									
rogram Enabled Savings	Projects	0	0	0		0	0	0	
me-of-Use Savings	Homes	0	0	0		0	0	0	
other Total	1.10.11.63	0	0	0		0	0	0	
		0	683	0		0	2,531,090	0	
		0	0	11		0	0	203,149	
Adjustments to 2011 Verified Results Adjustments to 2012 Verified Results Energy Efficiency Total		1,480	435	512		7,164,158	2,012,357	2,590,468	
Adjustments to 2012 Verified Results		1,480 260	435 240	512 381		7,164,158 13,318	2,012,357 4,856	2,590,468 7,740	
djustments to 2012 Verified Results nergy Efficiency Total	Results Total								

represent the savings from all active facilities or devices contracted since
January 1, 2011 (reported cumulatively).

pending a results update from evaluations; results will be
updated once sufficient information is made available.

shown in Table 1 as the information presented above does not consider persistence of Final Verified Results

**Net results substituted for gross results due to unavailability of data

Table 12: Adjustments to Milton Hydro Distribution Inc. Gross Verified Results due to Variances

		Table 12: Adjustm	ents to Milton Hyd	ro Distribution Inc.	Gross Verified Result	s due to Variances			
Initiative	Unit		iross Incremental Pe nd savings from activ	•	(kW) ied reporting period)	(new energy sa		Energy Savings (kWh within the specified I	•
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement	Appliances	0	0			0	0		
Appliance Exchange	Appliances	0	0			0	0		
HVAC Incentives	Equipment	-39	1			-70,208	2,584		
Conservation Instant Coupon Booklet	Items	0	0			1,458	0		
Bi-Annual Retailer Event	Items	1	0			13,519	0		
Retailer Co-op	Items	0	0			0	0		
Residential Demand Response	Devices	0	0			0	0		
Residential Demand Response (IHD)	Devices	0	0			0	0		
Residential New Construction	Homes	0	0			0	0		
Consumer Program Total		-38	1			-55,231	2,584		
Business Program									
Retrofit	Projects	0	9			0	200,565		
Direct Install Lighting	Projects	0	0			0	0		
Building Commissioning	Buildings	0	0			0	0		
New Construction	Buildings	0	0			0	0		
Energy Audit	Audits	0	0			0	0		
Small Commercial Demand Response	Devices	0	0			0	0		
Small Commercial Demand Response (IHD)	Devices	0	0			0	0		
Demand Response 3	Facilities	0	0			0	0		
Business Program Total		0	9			0	200,565		
Industrial Program			·					•	
Process & System Upgrades	Projects	0	0			0	0		
Monitoring & Targeting	Projects	0	0			0	0		
Energy Manager	Projects	0	0			0	0		
Retrofit	Projects	0	0			0	0		
Demand Response 3	Facilities	0	0			0	0		
Industrial Program Total		0	0			0	0		
Home Assistance Program									
Home Assistance Program	Homes	0	0			0	0		
Home Assistance Program Total		0	0			0	0		
Aboriginal Program									
Home Assistance Program	Homes	0	0			0	0		
Direct Install Lighting	Projects	0	0			0	0		
Aboriginal Program Total	1								
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	0	0			0	0		
High Performance New Construction	Projects	721	0			2,586,321	0		
Toronto Comprehensive	Projects	0	0			0	0		
		0	0			0	0		
Multifamily Energy Efficiency Rebates	Projects								
LDC Custom Programs	Projects	0	0			0	0		
Pre-2011 Programs completed in 2011 Total		721	0			2,586,321	0		
Other	1-	_	_			_	_		
Program Enabled Savings	Projects	0	0			0	0		
Time-of-Use Savings	Homes	0	0			0	0		
Other Total		0	0			0	0		
Adjustments to 2011 Verified Results		683				2,531,090			
Adjustments to 2012 Verified Results			11				203,149		
Total Adjustments to Previous Years' Verified Result	s	683	11			2,531,090	203,149		
Activity and savings for Demand Response resources for each year	r represent the	The IHD line item on t	he 2013 annual report	has been left blank per	ding a results update	Grace recults are r	recented for inform	mational purposes o	only and
savings from all active facilities or devices contracted since Janua			ults will be updated onc				l efficial 2012 Final		nny unu

(reported cumulatively).

are not considered official 2013 Final Verified Results

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

		Table 13. Province-wi	de Initiatives and Progran	n Level Gross Savings b	/ Year	1			
Initiative	(new peak de	Gross Incremental Peak mand savings from activit	• , ,	porting period)	Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				
		2011	2012	2013	2014	2011	2012	2013	2014
onsumer Program									
Appliance Retirement**	Appliances	6,750	2,011	3,151		45,971,627	13,424,518	18,616,239	
Appliance Exchange**	Appliances	719	556	2,101		873,531	974,621	3,746,106	
HVAC Incentives	Equipment	53,209	38,346	40,418		99,413,430	66,929,213	71,225,037	
Conservation Instant Coupon Booklet	Items	1,184	231	464		19,192,453	1,325,898	6,842,244	
Bi-Annual Retailer Event	Items	1,504	1,622	1,142		26,899,265	29,222,072	16,441,329	
tetailer Co-op	Items	0	0	0		3,917	0	0	
Residential Demand Response	Devices	10,390	49,038	93,076		23,597	359,408	390,303	
Residential Demand Response (IHD)	Devices	0	0	0		0	0	0	
Residential New Construction	Homes	0	1	29		1,813	4,884	259,826	
Consumer Program Total		73,757	91,805	140,380		192,379,633	112,240,615	117,521,084	
susiness Program									
Retrofit	Projects	34,201	78,965	82,896		184,070,265	387,817,248	478,410,896	
Direct Install Lighting	Projects	22,155	20,469	19,807		65,777,197	68,896,046	68,140,249	
Building Commissioning	Buildings	0	0	0		0	0	0	
New Construction	Buildings	247	1,596	2,934		823,434	3,755,869	9,183,826	
nergy Audit	Audits	0	1,450	4,283		0	7,049,351	23,386,108	
Small Commercial Demand Response	Devices	55	187	773		131	1,068	373	
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0	
Demand Response 3	Facilities	21,390	19,389	23,706		633,421	281,823	346,659	
Business Program Total		78,048	122,056	134,399		251,304,448	467,801,406	579,468,111	
ndustrial Dragram		70,010	112,000	201,000		252,551,110	407,002,400	373,100,111	
Process & System Upgrades	Projects	0	0	313		0	0	2,799,746	
Monitoring & Targeting	Projects	0	0	0		0	0	0	
nergy Manager	Projects	0	1,034	3,953		0	7,067,535	24,438,070	
Retrofit	Projects	6,372	0	0		38,412,408	7,007,333	0	
	Facilities	176,180	74,056	162,543		4,243,958	1,784,712	4,309,160	
Demand Response 3 Industrial Program Total	racilities	182,552	75,090	166,809		42,656,366	8,852,247	31,546,976	
ildustriai Program Total		162,552	75,090	100,009		42,030,300	0,032,247	31,340,970	
Iome Assistance Program	Homes	4	1,777	2,361		56,119	5,524,230	20,987,275	
Home Assistance Program Home Assistance Program Total	nonies	4	1,777	2,361		56,119	5,524,230	20,987,275	
forme Assistance Program Total		4	1,///	2,361		56,119	5,524,230	20,987,275	
boriginal Program					1			<u> </u>	
Home Assistance Program	Homes	0	0	267		0	0	1,609,393	
Direct Install Lighting	Projects	0	0	0		0	0	0	
Aboriginal Program Total		0	0	267		0	0	1,609,393	
re-2011 Programs completed in 2011									
lectricity Retrofit Incentive Program	Projects	40,418	0	0		223,956,390	0	0	
ligh Performance New Construction	Projects	10,197	6,501	772		52,371,183	23,803,888	3,522,240	
oronto Comprehensive	Projects	33,467	0	0		174,070,574	0	0	
Aultifamily Energy Efficiency Rebates	Projects	2,553	0	0		9,774,792	0	0	
DC Custom Programs	Projects	534	0	0		649,140	0	0	
Pre-2011 Programs completed in 2011 Total	.,	87,169	6,501	772		460,822,079	23,803,888	3,522,240	
ther		,	.,			,,	.,,	., ., ., ., .,	
rogram Enabled Savings	Projects	0	2,177	3,692		0	525,011	4,075,382	
ime-of-Use Savings		0	0	0		1	0	0	
	Homes	0				0			
			2,177	3,692		0	525,011	4,075,382	
Other Total			13,266	645			48,705,294	1,744,645	
Other Total								55,101,043	
Other Total Adjustments to 2011 Verified Results				8,707				55,101,045	
Other Total Adjustments to 2011 Verified Results Adjustments to 2012 Verified Results		213.515	156.735			942,317.539	616,320.385		
Other Total Adjustments to 2011 Verified Results Adjustments to 2012 Verified Results Energy Efficiency Total		213,515	156,735 142.670	168,583		942,317,539	616,320,385	753,683,966	
Other Total Adjustments to 2011 Verified Results Adjustments to 2012 Verified Results Energy Efficiency Total Demand Response Total	ults Total	208,015	142,670	168,583 280,099		4,901,107	2,427,011	753,683,966 5,046,495	
Other Total Adjustments to 2011 Verified Results Adjustments to 2012 Verified Results		_		168,583				753,683,966	

the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

results will be updated once sufficient information is

consider persistence of savings

**Net results substituted for gross results due to unavailability of data

poliances polian	0 0 0 -8,762 15 117 0 0 0 -8,630 4,504 541 0 3,243 492	0 0 1,036 0 0 0 0 0 0 0 0 1,036	2013	2014	0 0 -16,245,279 255,975 2,373,616 0 0 328,256 -13,287,430	0 0 1,854,833 0 0 0 0 0 0 0 0 1,854,833	2013	2014
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