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Overview of Cost Trends

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

OM&A costs in this application represent Wasaga Distribution Inc.'s ("WDI") integrated set of asset maintenance and customer activity needs to meet public and employee safety objectives, to comply with the Distribution System Code ("DSC"), environmental requirements and Government direction, and to maintain distribution business service quality and reliability at targeted performance levels. These costs represent the reasonably incurred cost to provide services to customers connected to WDI's distribution system, and to meet the service levels stipulated in the Standard Supply Service Code and the Retailer Settlement Codes.

WDI's affiliate Wasaga Resource Services Inc. ("WRSI") is a service company that provides all the manpower required by WDI to operate its distribution system. The costs for these services are passed through to WDI at a cost set out in the Master Service Agreement ("MSA") that is included in Exhibit 4, Attachment A. This MSA was rewritten for the first time in January 2013 and has maintained the same calculation from the original MSA of November 2001 which allows for increases based on customer growth and increased Distribution Revenue. However, both WDI & WRSI Board of Directors felt that the MSA should be reviewed. Based on that review a CPI increase from 2001 was taken into consideration and a return on capital for the assets WRSI uses for major software investments, vehicles and tools specifically related to WDI. These costs are then allocated to WDI on an actual cost basis plus a return to WRSI.

WRSI/WDI uses the MSA to track costs for operations, maintenance, capital, and administration with timesheets. WDI continues to use the methods of allocation of WRSI costs in its 2012 COS Application.

Administration costs for WDI and for Regulatory issues are take up a large amount of staff and management time and are a direct cost borne by WDI as set out in the MSA. As a result there is still a trending shift in cost areas of Management, Billing and Collecting.

As required in the Affiliate Relationship Code ("ARC"), WDI has one third of its Board of Directors as an Independent Director.

As shown in Table 4.1 below, WDI increase in OM&A spending from its 2012 Cost of Service ("COS") to the 2016 Test Year amounts to $525,522 or 20.61% over the last 4 years or a simple average of 5.15% per year.

In WDI's 2012 COS application (EB-2011-0103), WDI actually forecast OM&A spending of $2,081,831 and during settlement WDI's spend was reduced to $2,549,236. WDI's actual 2012 spend for 2012 ended up being $2,794,068 which was very close to the original application. This meant that WDI in its original 2012 rate application basically operated as WDI had forecasted it would. If the above analysis is compared to the 2012 actual OM&A costs (since those are the real costs of running WDI as it was stated and the actions support it) $3,074,782 divided by $2,794,068 is 10% which is 2.5% and this percentage is very close to inflation values.

Table 4.1: 2016 vs. 2012 Board Approved

	2012 Board Approved	2016	Variance from Board Approved
Operations	49,002	77,011	28,009
Maintenance	638,821	795,181	156,360
Billing and Collecting	881,150	1,027,236	146,086
Community Relations	9,800	17,803	8,003
Administrative and General (Includes LEAP)	970,463	1,157,551	187,088
Total OM&A Expenses	2,549,236	3,074,782	525,546
Percent change (year over year)		20.62%	

The majority of the increase can be attributed to maintenance (approx. $156,400) of the distribution system. Maintenance costs can include such activities as repairs, inspections, testing and cleaning are for the most part aimed at an increase in maintenance on overhead and underground assets. Billing and Collecting shows an increase of approximately $145,000 and Administration/General shows an increase of approximately $185,000. The major contributor to the increase in Billing/Collecting is increased labour/benefit costs and Bad Debt. Administration costs are mainly driven by increases in regulatory time and expenses and increased labour/benefit costs.

The overall cost driver between all years is the Master Service Agreement, for 2016 the increased percentage increase was 4.4% based on the CPI of 2% and budgeted increase in distribution revenue and customer growth. Salaries for non-union staff are adjusted in accordance with the Collective Agreement which can be found in Attachment B of this Exhibit.

The variance used to determine the OM&A accounts requiring analysis as described by the Filing Requirements issued July 16, 2015 is $50,000 for a distributor with revenue less than or equal to $10 million. WDI will provide analysis for all variances greater than $50,000 for OM&A.

OEB Appendix 2-JA below shows a summary of Wasaga Distribution Inc. Operations, Maintenance and Administrative ("OM&A") costs as required by the OEB's filing guidelines.

Appendix 2 - JA - Summaries of Recoverable OM&A Expenses

	Last Rebasing Year (2012 Board-Approved)	Last Rebasing Year (2012 Actuals)	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
Reporting Basis	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS
Operations	$ 49,002	$ 74,969	$ 68,206	$ 56,210	$ 72,958	$ 77,011
Maintenance	$ 638,821	$ 730,688	$ 708,240	$ 720,468	$ 755,540	$ 795,181
SubTotal	**$ 687,823**	**$ 805,657**	**$ 776,446**	**$ 776,678**	**$ 828,498**	**$ 872,192**
%Change (year over year)			-3.6%	0.0%	6.7%	5.3%
%Change (Test Year vs Last Rebasing Year - Actual)						8.3%
Billing and Collecting	$ 881,150	$ 1,005,998	$ 861,285	$ 941,897	$ 993,050	$ 1,027,236
Community Relations	$ 9,800	$ 11,652	$ 4,804	$ 7,473	$ 10,803	$ 17,803
Administrative and General	$ 970,463	$ 970,761	$ 1,058,736	$ 1,092,522	$ 1,118,729	$ 1,157,551
SubTotal	**$ 1,861,413**	**$ 1,988,411**	**$ 1,924,825**	**$ 2,041,892**	**$ 2,122,582**	**$ 2,202,590**
%Change (year over year)			-3.2%	6.1%	4.0%	3.8%
%Change (Test Year vs Last Rebasing Year - Actual)						10.8%
Total	**$ 2,549,236**	**$ 2,794,068**	**$ 2,701,271**	**$ 2,818,569**	**$ 2,951,080**	**$ 3,074,782**
%Change (year over year)			-3.3%	4.3%	4.7%	4.2%

Summary and Cost Driver Tables

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

In accordance with the OEB's minimum filing requirements, OEB Appendix 2-JB, below, outlines the key drivers of OM&A costs over the 2012 to 2016 period. The majority of the increase in costs is associated with the increases in the Master Service Agreement based on Distribution Revenue, Customer Growth and CPI. On the following pages are the explanations of year over year cost drivers. WDI will provide analysis for all variances greater than $50,000.

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

OM&A	Last Rebasing Year (2012 Actuals)	2014 Actuals	2015 Bridge Year	2016 Test Year
Reporting Basis	CGAAP	MIFRS	MIFRS	MIFRS
Opening Balance	$ 2,549,236	$ 2,701,271	$ 2,818,569	$ 2,951,080
Non MSA				
Prior Period Smart Meter Expenses 2008 - 2011 Disposition - EB-2011-0103	$ 150,949	$ -	$ -	$ -
Collection Expenses - Bad Debt (Decreases)/Increases	-$ 18,000	$ 25,000	$ 15,000	$ -
Third Party Service Providers	$ 8,000	-$ 30,000	$ -	$ -
Updated Collection Process	$ -	$ -	$ -	$ -
Governance Practices	$ -	-$ 3,000	$ 3,000	$ -
Regulatory Requirements	$ -	$ 25,000	$ 21,000	$ 10,000
Inflation impact on Non MSA Expenses	$ -	$ 11,500	$ 12,300	$ 13,000
System Monitoring Services	$ -	$ -	$ 8,000	$ -
MSA Adjustments				
Master Service Agreement contractual increases	$ 95,000	$ 88,304	$ 70,819	$ 102,664
Miscellaneous Remaining Balance	$ 8,883	$ 494	$ 2,392	-$ 1,962
Closing Balance	$ 2,794,068	$ 2,818,569	$ 2,951,080	$ 3,074,782

2012 Cost Drivers compared to 2012 Board Approved:

Smart Meter Expenses from WDI's COS Rate Application (EB-2011-0103) were approved outside of the OM&A expenses approved and were fully expensed in 2012. The total cost for disposition of the Smart Meter expenses was $150,000.

Master Service Agreement has an increase of $95,000 based on an additional 198 customers and $350,000 additional Distribution Revenue.

The following formula explains how the MSA is calculated from year to year:

MSA= (Residential Revenue/Residential Customer Count) x Increase in Residential Customers x 0.8 **PLUS** (GS Revenue/GS Customer Count) x Increase in GS Customers x 0.8 **PLUS** MSA Total from Previous Year.

2013 Cost Drivers:

Master Service Agreement has an increase of $73,000 based on an additional 277 customers and $470,000 additional Distribution Revenue and a CPI increase of 1.009.

Smart Meter Expenses were approved to be expensed in 2012 and therefore, the cost was not there in 2013.

2014 Cost Drivers:

Master Service Agreement has an increase of $88,000 based on an additional 169 customers and $220,000 additional Distribution Revenue and a CPI increase of 1.0258.

2015 Cost Drivers:

Master Service Agreement has an increase of $71,000 based on an additional 251 customers and $0 additional Distribution Revenue and a CPI increase of 1.02.

2016 Cost Drivers:

Master Service Agreement has an increase of $103,000 based on an additional 255 customers and $0 additional Distribution Revenue and a CPI increase of 1.02.

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

Table 4.2 shows the year over year variances of OM&A expenses from the 2012 Board Approved to the 2016 Test Year. A variance analysis of expenses exceeding the materiality threshold of $50,000 follows the table.

Table 4.2: Summary of Recoverable OM&A Expenses

	Last Rebasing Year (2012 Board-Approved)	Last Rebasing Year (2012 Actuals)	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
Reporting Basis	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS
Operations	$ 49,002	$ 74,969	$ 68,206	$ 56,210	$ 72,958	$ 77,011
Maintenance	$ 638,821	$ 730,688	$ 708,240	$ 720,468	$ 755,540	$ 795,181
SubTotal	**$ 687,823**	**$ 805,657**	**$ 776,446**	**$ 776,678**	**$ 828,498**	**$ 872,192**
%Change (year over year)			-3.6%	0.0%	6.7%	5.3%
%Change (Test Year vs Last Rebasing Year - Actual)						8.3%
Billing and Collecting	$ 881,150	$ 1,005,998	$ 861,285	$ 941,897	$ 993,050	$ 1,027,236
Community Relations	$ 9,800	$ 11,652	$ 4,804	$ 7,473	$ 10,803	$ 17,803
Administrative and General	$ 970,463	$ 970,761	$ 1,058,736	$ 1,092,522	$ 1,118,729	$ 1,157,551
SubTotal	**$ 1,861,413**	**$ 1,988,411**	**$ 1,924,825**	**$ 2,041,892**	**$ 2,122,582**	**$ 2,202,590**
%Change (year over year)			-3.2%	6.1%	4.0%	3.8%
%Change (Test Year vs Last Rebasing Year - Actual)						10.8%
Total	**$ 2,549,236**	**$ 2,794,068**	**$ 2,701,271**	**$ 2,818,569**	**$ 2,951,080**	**$ 3,074,782**
%Change (year over year)			-3.3%	4.3%	4.7%	4.2%

Table 4.3: 2012 Actual vs. 2012 Board Approved

	2012 Board Approved	2012	Variance from Board Approved
Operations	49,002	74,969	25,967
Maintenance	638,821	730,688	91,867
Billing and Collecting	881,150	1,005,998	124,848
Community Relations	9,800	11,652	1,852
Administrative and General (Includes LEAP)	970,463	970,761	298
Total OM&A Expenses	2,549,236	2,794,068	244,832
Percent change (year over year)		9.60%	

2012 Board Approved vs. 2012 Actual

The material variances above the 2012 Board Approved to the 2012 Actual include:

- Maintenance – WDI received its approval for the COS rate application late in 2012 which made it difficult to control costs. There was an increase in labour hours in the areas of Overhead & Underground Services and Line Transformer Maintenance for $135,000 and a decrease in labour hours for Maintenance of Poles, Towers & Fixtures for $45,000.

- Billing and Collecting – WDI received approval (EB-2011-0103) for disposition and recovery of costs related to the Smart Meter implementation for capital and OM&A costs effective November 29, 2012. The APH required that all Smart Meter Operating Costs, for the period 2009-2011, which were recorded in a deferral account, be recorded in 2012. This created a variance in the Billing and Collecting accounts for $130,000 and in the Maintenance accounts for $20,000.

Table 4.4: 2013 Actual vs. 2012 Actual

	2012	2013	Variance
Operations	74,969	68,206	- 6,763
Maintenance	730,688	708,240	- 22,448
Billing and Collecting	1,005,998	861,285	- 144,713
Community Relations	11,652	4,804	- 6,848
Administrative and General (Includes LEAP)	970,761	1,058,736	87,975
Total OM&A Expenses	2,794,068	2,701,271	- 92,797
Percent change (year over year)		-3.32%	

2013 Actual vs. 2012 Actual

The material variances from the 2012 Actual to the 2013 Actual include:

- Billing and Collecting – With the removal of the additional Smart Meter disposition costs in 2013 this set of accounts reduced by $145,000 to normal spending levels.
- Administration and General – There was an increase in labour hours in this area from the addition of hours to two positions which resulted in an overall increase of $60,000. The Miscellaneous General Expenses had a $10,000 overall increase due to an increase in membership fees.

Table 4.5: 2014 Actual vs. 2013 Actual

	2013	2014	Variance
Operations	68,206	56,210	-11,996
Maintenance	708,240	720,468	12,228
Billing and Collecting	861,285	941,897	80,612
Community Relations	4,804	7,473	2,669
Administrative and General (Includes LEAP)	1,058,736	1,092,522	33,786
Total OM&A Expenses	2,701,271	2,818,569	117,298
Percent change (year over year)		4.34%	

2014 Actual vs. 2013 Actual

The material variances from the 2013 Actual to the 2012 Actual include:

- Billing and Collecting – There were small increases overall in this area but two of the larger increases related to an increase in paper stock and the implementation of File Nexus for document storage and retention.

Table 4.6: 2015 Bridge Year vs. 2014 Actual

	2014	2015	Variance
Operations	56,210	72,958	16,748
Maintenance	720,468	755,540	35,072
Billing and Collecting	941,897	993,050	51,153
Community Relations	7,473	10,803	3,330
Administrative and General (Includes LEAP)	1,092,522	1,118,729	26,207
Total OM&A Expenses	2,818,569	2,951,080	132,510
Percent change (year over year)		4.70%	

2015 Bridge vs. 2014 Actual

The material variances from the 2015 Bridge Year to the 2014 Actual include:

- Billing and Collecting – There were small increases overall in this area as in 2014. The increases that ranged from $5,000 to $15,000 included postage, bill print fees, labour costs and bad debt expenses.

Table 4.7: 2016 Test Year vs. 2015 Bridge Year

	2015	2016	Variance
Operations	72,958	77,011	4,053
Maintenance	755,540	795,181	39,641
Billing and Collecting	993,050	1,027,236	34,186
Community Relations	10,803	17,803	7,000
Administrative and General (Includes LEAP)	1,118,729	1,157,551	38,822
Total OM&A Expenses	2,951,080	3,074,782	123,702
Percent change (year over year)		4.19%	

2016 Test vs. 2015 Bridge

Between the 2016 Test Year to the 2015 Bridge Year there are no significant material variances.

There is no effect on WDI's OM&A expenses due to changes in capitalization as burdens have not been capitalized by WDI as WDI does not build their assets.

OEB Appendix 2-L Recoverable OM&A Cost per Customer and per FTE, outlines the cost per customer per full time employee. This information is provided for the 2012 to 2016 period, in accordance with the OEB's minimum filing requirements, discussions of cost per customer follows the Appendix.

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

	Last Rebasing Year - 2012- Board Approved	Last Rebasing Year - 2012- Actual	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
Reporting Basis	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS
Number of Customers [2,4]	15,009	15,063	15,420	15,689	15,897	16,126
Total Recoverable OM&A from Appendix 2-JB	$ 2,549,236	$ 2,794,068	$ 2,701,271	$ 2,818,569	$ 2,951,080	$ 3,074,782
OM&A cost per customer	$ 169.85	$ 185.49	$ 175.18	$ 179.65	$ 185.63	$ 190.67
Number of FTEs [3,4]	20	20	19.5	19.5	19.1	19
Customers/FTEs	750.45	753.15	790.77	804.56	832.33	848.74
OM&A Cost per FTE	$ 127,461.80	$ 139,703.40	$ 138,526.72	$ 144,542.02	$ 154,506.80	$ 161,830.62

WDI is a virtual utility with no employees. However, under Chapter 2 of the OEB Filing Requirements it states *"Applicants which are virtual utilities (i.e. utilities which have outsourced* *the majority of functions, including employees, to affiliates) must also complete the appendix in relation to the employees who are doing the work for the regulated utility."* WDI has complied with this direction in the provision of this Appendix and Appendix 2-K – Employee Costs.

As shown in the OEB appendix above, the OM&A cost per customer in the Test Year has increased by approximately $21.00 per customer since the 2012 Board Approved costs. However, as stated on page 4 of this Exhibit, If you compare the increase from 2012 actual spend the increase would be very modest at $5.18 per customer.

According to the 2014 Yearbook of Electricity Distributors released July 31, 2015, WDI's 2014 OM&A cost per customer is well below the provincial average of $339.

Program Delivery Costs with Variance Analysis

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

The following section describes programs which Wasaga Distribution Inc. is in the process of adopting. The categorization of USoA account/functions has been based on the RRFE categories, Customer Focus, Operational Effectiveness and Public & Regulatory Responsiveness.

Program Overview

WDI aims to meet or exceed the system maintenance and inspection requirements of the DSC in order to minimize subsequent repair and/or replacement costs. Section 4.4.1, of the DSC states:

"A distributor shall maintain its distribution system in accordance with good utility practice and performance standards to ensure reliability and quality of electricity service, on both a short-term and long-term basis."

The following OM&A programs are consistent with good utility practices.

Customer Focus

- Customer Premise
- Community Relations
- Bad Debts
- Billing, Collecting, Customer Service
- Service Locates

Operational Effectiveness

- Meter Maintenance & Readings
- Overhead Maintenance
- Underground Maintenance
- Engineering

- Education, Health & Safety
- Distribution Station Maintenance
- Fleet Costs
- Building Maintenance
- Vegetation Management
- Administration & Financial

Public and Regulatory Responsiveness

- Governance
- Regulatory Compliance
- Legal & Financial
- Smart Meter OM&A Disposition
- Insurance
- Other

Each program is discussed further below.

CUSTOMER FOCUS

Customer Premise:

As stated in WDI's strategic plan for Customer Focus: "Dedication to continuing provision of excellence in all facets of customer service including billing and service inquiries." Part of WDI's customer focus is to record costs associated with going to a customer's property to deal with service complaints and inspecting premises for wiring. WDI has seen costs increase in this area consistently through the years of this application.

Community Relations:

The costs included in the Community Relations cost category are related to the functions of the WDI community safety programs, and activities related to corporate and customer communications.

Bad Debt:

Unfortunately bad debt costs are the nature of any business. However, due to the stringent requirements for the treatment of low income customers more focus is needed by the Collections Department to assist this group of customers**.** Overdue final accounts are assigned to a Collection Agency 60 days after the due date. WDI is now experiencing an increase in its bad debt expense that is attributed to an overall decline in the economy, increased rates and in 2014 a colder winter that increased consumption for electric heating customers.

Billing, Collecting & Customer Service:

WDI's one billing staff is responsible for all billing activities supporting approximately 13,500 customers in WDI's service territory, Wasaga Beach. This includes the provision monthly billing that results in Wasaga Distribution Inc. issuing over 150,000 invoices annually in addition to approximately 1,350 final bills for customers moving within or outside of Wasaga Distribution Inc.'s service territory. The Billing Department is responsible for managing Electronic Business Transactions ("EBT") and retailer settlement functions for just over 450 retailer accounts; account adjustments; processing of meter changes (e.g. re-verification); and other various account related field service orders, and mailing services. In 2014 WDI produced approximately 160,000 bills with a billing accuracy of 99.92%.

WDI offers customers a number of billing and payment options including an equal payment plan, and credit card payments. In addition, customers can view their usage and manage their consumption using an online application.

Collection activity is not exclusive to overdue accounts; it also includes the adoption and continued application of the Customer Service Amendments consistent with the OEB's DSC Our Collection department is also responsible for the activation of the equal payment program and processing the bank line payments.

WDI endeavours to maintain an early collections process to minimize the number of accounts that near the disconnection stage. Active accounts are collected through phone calls, notices, and hand delivered letters. Overdue final accounts are assigned to a Collection Agency 60 days after the due date.

The Customer Service staff (CSR), which includes all Administration staff, are responsible for handling day to day customer inquiries in regards to their accounts and fielding numerous other questions as they relate to Government and Regulatory policy, conservation and demand management, pricing and consumption inquiries. In addition to this function, CSR's are also responsible for processing of payments dropped off at our office, going to the mail and processing those payments, responding to emails, and numerous other administrative tasks.

As the number of electricity end users in our service area increases and changes occur within Ontario's electricity market, WDI's call and correspondence volumes will continue to increase.

Service Locates:

A significant portion of WDI.'s distribution system is buried. Whenever WDI's customers are preparing to excavate they contact Ontario One Call to request that a Locate be performed. Ontario One Call relays the customer's request to WDI. A customer service employee fulfills the request within the mandated 5 business day window; this data is valid for 30 calendar days. The employee provides the scans the data directly to the requesting customer and also to WDI. so that the customer can safely commence their planned excavation. This is a reactive activity and in 2014 WDI responded to over 1,600 requests. Since the commencement of Ontario One Call WDI has responded to an increased number of locates each year.

OPERATIONAL EFFECTIVENESS

Meter Maintenance & Reading:

This department is responsible for the installation, testing, and commissioning of new metering and for the ongoing operations of existing metering, both simple and complex metering installations. Testing of complex metering installations ensures the accuracy of the installation (e.g. to verify that the appropriate meter multipliers are applied through the billing process). Metering will also investigates potential stopped meters, diversion and/or theft of power which may give rise to unsafe conditions or risk other customers being inappropriately held financially responsible for costs. The Metering group benefits customers in two ways: first, the ongoing accurate operation of meters provides real time operating data to the SCADA and other systems that supports System Operations, and second, because it ensures that bills are computed correctly and, hence, that customers are fairly charged for the services provided.

Overhead and Underground Maintenance:

WDI’s strategy is to provide safe, reliable service at an appropriate level of quality throughout the licensed service area. WDI.’s maintenance strategy is an important part of its overall strategy of minimizing the life cycle costs of assets by minimizing reactive and emergency-type work, through an effective planned maintenance program (including predictive and preventative actions). These strategies are implemented through work practices that promote a good experience for the customer with regard to safety, security of supply, continuity of service, the timely restoration of service and the minimization of undesirable service conditions. Wasaga Distribution Inc.’s customers receive high quality services. Customers see that the system is in a state of good repair, that crews are engaged in inspection, testing, cleaning, and verification activities. Increasingly however, WDI’s assets and services are less visible – underground conductors encased in conduits, Smart Meters that do not need to be read manually and, system monitoring (e.g. for voltage sag, line balancing, to ensure backup can be realized) via electronic devices that communicate wirelessly and provide real time analysis that has less of an impact on customers.

WDI’s., underground and overhead maintenance expenses include all costs relating to the operation and maintenance of WDI’s distribution system. This includes both direct labour costs and non-capital material spending to support both scheduled and reactive maintenance events. In addition, costs are allocated from support departments to cover the costs of burdens. WDI’s existing overhead plant is on the most part over 40 years old and will require increased maintenance costs until it can be replaced as part of the capital asset plan.

Engineering:

WDI provides Offers to Connect requests from developers for the design and installation of distribution plant for projects that require expansion to WDI’s system. WDI must also maintain the collection, analysis and allocation of materials, and labour for the overall system planning, coordination and management of the distribution system design, through construction activities to enhance, modify and renew the distribution system.

WDI monitors its' distribution station transformers and feeders through a Supervisory Control and Data Acquisition (SCADA) system. Real-time breaker status, voltage and current readings from their five owned stations are on display in the engineering office. The SCADA system can also coordinate field work to establish and preserve work protection and safe conditions for the crews doing work on the system.

Engineering analysis software (DESS) is used to perform what-if analyses, too help reduce unwarranted capital expenditures and assist in load forecasting.

Education, Health and Safety:

Under the Occupational Health and Safety Act and the corporation's Health and Safety Policy, the organization is committed to the promotion of the health, safety and well-being of all members of the community, to the provision of a safe and healthy work environment, and to the prevention of occupational injuries and illnesses. To ensure that the company meets its obligations, the Board of Directors, through the Joint Health and Safety Committee, annually reviews the Occupational Health and Safety Policy, evaluates performance indicators of key areas and approves annual health and safety goals and objectives.

The Corporation subscribes to an Internal Responsibility System (IRS) of accountability for health and safety where all employees take responsibility for their own safety and that of their coworkers. This can only be accomplished when managers and supervisors, whether trades or administrative, promote and enforce safety rules for the safeguard of individuals under their direction and workplaces under their charge.

Since WRSI/WDI has less than 20 employees, the formation of the JH&SC was a voluntary and proactive undertaking. In addition to establishing the committee, all four members have successfully completed the certification training. The committee plays an essential role in the maintenance of a safe and healthy work environment at the utility and members meet regularly to discuss health and safety issues, conduct regular workplace inspections and make recommendations related to workplace health and safety. They are consulted in the development and review of health and safety policies and programs.

Conceived and administered by the Infrastructure Health and Safety Association (IHSA), ZeroQuest is an auditing program designed to guide workplaces to implement, sustain and continually improve their health and safety management system. At this time, WDI has successfully attained levels from commitment up to Outcomes II and is working towards achieving Outcomes III.

An effective training program can reduce the number of injuries, property damage, legal liability, illnesses, WSIB claims, and missed time from work. It is important that employees are properly trained and embrace the importance of workplace safety. The establishment of hands-on, innovative and effective safety training ultimately leads to an effective safety culture in which employees themselves help promote proper safety procedures while on the job. Employees are offered training courses on a range of topics, including First Aid, introduction to supervising, working with propane and chainsaw safety among many others.

The Corporation also encourages, supports, and offers health-related programs that assist employees in achieving ownership for their physical, mental, and emotional well-being, resulting in improving the overall health and well-being for all employees. In 2011, the Corporation documented its Company Wellness Policy to acknowledge that the key elements of a healthy workplace include the physical environment, health practices, social environment and personal resources. Employees are offered wellness education and assessments on a variety of issues, including nutrition, ergonomic, hearing and sound exposure levels to name a few.

Distribution Station Maintenance:

WDI owns and operates five municipal stations, all fed from the 44kV system and stepped down to 8.32kV. All these stations are located within the Town of Wasaga Beach. WDI also has one spare transformer that is a 5MVA that resides at WDI’s service centre. This transformer can be installed temporarily or permanently with minor modifications at any of the existing five stations.

In 2012, WDI invested in a SCADA system at its five stations. Furthermore, WDI utilizes the services of Utilismart to provide remote meter readings to some of its stations, PMEs, large customers, and generation customers. This assists in more accurate and timely station and feeder loading models. Additionally, WDI implemented a GIS to assist in mapping assets, and improving data input for increased system optimization.

WDI maintenance consists of completing visual inspections as per the OEB's DSC requirements of its plant and performs predictive testing on certain assets where such testing is available, and replaces assets based on inspection and testing results as warranted. Additionally, infrared scanning and oil sampling are completed every two years for asset optimization.

Fleet Costs:

WDI does not currently own any vehicles. Through the MSA, WDI contracts WRSI to maintain service vehicles required for WDI to conduct distribution activities in its service territory. WRSI operates an 8 - vehicle fleet. Fleet management and operations are geared to minimizing vehicle down time so that there are no inappropriate delays to dispatching a trouble crew to restore service and to maintain vehicle reliability and safety.

WRSI maintains and operates the following fleet of vehicles and rolling stock comprised of:

- Pick-up Trucks (2)
- A Single and a Double Bucket Truck
- SUV`s (2)
- Radial Boom Derrick (RBD) (1)
- Trailers (9)
- Chipper (1)

All of which have an established replacement cycle that can be adjusted depending on their particular condition and duty of the individual vehicle. Replacements are reviewed annually and are accommodated within WRSI's capital budgeting process.

Building Maintenance:

Building Maintenance expenditures are required for the repair maintenance and upkeep of our Administration Building and our Service Centre Facility. WDI also owns and maintains an exterior storage yard for inventory.

Vegetation Management (Tree Trimming):

WDI's service territory is very heavily treed and a large number of unplanned outages are caused by tree contact; therefore, regular vegetation management is required. WDI's regular vegetation management is based on a regular cyclical geographically based schedule as well as input from routine inspections. Vegetation is managed to ensure there is adequate clearance between the line and any trees or other vegetation that could interfere with the operation of the power system.

To manage the all tree trimming activities required for WDI and outside contractor is also used.

Tree trimming is a critical element of the overall maintenance program that brings measurable results to the utility. Wasaga Distribution Inc. is proactive to minimize the destructive impact caused by trees.

Administration & Financial:

The program includes administrative/financial costs incurred annually as part of the utility's business operations. These costs also include general accounting, policy development and human resources. This program covers preparation of statutory, management and financial reporting; accounts payable and general accounting; treasury functions, including borrowing and cash management; financial risk management; accounting systems and internal control processes; preparation of consolidated budgets and forecasts; and tax compliance. The executive team is responsible for the decision making for all financial and non- financial aspects of the utility.

PUBLIC AND REGULATORY COMPLIANCE

Governance:

The WDI Board of Directors is responsible for the strategic and executive leadership and direction of WDI in accordance with WDI's strategic plan. The costs associated with this program include salaries for the 1 Chair and 4 Directors of WDI only. Other costs included are meeting costs and participation in conferences.

Regulatory Compliance:

These program costs are related to WDI's commitment to comply with Ontario's evolving energy market, changing government policy and evolving regulatory framework. Regulatory issues are a direct cost borne by WDI as set out in the Master Service Agreement (MSA). These costs are related to WDI's commitment to comply with Ontario's evolving energy market, changing government policy and evolving regulatory framework. The increased complexity in the regulatory environment, such as, RRFE, Distribution System Plan all can increase spending. WDI constantly searches was ways to minimize costs through its collaboration with CHEC and Utility Collaborative Services.

Legal and Financial:

The program includes costs such as auditor, outside consultants and legal costs incurred annually as part of the utility's business operations. This program covers preparation audited financial statements, legal costs for preparation of documents or advice and consultants for the SRED application within WDI's tax filing.

Smart Meter OM&A Disposition:

This was a one-time program related to the disposition of WDI's smart meters but had a significant cost attached in 2012 it was separated out as a program. WDI received approval (EB-2011-0103) for disposition and recovery of costs related to the Smart Meter implementation for capital and OM&A costs effective November 29, 2012. The APH required that all Smart

Meter Operating Costs, for the period 2009-2011, which were recorded in a deferral account, be recorded in 2012.

Insurance:

This program includes costs for executive insurance, liability insurance and property insurance required to protect WDI in its daily operations.

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

Appendix 2 – JC shows WDI's OM&A Programs and Table 4.8 shows the year over year variances of OM&A programs for 2012 Board Approved to the 2016 Test Year. A variance analysis of expenses exceeding the materiality threshold follows the table.

OEB Appendix 2-JC – OM&A Programs Table

Programs	Last Rebasing Year (2012 Board-Approved)	Last Rebasing Year (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 (2012 Board-Approved)
Reporting Basis	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	CGAAP
Customer Focus								
Customer Premise	$ 12,494	$ 17,860	$ 27,182	$ 32,234	$ 38,567	$ 40,479	$ 8,245	$ 27,986
Community Relations	$ 9,800	$ 11,652	$ 4,804	$ 7,473	$ 10,803	$ 17,803	$ 10,330	$ 8,003
Bad Debts	$ 64,500	$ 46,500	$ -	$ 25,000	$ 40,000	$ 40,000	$ 15,000	-$ 24,500
Billing, Collecting, & Customer Service	$ 677,588	$ 684,418	$ 698,643	$ 752,709	$ 788,974	$ 816,617	$ 63,908	$ 139,029
Service Locates	$ 66,452	$ 74,331	$ 84,282	$ 77,817	$ 106,228	$ 110,753	$ 32,937	$ 44,301
Sub-Total	$ 830,834	$ 834,761	$ 814,912	$ 895,233	$984,572	$1,025,653	$ 130,420	$ 194,819
Operational Effectiveness								
Meter Maintenance and Readings	$ 120,732	$ 127,322	$ 140,656	$ 142,538	$ 138,897	$ 145,189	$ 2,651	$ 24,457
Overhead Maintenance	$ 259,595	$ 312,301	$ 299,147	$ 260,913	$ 280,911	$ 288,323	$ 27,410	$ 28,728
Underground Maintenance	$ 30,148	$ 56,758	$ 43,363	$ 62,790	$ 54,631	$ 64,117	$ 1,327	$ 33,968
Engineering	$ 19,023	$ 35,937	$ 13,094	$ 21,322	$ 25,939	$ 32,725	$ 11,402	$ 13,702
Education, Heath & Safety	$ 139,611	$ 107,520	$ 134,608	$ 126,585	$ 148,190	$ 150,962	$ 24,377	$ 11,351
DS Maintenance	$ 28,633	$ 24,825	$ 32,304	$ 15,550	$ 21,901	$ 22,941	$ 7,391	-$ 5,692
Fleet costs	$ 28,406	$ 28,406	$ 18,192	$ 21,867	$ 33,948	$ 36,973	$ 15,106	$ 8,567
Building Maintenance	$ 34,106	$ 36,793	$ 36,693	$ 38,483	$ 37,908	$ 39,285	$ 802	$ 5,179
Vegetation Maintenance	$ 166,487	$ 175,146	$ 181,220	$ 216,552	$ 185,331	$ 192,933	-$ 23,619	$ 26,446
Administrative and Financial	$ 669,285	$ 698,524	$ 769,336	$ 838,050	$ 843,014	$ 862,037	$ 23,987	$ 192,752
Sub-Total	$ 1,496,024	$ 1,603,531	$ 1,668,612	$ 1,744,650	$1,770,670	$1,835,484	$ 90,834	$ 339,459
Public and Regulatory Responsiveness								
Governance	$ 46,060	$ 44,249	$ 52,976	$ 48,177	$ 51,153	$ 55,675	$ 7,498	$ 9,615
Regulatory Compliance	$ 83,188	$ 60,951	$ 59,602	$ 61,088	$ 62,059	$ 71,638	$ 10,550	-$ 11,550
Legal and Financial	$ 70,043	$ 77,509	$ 81,009	$ 42,537	$ 54,000	$ 57,000	$ 14,463	-$ 13,043
Smart Meter OM&A Disposition	$ -	$ 150,949	$ -	$ -	$ -	$ -	$ -	$ -
Insurance	$ 11,987	$ 11,589	$ 13,054	$ 15,477	$ 17,050	$ 17,391	$ 1,914	$ 5,404
Other	$ 11,100	$ 10,529	$ 11,106	$ 11,407	$ 11,577	$ 11,941	$ 534	$ 841
Sub-Total	$ 222,378	$ 355,776	$ 217,747	$ 178,686	$ 195,838	$ 213,645	$ 34,959	-$ 8,733
TOTAL OM&A	**$ 2,549,236**	**$ 2,794,068**	**$ 2,701,271**	**$ 2,818,569**	**$ 2,951,080**	**$ 3,074,782**	**$ 256,213**	**$ 525,546**

Table 4.8: OM&A Program Variances

Programs	2012 vs2012 BA	2013 vs 2012	2014 vs 2013	2015 vs 2014	2016 vs 2015
Reporting Basis	CGAAP	CGAAP	CGAAP/MIFRS	MIFRS	MIFRS
Customer Focus					
Customer Premise	$ 5,366.74	$ 9,322.13	$ 5,051.62	$ 6,332.98	$ 1,912.20
Community Relations	1,852.00	-6,848.00	2,668.90	3,330.10	7,000.00
Bad Debts	-18,000.00	-46,500.00	25,000.00	15,000.00	0.00
Billing, Collecting & Customer Service	6,829.85	14,225.52	54,065.61	36,264.42	27,643.94
Service Locates	3,927.54	-19,849.55	80,321.07	89,339.08	41,081.10
Sub-Total	-$23.87	-$49,649.90	$167,107.20	$150,266.58	$77,637.24
Operational Effectiveness					
Meter Maintenance & Readings	$6,590.41	$13,334.07	$1,881.11	-$3,640.71	$6,291.76
Overhead Maintenance	52,705.93	-13,154.17	-38,233.24	19,998.11	7,411.85
Underground Maintenance	26,609.91	-13,395.54	19,426.92	-8,158.96	9,486.07
Engineering	16,913.76	-22,842.74	8,228.28	4,616.73	6,785.72
Education	-32,091.31	27,088.14	-8,023.00	21,605.51	2,771.76
Distribution Station Maintenance	-3,807.39	7,478.21	-16,753.58	6,351.20	1,039.44
Fleet Costs	0.00	-10,213.60	3,674.92	12,081.11	3,025.00
Building Maintenance	2,686.89	-99.47	1,789.63	-574.75	1,376.99
Vegetation Maintenance	8,659.00	6,074.00	35,332.25	-31,221.25	7,602.00
Administration & Financial	29,239.56	70,812.21	68,714.06	4,963.39	19,023.17
Sub-Total	$107,506.76	$65,081.11	$76,037.35	$26,020.38	$64,813.76
Public & Regulatory Responsiveness					
Governance	-$1,811.00	$8,727.00	-$4,799.46	$2,976.14	$4,522.32
Regulatory Compliance	-22,237.00	-1,349.00	1,485.91	970.93	9,579.16
Legal & Financial	7,466.00	3,500.14	-38,472.14	11,463.00	3,000.00
Insurance	-398.00	1,465.00	2,423.48	1,572.52	341.00
Other	-571.00	577.00	301.49	169.04	364.71
Sub-Total	-$17,551.00	$12,920.14	-$39,060.72	$17,151.63	$17,807.19
TOTAL	$89,931.89	$28,351.35	$204,083.83	$193,438.59	$160,258.19

Variance Analysis Programs Discussion:

In accordance with Chapter 2 Filing Requirements, WDI's materiality threshold is $50,000 for a distributor with a distribution revenue requirement less than or equal to $10 million.

Customer Focus – Billing, Collections & Customer Service:

2016 Test Year vs. 2014 Actual – Increase of $63,908

- WDI had a general increase in labour dollars and the resulting burdens from Collective Agreement increases from 2014 to 2016 for $35,000. None of these increases are controllable by WDI and are not the result of adding employees.
- This is a very large program area and as such there are gradual increases in several areas that are minimal; however, the larger increases relate to increase in mailing costs from WDI's increased customer numbers resulting in postage increases, our outsourced mailing contract increases and bill print material in the amount of $24,000

2016 Test Year vs. 2012 Board Approved – Increase of $139,029

- In WDI's 2012 COS Application, the Board Approved OM&A was not sorted by program but by individual accounts. Also, WDI was given a blanket approval for OM&A However, WDI has done its best to allocate the approved amounts into the requirement for program based analysis.
- WDI had a general increase in labour dollars and the resulting burdens from Collective Agreement increases between 2012 and 2016. None of these increases are controllable by WDI and are not the result of adding employees.
- In WDI's continued focus on customer service and recognizing the fact that WDI's customers prefer face to face communication instead of automated systems, WDI started hand delivering 48 hour disconnection notices to customers in 2013. This resulted in increased costs of $40,000 and this activity was outsourced as the staffing levels in-house were not sufficient.
- General increases in bill production to WDI's customers resulted in an increase of $63,000. As in 2014 vs. 2016 a large part of this increase relates to WDI's increase in customers from 2012 to 2016 from 12,500 to 13,500.
- Document retention is very important in relation to Customer Service in that it allows staff to quickly access data required to aid Customers in their inquiries. As such. File

Nexus was put in place in 2014 to enable the recovery of data for a cost of $10,000. This will be an ongoing cost for support and further program implementation.

Operational Effectiveness – Administration and Financial:

<u>2016 Test Year vs. 2012 Board Approved – Increase of $192,752</u>

- In WDI's 2012 COS Application, the Board Approved OM&A was not sorted by program but by individual accounts. Also, WDI was given a blanket approval for OM&A However, WDI has done its best to allocate the approved amounts into the requirement for program based analysis.
- WDI has a general increase in labour dollars and the resulting burdens from Collective Agreement increases between 2012 and 2016. As with other utilities WDI experience large increases in OMERs. The staff in this program are non-union but do follow the same salary increases as the unionized employees. In 2013 the WRSI Board of Directors recognized the education taken by of one of the employees and that staff's annual salary increased by 20%. None of these increases are controllable by WDI and are not the result of adding employees.
- In 2013, the MSA was rewritten to include an adjustment for the Administration Expense Transfer that was charged to WDI to include a Consumer Price Index (CPI) increase. As a result in 2013 the charge went from $0.25/bill to $0.34/bill. Each year following 2013 this charge is adjusted by the CPI index. As a result there has been an increase of $19,000 to prepare WDI's bill for its customers.
- WDI has a strong commitment to collaboration in order to save costs to customers and at the same time keep up to date on the every changing utility environment. WDI works with Utility Standards Form (USF), Cornerstone Hydro Electric Concepts (CHEC) and the Electricity Distributors Association (EDA). As with any membership WDI does experience increases for approximately $13,000.
- In 2012, WDI implemented a new financial software package, Great Plains (GP). The finance team was dealing with a very antiquated financial package and a lot of the tracking for assets and variance accounts had to be completed outside of the software. With the implementation of this software all of these activities could be moved into GP which saved time and potential keying errors. The cost of this financial package was paid by WRSI, however; the maintenance fees paid by WDI within the MSA are $16,000.

- General office expenses have incremental increases year over year and include such things as internet fees, phones, office supplies which are all necessary to maintain a smooth office environment. Overall increases in this area approximately 15,000.

Public and Regulatory Responsiveness:

There are no variances above the materiality threshold in this program area.

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

WDI's overall compensation philosophy 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. WDI's workforce is comprised of both unionized and non-unionized employees.

Compensation - Union

Compensation for unionized employees is negotiated through the collective bargaining process. When negotiating wage levels, consideration is given to the skill sets required to work within our distribution system, as well as the competitive wage levels of its geographic market. They are represented by the International Brotherhood of Electrical Workers (IBEW) Local 636.

WDI's Collective Agreement with unionized staff provides for annual pay increases and employee step progressions. Labour rates and benefits are adjusted annually based on negotiated percentages are per the collective agreement. The current collective agreement commenced August 16, 2014 and will expire August 15, 2018. WDI negotiated annual wage increase for 2014 to 2017 are 2.25%, 2.0%, 2.0% and 2.0% respectively.

Compensation – Non-Union

Annual pay increases for non-union employees are based on negotiated settlements for the unionized staff. In 2008 the Hay system was used to evaluate non-union and management positions and this system of pay grids has been kept in place. Management staff does not receive an incentive or bonus pay.

Pension

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

Benefits

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

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

OEB Appendix 2-K presented at the next page details Wasaga Distribution Inc.'s employee compensation.

In accordance with Board policy which states that: "Where there are three, or fewer, full-time equivalents (FTEs) in any category, Wasaga Distribution Inc. may aggregate this category with the category to which it is most closely related. This higher level of aggregation may be continued, if required, to ensure that no category contains three, or fewer, FTEs", WDI has separated out its three management employees in the FTE's but has lumped them in with the non-union employees for all other reporting in OEB Appendix 2-K.

OEB Appendix 2-K – Employee Compensation

	Last Rebasing Year - 2012- Board Approved	Last Rebasing Year - 2012- Actual	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
Number of Employees (FTEs including Part-Time)[1]						
Management (including executive)		3.00	3.00	3.00	3.00	3.00
Non-Management (union and non-union)	20.00	17.00	16.50	16.50	16.10	16.00
Total	20	20	20	20	19	19
Total Salary and Wages including ovetime and incentive pay						
Management (including executive)	$ -					
Non-Management (union and non-union)	$ 1,447,165	$ 1,432,375	$ 1,443,187	$ 1,582,288	$ 1,502,991	$ 1,548,464
Total	$ 1,447,165	$ 1,432,375	$ 1,443,187	$ 1,582,288	$ 1,502,991	$ 1,548,464
Total Benefits (Current + Accrued)						
Management (including executive)	$ -					
Non-Management (union and non-union)	$ 370,792	$ 350,449	$ 357,525	$ 374,598	$ 369,434	$ 383,502
Total	$ 370,792	$ 350,449	$ 357,525	$ 374,598	$ 369,434	$ 383,502
Total Compensation (Salary, Wages, & Benefits)						
Management (including executive)	$ -	$ -	$ -	$ -	$ -	$ -
Non-Management (union and non-union)	$ 1,817,957	$ 1,782,824	$ 1,800,712	$ 1,956,886	$ 1,872,424	$ 1,931,966
Total	$ 1,817,957	$ 1,782,824	$ 1,800,712	$ 1,956,886	$ 1,872,424	$ 1,931,966

Staffing and Compensation:

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

The salaries and wage amounts include all salaries and wages paid, inclusive of overtime, vacations, float holidays, sick leave, bereavement leave, union meetings and other miscellaneous paid leave. The benefit amounts include the, employer's portion of statutory benefits (CPP and EI) employer contributions to EHT, WSIB, OMERS and WDI's costs for providing extended health care, dental, long-term disability, life insurance and the Employee Assistance Program.

Employee Staffing Levels:

Management staffing levels have not changed since WDI's last Cost of Service Application. The only change in union/non-union staffing levels has been transitions of staff for replacement or succession planning purposes. There are no anticipated staffing increased for the 2016 Test Year.

Annual Wages:

A summary of annual wage increases is presented in Table 4.9.

Table 4.9: Summary of Wage Increases by Year

Union/Non-Union			Management		
Year	% Increase	Cummulative	Year	% Increase	Cummulative
Aug. 16, 2012	3.00%	3.00%	Jan. 01, 2012	3.00%	3.00%
Aug. 16, 2013	3.00%	6.00%	Jan. 01, 2013	3.00%	6.00%
Aug. 16, 2014	2.25%	8.25%	Jan. 01, 2014	3.00%	9.00%
Aug. 16, 2015	2.00%	10.25%	Jan. 01, 2015	2.25%	11.25%
Aug. 16, 2016	2.00%	12.25%	Jan. 01, 2016	2.00%	13.25%

Benefit Program Costs:

A detailed summary of benefit program costs are presented in Table 4.10.

Statutory deductions have increased 9% been 2012 Actual and the 2016 Test Year as a result of statutory rate increases and wage increases.

Company benefits have increased 15% over the same time period mainly as a result of OMERS increases. Health and dental benefits have remained relatively stable with the increases mainly due to staff changing from single to family benefits. An Employee Assistance Program was implemented part way through 2012 to complement WDI's Health and Wellness program.

WDI does not pay Employee Future Benefits; WRSI is completely responsible for this expense. WRSI's latest Actuarial Report is found in Exhibit 4, Attachment C.

Table 4.10: Benefit Expenses

Benefit	2012 Actual	2013 Actual	2014 Actual **(27 Pays)**	2015 Bridge	2016 Test
Statutory					
CPP	42,939	43,588	45,177	44,812	46,421
EI	19,862	21,096	22,335	22,950	23,409
EHT	29,661	27,813	30,662	28,005	28,883
WSIB	12,805	13,284	13,995	14,300	15,985
Total Statutory	105,267	105,781	112,169	110,067	114,698
Company					
OMERS	131,054	148,300	161,009	152,972	160,131
Health	49,566	48,087	42,175	45,140	50,155
Dental	38,379	30,854	30,065	32,618	36,242
Life Insurance	9,997	11,717	10,662	11,038	11,547
LTD	22,189	23,534	21,081	20,530	20,660
EAP**	504	1,309	1,236	1,304	1,304
Total Company	251,689	263,801	266,228	263,602	280,039
EFB****	0	0	0	0	0
Total Benefit Costs	356,956	369,582	378,397	373,669	394,737

** Started July 2012
****WDI does not pay Employee Future Benefits

OMERS Pension Plan:

WDI employees are members of the Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan that most LDC's participate in, therefore the pension benefit provided to WDI's employees is consistent with that of other LDC's. The plan is a contributory defined benefit pension plan which is finance by equal contributions from the employer and employee based on the employee's contributory earnings. WDI's pension premium information for 2012 Actual, 2013 Actual, 2014 Actual, 2015 Bridge Year and 2016 Test Year is detailed in Table 4.11 below. For the 2015 Bridge and 2016 Test Year, WDI assumed OMERS rates of 9% on earnings up to CPP earnings limits and 14.6% on earnings over CPP earnings limit.

Table 4.11: OMERS Pension Expense

Benefit	2012 Actual	2013 Actual	2014 Actual **(27 Pays)**	2015 Bridge	2016 Test
OMERS	131,054	148,300	161,009	152,972	160,131

The increase in OMERS premiums from 2012 through 2016 are explained by increases in pension contribution rates and incremental increases in staff wages.

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

Services to Affiliates:

WDI has an executed Land Lease with the Town of Wasaga Beach for the lease of land on the Administration Building site for a Fire Hall that was built in 2012. The value of the land was appraised in 2012. The lease is paid quarterly and each year a CPI adjustment is made to the lease price. OEB Appendix 2-N shows the amount of costs collected from the Town of Wasaga Beach to WDI.

WDI also has an agreement with WRSI to lease/rent the Administration Building. In 2013 the lease agreement between WDI and WRSI was amended based on a reevaluation of the Administration Building and the newly renovated Services Building. The appraisal was completed by Hutcheson Appraisal in November 2012. The annual fee paid by WRSI is $152,130. A copy of the Amendment to the Lease Agreement is found in Exhibit 4, Attachment D.

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

Year: 2012

Shared Services/Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
WDI	WRSI	MSA	Cost Plus	$ 2,083,254	$ 2,083,254
WRSI	WDI	Rent	Market Based	$ 144,162	$ 144,162
Town of Wasaga Beach	WDI	Land Lease	Market Based	$ 23,232	$ 23,232

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

Year: 2013

Shared Services/Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
WDI	WRSI	MSA	Cost Plus	$ 2,155,877	$ 2,155,877
WRSI	WDI	Rent	Market Based	$ 152,130	$ 152,130
Town of Wasaga Beach	WDI	Land Lease	Market Based	$ 23,604	$ 23,604

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

Year: 2014

Shared Services/Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
WDI	WRSI	MSA	Cost Plus	$ 2,244,181	$ 2,244,181
WRSI	WDI	Rent	Market Based	$ 152,130	$ 152,130
Town of Wasaga Beach	WDI	Land Lease	Market Based	$ 23,625	$ 23,625

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

Year: 2015

Shared Services/Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
WDI	WRSI	MSA	Cost Plus	$ 2,315,000	$ 2,315,000
WRSI	WDI	Rent	Market Based	$ 152,130	$ 152,130
Town of Wasaga Beach	WDI	Land Lease	Market Based	$ 24,182	$ 24,182

OEB Appendix 2-N: Shared Services and Corporate Cost Allocation - 2016

Year: 2016

Shared Services/Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
WDI	WRSI	MSA	Cost Plus	$ 2,417,664	$ 2,417,664
WRSI	WDI	Rent	Market Based	$ 152,130	$ 152,130
Town of Wasaga Beach	WDI	Land Lease	Market Based	$ 24,666	$ 24,666

Services from Affiliates

As WDI is a virtual utility all resources are provided by WRSI through the Master Service Agreement. The Master Service Agreement was rewritten in 2013 as a result of WDI's Cost of Service. The Master Service Agreement had been reviewed previously; however, the Board of Directors of both Companies, based on the recommendation of the Director of Finance decided it should be reviewed. A committee was formed by members of both Board of Directors and staff. This document sets out the term and all financial responsibilities of WDI to WRSI. This document became effective January 01, 2013. The Master Service Agreement can be found in Exhibit 4, Attachment A.

A summary of the Master Service Agreement Expenses from 2012 to 2013 are shown in Table 4.12 below.

Table 4.12: Master Service Agreement Expenses

Item	2012 Board Approved	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
Master Service Agreement	N/A	2,083,254	2,155,877	2,244,181	2,315,000	2,417,664
Difference		-	72,623	88,304	70,819	102,664

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

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

Variances Analysis: Services to Affiliates:

Land Lease – 2016 Test Year versus 2012 Board Approved

The increase of $1,434 from the 2012 Board Approved is the CPI increase adjustment as stipulated in the Lease Agreement.

Land Lease – 2016 Test Year versus 2014 Actuals

The increase of $1,041 from 2014 actuals to the 2016 Test Year is the CPI increase adjustment as stipulated in the Lease Agreement.

Building Lease (Rent) – 2016 Test Year versus 2012 Board Approved

The increase of $7,968 from 2012 Board Approved is the rewritten lease/rent agreement based on the appraisal of the Administration and Service Building completed by Hutchison Appraisals in 2012.

Building Lease (Rent) – 2016 Test Year versus 2014 Actuals

There is no projected increase or decrease in rental revenue from 2014 to 2016.

Ex.4/Tab 3/Sch.6 – Reconciliation of Revenue

WDI's services provided to its affiliates outlined in OEB Appendix 2 – N are reconciled as recorded in the USoA accounts in Table 4.13: Reconciliation of Revenues from Affiliates below.

Table 4.13: Reconciliation of Revenue from Affiliates

Item	Source Account	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
OEB Apprendux 2-N and OEB Appendix 2-H						
Land Lease (2-N)	4210-Rent from Electric Property	23,232	23,604	23,626	24,188	24,666
Building Rent (2-N)	4210-Rent from Electric Property	14,162	152,130	152,130	152,130	152,130
Pole Rentals (2-H)	4210-Rent from Electric Property	125,829	127,668	123,985	125,000	126,000
Bell Mobility (2-H)	4210-Rent from Electric Property	2,800	4,800	4,800	4,800	4,800
Total		166,023	308,202	304,541	306,118	307,596

Ex.4/Tab 3/Sch.7 - Purchases of Non-Affiliate Services

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

Purchase Authorization: The Board of Directors approve all purchases over $50,000 after the Director responsible goes out for at least three quotes. This is done either during the budget process or if needed outside the budget process at the monthly WDI Board meeting.

Tendering: When goods or services are tendered, a Tender/Request for Proposal/Request for Quote will be issued to a minimum of three vendors, if availability permits. Once again, the appropriate Director, along with the input of the board members, shall authorize the acceptance of the proposals.

WDI's 2014 Vendor list over the materiality threshold of $50,000 is presented on Table 4.14: Products and Services from Non Affiliates.

Table 4.14: Products and Services from Non Affiliates 2014

Supplier Name	Service Product	Procurement Method	Document Amount
IESO	Electricity	Single Source	13,093,119
Hydro One Networks Inc.	Distributor	Single Source	2,156,098
Ontario Electricity Financial Corp	Debt Retirement	Regulated	916,218
Hamount Investments Ltd	MS2 Repurchase	NBV	319,714
Darpak Inc.	Yard Storage Capacity	Tender	92,088
Util-assist	CDM Services	Qoute/Tender	88,997
Burman Energy Consultants Group Inc	CDM Services	Qoute/Tender	72,387
Eaton Powering Business Worldwide	CDM Services	Qoute/Tender	53,517
Cornerstone Hydro Electric Concepts Inc.	Collaborative/CDM	Membership/CDM	52,848

Ex.4/Tab 3/Sch.8 - One-time Costs

The only noteworthy one-time costs relate to the costs associated with 2016 Cost of Service application which are amortized over a period of 5 years. Regulatory costs are discussed at the next section.

Ex.4/Tab 3/Sch.9 - Regulatory Costs

OEB Appendix 2-M: Regulatory Costs below shows WDI's regulatory costs for the 2012 Board Approved, 2014 and for the 2015 bridge and 2016 test year. Note that the historical costs for regulatory matters shown at line 6 of the table for 2014 and 2015 reflect actual costs for the 2012 Cost of Service Application (amortized over 4 years).

The second part of the chart for OEB Appendix 2-M below details the breakout of the costs forecast to occur in order to prepare the 2016 application. The total cost of $223,500 is for consultant costs, incremental labour costs for WDI from WRSI, legal fees and intervenor fees. The costs will be amortized over a 5 year period in the amount of $44,700 per year.

All regulatory costs listed below are tracked in account 5655 – Regulatory Expenses. Sub-accounts are used to track OEB Assessments and Cost Assessments from the OEB and the Cost of Service Rate Application. The costs associated with this application reflect a similar procedure as the 2012 Cost of Service Application which was essentially concluded by a settlement conference. Although the costs are not forecast, WDI would go to an oral hearing if the conditions were valid to proceed.

Appendix 2 – M: Regulatory Costs

	Regulatory Cost Category	USoA Account	USoA Account Balance	Ongoing or One-time Cost? [2]	Last Rebasing Year (2012 Board Approved)	Most Current Actuals Year 2014	2015 Bridge Year	Annual % Change	2016 Test Year	Annual % Change
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H) = [(G)-(F)]/(F)	(I)	(J) = [(I)-(G)]/(G)
1	OEB Annual Assessment	5655		On-Going	$ 27,000	$ 25,863	$ 26,238	1.45%	$ 26,238	0.00%
2	OEB Section 30 Costs (Applicant-originated)	5655								
3	OEB Section 30 Costs (OEB-initiated)	5655		On-Going	$ 3,000	$ 690	$ 700	1.46%	$ 700	0.00%
4	Expert Witness costs for regulatory matters	5655								
5	Legal costs for regulatory matters	5655		One-Time	$ 10,188	$ 3,267	$ 3,267	0.00%	$ 5,000	53.03%
6	Consultants' costs for regulatory matters	5655		One-Time	$ 29,000	$ 22,783	$ 22,783	0.00%	$ 9,700	-57.42%
7	Operating expenses associated with staff resources allocated to regulatory matters	5655		One-Time	$ 2,000	$ 1,245	$ 1,245	0.00%	$ 18,800	1410.52%
8	Operating expenses associated with other resources allocated to regulatory matters [1]	5655		One-Time	$ 2,000	$ 118	$ 117.50	0.00%	$ 1,200	921.28%
9	Other regulatory agency fees or assessments	5655				$ 1,313	$ 1,313	0.00%		-100.00%
10	Any other costs for regulatory matters (please define)	5655								
11	Intervenor costs	5655		One-Time	$ 10,000	$ 5,710	$ 5,710	0.00%	$ 10,000	75.13%
12	Sub-total - Ongoing Costs [3]		$ -		$ 30,000	$ 26,553	$ 26,938	1.45%	$ 26,938	0.00%
13	Sub-total - One-time Costs [4]		$ -		$ 53,188	$ 33,123	$ 33,123	0.00%	$ 44,700	34.95%
14	Total		$ -		$ 83,188	$ 59,676	$ 60,061	0.65%	$ 71,638	19.28%

		Historical Year(s)	2015 Bridge Year	2016 Test Year	Amortized over 5 years
4	Expert Witness costs		$ -		$ -
5	Legal costs		$ 25,000		$ 5,000
6	Consultants' costs		$ 48,500		$ 9,700
7	Incremental operating expenses associated with staff resources allocated to this application.		$ 94,000		$ 18,800
8	Incremental operating expenses associated with other resources allocated to this application. [1]		$ 6,000		$ 1,200
11	Intervenor costs		$ 50,000		$ 10,000
	Total	$ -	$ 223,500	$ -	$ 44,700

Notes:

Ex.4/Tab 3/Sch.10 - Low Income Energy Assistance Programs

WDI has included $4,968 of expense for the Low Income Energy Assistance Program (LEAP) under Deductions - Donation Expense (USoA #6205). This amount is based on the Board's determination that the greater of 0.12% of a distributor's Board-approved distribution revenue requirement, or $2,000 should be included in the utility's costs.

WDI has partnered with Georgian Triangle Housing Resource Centre to assist in the LEAP program intended to provide emergency relief to eligible low-income customers who may be experiencing difficulty paying current arrears to WDI.

In compliance with current OEB policy, Wasaga Distribution Inc.:

- Collects money from ratepayers for LEAP EFA in the amount approved by the OEB;
- Transfers program funds to Georgian Triangle Housing Resource Centre ;
- Determines funding allocations within their service territory by geography;
- Establishes partnerships, contracts, and operational procedures with Georgian Triangle Housing Resource Centre;
- Receives, records and takes appropriate action upon notification from an Intake Agency (or Lead Agency as appropriate) that an assessment of eligibility is being undertaken;
- Receives, records and takes appropriate action upon notification from an Intake Agency (or Lead Agency as appropriate) of decisions on applications;
- Confirms customer and account information used in determining program eligibility, including information on payment history; and
- Reports to the OEB in accordance with OEB reporting requirements through filings 2.1.16.

WDI does not participate in any Winter Warmth programs.

Ex.4/Tab 3/Sch.11 - Charitable and Political Donations

WDI does not donate to charities and as such, the utility confirms that no charitable donations have been included in OM&A expenses for 2016 other than the $4,968 for LEAP funding.

WDI does not make any political donations.

Depreciation, Amortization & Depletion

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

WDI does not have a formal deprivation/amortization policy but bases its practice for depreciation/amortization on Canadian Generally Accepted Accounting Principles (CGAAP), and guidelines set out by the Ontario Energy Board, where applicable. WDI 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 MIRFS.

On July 17, 2012 the Board issued a statement that changes to depreciation rates and capitalization policies that would have been implemented under IFRS could be made in 2012 under CGAAP (effective January 1, 2012), and must be made no later than 2013 (effective January 1, 2013) regardless of whether the Accounting Standards Board (AcSB) permitted further deferrals beyond 2013 for the changeover to IFRS. In 2012, WDI implemented the change to depreciation rates and the componentization of Property, Plant and Equipment (PP&E). Useful lives were guided by the Kinectrics report and WDI confirms that parts or components of PP&E are being depreciated separately. WDI presented its' changes to useful lives/depreciation rates and the components thereof in its' last COS application (EB-2011-0103) and continues to use the same useful lives on a go-forward basis.

WDI does expenses borrowing costs but does not have any capitalized borrowing costs in any of the years presented in this application.

Ex.4/Tab 4/Sch.2 – Depreciation Expense

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

- 2012 CGAAP (Table 4.15),consistent with Board Appendix 2-CB
- 2013 CGAAP (Table 4.16), consistent with Board Appendix 2-CC
- 2014 MIFRS (Tables 4.17), consistent with Board Appendix 2-CD
- 2015 Bridge Year under MIFRS (Table 4.18), consistent with Board Appendix 2-CE
- 2016 Test Year under MIFRS (Table 4.19), consistent with Board Appendix 2-CF

As stated previously WDI adopted a change in capitalization and useful lives policies for their assets in 2012. This was submitted and approved during WDI's 2012 Cost of Service Application (EB-2011-0103). For the purpose of the tables above "NEW CGAAP" is herein referred to as "CGAAP".

WDI does not have any differences between the depreciation expense for CGAAP vs MIFRS for 2014

Table 4.15: 2012 Revised CGAAP Depreciation Expense – Appendix 2-CB

Account	Description	Opening NBV as at Jan 1, 2012 [5] (a)	Additions (d)	Average Remaining Life of Opening NBV [4] (i)	Years (new additions only) [3] (f)	Depreciation Rate on New Additions (g) = 1 / (f)	Depreciation Expense on Opening NBV (j) = (a) / (i)	Depreciation Expense on Additions [1] (h)=((d)*0.5)/(f)	2012 Depreciation Expense (k) = (j) + (h)	2012 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance [2] (m) = (k) - (l)	Depreciation Expense on 2012 Full Year Additions (n) = (d)/(f)	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2012 Full Year Depreciation [6] (p) = (j) + (n) - (o)
1611	Computer Software (Formally known as Account 1925)	$ 41,768	$ 89,000	8.55	10.00	10.00%	$ 4,885	$ 4,450	$ 9,335	$ 9,343	-$ 8	$ 8,900	$ -	$ 13,785
1612	Land Rights (Formally known as Account 1906)	$ -	$ -	-	-	0.00%	$ -	$ -	$ -		$ -	$ -		$ -
1805	Land	$ 121,775	$ -	-	-	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 - Building & Infrastructure	$ 314,353	$ -	43.00	50.00	2.00%	$ 7,311	$ -	$ 7,311	$ 7,273	$ 37	$ -		$ 7,311
1820	Distribution Station Equipment <50 kV - Civil Work	$ 130,960	$ -	44.50	50.00	2.00%	$ 2,943	$ -	$ 2,943	$ 2,929	$ 14	$ -		$ 2,943
1820	Distribution Station Equipment <50 kV - LV Reclosures & Breakers	$ 339,505	$ -	13.35	20.00	5.00%	$ 25,431	$ -	$ 25,431	$ 25,437	-$ 6	$ -		$ 25,431
1820	Distribution Station Equipment <50 kV - Equipment	$ 781,809	$ -	33.00	40.00	2.50%	$ 23,691	$ -	$ 23,691	$ 23,672	$ 20	$ -		$ 23,691
1820	Distribution Station Equipment <50 kV - Transformer	$ 814,443	$ -	39.75	45.00	2.22%	$ 20,489	$ -	$ 20,489	$ 20,519	-$ 30	$ -		$ 20,489
1825	Storage Battery Equipment	$ -	$ -	-	-	0.00%	$ -	$ -	$ -		$ -	$ -		$ -
1830	Poles, Towers & Fixtures	$ 1,153,489	$ 330,497	14.55	45.00	2.22%	$ 79,278	$ 3,672	$ 82,950	$ 82,913	$ 37	$ 7,344	$ 254	$ 86,368
1835	Overhead Conductors & Devices	$ 1,385,651	$ 319,174	17.85	45.00	2.22%	$ 77,628	$ 3,546	$ 81,174	$ 81,214	-$ 40	$ 7,093		$ 84,720
1840	Underground Conduit	$ 230,460	$ 1,797	46.50	50.00	2.00%	$ 4,956	$ 18	$ 4,974	$ 4,956	$ 18	$ 36		$ 4,992
1845	Underground Conductors & Devices	$ 2,783,372	$ 112,700	19.10	30.00	3.33%	$ 145,726	$ 1,878	$ 147,605	$ 147,675	-$ 70	$ 3,757		$ 149,483
1850	Line Transformers	$ 1,956,523	$ 217,045	30.60	40.00	2.50%	$ 63,939	$ 2,713	$ 66,652	$ 66,611	$ 41	$ 5,426	$ 64	$ 69,300
1855	Services (Overhead & Underground)	$ 1,690,680	$ 282,236	24.40	35.00	2.86%	$ 69,290	$ 4,032	$ 73,322	$ 73,326	-$ 4	$ 8,064		$ 77,354
1860	Meters	$ 4,249	$ -	24.50	25.00	4.00%	$ 173	$ -	$ 173	$ 174	-$ 0	$ -		$ 173
1860	Meters (Smart Meters)	$ 1,404,166	$ 90,639	12.75	15.00	6.67%	$ 110,131	$ 3,021	$ 113,152	$ 113,015	$ 137	$ 6,043	$ 4,667	$ 111,507
1860	Primary Metering Equipment	$ 63,774	$ -	12.90	25.00	4.00%	$ 4,944	$ -	$ 4,944	$ 4,950	-$ 6	$ -	$ 2,194	$ 2,749
1905	Land	$ 382,467	$ 106,866	-	-	0.00%	$ -	$ -	$ -		$ -	$ -		$ -
1908	Buildings & Fixtures	$ 653,585	$ 6,393	33.10	50.00	2.00%	$ 19,746	$ 64	$ 19,810	$ 19,830	-$ 20	$ 128	$ 1,124	$ 18,750
1980	System Supervisor Equipment	$ -	$ 40,942	-	10.00	10.00%	$ -	$ 2,047	$ 2,047	$ 2,047	$ 0	$ 4,094		$ 4,094
1985	Miscellaneous Fixed Assets					0.00%	$ -	$ -	$ -		$ -	$ -		$ -
1990	Other Tangible Property					0.00%	$ -	$ -	$ -		$ -	$ -		$ -
1995-1820-01	Contributions & Grants - Station Building & Infrastructure	-$ 71,827	$ -	47.50	50.00	2.00%	-$ 1,512	$ -	-$ 1,512	-$ 1,018	-$ 494	$ -		-$ 1,512
1995-1820-02	Contributions & Grants - Station Civil Work	-$ 70,693	$ -	47.50	50.00	2.00%	-$ 1,488	$ -	-$ 1,488	-$ 1,002	-$ 487	$ -		-$ 1,488
1995-1820-03	Contributions & Grants - Station LV/Reclosures & Breakers	-$ 92,455	$ -	17.50	20.00	5.00%	-$ 5,283	$ -	-$ 5,283	-$ 3,542	-$ 1,741	$ -		-$ 5,283
1995-1820-04	Contributions & Grants - Station Equipment	-$ 255,035	$ -	37.50	40.00	2.50%	-$ 6,801	$ -	-$ 6,801	-$ 4,536	-$ 2,265	$ -		-$ 6,801
1995-1820-05	Contributions & Grants - Station Transformers	-$ 261,163	$ -	42.50	45.00	2.22%	-$ 6,145	$ -	-$ 6,145	-$ 4,119	-$ 2,026	$ -		-$ 6,145
1995-1830	Contributions & Grants - Poles	-$ 176,791	-$ 22,368	39.75	45.00	2.22%	-$ 4,448	-$ 249	-$ 4,696	-$ 4,699	$ 3	-$ 497		-$ 4,945
1995-1835	Contributions & Grants - O/H Conductor	-$ 48,882	-$ 1,307	35.75	45.00	2.22%	-$ 1,367	-$ 15	-$ 1,382	-$ 1,665	$ 283	-$ 29		-$ 1,396
1995-1840	Contributions & Grants - Conduit	-$ 196,117	$ -	46.50	50.00	2.00%	-$ 4,218	$ -	-$ 4,218	-$ 4,582	$ 364	$ -		-$ 4,218
1995-1845	Contributions & Grants - U/G Conductor	-$ 1,464,999	-$ 51,171	24.25	30.00	3.33%	-$ 60,412	-$ 853	-$ 61,265	-$ 55,175	-$ 6,091	-$ 1,706		-$ 62,118
1995-1850	Contributions & Grants - Transformers	-$ 984,049	-$ 81,267	33.75	40.00	2.50%	-$ 29,157	-$ 1,016	-$ 30,173	-$ 27,124	-$ 3,048	-$ 2,032		-$ 31,189
1995-1855	Contributions & Grants - Secondary Services	-$ 782,226	-$ 95,640	28.25	35.00	2.86%	-$ 27,689	-$ 1,366	-$ 29,056	-$ 25,594	-$ 3,462	-$ 2,733		-$ 30,422
1995-1860-01	Contributions & Grants - Smart Meters	-$ 30,474	$ -	11.00	15.00	6.67%	-$ 2,770	$ -	-$ 2,770	-$ 3,525	$ 755	$ -		-$ 2,770
2005	Capital Lease - Communication Equipment	$ -	$ 49,283	-	20.00	5.00%	$ -	$ 1,232	$ 1,232	$ 1,232	-$ 0	$ 2,464		$ 2,464
2005	Capital Lease - Structure	$ -	$ 77,510	-	50.00	2.00%	$ -	$ 775	$ 775	$ 775	$ 0	$ 1,550		$ 1,550
	Total	$ 9,818,320	$ 1,472,332			$ 1	$ 509,269	$ 23,951	$ 533,220	$ 551,309	-$ 18,089	$ 47,903	$ 8,304	$ 548,868

Table 4.16: 2013 Revised CGAAP Depreciation Expense – Appendix 2-CC

Account	Description	Additions (d)	Years (new additions only) (f)	Depreciation Rate on New Additions (g) = 1 / (f)	2013 Depreciation Expense [1] (h)=2012 Full Year Deprecation + ((d)*0.5)/(f)	2013 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance [2] (m) = (h) - (l)	Depreciation Expense on 2013 Full Year Additions (n)=((d))/(f)	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2013 Full Year Depreciation [3] (p) = 2012 Full Year Depreciation + (n) - (o)
1611	Computer Software (Formally known as Account 1925)	$ -	10.00	10.00%	$ 13,785	$ 13,779	$ 6	$ -	$ -	$ 13,785
1612	Land Rights (Formally known as Account 1906)	$ -	-	0.00%	$ -		$ -	$ -	$ -	$ -
1805	Land	$ 28,421	-	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 - Building & Infrastructure	$ -	50.00	2.00%	$ 7,311	$ 7,253	$ 57	$ -	$ -	$ 7,311
1820	Distribution Station Equipment <50 kV - Civil Work	$ -	50.00	2.00%	$ 2,943	$ 2,921	$ 22	$ -	$ -	$ 2,943
1820	Distribution Station Equipment <50 kV - LV Reclosures & Breakers	$ 57,553	20.00	5.00%	$ 26,870	$ 26,807	$ 63	$ 2,878	$ -	$ 28,309
1820	Distribution Station Equipment <50 kV - Equipment	$ 27,053	40.00	2.50%	$ 24,029	$ 23,945	$ 84	$ 676	$ -	$ 24,368
1820	Distribution Station Equipment <50 kV - Transformer	$ -	45.00	2.22%	$ 20,489	$ 20,463	$ 26	$ -	$ -	$ 20,489
1825	Storage Battery Equipment	$ -	-	0.00%	$ -		$ -	$ -	$ -	$ -
1830	Poles, Towers & Fixtures	$ 102,449	45.00	2.22%	$ 87,506	$ 87,253	$ 253	$ 2,277	$ -	$ 88,644
1835	Overhead Conductors & Devices	$ 120,402	45.00	2.22%	$ 86,058	$ 85,887	$ 171	$ 2,676	$ -	$ 87,396
1840	Underground Conduit	$ 40,363	50.00	2.00%	$ 5,396	$ 5,364	$ 31	$ 807	$ -	$ 5,799
1845	Underground Conductors & Devices	$ 320,215	30.00	3.33%	$ 154,820	$ 154,491	$ 328	$ 10,674	$ -	$ 160,157
1850	Line Transformers	$ 295,560	40.00	2.50%	$ 72,995	$ 72,464	$ 531	$ 7,389	$ 315	$ 76,374
1855	Services (Overhead & Underground)	$ 344,725	35.00	2.86%	$ 82,279	$ 82,081	$ 198	$ 9,849	$ -	$ 87,203
1860	Meters	$ 1,260	25.00	4.00%	$ 199	$ 199	$ 0	$ 50	$ -	$ 224
1860	Meters (Smart Meters)	$ 61,033	15.00	6.67%	$ 113,541	$ 113,106	$ 435	$ 4,069	$ -	$ 115,575
1860	Primary Metering Equipment	$ 97,995	25.00	4.00%	$ 4,709	$ 4,708	$ 1	$ 3,920	$ -	$ 6,669
1905	Land	$ -	-	0.00%	$ -		$ -	$ -	$ -	$ -
1908	Buildings & Fixtures	$ 464,754	50.00	2.00%	$ 23,397	$ 23,367	$ 31	$ 9,295	$ -	$ 28,045
1980	System Supervisor Equipment	$ 6,130	20.00	5.00%	$ 4,247	$ 4,247	$ 0	$ 307	$ -	$ 4,401
1985	Miscellaneous Fixed Assets			0.00%	$ -		$ -	$ -	$ -	$ -
1990	Other Tangible Property			0.00%	$ -		$ -	$ -	$ -	$ -
1995-1820-01	Contributions & Grants - Station Building & Infrastructure	$ -	50.00	2.00%	-$ 1,512	-$ 1,498	-$ 14	$ -	$ -	-$ 1,512
1995-1820-02	Contributions & Grants - Station Civil Work	$ -	50.00	2.00%	-$ 1,488	-$ 1,522	$ 34	$ -	$ -	-$ 1,488
1995-1820-03	Contributions & Grants - Station LV/Reclosures & Breakers	$ -	20.00	5.00%	-$ 5,283	-$ 5,386	$ 103	$ -	$ -	-$ 5,283
1995-1820-04	Contributions & Grants - Station Equipment	$ -	40.00	2.50%	-$ 6,801	-$ 6,859	$ 58	$ -	$ -	-$ 6,801
1995-1820-05	Contributions & Grants - Station Transformers	$ -	45.00	2.22%	-$ 6,145	-$ 6,190	$ 45	$ -	$ -	-$ 6,145
1995-1830	Contributions & Grants - Poles	-$ 17,485	45.00	2.22%	-$ 5,139	-$ 5,098	-$ 41	-$ 389	$ -	-$ 5,333
1995-1835	Contributions & Grants - O/H Conductor	-$ 4,123	45.00	2.22%	-$ 1,442	-$ 1,445	$ 3	-$ 92	$ -	-$ 1,488
1995-1840	Contributions & Grants - Conduit	-$ 36,438	50.00	2.00%	-$ 4,582	-$ 4,577	-$ 5	-$ 729	$ -	-$ 4,946
1995-1845	Contributions & Grants - U/G Conductor	-$ 280,700	30.00	3.33%	-$ 66,796	-$ 66,203	-$ 594	-$ 9,357	$ -	-$ 71,475
1995-1850	Contributions & Grants - Transformers	-$ 200,950	40.00	2.50%	-$ 33,701	-$ 33,100	-$ 600	-$ 5,024	$ -	-$ 36,212
1995-1855	Contributions & Grants - Secondary Services	-$ 183,818	35.00	2.86%	-$ 33,048	-$ 32,832	-$ 216	-$ 5,252	$ -	-$ 35,674
1995-1860-01	Contributions & Grants - Smart Meters	$ -	15.00	6.67%	-$ 2,770	-$ 2,748	-$ 22	$ -	$ -	-$ 2,770
2005	Capital Lease - Communication Equipment	$ -	20.00	5.00%	$ 2,464	$ 2,464	$ 0	$ -	$ -	$ 2,464
2005	Capital Lease - Structure	$ -	50.00	2.00%	$ 1,550	$ 1,550	$ 0	$ -	$ -	$ 1,550
	Total	**$ 1,244,398**			**$ 565,880**	**$ 564,891**	**$ 990**	**$ 34,025**	**$ 315**	**$ 582,578**

Table 4.17: 2014 MIFRS Depreciation Expense – Appendix 2-CD

Account	Description	Additions (d)	Years (new additions only) (f)	Depreciation Rate on New Additions (g) = 1 / (f)	2014 Depreciation Expense 1 (h)=2013 Full Year Deprecation + ((d)*0.5)/(f)	2014 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance 2 (m) = (h) - (l)	Depreciation Expense on 2014 Full Year Additions (n)=((d))/(f)	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2014 Full Year Depreciation 3 (p) = 2013 Full Year Depreciation + (n) - (o)
1611	Computer Software (Formally known as Account 1925)	$ -	10.00	10.00%	$ 13,785	$ 13,779	$ 6	$ -		$ 13,785
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 - Building & Infrastructure	$ -	50.00	2.00%	$ 7,311	$ 7,253	$ 57	$ -		$ 7,311
1820	Distribution Station Equipment <50 kV - Civil Work	$ -	50.00	2.00%	$ 2,943	$ 2,921	$ 22	$ -		$ 2,943
1820	Distribution Station Equipment <50 kV - LV Reclosures & Breakers	$ 51,785	20.00	5.00%	$ 29,603	$ 29,540	$ 63	$ 2,589		$ 30,898
1820	Distribution Station Equipment <50 kV - Equipment	$ -	40.00	2.50%	$ 24,368	$ 24,283	$ 84	$ -		$ 24,368
1820	Distribution Station Equipment <50 kV - Transformer	$ -	45.00	2.22%	$ 20,489	$ 20,463	$ 26	$ -		$ 20,489
1825	Storage Battery Equipment	$ -	-	0.00%	$ -		$ -	$ -		$ -
1830	Poles, Towers & Fixtures	$ 472,241	45.00	2.22%	$ 93,892	$ 93,292	$ 600	$ 10,494	$ 755	$ 98,384
1835	Overhead Conductors & Devices	$ 61,106	45.00	2.22%	$ 88,075	$ 87,768	$ 307	$ 1,358	$ 269	$ 88,484
1840	Underground Conduit	$ 31,180	50.00	2.00%	$ 6,111	$ 6,080	$ 31	$ 624		$ 6,423
1845	Underground Conductors & Devices	$ 475,382	30.00	3.33%	$ 168,080	$ 167,751	$ 329	$ 15,846		$ 176,003
1850	Line Transformers	$ 338,531	40.00	2.50%	$ 80,606	$ 80,278	$ 328	$ 8,463	$ 206	$ 84,631
1855	Services (Overhead & Underground)	$ 343,053	35.00	2.86%	$ 92,104	$ 91,894	$ 210	$ 9,802		$ 97,005
1860	Meters	$ -	25.00	4.00%	$ 224	$ 224	$ 0	$ -		$ 224
1860	Meters (Smart Meters)	$ 5,254	15.00	6.67%	$ 115,751	$ 115,316	$ 435	$ 350		$ 115,926
1860	Primary Metering Equipment	$ -	25.00	4.00%	$ 6,669	$ 6,668	$ 1	$ -		$ 6,669
1905	Land	$ 91,245	-	0.00%	$ -		$ -	$ -		$ -
1908	Buildings & Fixtures	$ 4,626	50.00	2.00%	$ 28,091	$ 28,060	$ 31	$ 93		$ 28,137
1980	System Supervisor Equipment	$ -	20.00	5.00%	$ 4,401	$ 4,401	$ 0	$ -		$ 4,401
1985	Miscellaneous Fixed Assets	$ -		0.00%	$ -		$ -	$ -		$ -
1990	Other Tangible Property	$ -		0.00%	$ -		$ -	$ -		$ -
2440-1820-01	Contributions & Grants - Station Building & Infrastructure	$ 31,214	50.00	2.00%	-$ 1,200	-$ 1,151	-$ 49	$ 624		-$ 888
2440-1820-02	Contributions & Grants - Station Civil Work	$ 31,715	50.00	2.00%	-$ 1,171	-$ 1,170	-$ 2	$ 634		-$ 854
2440-1820-03	Contributions & Grants - Station LV/Reclosures & Breakers	$ 41,229	20.00	5.00%	-$ 4,252	-$ 4,012	-$ 240	$ 2,061		-$ 3,222
2440-1820-04	Contributions & Grants - Station Equipment	$ 112,837	40.00	2.50%	-$ 5,390	-$ 5,247	-$ 143	$ 2,821		-$ 3,980
2440-1820-05	Contributions & Grants - Station Transformers	$ 57,006	45.00	2.22%	-$ 5,512	-$ 5,478	-$ 34	$ 1,267		-$ 4,799
2440-1830	Contributions & Grants - Poles	-$ 233,749	45.00	2.22%	-$ 7,930	-$ 7,890	-$ 41	-$ 5,194		-$ 10,528
2440-1835	Contributions & Grants - O/H Conductor	-$ 26,452	45.00	2.22%	-$ 1,782	-$ 1,785	$ 3	-$ 588		-$ 2,076
2440-1840	Contributions & Grants - Conduit	-$ 13,567	50.00	2.00%	-$ 5,082	-$ 5,077	-$ 5	-$ 271		-$ 5,218
2440-1845	Contributions & Grants - U/G Conductor	-$ 304,232	30.00	3.33%	-$ 76,545	-$ 75,951	-$ 594	-$ 10,141		-$ 81,616
2440-1850	Contributions & Grants - Transformers	-$ 222,378	40.00	2.50%	-$ 38,992	-$ 38,311	-$ 681	-$ 5,559	-$ 79	-$ 41,772
2440-1855	Contributions & Grants - Secondary Services	-$ 155,319	35.00	2.86%	-$ 37,893	-$ 37,667	-$ 226	-$ 4,438		-$ 40,112
2440-1860	Contributions & Grants - Smart Meters	-$ 3,303	15.00	6.67%	-$ 2,880	-$ 2,859	-$ 22	-$ 220		-$ 2,991
2005	Capital Lease - Communication Equipment		20.00	5.00%	$ 2,464	$ 2,464	$ 0	$ -		$ 2,464
2005	Capital Lease - Structure		50.00	2.00%	$ 1,550	$ 1,550	$ 0	$ -		$ 1,550
	Total	$ 1,189,404			$ 597,885	$ 597,387	$ 498	$ 30,614	$ 1,152	$ 612,040
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets)									
	Total Depreciation Expense				$ 597,885					

Table 4.18: 2015 MIFRS Depreciation Expense – Appendix 2-CE

Account	Description	Additions (d)	Years (new additions only) (f)	Depreciation Rate on New Additions (g) = 1 / (f)	2015 Depreciation Expense [1] (h)=2014 Full Year Depreciation + ((d)*0.5)/(f)	2015 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance [2] (m) = (h) - (l)	Depreciation Expense on 2015 Full Year Additions (n)=((d))/(f)	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2015 Full Year Depreciation [3] (p) = 2014 Full Year Depreciation + (n) - (o)
1611	Computer Software (Formally known as Account 1925)	$ 15,000	10.00	10.00%	$ 14,535	$ 14,535	$ -	$ 1,500		$ 15,285
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 - Building & Infrastructure		50.00	2.00%	$ 7,311	$ 7,311	$ -	$ -		$ 7,311
1820	Distribution Station Equipment <50 kV - Civil Work		50.00	2.00%	$ 2,943	$ 2,943	$ -	$ -		$ 2,943
1820	Distribution Station Equipment <50 kV - LV Reclosures & Breakers		20.00	5.00%	$ 30,898	$ 30,898	$ -	$ -	$ 7,868	$ 23,030
1820	Distribution Station Equipment <50 kV - Equipment		40.00	2.50%	$ 24,368	$ 24,368	$ -	$ -		$ 24,368
1820	Distribution Station Equipment <50 kV - Transformer		45.00	2.22%	$ 20,489	$ 20,489	$ -	$ -		$ 20,489
1825	Storage Battery Equipment		-	0.00%	$ -	$ -	$ -	$ -		$ -
1830	Poles, Towers & Fixtures	$ 270,000	45.00	2.22%	$ 101,384	$ 101,384	$ -	$ 6,000	$ 44,651	$ 59,733
1835	Overhead Conductors & Devices	$ 110,000	45.00	2.22%	$ 89,707	$ 89,707	$ -	$ 2,444	$ 38,237	$ 52,691
1840	Underground Conduit	$ -	50.00	2.00%	$ 6,423	$ 6,423	$ -	$ -		$ 6,423
1845	Underground Conductors & Devices	$ 190,000	30.00	3.33%	$ 179,170	$ 179,170	$ -	$ 6,333	$ 7,376	$ 174,960
1850	Line Transformers	$ 245,000	40.00	2.50%	$ 87,693	$ 87,693	$ -	$ 6,125	$ 5,034	$ 85,722
1855	Services (Overhead & Underground)	$ 355,000	35.00	2.86%	$ 102,076	$ 102,076	$ -	$ 10,143		$ 107,148
1860	Meters	$ 5,000	25.00	4.00%	$ 324	$ 324	$ -	$ 200		$ 424
1860	Meters (Smart Meters)	$ 85,000	15.00	6.67%	$ 118,759	$ 118,759	$ -	$ 5,667	$ 4,129	$ 117,464
1860	Primary Metering Equipment		25.00	4.00%	$ 6,669	$ 6,669	$ -	$ -		$ 6,669
1905	Land		-	0.00%	$ -	$ -	$ -	$ -		$ -
1908	Buildings & Fixtures	$ 120,000	50.00	2.00%	$ 29,337	$ 29,337	$ -	$ 2,400		$ 30,537
1980	System Supervisor Equipment		20.00	5.00%	$ 4,401	$ 4,401	$ -	$ -		$ 4,401
1985	Miscellaneous Fixed Assets			0.00%	$ -	$ -	$ -	$ -		$ -
1990	Other Tangible Property			0.00%	$ -	$ -	$ -	$ -		$ -
2440-1820-01	Deferred Revenue - Station Building & Infrastructure		50.00	2.00%	-$ 888	-$ 888	$ -	$ -		-$ 888
2440-1820-02	Deferred Revenue - Station Civil Work		50.00	2.00%	-$ 854	-$ 854	$ -	$ -		-$ 854
2440-1820-03	Deferred Revenue - Station LV/Reclosures & Breakers		20.00	5.00%	-$ 3,222	-$ 3,222	$ -	$ -		-$ 3,222
2440-1820-04	Deferred Revenue- Station Equipment		40.00	2.50%	-$ 3,980	-$ 3,980	$ -	$ -		-$ 3,980
2440-1820-05	Deferred Revenue - Station Transformers		45.00	2.22%	-$ 4,799	-$ 4,799	$ -	$ -		-$ 4,799
2440-1830	Deferred Revenue - Poles		45.00	2.22%	-$ 10,528	-$ 10,528	$ -	$ -		-$ 10,528
2440-1835	Deferred Revenue - O/H Conductor		45.00	2.22%	-$ 2,076	-$ 2,076	$ -	$ -		-$ 2,076
2440-1840	Deferred Revenue - Conduit		50.00	2.00%	-$ 5,218	-$ 5,218	$ -	$ -		-$ 5,218
2440-1845	Deferred Revenue - U/G Conductor	-$ 115,000	30.00	3.33%	-$ 83,532	-$ 83,532	$ -	-$ 3,833		-$ 85,449
2440-1850	Deferred Revenue - Transformers	-$ 71,250	40.00	2.50%	-$ 42,663	-$ 42,663	$ -	-$ 1,781		-$ 43,553
2440-1855	Deferred Revenue - Secondary Services	-$ 158,750	35.00	2.86%	-$ 42,379	-$ 42,379	$ -	-$ 4,536		-$ 44,647
2440-1860	Deferred Revenue - Smart Meters		15.00	6.67%	-$ 2,991	-$ 2,991	$ -	$ -		-$ 2,991
2005	Capital Lease - Communication Equipment		20.00	5.00%	$ 2,464	$ 2,464	$ -	$ -		$ 2,464
2005	Capital Lease - Structure		50.00	2.00%	$ 1,550	$ 1,550	$ -	$ -		$ 1,550
	Total	**$ 1,050,000**			$ 627,371	$ 627,371	$ -	$ 30,662	$ 107,295	$ 535,407
	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				$ 627,371					

Table 4.19: 2016 MIFRS Depreciation Expense – Appendix 2-CF

Account	Description	Additions (d)	Years (new additions only) (f)	Depreciation Rate on New Additions (g) = 1 / (f)	2016 Depreciation Expense [1] (h)=2015 Full Year Depreciation + ((d)*0.5)/(f)	2016 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance [2] (m) = (h) - (l)
1611	Computer Software (Formally known as Account 1925)	$ 40,000	10.00	10.00%	$ **17,285**	$ 17,285.15	$ -
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 - Building & Infrastructure		50.00	2.00%	$ **7,311**	$ 7,310.54	$ -
1820	Distribution Station Equipment <50 kV - Civil Work		50.00	2.00%	$ **2,943**	$ 2,942.91	$ -
1820	Distribution Station Equipment <50 kV - LV Reclosures & Breakers		20.00	5.00%	$ **23,030**	$ 23,030.00	$ -
1820	Distribution Station Equipment <50 kV - Equipment		40.00	2.50%	$ **24,368**	$ 24,367.52	$ -
1820	Distribution Station Equipment <50 kV - Transformer		45.00	2.22%	$ **20,489**	$ 20,489.13	$ -
1825	Storage Battery Equipment		-	0.00%	$ -	$ -	$ -
1830	Poles, Towers & Fixtures	$ 525,000	45.00	2.22%	$ **65,567**	$ 65,566.57	$ -
1835	Overhead Conductors & Devices	$ 265,000	45.00	2.22%	$ **55,636**	$ 55,635.68	$ -
1840	Underground Conduit		50.00	2.00%	$ **6,423**	$ 6,422.94	$ -
1845	Underground Conductors & Devices	$ 112,000	30.00	3.33%	$ **176,826**	$ 176,826.40	$ -
1850	Line Transformers	$ 235,000	40.00	2.50%	$ **88,660**	$ 88,659.59	$ -
1855	Services (Overhead & Underground)	$ 273,000	35.00	2.86%	$ **111,048**	$ 111,047.72	$ -
1860	Meters	$ 5,000	25.00	4.00%	$ **524**	$ 523.83	$ -
1860	Meters (Smart Meters)	$ 100,000	15.00	6.67%	$ **120,797**	$ 120,796.99	$ -
1860	Primary Metering Equipment		25.00	4.00%	$ **6,669**	$ 6,669.28	$ -
1905	Land		-	0.00%	$ -	$ -	$ -
1908	Buildings & Fixtures		50.00	2.00%	$ **30,537**	$ 30,537.24	$ -
1980	System Supervisor Equipment		20.00	5.00%	$ **4,401**	$ 4,400.73	$ -
1985	Miscellaneous Fixed Assets			0.00%	$ -	$ -	$ -
1990	Other Tangible Property			0.00%	$ -	$ -	$ -
2440-1820-01	Deferred Revenue - Station Building & Infrastructure		50.00	2.00%	-$ **888**	-$ 888	$ -
2440-1820-02	Deferred Revenue - Station Civil Work		50.00	2.00%	-$ **854**	-$ 854	$ -
2440-1820-03	Deferred Revenue - Station LV/Reclosures & Breakers		20.00	5.00%	-$ **3,222**	-$ 3,222	$ -
2440-1820-04	Deferred Revenue- Station Equipment		40.00	2.50%	-$ **3,980**	-$ 3,980	$ -
2440-1820-05	Deferred Revenue - Station Transformers		45.00	2.22%	-$ **4,799**	-$ 4,799	$ -
2440-1830	Deferred Revenue - Poles		45.00	2.22%	-$ **10,528**	-$ 10,527.62	$ -
2440-1835	Deferred Revenue - O/H Conductor		45.00	2.22%	-$ **2,076**	-$ 2,075.82	$ -
2440-1840	Deferred Revenue - Conduit		50.00	2.00%	-$ **5,218**	-$ 5,217.67	$ -
2440-1845	Deferred Revenue - U/G Conductor	-$ 76,500	30.00	3.33%	-$ **86,724**	-$ 86,724.08	$ -
2440-1850	Deferred Revenue - Transformers	-$ 67,500	40.00	2.50%	-$ **44,397**	-$ 44,396.88	$ -
2440-1855	Deferred Revenue - Secondary Services	-$ 132,250	35.00	2.86%	-$ **46,537**	-$ 46,536.57	$ -
2440-1860	Deferred Revenue - Smart Meters		15.00	6.67%	-$ **2,991**	-$ 2,990.58	$ -
2005	Capital Lease - Communication Equipment		20.00	5.00%	$ **2,464**	$ 2,464.15	$ -
2005	Capital Lease - Structure		50.00	2.00%	$ **1,550**	$ 1,550.20	$ -
	Total	**$1,278,750**			$ **554,315**	$ **554,315**	$ -
	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				$ **554,315**		

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

The Board sponsored Kinectrics study, on which the utility has based its depreciation rates that were approved in WDI's last COS (EB-2011-0103), are presented below as Table 4.20: Comparison of Depreciation Rates.

Table 4.20: Comparison of Depreciation Rates

USoA Account Number	Description	Current (EB-2011-0103)	Proposed Years
1611	Computer Software	10	10
1820	Distribution Station Equipment - Transformer	45	45
1820	Distribution Station Equipment - Equipment	40	40
1820	Distribution Station Equipment – Reclosures and Breakers	20	20
1820	Distribution Station Equipment - Structure/Civil	50	50
1830	Poles, Towers and Fixtures - All	45	45
1835	Underground Conductors and Devices- All	45	45
1840	Conduit	50	50
1845	Underground Conductor - Direct Buried	30	30
1850	Line Transformers - All	40	40
1855	Secondary Services	35	35
1860	Primary Metering Equipment	25	25
1860	GS>50 Meters	25	25
1860	Smart Meters	15	15
1908	Building and Fixtures	50	50
1980	System Supervisor Equipment	20	20
2055	Capital Leases - Towers	50	50

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

Table 4.21 below, consistent with Board Appendix 2-BB, provides a summary of the life comparison between WDI's selected useful lives and those provided in Table F-1 of the Kinetics Report.

Table 4.21: Service Live Comparison – Appendix 2-BB

		Asset Details			Useful Life			USoA Account Number	USoA Account Description	Current		Proposed		Outside Range of Min, Max TUL?	
Parent*	#	Category| Component | Type			MIN UL	TUL	MAX UL			Years	Rate	Years	Rate	Below Min TUL	Above Max TUL
OH	1	Fully Dressed Wood Poles	Overall		35	45	75	1830	Poles, Towers and Fixtures	45	2%	45	2%	No	No
			Cross Arm	Wood	20	40	55	1830	Poles, Towers and Fixtures	45	2%	45	2%	No	No
				Steel	30	70	95								
	2	Fully Dressed Concrete Poles	Overall		50	60	80								
			Cross Arm	Wood	20	40	55								
				Steel	30	70	95								
	3	Fully Dressed Steel Poles	Overall		60	60	80								
			Cross Arm	Wood	20	40	55								
				Steel	30	70	95	1830	Poles, Towers and Fixtures	45	2%	45	2%	No	No
	4	OH Line Switch			30	45	55	1835	Undgerground Conductors and Devices	45	2%	45	2%	No	No
	5	OH Line Switch Motor			15	25	25								
	6	OH Line Switch RTU			15	20	20								
	7	OH Integral Switches			35	45	60	1835	Undgerground Conductors and Devices	45	2%	45	2%	No	No
	8	OH Conductors			50	60	75	1835	Undgerground Conductors and Devices	45	2%	45	2%	Yes	No
	9	OH Transformers & Voltage Regulators			30	40	60	1850	Line Transformers	50	2%	50	2%	No	No
	10	OH Shunt Capacitor Banks			25	30	40								
	11	Reclosers			25	40	55								
TS & MS	12	Power Transformers	Overall		30	45	60	1820	Distribution Station Equipment	45	2%	45	2%	No	No
			Bushing		10	20	30								
			Tap Changer		20	30	60								
	13	Station Service Transformer			30	45	55								
	14	Station Grounding Transformer			30	40	40								
	15	Station DC System	Overall		10	20	30								
			Battery Bank		10	15	15								
			Charger		20	20	30								
	16	Station Metal Clad Switchgear	Overall		30	40	60	1820	Distribution Station Equipment	40	3%	40	3%	No	No
			Removable Breaker		25	40	60	1820	Distribution Station Equipment	40	3%	40	3%	No	No
	17	Station Independent Breakers			35	45	65	1820	Distribution Station Equipment	40	3%	40	3%	No	No
	18	Station Switch			30	50	60	1820	Distribution Station Equipment	40	3%	40	3%	No	No
	19	Electromechanical Relays			25	35	50								
	20	Solid State Relays			10	30	45	1820	Distribution Station Equipment	20	5%	20	5%	No	No
	21	Digital & Numeric Relays			15	20	20	1820	Distribution Station Equipment	20	5%	20	5%	No	No
	22	Rigid Busbars			30	55	60								
	23	Steel Structure			35	50	90	1820	Distribution Station Equipment	50	2%	50	2%	No	No
UG	24	Primary Paper Insulated Lead Covered (PILC) Cables			60	65	75								
	25	Primary Ethylene-Propylene Rubber (EPR) Cables			20	25	25								
	26	Primary Non-Tree Retardant (TR) Cross Linked Polyethylene (XLPE) Cables Direct Buried			20	25	30								
	27	Primary Non-TR XLPE Cables in Duct			20	25	30	1845	Undgerground Conductor	30	3%	30	3%	No	No
	30	Secondary PILC Cables			70	75	80								
	31	Secondary Cables Direct Buried			25	35	40	1855	Secondary Services	35	3%	35	3%	No	No
	32	Secondary Cables in Duct			35	40	60								
	33	Network Tranformers	Overall		20	35	50								
			Protector		20	35	40								
	34	Pad-Mounted Transformers			25	40	45	1950	Transformer	40	3%	40	3%	No	No
	35	Submersible/Vault Transformers			25	35	45								
	36	UG Foundation			35	55	70								
	37	UG Vaults	Overall		40	60	80								
			Roof		20	30	45								
	38	UG Vault Switches			20	35	50								
	39	Pad-Mounted Switchgear			20	30	45								
	40	Ducts			30	50	85	1850	Conduit	50	2%	50	2%	No	No
	41	Concrete Encased Duct Banks			35	55	80								
	42	Cable Chambers			50	60	80								
S	43	Remote SCADA			15	20	30	1980	SCADA	20	5%	20	5%	No	No

Table F-2 from Kinetrics Report[1]

	Asset Details		Useful Life Range		USoA Account Number	USoA Account Description	Current		Proposed		Outside Range of Min, Max TUL?	
#	Category| Component | Type						Years	Rate	Years	Rate	Below Min Range	Above Max Range
1	Office Equipment		5	15								
2	Vehicles	Trucks & Buckets	5	15								
		Trailers	5	20								
		Vans	5	10								
3	Administrative Buildings		50	75								
4	Leasehold Improvements		Lease dependent									
5	Station Buildings	Station Buildings	50	75	1820	Distribution Station Equipment	50	2%	50	2%	No	No
		Parking	25	30								
		Fence	25	60	1820	Distribution Station Equipment	50	2%	50	2%	No	No
		Roof	20	30								
6	Computer Equipment	Hardware	3	5								
		Software	2	5	1611	Computer Software	10	10%	10	10%	No	Yes
7	Equipment	Power Operated	5	10								
		Stores	5	10								
		Tools, Shop, Garage Equipment	5	10								
		Measurement & Testing Equipment	5	10								
8	Communication	Towers	60	70	2055	Capital Leases - Towers	50	2%	50	2%	Yes	No
		Wireless	2	10	1980	System Supervisor Equipment	20	5%	20	5%	No	Yes
9	Residential Energy Meters		25	35								
10	Industrial/Commercial Energy Meters		25	35	1860	Meters	25	4%	25	4%	No	No
11	Wholesale Energy Meters		15	30	1860	Meters	25	4%	25	4%	No	No
12	Current & Potential Transformer (CT & PT)		35	50								
13	Smart Meters		5	15	1860	Meters	15	7%	15	7%	No	No
14	Repeaters - Smart Metering		10	15								
15	Data Collectors - Smart Metering		15	20								

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

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

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

WDI does not have a formal deprivation/amortization policy but bases its practice for depreciation/amortization on Canadian Generally Accepted Accounting Principles (CGAAP), and guidelines set out by the Ontario Energy Board, where applicable. WDI 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 MIRFS.

WDI calculates depreciation based the “half –year” rule for all distribution system assets and capital contributions.

A summary of WDI’s depreciation by year from 2012 Board Approved to the 2016 Test Year is provided in Table 4.22 on the next page.

Table 4.22: Depreciation Expenses Summary

USoA	Description	2012 Board Approved CGAAP	2012 Actual CGAAP	2013 Actual CGAAP	2014 Actual CGAAP	2014 Actual MIFRS	2015 Bridge Year MIFRS	2016 Test Year MIFRS	Depreciation Rate
1611	**Computer Software (Formally known as Account 1925)**	**9,257**	**9,343**	**13,779**	**13,779**	**13,779**	**14,535**	**17,285**	10.0%
1820	Distribution Station Equipment <50 kV - Building & Infrastructure	-	7,273	7,253	7,253	6,102	6,423	6,423	2.0%
1820	Distribution Station Equipment <50 kV - Civil Work	-	2,929	2,921	2,921	1,751	2,089	2,089	2.0%
1820	Distribution Station Equipment <50 kV - LV Reclosures & Breakers	-	25,437	26,807	29,540	25,528	27,676	19,808	5.0%
1820	Distribution Station Equipment <50 kV - Equipment	-	23,672	23,945	24,283	19,036	20,388	20,388	2.5%
1820	Distribution Station Equipment <50 kV - Transformer	-	20,519	20,463	20,463	14,985	15,611	15,611	2.2%
1820	**Distributon Station Equipment - Total**	**86,860**	**79,830**	**81,389**	**84,461**	**67,403**	**72,186**	**64,318**	
1830	**Poles, Towers & Fixtures**	**82,422**	**82,913**	**87,253**	**93,292**	**87,959**	**96,051**	**60,233**	2.2%
1835	**Overhead Conductors & Devices**	**81,674**	**81,214**	**85,887**	**87,768**	**86,280**	**88,219**	**54,148**	2.2%
1840	**Underground Conduit**	**6,833**	**4,956**	**5,364**	**6,080**	**1,134**	**1,477**	**1,477**	2.0%
1845	**Underground Conductors & Devices**	**152,941**	**147,675**	**154,491**	**167,751**	**96,276**	**107,695**	**105,352**	3.3%
1850	**Line Transformers**	**69,208**	**66,611**	**72,464**	**80,278**	**44,066**	**51,560**	**52,526**	2.5%
1855	**Services (Overhead & Underground)**	**72,673**	**73,326**	**82,081**	**91,894**	**56,220**	**66,402**	**75,374**	2.9%
1860	Meters	833	174	199	224	224	324	524	4.0%
1860	Meters (Smart Meters)	113,751	113,015	113,106	115,316	112,546	115,989	118,027	6.7%
1860	Primary Metering Equipment	-	4,950	4,708	6,668	6,668	6,669	6,669	4.0%
1860	**Meter Equipment**	**114,584**	**118,139**	**118,013**	**122,208**	**119,437**	**122,982**	**125,220**	
1908	**Buildings & Fixtures**	**24,162**	**19,830**	**23,367**	**28,060**	**28,060**	**29,337**	**30,537**	2%
1920	**Computer Hardware**	**1,050**	-	-	-	-	-	-	20%
1980	**System Supervisor Equipment**	-	**2,047**	**4,247**	**4,401**	**4,401**	**4,401**	**4,401**	5%
1995-1820-01	Contributions & Grants - Station Building & Infrastructure	-	- 1,018	- 1,498	- 1,151	-	-	-	2.0%
1995-1820-02	Contributions & Grants - Station Civil Work	-	- 1,002	- 1,522	- 1,170	-	-	-	2.0%
1995-1820-03	Contributions & Grants - Station LV/Reclosures & Breakers	-	- 3,542	- 5,386	- 4,012	-	-	-	5.0%
1995-1820-04	Contributions & Grants - Station Equipment	-	- 4,536	- 6,859	- 5,247	-	-	-	2.5%
1995-1820-05	Contributions & Grants - Station Transformers	-	- 4,119	- 6,190	- 5,478	-	-	-	2.2%
1995-1830	Contributions & Grants - Poles	-	- 4,699	- 5,098	- 7,890	-	-	-	2.2%
1995-1835	Contributions & Grants - O/H Conductor	-	- 1,665	- 1,445	- 1,785	-	-	-	2.2%
1995-1840	Contributions & Grants - Conduit	-	- 4,582	- 4,577	- 5,077	-	-	-	2.0%
1995-1845	Contributions & Grants - U/G Conductor	-	- 55,175	- 66,203	- 75,951	-	-	-	3.3%
1995-1850	Contributions & Grants - Transformers	-	- 27,124	- 33,100	- 38,311	-	-	-	2.5%
1995-1855	Contributions & Grants - Secondary Services	-	- 25,594	- 32,832	- 37,667	-	-	-	2.9%
1995-1860-01	Contributions & Grants - Smart Meters	-	- 3,525	- 2,748	- 2,859	-	-	-	6.7%
1995	**Contributions and Grants - Total**	**- 146,457**	**- 136,581**	**- 167,460**	**- 186,598**	-	-	-	
2440-1830	Deferred Revenue - Poles	-	-	-	-	- 2,557	- 5,194	- 5,194	2.2%
2440-1835	Deferred Revenue - O/H Conductor	-	-	-	-	- 297	- 588	- 588	2.2%
2440-1840	Deferred Revenue - Conduit	-	-	-	-	- 131	- 271	- 271	2.0%
2440-1845	Deferred Revenue - U/G Conductor	-	-	-	-	- 4,477	- 12,058	- 15,249	3.3%
2440-1850	Deferred Revenue - Transformers	-	-	-	-	- 2,099	- 6,450	- 8,184	2.5%
2440-1855	Deferred Revenue - Secondary Services	-	-	-	-	- 1,993	- 6,706	- 10,863	2.9%
2440-1860-01	Deferred Revenue - Smart Meters	-	-	-	-	- 88	- 220	- 220	6.7%
2440	**Deferred Revenue Total**	-	-	-	-	**- 11,642**	**- 31,487**	**- 40,570**	
2005	Capital Lease - Communication Equipment	-	1,232	2,464	2,464	2,464	2,464	2,464	5.0%
2005	Capital Lease - Structure	-	775	1,550	1,550	1,550	1,550	1,550	2.0%
2005	**Capital Lease - Total**	**6,340**	**2,007**	**4,014**	**4,014**	**4,014**	**4,014**	**4,014**	
Total Depreciaiton		**561,547**	**551,309**	**564,891**	**597,387**	**597,387**	**627,371**	**554,315**	
Less: Fully Allocated Depreciation		-	-	-	-	-	-	-	
Total Depreciaiton for Rate Setting Purposes		**561,547**	**551,309**	**564,891**	**597,387**	**597,387**	**627,371**	**554,315**	

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

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

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

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

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

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

WDI has used the OEB Tax Work Form model to calculate the amount of taxes for inclusion in its 2016 rates. PILs have been calculated under MIFRS accounting policies. The PILS model was reviewed by WDI’’s external auditor Collins Barrow to ensure that the current and proposed tax rates have been applied, that the amount of PILS calculated appears reasonable and that the integrity checks established in the Boards Minimum Filing Requirements have been adhered to.

Table 4.23 summarizes WDI’s grossed up taxes for the 2014 Historical Year, 2015 Bridge Year and 2016 Test Year. Under the new accounting policies, WDI’s PILs amount to $43,991.

Table 4.23: Income Tax Summary

Current PILS	2012 Board Approved	2012 Actual	2013 Actual	2014 Actual	2015 Bridge Year	2016 Test Year
Grossed-Up PILS	40,737	205,504	26,085	35,055	84,593	43,991

The income tax sheet from the Revenue Requirement Work Form is presented below as Table 4.24 and the PILs model is being filed in conjunction with this application.

Table 4.24: Tax Provision for the 2016 Test Year

Line No.	Particulars	Application
	Determination of Taxable Income	
1	Utility net income before taxes	$524,606
2	Adjustments required to arrive at taxable utility income	($337,410)
3	Taxable income	$187,196
	Calculation of Utility income Taxes	
4	Income taxes	$33,242
6	Total taxes	$33,242
7	Gross-up of Income Taxes	$10,749
8	Grossed-up Income Taxes	$43,991
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	$43,991
10	Other tax Credits	($12,500)
	Tax Rates	
11	Federal tax (%)	14.19%
12	Provincial tax (%)	10.24%
13	Total tax rate (%)	24.44%

Ex.4/Tab 5/Sch.2 - Latest Filed Tax Return, Tax Assessments and Correspondence

The utility's latest tax return is presented in this Exhibit, Attachment E.

WDI does not have any loss carry forwards.

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

WDI is not claiming an Apprenticeship Training Tax Credit. WDI is claiming a Scientific Research and Experimental Development (“SRED”) credit and this credit has been included in the PILs calculation. This credit is for $12,500 in the 2016 Test Year.

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

WDI has no donation other than LEAP, in the calculation of revenue requirement.

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

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

- the depreciation and amortization added back in the application's PILs model agree with the numbers disclosed in the rate base section of the application;
- the capital additions and deductions in the UCC/ CCA Schedule 8 agree with the rate base section for historic, bridge and test years;
- Schedule 8 of the most recent federal T2 tax return filed with the application has a closing December 31st historic year UCC that agrees with the opening bridge year UCC at January 1st;
- The CCA deductions in the application's PILs tax model for historic, bridge and test years agree with the numbers in the UCC schedules for the same years filed in the application;
- Loss carry-forwards, if any, from the tax returns (Schedule 4) agree with those disclosed in the application;
- CCA is maximized even if there are tax loss carry-forwards; and
- WDI does not have any loss carry forwards.

Ex.4/Tab 5/Sch.6 – Property Taxes

WDI has forecast the 2015 Bridge and 2016 Test Year property taxes using 2014 Actual property taxes of $27,199 and increased this to $27,500 for the 2015 Bridge Year and $28,000 for the 2016 Test Year for a nominal increase that is calculated to be around 2%, less adjustment due to rounding.

Conservation and Demand Side Management

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

WDI filed its CDM Strategy with the OEB in accordance with the CDM Code for Electricity Distributors in the fall of 2010 for WDI's 2011-2014 CDM portfolio. WDI began delivering CDM programs in 2011 in order to meet the mandated targets. The emphasis has been on Ontario Power Authority ("OPA") Contracted Province-Wide Programs to residential and general service customers. WDI has not sought approval for Board-approved CDM programs. WDI is currently in the process of transitioning to WDI's 2015-2020 CDM portfolio.

The OPA provides funding for WDI's CDM programs. Funding and expenditures for the delivery of OPA Contracted Province-Wide Programs are kept separate and tracked in Non-Distribution Revenue Accounts in accordance with the guidance in Chapter 5, Accounting Treatment of the CDM Code.

In addition, WDI has ensured that any function performed within the distribution company for CDM activity has been attributed and tracked in the non-distribution accounts. Therefore, CDM activities are not included in the calculation of revenue requirement or revenue offsets.

WDI will not be applying for any OM&A costs related to the administration and delivery of CDM programs to be recovered through the revenue requirement.

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

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

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

WDI is proposing recovery of LRAMVA for the year 2011, 2012, and 2013. Table 4.26 illustrates the requested LRAMVA by rate class.

Table 4.26: Summary of Requested LRAMVA Amounts (2011-2013)

Verified results updated	2013

Description	Residential	General Service < 50 kW	General Service > 50 to 4999 kW	Standy Power - Approved on an Interim Basis	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	other	other	other	Total
2011 Forecast	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00				**$0.00**
2011 Verified	$2,662.42	$1,488.27	$1,621.34	$0.00	$0.00	$0.00	$0.00				**$5,772.03**
2011 Cleared											**$0.00**
2012 Forecast	-$7,988.48	-$1,541.20	-$1,341.61	$0.00	$0.00	$0.00	$0.00				**-$10,871.29**
2012 Verified	$4,016.38	$2,799.94	$5,475.09	$0.00	$0.00	$0.00	$0.00				**$12,291.41**
2012 Cleared											**$0.00**
2013 Forecast	-$7,811.38	-$1,525.87	-$1,325.56	$0.00	$0.00	$0.00	$0.00				**-$10,662.80**
2013 Actuals	$5,592.56	$3,482.04	$4,502.88	$0.00	$0.00	$0.00	$0.00				**$13,577.48**
2013 Cleared											**$0.00**
Balance	**-$3,528.51**	**$4,703.18**	**$8,932.14**	**$0.00**	**$0.00**	**$0.00**	**$0.00**			**$0.00**	**$10,106.81**

WDI has used the most recent input assumptions when calculating lost revenue and has relied on the 2013 final evaluation report and the 2011-2014 Finalized CDM results from the IESO in support of its LRAM calculation for its contracted province-wide CDM programs ("OPA Programs") for 2011-2013, provided in Attachment F. Lost revenues are based on Board approved variable charges and carrying charges through to April 30, 2016 are requested using the quarterly rates prescribed by the Board provided in Exhibit 9.

WDI is not requesting recovery of lost revenue resulting from Board-approved programs.

Estimated CDM load reductions of 802,000 kWh were factored into the load forecast underpinning WDI's 2012 and 2013 rates. WDI used a kWh to kW ratio of 0.228% of 127,698 kWh's to determine the yearly CDM kW impact to the GS>50 kW customer class. Table 4.27 illustrates the CDM load reduction from 2011-2013 that WDI requested in WDI's 2012 COS (EB-2011-0103).

Table 4.27: CDM Load Reduction (2011-2013)

Forecast Year	Residential	General Service < 50 kW	General Service > 50 to 4999 kW	Unmetered Scattered Load	Street Lighting
	kWh	kWh	kW	kWh	kW
2011	0.00	0.00	0.00	0.00	0.00
2012	559,287	115,015	291	-	-
2013	559,287	115,015	291	-	-

Detailed lost revenue was calculated by rate class using kWh and kW savings as reported by the IESO's final reports using the pro-rated volumetric distribution charges coinciding with approved distribution volumetric rate changes. Furthermore, WDI subtracted CDM savings factored into WDI's 2012 Load Forecast as presented in Table 4.27. WDI has provided this information in Attachment G including a list of CDM programs/initiatives with savings for each rate class.

Attachments

Attachment A Master Service Agreement

Attachment B WRSI Collective Agreement

Attachment C WRSI Actuarial Report

Attachment D Building Lease Agreement

Attachment E 2014 WDI Tax Return (Long)

Attachment F 2011-2014 Final CDM Results

Attachment G LRAMVA

Attachment A – Master Service Agreement (MSA)

WASAGA DISTRIBUTION INCORPORATED

- and -

WASAGA RESOURCE SERVICES INCORPORATED

SERVICES AGREEMENT

JANUARY 1, 2013

SERVICES AGREEMENT

THIS SERVICES AGREEMENT is made as of the 1st day of January, 2013.

B E T W E E N:

WASAGA DISTRIBUTION INCORPORATED, a corporation incorporated pursuant to the laws of the Province of Ontario

(hereinafter referred to as "**WIRESCO**")

- and -

WASAGA RESOURCE SERVICES INCORPORATED, a corporation incorporated pursuant to the laws of the Province of Ontario

(hereinafter referred to as "**SERVCO**")

RECITALS

1. The Corporation of the Town of Wasaga Beach pursuant to Section 142 of the *Electricity Act, 1998* caused WIRESCO to be incorporated on May 11, 2000;

2. SERVCO agrees to provide operational, engineering, finance, administrative services and other services to WIRESCO on the terms as set forth in this Agreement, and SERVCO shall provide such other products and services as may be agreed to by the Parties from time to time.

3. This agreement shall not limit the activities of SERVCO, with the exception of those activities within the exclusive statutory and licensed jurisdictions of WIRESCO including the items specifically identified in this Agreement.

NOW THEREFORE in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Article One

INTERPRETATION

<u>Section 1.01: Definitions</u>

Unless the context otherwise specifies or requires, for the purposes of this Agreement all capitalized terms herein shall have the meanings set forth below:

(a) "**Advisors**" means employees, agents, professional advisors, contractors and subcontractors, and "**Advisor**" means any one of them;

(b) **"Affiliate**,**"** with respect to a corporation, shall have the same meaning as is ascribed to such term in the *Business Corporations Act* (Ontario);

(c) "**Agreement**" "**this Agreement**"**,** "**the Agreement**"**,** "**SERVCO Services, SERVCO Management Services Agreement**"**,** "**hereto**"**,** "**hereof**"**,** "**herein**"**,** "**hereby**"**,** "**hereunder**" and similar expressions mean this SERVCO Services Agreement together with all Schedules attached hereto, as they may be amended from time to time;

(d) **"Base Direct Costs"** has the meaning ascribed to such term in Section 5.01;

(e) **"Base Financial Consideration"** has the meaning ascribed to such term in Section 5.01;

(f) "**Business Day**" means any day other than a Saturday or Sunday or a statutory or bank holiday in the Province of Ontario;

(g) **"Claim"** has the meaning ascribed to such term in Section 4.04;

(h) **"Confidential Consumer Information"** means information WIRESCO has obtained relating to a specific consumer, retailer or generator in the process of providing current or prospective distribution service;

(i) "**Default**" means in respect of WIRESCO, an event set out in Section 8.01 and, in respect of SERVCO, an event set out in Section 8.02;

(j) **"Effective Date"** means the date first written above;

(k) "**Event of Default**" means a Default, the notice and cure periods (if any) respecting, which have expired;

(l) "**Force Majeure Event**" has the meaning ascribed to such term in Section 11.01;

(m) **“Law”** means any law, rule, regulation, Code, order, writ, judgement, decree or other legal or regulatory termination by a court, regulatory agency, including the IESO, or governmental authority of competent jurisdiction;

(n) “**Person**” means an individual, corporation, partnership, joint venture, association, trust, pension fund, union, governmental agency, official, board, tribunal, ministry, commission or department;

(o) “**Prime Rate**” means, for any day, an annual rate of interest equal to the rate of interest which SERVCO’s principal bank establishes at its principal office in Toronto as the reference rate of interest to determine interest rates that it will charge on such day for commercial loans in Canadian dollars made to its customers in Canada and which it refers to as its “prime rate of interest”;

(p) **“Services”** are Services that are provided under Section 3.02 of this Agreement;

(q) “**Term**” has the meaning ascribed thereto in Section 2.01 of this Agreement; and

(r) **“Third Party Expenses”** means all fees, costs and charges paid to third parties by SERVCO on behalf of WIRESCO in connection with providing the Services and the Management Services or incurred by WIRESCO’s employees while providing Services under this Agreement paid by SERVCO.

(s) **“Utility”** means the predecessor municipal electric utility of WIRESCO.

Section 1.02: Construction of Agreement

In this Agreement:

(a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders;

(b) all usage of the word “**including**” or the phrase “**e.g.**,” in this Agreement shall mean “including, without limitation,” throughout this Agreement;

(c) any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated there under, as the same may be amended, re-enacted, consolidated and/or replaced, from time to time, and any successor statute thereto, unless otherwise expressly provided;

(d) any reference to a specific executive position or an internal division or department of a Party shall include any successor positions, divisions or departments having substantially the same responsibilities or performing substantially the same functions;

(e) when calculating the period of time within which or following which any act is to be done or step taken, the date which is the reference day in calculating such period shall be excluded; and if the last day of such period is not a Business Day, the period shall end on the next Business Day;

(f) all dollar amounts are expressed in Canadian dollars;

(g) the division of this Agreement into separate Articles, Sections, subsections and Schedules, the provision of a table of contents and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Agreement;

(h) words or abbreviations which have well known or trade meanings are used herein in accordance with their recognized meanings;

(i) the terms and conditions hereof are the result of negotiations between the Parties and the Parties therefore agree that this Agreement shall not be construed in favour of or against any Party by reason of the extent to which any Party or its professional advisors participated in the preparation of this Agreement.

Article Two

TERM

Section 2.01: Term

Unless terminated in accordance with Section 10.01 of this Agreement, the term of this Agreement shall be renewed in perpetuity and reviewed annually.

Article Three

SERVCO SERVICES AND COVENANTS

<u>Section 3.01: Performance Standards</u>

(a) SERVCO will endeavour to perform in the top quartile of industry standards, based on standards set by the Electricity Distributors Association, Infrastructure Health and Safety Association, and Occupational Health & Safety Standards.

(b) SERVCO will make all reasonable efforts to meet or exceed performance measures established by the Ontario Energy Board ("OEB").

(c) WIRESCO and SERVCO commit to attempting to provide distribution price stability for customers.

<u>Section 3.02: Services</u>

Unless the parties otherwise agree in writing and subject to the terms, covenants and conditions contained in this Agreement and to the observance and performance by WIRESCO of all terms, covenants and conditions hereof, SERVCO will provide or cause to be provided to WIRESCO the following services (collectively, the **"Services"):**

<u>Reconnect and Collection</u>

Responses to reconnects and collection issues will be completed in an expeditious and timely fashion.

<u>Residential Service Connections</u>

Each residential service connection will encompass the following:

- A field representative will meet customers on site at the appointed time as per OEB Guidelines.
- Service Connection will be discussed including prices with residential customers.
- Where conditions of supply are met, certified trained staff will perform cable connections as per the OEB Guidelines.

<u>Billing, Collecting and Data Acquisition</u>

SERVCO shall utilize equipment that performs billing, collecting and data acquisition functions to North American industry standards. Said equipment shall meet the local needs of the community and shall be capable of providing customized local services such as equal payment plans. WIRESCO shall be entitled to review from time to time the capabilities of the system's workstations and network server to ensure that these local services are available to customers in the future.

Customer Service

Customer Service will be provided by qualified and knowledgeable SERVCO staff that meets the needs of existing and potential customers. Services will include the provision of local community and engineering planning information to serve new business. WIRESCO customer information will be readily available. SERVCO staff shall be knowledgeable in respect to community demographics when providing customer service.

Data Tracking

SERVCO staff shall maintain and collect numerous types of data as required by the OEB and others.

Accounting

SERVCO staff will provide and maintain accounting services including financial statements, financial planning, payroll, collection, withholding or remittance of taxes and other required functions. These records will be kept in a format that is acceptable to the Accounting Procedures Handbook for Electricity Distributors and will be available for WIRESCO on request.

Distribution System Code ("DSC"), Retail Settlement System ("RSS") and Standard Supply Service ("SSS")

WIRESCO grants to SERVCO, WIRESCO's authorization for SERVCO to administer the DSC, RSS and SSS.

In acting as agent of WIRESCO, SERVCO will comply with all the regulatory requirements of the DSC, RSS and SSS, subject to the licensing provisions of the OEB.

Knowledge of the DSC and its application will be maintained and administered by SERVCO.

SSS will be billed by SERVCO on the behalf of WIRESCO and the incremental administration charges, as at the date of signing this Agreement, will be set at $0.34 and will accrue to the benefit of SERVCO. This incremental administration charge will be adjusted on January 1st of each year, in accordance with the Statistics Canada Consumer Price Index ("CPI") for the life of this Agreement.

Engineering Services

SERVCO staff will provide engineering services utilizing approved standards and methods, while maintaining strong ethical engineering philosophy and recognizing local conditions.

.Planning and Necessary Maintenance

SERVCO staff will provide planning and maintenance to the electrical system appropriate to the maintenance need. This maintenance will be co-ordinated with municipal infrastructure projects, including utilities such as Bell Canada utilizing sound electrical practices.

Contracting with Developers, Customers and others

SERVCO staff will provide services such as material procurement and handling, design, planning, cost estimating, installation, scheduling, inspection and liaison with other utilities, contractors and the municipality.

Subcontracting Services

To the extent practicable, local services will be utilised for subcontracted services.

Inventory Maintenance

SERVCO staff will maintain an appropriate level of inventory based on current conditions.

After Hours and Emergency Response

SERVCO will respond to service/emergency calls within the required OEB Guidelines.

Normal Hours Response

SERVCO staff will respond to service calls as scheduled.

Emergency Preparedness

An Emergency Preparedness Plan will be maintained and updated as required.

Provision of Management Services

SERVCO Management Services shall include but not be limited to, human resources, regulatory assistance, advice and policy development. SERVCO shall provide reports relating to Management Services to the WIRESCO Board of Directors.

In the provision of Management Services, it is specifically understood that SERVCO is an independent contractor and not an employee of WIRESCO.

Except as may be permitted by this Agreement, SERVCO shall not be authorized to bind or commit WIRESCO, either actually or apparently, in any manner whatsoever, without the prior express written permission of WIRESCO. Notwithstanding this restriction, one aspect of Management Service provision by SERVCO will be the regulatory requirement for preparation and submission of periodic Rate Applications for, and on behalf of, WIRECSO and any other such Submission and/or Applications as may, from time to time, be required to satisfy regulatory requirements. In respect of these applications SERVCO shall be authorized to act as an Agent of WIRESCO by approval of the Board of Directors on an as and when required basis.

SERVCO has Board approved Policies covering services provided to WIRESCO. It is understood that SERVCO shall provide copies of those policies to third parties contracted by SERVCO for provision of goods and/or services to either SERVCO or WIRESCO and shall ensure that those parties adhere to the standards set out in the policies.

Section 3.03: Capital Construction Activities

(a) SERVCO will undertake, by way of acquisition or construction, a capital construction program as approved by WIRESCO.

(b) SERVCO will notify WIRESCO of any unplanned capital or construction activity, in detail, in a timely manner.

(c) In extreme situations, such as wars, terrorism, fires, major storms, tornadoes, equipment failures, Acts of God and the like, WIRESCO will reimburse SERVCO for all Capital Work costs which SERVCO incurs to remedy such situations. SERVCO will notify WIRECSO as soon as possible, as to the extent of damages and cost estimates to complete the work necessary to remedy such situations.

Section 3.04: Changes

WIRESCO and SERVCO may, from time to time, agree to modifications to the Services.

Section 3.05: General SERVCO Covenants

(a) SERVCO shall be responsible for obtaining all necessary licences and permits and for complying with all applicable federal, provincial and municipal laws, codes and regulations in connection with the provision of the services hereunder.

(b) SERVCO shall comply, while on the premises used by WIRESCO, with all the rules and regulations of WIRESCO.

(c) SERVCO shall pay for and maintain for the benefit of SERVCO appropriate insurance concerning the operations and liabilities of SERVCO relevant to this Agreement.

Section 3.06: Regulatory Change

If any change of Law after the date of this Master Agreement renders this Agreement illegal or unenforceable, then the Parties shall be required to renegotiate in good faith for thirty (30) days with a goal to developing a substitute agreement, which is consistent with the change of law.

Article Four

MUTUAL COVENANTS

Section 4.01: Access and Co-operation

No Advisor of SERVCO shall have access to any Confidential Consumer Information in the possession of WIRESCO, except for purposes related to activities under this agreement.

Section 4.02: Confidentiality Arrangements

Both parties agree that accounting and financial separation of SERVCO from WIRESCO will be established and maintained. Further the parties agree to protect the confidentiality of customer information. This provision will include compliance with the provisions of the current version of section 5900 of the Canadian Institute of Chartered Accountants Handbook.

Section 4.03: Maintain Records

WIRESCO and SERVCO will maintain such records as may be necessary in connection with this Agreement and as are agreed upon by the Parties, acting reasonably.

Section 4.04: Notice of Claims, Etc.

WIRESCO shall promptly give written notice to SERVCO, and SERVCO shall promptly give notice to WIRESCO, of all material claims, proceedings, notice of regulatory non-compliance from any regulatory authority, disputes (including labour disputes) or litigation ("Claims") which it reasonably believes could have a material adverse effect on the fulfilment of any of the material terms hereof by WIRESCO or SERVCO (whether or not any such claim, proceeding, dispute or litigation is covered by insurance) in respect of its own operations of which any of them is aware. Each Party shall provide the other Party with all information reasonably requested from time to time concerning the status of such claims, proceedings, notices, disputes, or litigation, and any developments relating thereto.

Article Five

FEES AND PAYMENTS

<u>Section 5.01: Base Financial Consideration</u>

(a) The Base Financial Consideration for this Agreement is a sum equal to the Total Controllable Costs of the Utility for the Regulatory Year 2012 in the amount of $2,574,254 as approved by the OEB in WIRESCO's 2012 Cost of Service Application, plus an approved return on assets (Billing Software, Accounting Software and Vehicles) of $59,000 (calculated using a 6.20% Return based on a Net Book Value of $948,000), less Base Direct Costs as described in Section 5.01 (b) of $550,000, for a total Base Consideration of $2,083,254. Base Financial Consideration shall be subject to adjustment in accordance with this Article Five.

(b) Excluding non-regulated activity, including but not limited to, water heater and street light maintenance, WIRESCO costs that will be paid directly by WIRESCO ("Base Direct Cost") include those following and any other direct costs it chooses to incur:-

- Income and corporate taxes or payments in lieu of taxes
- Property Taxes
- Land Taxes
- Directors Fees
- Insurance not jointly held or provided by the parties
- Costs of insurance jointly held will be shared on a pro rata basis
- Regulatory Costs (i.e. new Regulatory Activity, Smart Grid, Green Energy)
- Auditing and Consulting Costs
- Bank Charges
- Conservation and Demand Management ("CDM") Initiatives

Section 5.02: Adjustments to the Base Financial Consideration

Adjustments to the Base Financial Consideration will include:

(a) An adjustment based on 80% of the increase or decrease in customer count, calculated on an average distribution revenue/customer by class basis, and;

(b) An annual adjustment, to be adjusted on January 1^{st}, of each year, in accordance with the Statistics Canada CPI for the life of this Agreement.

Section 5.03: Adjustments for Substantial Costs

In the event that SERVCO realizes substantially greater costs in providing any new services according to Section 3.04 of this Agreement, WIRESCO will meet with SERVCO to determine a mutually acceptable adjustment.

Section 5.04: Third Party Services Expenses

Prior to incurring any Third Party Services Expenses that materially exceed the historical levels of such expenses, SERVCO shall use notify WIRESCO of the amount of such differences and the circumstances giving rise thereto.

Section 5.05: Taxes

In addition to the Fees, WIRESCO shall pay to SERVCO any and all taxes properly eligible on the supply of the Third Party Services provided for under this Agreement.

Section 5.06: Late Payment

If WIRESCO fails to pay any amounts payable to SERVCO hereunder when due, such unpaid amounts shall bear interest from the due date thereof to the date of payment at Prime Rate plus two percent (2%).

Section 5.07 Protection against Financial Losses

With respect to Standard Supply Service, the WIRESCO agrees to indemnify SERVCO from all financial losses in the administration of Standard Supply Service. Any such losses will be due and payable when the bill is rendered and this shall not constitute a default under this Agreement.

Article Six

REPRESENTATIONS AND WARRANTIES

<u>Section 6.01: Representations and Warranties of SERVCO</u>

SERVCO hereby represents and warrants to WIRESCO as follows and acknowledges that WIRESCO is relying on such representations and warranties in connection herewith:

(a) SERVCO is a corporation, duly incorporated, validly existing and in good standing under the laws of the Province of Ontario and it has the rights, powers and privileges to execute and deliver this Agreement and to perform its obligations hereunder;

(b) the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action;

(c) this Agreement has been duly executed and delivered by SERVCO and constitutes a legal, valid and binding obligation of SERVCO, enforceable against SERVCO by WIRESCO in accordance with its terms; and

(d) SERVCO has the necessary resources and expertise to acquire or perform the Services and Management Services.

<u>Section 6.02: Representations and Warranties of WIRESCO</u>

WIRESCO hereby represents and warrants to SERVCO as follows and acknowledges that SERVCO is relying on such representations and warranties in connection herewith:

(a) WIRESCO is a company, duly organized, validly existing and in good standing under the laws of the Province of Ontario and it has the rights, powers and privileges to execute and deliver this Agreement and to perform its obligations hereunder;

(b) the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate actions; and

(c) this Agreement has been duly executed and delivered by WIRESCO and constitutes a legal, valid and binding obligation of WIRESCO, enforceable against WIRESCO by SERVCO in accordance with its terms.

Article Seven

INDEMNIFICATION

<u>Section 7.01: Indemnification</u>

The parties shall indemnify each other, and their respective officers and directors, from any losses, liabilities and damages (including taxes and related penalties) and all related costs and expenses, including reasonable legal fees on a solicitor and client basis and expenses and costs of litigation, settlement, judgment, appeal, interest and penalties ("**Losses**") arising out of or relating to:

(a) any claim by Advisors, customers or suppliers of a party arising from or related to this Agreement or the Services, provided that such indemnity shall be without prejudice to any claim such party may have against the other party in connection therewith; and

(b) any claim based on the personal or bodily injury (including death) or damage to property received or sustained by any reason of any act or omission, whether negligent or otherwise, to the extent caused by a party or that party's Advisor at any location of the party in the course of or in connection with the performance of the Services and Management Services.

<u>Section 7.02: Indemnification Procedures</u>

If any third party makes a claim covered by this Agreement against any indemnitee hereunder (an "**Indemnitee**") with respect to which such Indemnitee intends to seek indemnification under this Agreement, such Indemnitee shall give notice of such claim to the indemnifying Party (the "**Indemnifying Party**") as soon as practicable, including a brief description of the amount and basis therefore, if known. Each Party shall co-operate fully with the other Party in its defence of any such claim. The indemnity obligations of an Indemnifying Party under this Agreement shall be conditional on notice of the claim having been provided and the Indemnifying Party having had the opportunity to consult with the Indemnitee regarding the claim. An Indemnitee seeking indemnification hereunder in respect of a claim shall not settle such claim without prior approval of the Indemnitor.

Article Eight

DEFAULT

<u>Section 8.01: Events of Default by WIRESCO</u>

If WIRESCO defaults in the payment of an amount due to SERVCO under this Agreement, and such default continues for sixty (60) days or within a reasonable time frame acceptable to SERVCO, it shall constitute a default by WIRECO under this Agreement.

<u>Section 8.02: Default by SERVCO</u>

If SERVCO defaults in the payment of any amounts due to WIRESCO under this Agreement, and such default continues for sixty (60) days, or within a reasonable time frame acceptable to WIRESCO, it shall constitute a Default by SERVCO under this Agreement. If such “Default” is not cured prior to the relevant notice period (if any) and the relevant cure period (if any) applicable to such default, it shall constitute an “Event of Default” under this Agreement.

Article Nine

REMEDIES

Section 9.01: Default Remedies

(a) Unless otherwise agreed to in writing, in the event WIRESCO is in default under Section 8.01, SERVCO may terminate this Agreement and all amounts payable by WIRESCO hereunder shall become due and payable forthwith;

(b) Any dispute between the Parties in respect of Section 8.01 and 8.02 shall be submitted to and be definitively settled by arbitration on the request of any Party pursuant to Section 11.02 of this Agreement;

(c) While any dispute is being resolved by arbitration, the Parties shall continue to perform all obligations under this Agreement with due diligence and shall continue to comply with all terms of this Agreement;

(d) If a Party has failed to comply with the arbitrator's award or decision in accordance with said arbitrator's award or decision, the other Party may terminate this Agreement and all amounts owing by the Party to the other Party shall be due and payable and all properties of the other Party shall be returned forthwith;

(e) The remedies in this section are expressly in lieu of any or all of the remedies, which may be available to each of WIRESCO and SERVCO resulting from the furnishing, the failure to furnish or the quality of any Services. Each of WIRESCO and SERVCO hereby recognises and agrees that the Parties will come together to establish a reasonable remedy consistent with the intent of this Agreement, and the Parties further agree that WIRESCO will receive no additional compensation while establishing a reasonable remedy.

Section 9.02: Limitation of Liability

For breach or Default by SERVCO under or related to this Agreement, SERVCO's entire aggregate liability, regardless of the form of action, whether based on contract or tort, including negligence and including, without limitation, the furnishing, the failure to furnish or the quality of any Services, shall in no event exceed the amount paid by WIRESCO for the Services that is the subject of the claim.

Section 9.03: No Consequential Damages

In no event will SERVCO be liable to WIRESCO, or WIRESCO be liable to SERVCO for special, incidental, indirect or consequential loss or damage, lost business revenue, loss of profits, failure to realize expected profits or savings, or any damages or losses pursuant to claims brought by a third party (even if the Party causing such loss or damage has been advised of the possibility of same) in connection with this Agreement.

Article Ten

TERMINATION

Section 10.01: Termination

This Agreement shall terminate:

(a) in accordance with the provisions of Section 9.01; or

(b) in accordance with Section 2.01.

Section 10.02: Notice of Termination

Any termination hereof pursuant to Section 10.01 shall be by written notice of the terminating Party.

Article Eleven

GENERAL

Section 11.01: Force Majeure

No Party shall be liable for a failure or delay in the performance of its obligations pursuant to this Agreement:

(a) provided that such failure or delay could not have been prevented by reasonable precautions;

(b) provided that such failure or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, work around plans or other means; and

(c) if and to the extent such failure or delay is caused, directly or indirectly, by fire, flood, earthquake, elements of nature or acts of God, acts of war, terrorism, riots, civil disorders, rebellions, strikes, lock outs or labour disruptions or revolutions in Canada, or any other similar causes beyond the reasonable control of such Party,

(each, a "**Force Majeure Event**"). Upon the occurrence of a Force Majeure Event, the non-performing Party shall be excused from any further performance of those of its obligations pursuant to this Agreement affected by the Force Majeure Event only for so long as:

(a) such Force Majeure Event continues; and

(b) such Party continues to use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay.

The Party delayed by a Force Majeure Event shall:

(a) immediately notify the other Party of the occurrence of a Force Majeure Event; and

(b) describe in reasonable detail the circumstances causing the Force Majeure Event.

Section 11.02: Dispute Resolution

If any dispute arising in relation to an event of default under Section 8.01or Section 8.02or its implementation of Section 8.01 or Section 8.02 cannot be resolved by negotiation between the Parties, then the dispute shall be referred to one arbitrator agreeable to and appointed by both Parties. If the Parties cannot agree on one arbitrator, the matter in dispute shall be referred to a panel of three arbitrators, one of which shall be appointed by WIRESCO, one appointed by SERVCO, and the third appointed by the two arbitrators selected by the two Parties. The arbitrator or arbitrators shall receive such oral and written evidence as may be required to investigate the matter in dispute and to render a decision. The arbitrator shall be guided by this agreement and the intent of this agreement. The decision of the arbitrator or arbitrators shall be provided in writing to all of the Parties no later than 30 days after the sole arbitrator or the third arbitrator has been appointed. The decision of the arbitrator or arbitrators shall be final and binding on all of the Parties.

Section 11.03: Assignment

Neither Party shall, without the Approval of the other Party hereto, which may be arbitrarily withheld in the sole discretion of either of them, assign or transfer its interest in this Agreement. This Agreement shall be binding on the Parties and their respective successors and permitted assigns. Any purported assignment in contravention of this Agreement shall be void.

Section 11.04: Notices

All notices, requests, approvals, consents and other communications required or permitted under this Agreement shall be in writing and addressed as follows:

(a) if to SERVCO,

Wasaga Resource Services Incorporated
P.O. Box 20
950 River Road West
Wasaga Beach, Ontario
L9Z 1A2

Attn: Manager, Administrative & Financial Services

(b) if to WIRESCO,

Wasaga Distribution Incorporated
P.O. Box 20
950 River Road West
Wasaga Beach, Ontario
L9Z 1A2

Attn: Chair of the Board of Directors

Section 11.05: Severability

If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable or contrary to law, then the remaining provisions of this Agreement, or the application of such provisions to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each such provision of this Agreement shall be valid and enforceable to the extent granted by law. If any clause is deemed unenforceable or contrary to law, the parties shall alter the said clause and this agreement to produce enforceability or compliance with law such that the intent of the original clause is maintained and such change or alteration may be established through the dispute resolution clause in this agreement.

Section 11.06: Waiver

No delay or omission by a Party to exercise any right or power it has under this Agreement or to object to the failure of any covenant of any other Party to be performed in a timely and complete manner, shall impair any such right or power or be construed as a waiver of any succeeding breach or any other covenant. All waivers must be in writing and signed by the Party waiving its rights.

Section 11.07: Entire Agreement

This Agreement constitutes the entire Agreement among the Parties with respect to the Services or Management Services, and there are no other representations, understandings or agreements, either oral or written, between the Parties other than as herein set forth.

Section 11.08: Amendments

No amendment to, or change, waiver or discharge of, any provision of this Agreement shall be valid unless in writing and signed by authorized representatives of each Party.

Section 11.09: Governing Law

This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein, excluding their rules governing conflicts of laws. The Parties hereby agree that the courts of the Province of Ontario shall have exclusive jurisdiction over disputes under this Agreement, and the Parties agree that jurisdiction and venue in such courts is appropriate and irrevocably attorn to the jurisdiction of such courts.

Section 11.10: Survival

The terms of Section 7, Section 9 and Section 11 shall survive the expiration of this Agreement or termination of this Agreement for any reason.

Section 11.11: Third Party Beneficiaries

Each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person or entity other than the Parties.

Section 11.12: Covenant of Further Assurances

The Parties agree that, subsequent to the execution and delivery of this Agreement and without any additional consideration, the Parties shall execute and deliver or cause to be executed and delivered any further legal instruments and perform any acts which are or may become necessary to effectuate the purposes of this Agreement and to complete the transactions contemplated hereunder.

WASAGA DISTRIBUTION INCORPORATED (WIRESCO)

Per: ________________________________ c/s
Name:

Title:

Per: ________________________________
Name:

Title:

WASAGA RESOURCE SERVICES INCORPORATED (SERVCO)

Per: ________________________________ c/s
Name:

Title:

Per: ________________________________
Name:

Title:

Attachment B – WRSI Collective Agreement

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Collective Agreement

between

Wasaga Resource Services Inc.
Hereinafter referred to as " the Board"

and

Local Union No. 636 of the International
Brotherhood of Electrical Workers
Hereinafter referred to as " the Union"

From: August 16, 2014 to August 15, 2018

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Article 1 Purpose

1.01 The general purpose of this Agreement is to establish mutually satisfactory relations between the Board and its employees, and to provide machinery for the prompt and equitable disposition of grievances, and to establish and maintain satisfactory working conditions, hours of work and wages for all employees who are subject to the provisions of this Agreement. Both parties recognize a duty to co-operate in good faith, individually and collectively for the advancement of these purposes.

1.02 Whenever the singular, masculine, or feminine is used in this Agreement, it shall be considered as if plural, feminine or masculine has been used where the context of the party or parties so requires.

Article 2 Recognition Clause & Relationship Clause

2.01 Recognition Clause

The Board hereby recognizes the Union as the sole collective bargaining agent for all employees of the Board at Wasaga Beach, Ontario, save and except the Superintendent and supervisors, persons above the rank of foreperson, all office staff, persons regularly employed for not more than 24 hours per week, temporary employees, students employed during the school vacation period and students employed on a co-operative training program and individuals hired on a government sponsored program.

2.02 The word “employee” or employees” wherever used in this Agreement shall mean only the employees in the bargaining unit defined above unless the context otherwise provides.

Article 3 Management Rights

3.01 The employer has the exclusive right to manage its business, and without limiting the generality of the foregoing, to direct the work force, to control production, to maintain order and efficiency, to hire, classify, promote, transfer, demote, layoff, discharge, or otherwise discipline regular employees, for just cause, and to make, amend and enforce such rules and regulations as shall from time to time be required. Management shall exercise its rights in a manner that is consistent with the term of the Agreement.

3.02 All prior Management rights exercised by the Board shall remain solely with the Board except as specifically limited in this Agreement.

Article 4 Union Security & Dues Check Off

4.01 All existing employees of the Board who are members of the Union shall remain so. All new employees may either join the Union if they so decide or may refrain from joining the Union if they so decide.

4.02 It is understood and agreed that not withstanding the provision of 4.01 above, if any employee is expelled or suspended from the Union, this provision will be satisfied if the employee pays the equivalent of union dues to the Union.

4.03 The Board agrees to deduct, each *pay*, from the wages of all employees in the Bargaining Unit, Union dues as directed by the Union from time to time. The Board also agrees to deduct and remit an amount equivalent to the Union initiation fee from each new employee upon the successful completion of their probationary period.

The Union shall notify the Board, in writing, of the amount of such dues to be deducted under this section and, provide at least thirty (30) days written notice of any changes in the amounts thereof that may be directed from time to time.

The Board shall forward these deductions to the Union once each month, together with an alphabetical listing of names showing:

a) the amount deducted from each employee;
b) the total amount of dues deducted to date from each individual employee;
c) all information used to determine this deduction - including but not limited to: the employee's regular hourly rate; gross weekly earnings and; overtime.

Such remittances will be forwarded to the Union so that they are received not later than the fifteenth (15th) day of the month following the month in which the dues have been deducted.

Payroll deductions will not include any fines. Union dues will be included on the employee's T4 slip (for income tax purposes).

In consideration of the deduction and forwarding of Union dues by the Board, the Union agrees to indemnify and save harmless the Board against any claim or liability arising out of, or resulting from, the collection and forwarding of regular Union dues or Union initiation fees.

Article 5 Employee Categories

5.01 Temporary employees are persons hired for a period of limited duration, or for a specific task. They shall not accumulate Board service credit nor shall they be entitled to any of the rights or privileges accruing to regular employees, nor shall they have recourse to the grievance and arbitration procedure.

5.02 Probationary employees are persons hired on trial to determine their suitability for employment in regular positions. An employee shall be considered probationary for up to 6 months. Days worked need not be consecutive for purposes of calculating the period of probation. After completion of the probationary period, seniority shall be effective from the original date of employment. The probationary period may be extended by mutual consent of the parties to this agreement

During this period of probation, he/she shall not be considered as having regular status and shall not be entitled to any of the rights or privileges accruing to regular employees, nor shall he/she have recourse to the grievance or arbitration procedure.

5.03 Regular employees are persons who have satisfactorily served a probationary period and are currently in the employ of the Board.

Article 6 Labour Management Representation

6.01 (a) The Board will recognize a Negotiating Committee composed of not more than two (2) regular employees and the Business Manager of the Union or his/her appointee. The purpose of the Negotiating Committee will be to bargain the terms of the Collective Agreements.

(b) The Board will also recognize stewards whose function will be to deal with matters arising out of this Agreement and to co-operate with the Board in the administration of this Agreement. The Business Manager of the Union or his/her appointee may attend meetings as required commencing with Step No.3 of the Grievance Procedure.

6.02 The jurisdiction of the above committee members and stewards and the name of each committee member, steward and chair of the committee from the time to time selected shall be given to the Board in writing, and the Board shall not be required to recognize any such individuals until it has been notified in writing by the Union of the name and jurisdiction of same.

6.03 The Board undertakes to instruct all members of its supervisory staff to co-operate with the Committee in the carrying out of the terms and requirements of the Agreement.

6.04 The Union undertakes to instruct its officers, Committee and member to co-operate with the Board and with all persons representing the Board in any supervisory capacity.

6.05 Labour-Management representatives shall meet when necessary upon the request of either party.

6.06 It is agreed that an International Representative of the Union may assist the Local Union in matters related to this agreement.

6.07 A union representative shall be present whenever a union member is disciplined under the Board’s discipline policy.

Records of disciplinary actions and notices will be kept in an employee’s file for a period of 12 months. At the end of the 12-month period all such notices will be purged.

Notwithstanding the foregoing, records of disciplinary action in regard to a breach of policy, rules and regulation where safety of the public, employees and Board equipment is a concern shall be kept in perpetuity.

All records of outstanding performance, certificates of achievement, etc. will also be retained in perpetuity.

Article 7 Grievance Procedure

7.01 Any difference concerning the interpretation, application, administration or alleged violation of the provisions of this Agreement shall be dealt with in the following manner: A written grievance shall specify the matter complained of and the parts of the Agreement alleged to be violated.

(a) Step 1 - An employee, believing he/she has a grievance, shall present it to his/her immediate Supervisor, verbally within five (5) working days of the occurrence, which has given rise to the alleged grievance. The supervisor will verbally reply within five (5) working days. Failing settlement at this level, the employee may, within five (5) working days of the issuance of the disposition of Step 1 proceed to Step 2.

(b) Step 2 - the aggrieved employee may, with his/her Steward present his/her grievance in writing to the Superintendent or his/her delegate who shall consider it in the presence of the person or persons presenting same, and render his/her decision in writing within five (5) working days. Should no settlement satisfactory to the employee be reached, the next Step in the grievance procedure may be taken within five (5) working days.

(c) Step 3 - The Steward shall meet as promptly as possible with the General Manager or his/her delegate to consider the grievance. The General Manager or his/her delegate shall reply in writing within five (5) working days.

(d) If final settlement of the grievance is not then reached, and if the grievance is one which concerns the interpretation or alleged violation of this Agreement, the grievances may be referred by either party to a Board of Arbitration within ten (10) working days.

(e) The time limits for the processing of grievances shall be strictly observed by the parties except in the case of mutual written agreement to alter the time limits. Violation of time limits will mean the grievance is forfeited or processed to the next step as the case may be.

7.02 A group grievance shall be filed at Step 2 and a Union or Policy Grievance at Step 3. It is understood that this procedure will not be used to introduce grievances, which would otherwise be presented as individual grievances.

Article 8 Arbitration

8.01 Where a grievance is to be referred to arbitration, the following procedure shall apply:

(a) the party referring the grievance shall give notice to the other party indicating that it intends to refer the matter to arbitration and giving the name and address of its appointee to the arbitration board;

(b) within five (5) working days after receipt of such notice, the other party shall respond by indicating the name and address of its appointee to the arbitration board.

(c) the two appointees so selected shall, within five (5) working days after receipt of notice of the appointment of the second of them appoint a third person who shall be the Chairman of the Arbitration Board.

8.02 No board of Arbitration shall have the power to alter or change any of the provisions of this Agreement or to substitute any new provisions for any existing provision to provide a decision which is inconsistent with any term of provision of this Agreement.

8.03 This Collective Agreement constitutes the entire Agreement between the parties and no implied liability of any kind is created by anything herein contained.

8.04 The parties to this Agreement may by mutual consent agree to refer the matter in dispute to a single arbitrator who shall be governed by the provisions of 8.02 or 8.03.

8.05 As an alternative to arbitration both parties may agree to utilize the services of a Grievance Settlement Officer on a 50/50 cost-sharing basis.

Article 9 Strike and Lock-Out

9.01 There shall be no strikes or lockouts so long as this Agreement continues to operate.

9.02 A “Strike” is defined as (i) a cessation of work, or (ii) a refusal to work, or (iii) a refusal to continue to work, or (iv) an act or omission that is intended to, or does, restrict or limit production or services, by employees in combination or in concert or in accordance with a common understanding for the purpose of compelling their employer to agree to terms or conditions of employment or of compelling another employer to agree to terms or conditions of employment of his/her employees, and “to strike” has a similar meaning.

Article 10 Seniority

10.01 Seniority is defined as length of service with the Board from the most recent date the employee entered the employ of the Board.

10.02 The employer shall maintain a seniority list showing the date upon which each employee's service commenced. A copy of the seniority list shall be posted on all bulletin boards and sent to the Union, and shall be kept up-to-date by the employer.

10.03 An employee shall lose his/her seniority in the following circumstances and cease to become an employee:

(a) if he/she is discharged for just cause and is not reinstated;

(b) if he/she resigns voluntarily;

(c) if he/she is laid off for a period in excess of 12 months;

(d) is absent from work for two (2) working days or more without leave, or fails to notify Management of a reasonable excuse of his/her absence;

(e) If, following layoff, he/she fails to return to work with 5 working days after receiving notice to do so. The employee shall keep the employer informed of his/her current address. The employee shall be deemed to have received notice to return to work if the employer sends him/her such notice by registered mail at his/her last known address;

(f) retires

(g) fails to return to work after Workplace Safety & Insurance Board classified employee fit to work based on the compensable accident;

(h) is permanently disabled and unable to work for the Board in a job classification in which there is a job available;

(i) is absent from work because of non-occupational illness or injury for twenty-four (24) or more months. This time period may be extended at the sole discretion of Management;

(j) is absent from work because of occupational illness or injury covered by the Workplace Safety & Insurance Board for twenty-four (24) or more months.

10.04 An employee absent due to proven illness or injury shall continue to accumulate Board service credit until 3 months after accumulated sick leave credits have been exhausted.

Article 11 Sick Leave

11.01 The Board's sick leave plan for regular employees was created by the Board to reduce the financial hardship that bona fide illness can create so far as inability to work and the consequent loss of normal wages are concerned.

To qualify for payment of sick pay, an employee must:

(1) ensure that his/her illness is reported to Management prior to the commencement of normal work hours for the first day sick.

(2) be suffering from a bona fide illness which prevents his/her useful employment and is not compensable under the Workplace Safety & Insurance Act.

(3) submit written verification of his/her illness signed by a qualified doctor if requested, or if absent for three (3) days or more.

11.02 Sick leave credit will accrue to regular employees at the rate of one and one half (1 1/2) days per month of accredited Board service credit to a maximum of One Hundred and Fifty (150) days of work. A maximum of eighteen (18) days of sick leave credit will be accumulated per calendar year.

11.03 An employee will be entitled to the foregoing accumulation of sick leave credit provided he/she has worked and received wages in a calendar month, unless the absence is due to annual vacation, sick leave, or Workplace Safety & Insurance benefit.

11.04 Where an employee has twenty-four (24) hours or less of sick time in the calendar year, they will be allowed to bank an additional floater day in the following year.

Article 12 Temporary Relief Pay

12.01 When an employee is assigned by his/her supervisor to relieve in a position of higher rate of pay for a four (4) hour period or more, he/she is to retroactively receive the lower rate of pay for the position which he/she is relieving. If an employee is temporarily assigned to a lower classification, his or her present rate will be maintained.

12.02 Where the Line Foreman is assigned to perform duties normally performed by the management Line Superintendent a premium of 5% above the Line Foreman's normal

100% rate will be paid. Such a payment is in recognition for increased volume in work and does not indicate an increase in responsibility in areas that are deemed managerial in nature.

This will become effective when the Line Foreman is assigned to relieve the Superintendent's position for a period of four (4) hours or more. The 5% premium will then be paid retroactively to the start of the relief time.

Article 13 Bereavement Leave

13.01 A regular employee shall be allowed up to four (4) consecutive day's leave of absence with pay in the event of the death of his or her father, mother, brother, sister, spouse, child, step-child, grandchild and parent-in-law.

Such leave shall be for the purpose of making arrangements for and/or attending the funeral. Only that portion of the said four (4) days that would otherwise have been regular time worked will be paid.

A regular employee shall be allowed up to (1) day's leave of absence with pay in the event of the death of a brother-in-law, sister-in-law, uncle, aunt and grandparents. This leave will be for the purpose of attending the funeral.

In extenuating circumstances Management may approve an extension to the foregoing.

Beyond immediate relatives listed above, or in the case of fellow employees, absence may be granted to attend the funeral at the sole discretion of Management.

Article 14 Jury Duty

14.01 Leave of absence with pay will be granted to an employee who is called for jury duty within Simcoe County provided the daily fee for jury duty, not including meal and travel expenses, will be paid to the Board.

Article 15 Inclement Weather

15.01 When Management or its delegate determine that outside work cannot be carried on due to wet or inclement weather, the Board will continue to provide inside work for regular employees who usually work outside. Employees will be expected to carryout any such inside work assigned to them during these periods.

Article 16 License Fees

16.01 For those employees required to operate the Board's vehicles as part of their duties, should a Class "A" license be required, the Board will pay the difference between a Class "A" and a Class "D" license.

Article 17 Job Posting

17.01 (a) Management agrees to post any vacancy, except those of a temporary nature, within the utility for a period of ten (10) working days in order to give employees an opportunity to make application for the position.

(b) The notice shall set out the qualifications required by the job, primary job duties, deadline for receiving applications and the person who shall receive the applications.

(c) In filling job vacancies, including promotions, transfers and new positions, the job shall be awarded within 15 working days after expiry of the posting.

(d) The Steward shall be notified in writing of the name(s) of the successful candidate(s) to the vacancy.

In filling vacancies and making transfers or promotions among employees represented by the Union, the Management will consider the qualifications and ability as the primary factors.
In the event qualifications and ability of the respective applicants are relatively equal, Board service credit shall govern. Promotion shall mean advancement to a job which carries a higher rate of pay.

Article 18 Workers' Compensation

18.01 When a regular employee through his employment by the Board suffers a disability which is compensable under the Workplace Safety & Insurance Act, the Board agrees to maintain the bi-weekly pay schedule at a rate equivalent to the W.S.I.B. benefit.

To be eligible the employee must endorse all benefit cheques received from the W.S.I.B. and turn them over to the Appropriate Manager of the Board immediately upon receipt. Should a discrepancy be evident between the amounts of the Board cheque versus the W.S.I.B. cheque, an adjustment will be made to balance the two. The Board also agrees to maintain, up to a maximum of twelve (12) months, health benefits and life insurance coverage on behalf of the employee as if he or she were in receipt of normal base payment from the Board.

In any event, benefits will only be maintained provided gross negligence or obvious misconduct on the part of the employee has not contributed to his disability as determined by the W.S.I.B.

18.02 Should a worker receive an injury severe enough to curtail performance of regularly performed duties, but not severe enough to perform lighter tasks, the Board will endeavour to supply light duty productive work until such time said worker can return to regular duties. The worker will report to the Board immediately to notify of any change of performance ability.

Article 19 Notice Boards

19.01 The Union is to have the use of bulletin boards, and notices may be posted on such boards provided that such notices shall receive the approval of the Board or its representative before posting. The subject matter of such notices shall be restricted to matters pertaining to recreational activities, or notices of meetings.

Article 20 Leave of Absence

20.01 Leaves of Absence will be considered by Management and require the written permission of Management. Application for leave of absence must be submitted in writing, at least one (1) month in advance to ensure consideration. Unless otherwise agreed, leave of absence will be without pay and benefit.

20.02 In so far as the efficient operation of the Board's business will permit, Union requests for leave of absence without pay and benefits may be granted to Union representatives for the purpose of taking part in official Union business. Such requests shall be made, in writing, to Management one (1) week in advance of the absence.

20.03 In the case of a leave of absence without pay, which exceeds three (3) months, Board service credit of regular employees will be frozen for the duration of the leave of absence at the level attained prior to the leave of absence.

20.04 Representatives of the employees will be paid during working hours for time spent in the investigation and resolution of grievances or business relating to the interpretation and administration of this Agreement. This does not included arbitration cases or the negotiation of future agreements.

Article 21 Hours of Work and Overtime

21.01 Nothing in this Agreement shall be construed as a guarantee of any number of hours of work per day or per week, or days per week.

21.02 Regular Work Week - the regular work week of employees covered by this Agreement shall be forty (40) hours of work per week consisting of five (5) consecutive days Monday - Friday of eight (8) hours each, between 7:30 a.m. to 4:00 p.m. with a one half (1/2) hour lunch period.

21.03 (a) It is understood and agreed that the employees may be required to work overtime in addition to their regular hours.

(b) Employees shall be paid a premium rate for all hours of work in excess of the regular work week, or work day, as defined in Section 21.02 on the following basis:

(i) Double the normal rate
(ii) Double normal rate, plus regular pay on paid holidays

21.04 When overtime work is necessary it shall be assigned as equally as possible to employees who normally perform the work. Each employee is expected to co-operate with the Board in the performance of such work.

21.05 All regular employees be given two 15-minute rest periods each day. One in the morning and one in the afternoon.

21.06 Time in lieu - An employee required to work during a statutory holiday will have the option of being paid as outlined in the foregoing or taking time off in lieu at the applicable rate at a mutually agreeable time between his/her supervisor and him/her. There will be a minimum time off in lieu of four (4) hours.

21.07 An employee may choose, in lieu of payment, to bank earned overtime up to a maximum of thirty-two (32) hours in each calendar year, at the appropriate overtime rate.

(a) The employee shall indicate his/her choice at the time the overtime is assigned.

(b) Banked overtime must be taken in lieu time off, at the employee’s current regular rate of pay, at a time or times mutually agreed upon by the employee and the appropriate supervisor.

(c) Lieu time not used by December 31st of each year will be paid out at the employee’s regular rate as of that date.

(d) There will be a minimum time off in lieu of four (4) hours.

Article 22 Vacations

22.01 (a) Vacations will, as far as it is practicable, be granted at the times most desired by employees, providing this does not impede the efficient operation of the Board's business.

An employee to ensure consideration of his/her desires, must notify Management of his/her preferred vacation period by April 1st in any given year. However, Management shall retain the authority to designate vacation period for all employees in a manner consistent with the efficient operation of work schedule.

When the requests of two or more employees in a department conflict with Management's requirements, and all other attempts to resolve this difficulty have failed, Management will allocate vacations.

(b) Probationary and temporary employees shall be granted vacation entitlement as provided by the Employment Standards Act.

(c) A regular employee with less than one (1) year of continuous service as of December 31 shall be entitled to four (4) percent of gross wages, or the equivalent time off with pay.

A regular employee after having completed one (1) year or more of continuous service shall be entitled to two (2) weeks vacation within the next 12 months with vacation pay of four (4) percent of the employee's earnings for hours worked in the previous twelve (12) month period, or two (2) weeks pay at the employee's regular hourly rate for a forty (40) hour week which ever is greater.

(d) A regular employee after having completed three (3) years of service shall be entitled to three (3) weeks vacation with pay at the employee's regular hourly rate based on a forty (40) hour week. Such vacation is to be taken within the next twelve (12) months.

(e) A regular employee after having completed eight (8) years of service shall be entitled to four (4) weeks vacation with pay at the employee's regular hourly rate based on a forty (40) hour week. Such vacation is to be taken within the next twelve (12) months.

(f) A regular employee after having completed fifteen (15) years of service shall be entitled to five (5) weeks vacation with pay at the employee's regular hourly rate based on a forty (40) hour week. Such vacation is to be taken within the next twelve (12) months.

(g) A regular employee after having completed twenty-five (25) years of service shall be entitled to six (6) weeks vacation with pay at the employee's regular hourly rate based on a forty (40) hour week. Such vacation is to be taken within the next twelve (12) months.

22.02 An employee with the required years of service may be granted up to three consecutive weeks vacation at any time within the 12 month period, providing this does not impede, in the sole opinion of Management, the efficient operation of the Board's business.

22.03 Vacation pay will be reduced on a prorate basis for any period exceeding 30 days for which the employee has not received wages from the Board during the vacation accumulation period. In cases of Workplace Safety & Insurance Board absences, prorating of vacation will only commence after six (6) months.

Article 23 Recognized Holidays

23.01 Regular employees of the Board will be entitled to payment of normal basic wages for the following holidays if they occur on their normal scheduled days of work, providing they have worked the full scheduled shift, which immediately proceeds, and full scheduled shift which immediately follows such holidays, or unless they have been granted an authorized absence. In the event the absence is sickness a doctor's certificate may be requested by Management.

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Christmas Day
Canada Day	Boxing Day
Family Day	

First Monday in August commonly known as Civic Holiday in lieu of any civic holiday proclaimed by the Town of Wasaga Beach.
The last half of the last working day before each of Christmas and New Year's.

1 Floating holiday is to be taken at a time convenient to the employee, but subject to the approval of the employer.

Remembrance Day will be granted for war veterans only.

Heritage Day if proclaimed.

Any other holidays proclaimed by Civic Government.

23.02 When any of the above holidays falls on a Saturday or Sunday, Management shall arrange, with mutual agreement of the bargaining unit, for each regular employee to be granted either the preceding Friday or the following Monday as a day off with pay in lieu of the recognized holiday.

23.03 If a recognized holiday is observed on a scheduled working day during an employee's vacation period, the day will be paid as a holiday with the vacation day taken a time mutually agreed to by Management and the bargaining unit.

Article 24 Health Plan

24.01 The Board agrees to pay for regular employees in receipt of normal basic wages, who comply with the eligibility requirements the premiums for the following:

(i) Extended Health Care Plan to include Semi-Private hospitalization coverage; and $500.00 for massage therapy, $500.00 Chiropractic, and $500 for physiotherapy yearly. The above items will increase to $550.00 each effective August 16, 2016. And to $600.00 each effective August 16, 2017. $350.00 every twenty-four (24) months for the eye glass plan.

(ii) Long Term disability complete with sixty five percent (65%) benefit to a maximum of $4,500 per month, which includes an annual increase equivalent to the published Ontario CPI.

(iii) It is agreed that the terms of this Agreement satisfy all legislative requirements related to employment insurance reduction.

(iv) The Board will pay 100% of Mearie Dental Plan "D". Orthodontics up to $1000 maximum per dependant child.

(v) Effective August 16, 2005 if an employee retires prior to the age of 65 (minimum 55 years), and has a minimum of 25 years of service, with the exception of employees hired prior to August 15,1995 a minimum of 20 years of service, with Wasaga Resource Services Inc shall apply. The employee will have the option to carry on with the extended health care and or dental package existing at the time, through to the employee's age of 65 years. The expense to carry this option will be split 65/35 with the Board picking up the 65% share.

Article 25 Pension and Insurance

25.01 All eligible employees with the Board shall participate in the Board's Pension and Insurance Plans as follows:

Ontario Municipal Employees Retirement System Basic FAE (Final Average Earnings) on an equally shared basis with the Board.

25.02 The Board and the employee shall participate in the Canada Pension Plan on an equally shared basis.

25.03 The Board shall provide Life Insurance coverage for all regular employees in receipt of normal basic wages, equivalent to current coverage, as provided in the Group Life Insurance Plan.

Article 26 Clothing

26.01 The Board shall provide an allowance, as follows, towards the cost or repair of C.S.A. approved safety boots (upon presentation of proof of purchase or repair) if required by Management to wear them. Unused portions of the allowance can be carried over into the following year.

Effective August 16, 2014:
$250.00 per year for line crews
$215.00 per year for other bargaining unit employees

26.02 The Board shall issue, where required, the following equipment to be issued to the employees in the safe performance of assigned duties:

- Safety hard hat
- Tinted safety glasses
- Safety goggles
- Rubber gloves complete with leather covers
- Leather work gloves
- Rain wear
- Rubber boots
- Snow shoes for meter reader

26.03 The Board shall issue the following articles to employees who in the Board's opinion require such items on a need be basis. The initial outlay is as follows:

- Six (6) FR safety long sleeved shirts or FR turtleneck long sleeved shirt or combination thereof;
- Six (6) FR, safety short sleeved shirts;
- Six (6) FR, safety unlined pants;
- Two (2) FR, safety unlined overalls;
- One (1) FR, safety insulated overalls;
- Two (2) FR, safety light jackets, or smocks, or sweatshirts or combination thereof;
- One (1) FR, safety parka;
- One (1) FR, insulated bomber jacket

Replacement of any of the above items will be made only on presentation of the damaged or worn out articles to be replaced.

26.04 All employees that are issued the above articles MUST wear issued uniforms during all work hours.

26.05 The Board shall provide a maximum allowance of $235.00 per year effective August 16, 2011 (including taxes) towards the cost of prescription safety glasses (which must be CSA Z94.3 compliant) accumulated over a two (2) year period. Cost of the eye exam is not to be included, as it's covered under the Health Plan.

Article 27 On-Call

27.01 On-call duty is defined as that duty performed by qualified employees who are required by the Board to be readily available within 25 minutes (by means of normal driving conditions) of the normal work headquarters for emergency service at other then normal working hours.

27.02 Qualified employees will be required to perform on-call duty on a weekly basis in accordance with a list posted by Management.
Changes to this list amongst employees considered qualified by Management shall be allowed if mutually agreed upon and Management is notified in advance. The employee on-call duty is required to hold himself/herself readily available outside of normal hours of work for dispatch of calls.

27.03 Effective August 16, 2014 employees designated for on-call duty will be paid at the rate of $210.00 per week, and increase by $5.00 each year after. Where the week of on-call duty includes a recognized holiday, an additional $50.00 per such holiday shall be paid to an employee on-call during that week, throughtout the contract.

Employees designated for on-call duty who are unable to perform such duties because of illness shall notify Management immediately. Every effort will be made by qualified employees to agree to a rotating on call coverage for any absent employee. If agreement is not to the satisfaction of the Corporation, management will appoint a qualified employee with the least amount of seniority.

27.04 Minimum Call-Out - when an employee is called in for emergency overtime work outside of his normal working hours, he/she shall be provided with a minimum payment of four (4) hours at the appropriate straight time rate, or the actual time worked at the appropriate premium rate, whichever is the greater. No additional payment will be made for more than one call-out during the one-hour period, after the last call has been completed.

When an employee has completed his call-out work, and returned to work headquarters he will be allowed to return home, provided he has checked to ensure that additional calls have not been received.

There shall be no minimum payment applicable to call-outs or overtime as worked as an extension to an employee's normal daily working hours.

There shall be no applicable minimum payment to call-outs when an employee commences work forty-five (45) minutes prior to starting time.

27.05 The Board will pay 100% of the cost of one paging device.

Article 28 Tools and Equipment

28.01 The Board will supply all tools and equipment necessary to carry out work and they shall remain the property of the Board. And employees must return worn out or broken articles in order to receive replacement.

The employee shall be held responsible for the care, maintenance and loss of issued tools.

Article 29 Layoff and Recall

29.01 In the event of layoff, employees shall be laid off in the reverse order of length of seniority with the Board provided the remaining employees have the ability, and are capable and qualified to perform available work. Prior to any lay-off the parties will convene to meet to discuss the option of job-sharing as an alternative.

29.02 Employees shall be recalled in the order of their Board seniority, where jobs become available provided they have the ability, and are capable and qualified to perform such jobs. The employer shall give notice of recall by registered mail to the last recorded address of the employee. The employee shall keep the employer advised at all times of his/her current address. The employee shall return to work within five (5) working days from the time that he/she receives notice or recall unless, on reasonable grounds, he/she is unable to do so.

29.03 During the term of this Collective Agreement, no regular full-time employee will be laid off as a result of the use of outsourced labour services.

Article 30 Accident Prevention, Health & Safety

30.01 The Board and Union shall carry out all standard rules and regulations with regard to safety practices as laid down in the Occupational Health and Safety Act and Regulations, which also refer to the Electrical Utilities Safety Rules.

30.02 The Board shall maintain an adequate supply of protective equipment for the use against live conductors, which will include rubber line hose and rubber blankets. This equipment is supplied on the understanding that each employee shall make the best use of such equipment for his/her own safety and the protection of others while on hazardous work. Each employee shall report any defects in tools or safety equipment to his/her immediate Supervisor. It is agreed that monthly safety meetings will be held with all employees in which to practice first-aid resuscitation, accident prevention methods and discuss safe practices. Time spent at these meetings will be considered time worked.

30.03 The Board and Union recognize that any employee who attempts to carry out his/her regular job duties while his/her mental or physical capabilities are impaired for whatever reason, may jeopardize the safety of others as well as his/her own. Such conduct shall be sufficient cause for disciplinary action to be taken by the Board.

30.04 If an employee has worked overtime between 12:00 midnight and 5:00 a.m. the amount of overtime worked during that time period may be subtracted from the employees' next shift if they have one the same day.

The employee will be paid for this time at the employees' regular hourly rate. This time may be taken at the beginning or the end of their next shift and will be rounded to the nearest ¼ hour.

An employee who has worked overtime for sixteen (16) or more continuous hours will be given an eight (8) hour period off work at the end of the overtime work. The portion of this off work period occurring during the employee's next normal scheduled hours will be paid at the employee's regular hourly rate.

In most cases of major disruption of services, management may extend working hours to meet the emergency with employee safety being the major consideration.

Article 31 Duration

31.01 This Agreement shall be binding and remain in effect from August 16, 2014 to August 15, 2018 and shall be renewed from year to year thereafter unless either party gives to the other party notice in writing at least thirty (30) days prior to the expiry date of the contract that it desires to terminate or amend its provision.

31.02 Where notice to amend the Agreement is given, the provisions of this Agreement shall continue in force until a new agreement is signed or the right to strike or lock out occurs, whichever first occurs.

Article 32 Pay Days

32.01 The employer shall pay salaries and wages as set out in Schedule "A", attached hereto, and forming part of this Agreement. The classification and rates are listed therein for the purpose of payment and wages only.

Wages shall be paid bi-weekly by direct deposit to the employee's bank account, on Thursday following the pay period. Pay stubs will be provided as per the ESA.

Article 33 Meal Allowance

33.01 A meal allowance of $16.00 effective August 16, 2014 will be provided to an employee who has worked for two (2) hours contiguous to his/her regularly scheduled workday.

33.02 When an employee is called out on emergency overtime after the regular workday, a meal period and the appropriate allowance will be provided every four (4) hours for as long as the employee is required to work.

33.03 On prearranged overtime, a meal period will be allowed and no meal allowance will be paid.

Article 34 Merger / Amalgamations

34.01 Should the Board Merge, Amalgamate, or combine any of its operations or functions with another Board, Board or Companies, the employer agrees to give the Union as much notice as practically possible prior to any intent by the employer to implement said.

In the event there is a merger with another Board, Board or Companies, in which the covered employees therein are represented by another union, the representation rights and the Collective Agreement and the status quo of Local 636, IBEW members shall be maintained in respect of those members until a final determination is made under the Labour Relations Act of Ontario or any successor organizations to the proper representation of the combined group.

In Witness Where of the parties hereto have hereunder set their hands and seals this

_______Day of ___________________ 2014.

Wasaga Resource Services Inc.	Local Union 636 of the International Brotherhood of Electrical Workers
______________________________	______________________________
______________________________	______________________________
	______________________________
	______________________________

Attachment C – WRSI Actuarial Report

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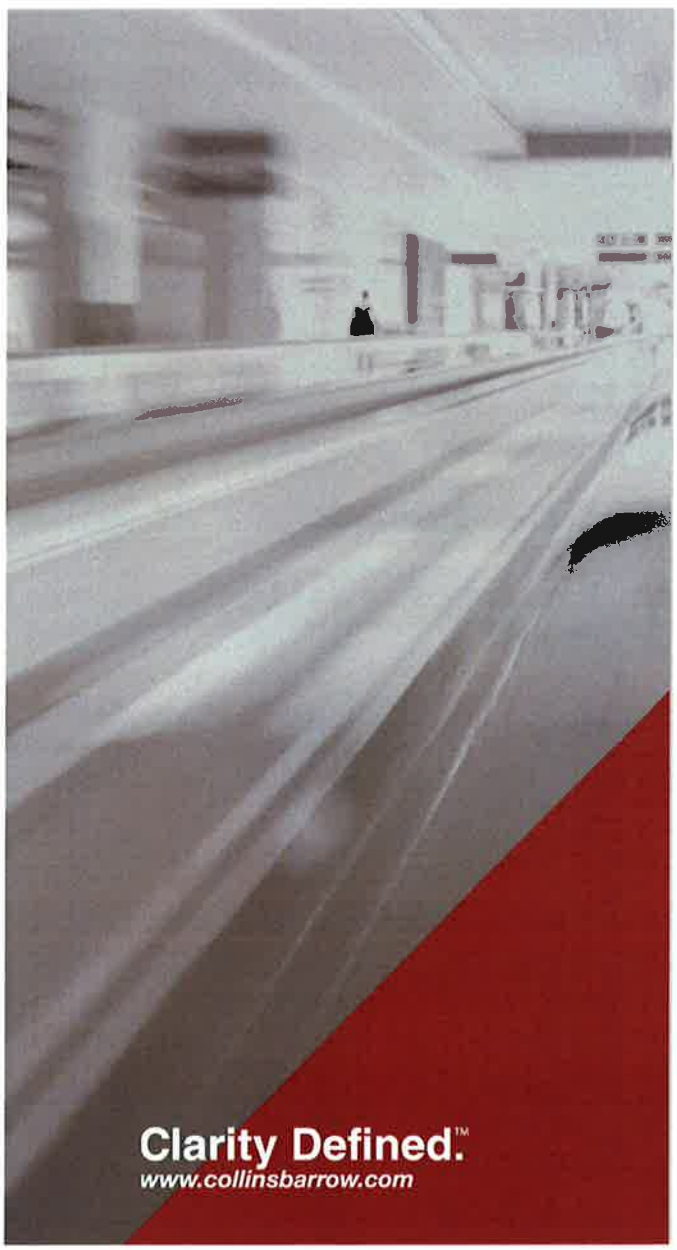
COLLINS BARROW TORONTO

ACTUARIAL SERVICES



WASAGA RESOURCE SERVICES INC.

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

As at December 31, 2014

February 2, 2015 – Final

Collins Barrow

TABLE OF CONTENTS

EXECUTIVE SUMMARY

PURPOSE

Collins Barrow Toronto Actuarial Services Inc. was engaged by Wasaga Resource Services 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 International Financial Reporting Standards (the "IFRS") guidelines for post-retirement non-pension benefits as outlined in the amendments to the International Accounting Standard IAS 19 – Employee Benefits ("IAS 19") issued in June 2011. IAS 19 was first applied to the Corporation with effect from January 1, 2012. Prior to this date, the valuations of the Corporation's post-retirement non-pension benefits were 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").

The most recent full valuation was prepared as at January 1, 2011 based on the then appropriate assumptions and in accordance with CICA Section 3461.

The purpose of this valuation is threefold:

i) to determine the Corporation's liabilities in respect of post-retirement non-pension benefits at December 31, 2014;

ii) to determine the benefit expense for fiscal year 2015; and

iii) to provide all other pertinent information necessary for compliance with IAS 19.

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

SUMMARY OF KEY RESULTS

The key results of this actuarial valuation as at December 31, 2014 with comparative results from the previous valuation as at January 1, 2011 are shown below:

	January 1, 2011 ($000's)	December 31, 2014 ($000's)
Present Value of Defined Benefit Obligation (PV DBO)		
a) People in receipt of benefits	69	88
b) Fully eligible actives	50	16
c) Not fully eligible actives	95	127
Total PV DBO	**214**	**231**

	CY 2011 ($000's)	CY 2015 ($000's)
Current Service Cost:	10	10
Defined Benefit Cost Recognized in Income Statement:	21	20

ACTUARIAL CERTIFICATION

An actuarial valuation has been performed on the post-retirement non-pension benefit plans sponsored by Wasaga Resource Services Inc. (the "Corporation") as at December 31, 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 legal and constructive obligations 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 after December 31, 2014 that would have a significant effect on our valuation.

The latest date on which the next actuarial valuation should be performed is December 31, 2017. If any supplemental advice or explanation is required, please advise the undersigned.

Respectfully submitted,

COLLINS BARROW TORONTO ACTUARIAL SERVICES INC.

Stanley Caravaggio

Stanley Caravaggio, FSA FCIA
Senior Manager

Patrick G. Kavanagh

Patrick G. Kavanagh, AB ASA ACIA CERA
Manager

Toronto, Ontario

February 2, 2015

SECTION A— VALUATION RESULTS

Table A - 1 shows the key valuation results for the prior valuation and the current valuation.

Table A - 2 shows the sensitivity of the valuation results to certain changes in assumptions. We have shown a change to the assumed retirement age from age 60 to 58, and an increase/decrease in the health and dental claims cost trend rates by 1% per annum.

Table A - 3 presents the determination of the actuarial gain/(loss) using projected results from the previous valuation at January 1, 2011.

VALUATION RESULTS

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

	January 1, 2011	December 31, 2014
1. Present Value of Defined Benefit Obligation		
a) People in receipt of benefits	69	88
b) Fully eligible actives	50	16
c) Not fully eligible actives	95	127
Total PV DBO	**214**	**231**

	2011	2015
2. Defined Benefit Cost		
a) Current Service Cost	10	10
b) Past Service Cost/(Gain) – Non-Vested Benefits	-	n/a
c) Past Service Cost/(Gain) – Vested Benefits	-	n/a
d) Net Interest Cost	11	9
e) Net Actuarial Loss/(Gain) Recognized in Year	-	n/a
f) Expected Return on Plan Assets	-	n/a
Total Defined Benefit Cost Recognized in Income Statement	**21**	**19**
3. Benefit Payments	9	8

SENSITIVITY ANALYSIS

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

	December 31, 2014			
	Valuation Results	**Retirement Age 58**	**1% Higher Trend**	**1% Lower Trend**
1. Present Value of Defined Benefit Obligation				
a) People in receipt of benefits	88	88	89	88
b) Fully eligible actives	16	17	16	16
c) Not fully eligible actives	127	148	135	119
Total PV DBO	**231**	**253**	**240**	**223**
2. Current Service Cost for 2015	10	12	11	9
3. Interest Cost for 2015	9	10	9	9

DEVELOPMENT OF NET GAINS OR LOSSES

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

Expected PV DBO at December 31, 2014	293
Actual PV DBO at December 31, 2014	231
Actuarial Loss/(Gain)	(62)

Please note that the actual PV DBO at December 31, 2014 is approximately $62,000 lower than the expected PV DBO at December 31, 2014. This is due to a combination of the following factors:

- A change in the discount rate assumption (a increase of approximately $19,000)
- A change in the withdrawal rate assumption (an increase of approximately $3,000)
- A change in the health and dental trend rate assumptions (a decrease of approximately $2,000)
- A change in the salary scale assumption (a decrease of approximately $4,000)
- A change in the mortality table and coverage type assumptions (an decrease of approximately $22,000)
- Differences between the actual and expected health and dental benefit cost rates (a decrease of approximately $34,000)
- Deviations from the expected demographic changes of the valued group and other miscellaneous factors (a decrease of approximately $22,000 in the total PV DBO)

SECTION B— PLAN PARTICIPANTS

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

Table B – 2 reconciles the number of participants in the last valuation to the number of participants in the current valuation.

PARTICIPANT DATA

Table B.1—Participant Data

Membership data as at December 31, 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 hire prior to date of birth
- 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			December 31, 2014		
	Male	Female	Total	Male	Female	Total
Number of Employees	12	7	19	11	6	17
Average Length of Service	14.6	10.7	13.2	15.4	8.3	12.9

As of December 31, 2014	Current Age					
	Active Lives – Not Fully Eligible			Active Lives – Fully Eligible		
	Count			Count		
Age Band	Male	Female	Total	Male	Female	Total
Less than 30	2	-	2	-	-	-
30-35	2	-	2	-	-	-
36-40	1	1	2	-	-	-
41-45	1	1	2	-	-	-
46-50	1	-	1	-	-	-
51-55	3	3	6	-	-	-
56-60	-	-	-	-	1	1
61-65	-	-	-	-	-	-
66-70	-	-	-	1	-	1
71-75	-	-	-	-	-	-
Greater than 75	-	-	-	-	-	-
Total	**10**	**5**	**15**	**1**	**1**	**2**

As of December 31, 2014	Average Service					
	Active Lives – Not Fully Eligible			Active Lives – Fully Eligible		
	Service			Service		
Age Band	Male	Female	Total	Male	Female	Total
Less than 30	1.9	-	1.9	-	-	-
30-35	6.9	-	6.9	-	-	-
36-40	6.3	3.4	4.8	-	-	-
41-45	22.1	8.6	15.3	-	-	-
46-50	23.5	-	23.5	-	-	-
51-55	23.0	10.4	16.7	-	-	-
56-60	-	-	-	-	6.3	6.3
61-65	-	-	-	-	-	-
66-70	-	-	-	31.3	-	31.3
71-75	-	-	-	-	-	-
Greater than 75	-	-	-	-	-	-
Total	**13.8**	**8.6**	**12.1**	**31.3**	**6.3**	**18.8**

People in Receipt of Benefits

As of:	January 1, 2011			December 31, 2014		
	Male	Female	Total	Male	Female	Total
Number of Members	3	1	4	4	2	6

As of December 31, 2014	Expected Annual Benefit Payment for 2015		
Age Band	Male	Female	Total
Less than 30	-	-	-
30-35	-	-	-
36-40	-	-	-
41-45	-	-	-
46-50	-	-	-
51-55	-	-	-
56-60	-	2,917	2,917
61-65	3,322	-	3,322
66-70	323	-	323
71-75	514	-	514
Greater than 75	-	525	525
Total	**4,159**	**3,441**	**7,600**

PARTICIPATION RECONCILIATION

Table B.2—Participation Reconciliation

	Actives	Retirees
As at January 1, 2011	**19**	**4**
New Entrants	3	-
New Dependents	-	-
Active	-	2
LTD	-	-
Terminated	(3)	-
Deceased	-	-
Retired	(2)	-
No longer eligible for benefits	-	-
As at December 31, 2014	**17**	**6**

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 Present Value of the Defined Benefit Obligation and Current Service Cost were determined using the projected benefit method, pro-rated on service. This is the method stipulated by IAS 19 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. IAS 19 stipulates that the attribution period commences on the date when service by the employee first leads to post-retirement non-pension benefits under the plan and ends on the date when further service by the employee will lead to no material amount of further post-retirement non-pension benefits under the plan, other than from further salary increases.

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

For health and dental benefits, the Corporation has selected the premium rates charge to retirees as management's best estimate of the benefits costs to be incurred. The total monthly premium rates, inclusive of premium taxes, used are as follows:

	Health Premiums		Dental Premiums	
	Single Coverage	Family Coverage	Single Coverage	Family Coverage
Retirees	$ 85.35	$ 206.92	$ 44.33	$ 151.01

The above premium rates were provided by the Corporation and represent the rates at 100%, prior to any cost-sharing provisions, effective as of December 31, 2014.

The PV DBO at December 31, 2014 is based on membership data and management's best estimate assumptions at December 31, 2014.

MANAGEMENT'S BEST ESTIMATE ASSUMPTIONS

The following are management's best estimate economic and demographic assumptions as at December 31, 2014.

ECONOMIC ASSUMPTIONS

Consumer Price Index

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

This assumption remains unchanged from the previous valuation.

Discount Rate

The rate used to discount future benefits is assumed to be 4.00% 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 5.25% per annum as at January 1, 2011 which was subsequently updated to 4.50% per annum at December 31, 2011.

Salary Increase Rate

The salary increase rate is assumed to be in accordance with the following salary rate table. This table reflects the Corporation's estimated salary rate increases for the next four years and slightly lower than the expected Consumer Price Index adjusted for productivity, merit and promotion for years thereafter.

End of Year	Salary Increase Rate
2014	2.25%
2015	2.00%
2016	2.00%
2017	2.00%
2018 and Thereafter	2.90%

The assumption used in the previous valuation was 3.30% per annum.

Claims Cost Trend Rate

The rates used to project benefits costs into the future are as follows:

	Current Valuation		Previous Valuation	
End of Year	**Health**	**Dental**	**Health**	**Dental**
2014	n.a. *	n.a. *	6.88%	5.00%
2015	6.66%	4.60%	6.50%	5.00%
2016	6.31%	4.60%	6.13%	5.00%
2017	5.97%	4.60%	5.75%	5.00%
2018	5.63%	4.60%	5.38%	5.00%
2019	5.29%	4.60%	5.00%	5.00%
2020	4.94%	4.60%	5.00%	5.00%
2021	4.60%	4.60%	5.00%	5.00%
2022 and Thereafter	4.60%	4.60%	5.00%	5.00%

** As noted in the Corporation's annual premium rate renewal, the health and dental rates for retirees will remain the same for CY 2014 and CY 2015.*

DEMOGRAPHIC ASSUMPTIONS

Mortality Table

The mortality tables used are as per the Canadian Institute of Actuaries Canadian Pensioners' Mortality Pension Experience Subcommittee final report dated February 11, 2014 (CIA Report). More specifically, the Canada Pensioners Mortality ("CPM") Table Public Sector (CPM2014 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 prior valuation assumption was 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 is assumed to be in accordance with the following withdrawal table, which was compiled using withdrawal experience for a group of local distribution companies and municipalities for which data was available:

Age Bucket	Withdrawal Rate per Annum
18 – 29	2.75%
30 – 34	2.25%
35 – 39	2.00%
40 – 54	1.50%

In the prior valuation, a flat rate of 2.00% per annum was used for termination of employment prior to age 55.

Retirement Age

All active employees are assumed to retire at age 60 (or immediately if currently over age 60), which was based on the Corporation's retirement experience as well as a three year retirement experience study on a group of local distribution companies and municipalities for which data was available. The assumed retirement age of 60 will be increased, if necessary, to the minimum of the age at which 25 years of service (or 20 years of service for employees hired prior to August 15, 1995) is reached and age 65.

This assumption remains unchanged from the previous valuation.

Disability

No provision was made for future disability. It is assumed that individuals currently receiving long-term disability benefits will remain disabled until retirement at age 65.

This assumption remains unchanged from the previous valuation.

Family/Single Coverage

It is assumed that the coverage type as at December 31, 2014, as provided by the Corporation, will remain the same until the employee reaches the assumed retirement age. For family coverage, it is assumed that the retiree has a spouse of opposite gender and no other dependents. Male spouses are assumed to be three years older than female spouses.

In the previous valuation, it was assumed that the employee's coverage type at the valuation date, as provided in the valuation data by the Corporation, would remain the same throughout retirement. Similar assumptions were made for spousal gender and spousal age offset.

Expenses and Taxes

We have assumed 10% of benefits is required for the cost of sponsoring the program for life insurance. We have assumed taxes and expenses are included in the premium rates for health and dental benefits.

These assumptions remain unchanged from the previous valuation.

SECTION D— SUMMARY OF POST-RETIREMENT BENEFITS

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

GOVERNING DOCUMENTS

The program is governed by the following documents:

- Collective Agreement between Wasaga Resource Services Inc. and Local Union No. 636 of the International Brotherhood of Electrical Workers effective August 16, 2011 to August 15, 2014.
- The MEARIE Group Employee Benefit Program Employee Benefit Booklet – Wasaga Resource Services Inc. Outside Employees, prepared January 1, 2012.
- The MEARIE Group Employee Benefit Program Employee Benefit Booklet – Wasaga Resource Services Inc. Inside Employees, prepared January 1, 2012.

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

ELIGIBILITY

Upon retirement, all employees of the Corporation are eligible for post-retirement life insurance.

Upon retirement, all employees with a minimum of 25 years of service, with the exception of employees hired prior to August 15, 1995 with a minimum of 20 years of service, are eligible for post-retirement health and dental benefits to age 65.

PARTICIPANT CONTRIBUTIONS

The Corporation shall pay 100% of the cost of the post-retirement life benefits and 65% of the cost of post-retirement health and dental benefits for the eligible retirees.

PAST SERVICE

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

LENGTH OF SERVICE

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

SUMMARY OF BENEFITS

Post-Retirement Life Insurance

All eligible retires from the Corporation are eligible for post-retirement life insurance, as per the MEARIE plan, administered by Desjardins Financial, 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. Reduction occurs on anniversary date of retirement.	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.
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.

Health and Dental Benefits

Eligible retirees are entitled to post-retirement health and dental benefits from the date of retirement to age 65. Coverage for health and dental benefits continues to the eligible dependents of a deceased management retiree for two years.

The health and dental benefits covered under the post-retirement non-pension benefits for management employees are an extension of the benefits covered for active employees and described in detail in the benefits information booklets provided to employees.

SECTION E— EMPLOYER CERTIFICATION

Post-Retirement Non-Pension Benefit Plan
of Wasaga Resource Services Inc.
Actuarial Valuation as at December 31, 2014

I hereby confirm as an authorized signing officer of the administrator of the Post-Retirement Non-Pension Benefit Plan of Wasaga Resource Services 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's best estimate assumptions and are adequate and appropriate for the purposes of this valuation; and

iii) the summary of Plan Provisions in Section D is an accurate and complete summary of the terms of the Plan in effect on December 31, 2014.

WASAGA RESOURCE SERVICES INC.

JAN 30/15
Date

Joanne Jackaberry, CGA, CPA
Signature

Joanne Jackaberry.
Name

Director of Finance
Title

Attachment D – WRSI/WDI Lease Agreement

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AMENDMENT TO LEASE AGREEMENT

This agreement, dated the 1st day of January, 2013, is an amendment to the lease agreement dated the 1st day of January, 2007 (hereinafter referred to as the "Agreement), between Wasaga Distribution Inc. (hereinafter referred to as the "Landlord") and Wasaga Resource Services Inc. (hereinafter referred to as the "Tenant"), regarding the property located at 950 River Road West, Wasaga Beach, Ontario and the property located at 156 Beck Street, Wasaga Beach, Ontario.

WHEREAS, Landlord and Tenant hereby agree to the following changes to the Agreement:

2.2 Term

The term of this Lease shall commence on January 1, 2013 and end on December 31, 2016.

3.1 Rent

The Tenant covenants to pay the Landlord the rent as follows:

(a) for the 2013 to 2016 Lease Years, as an annual rental, the aggregate sum of $608,518.56; and

(b) for each Lease Year thereafter, the annual rental shall be such an amount (not less than $152,129.64) as may be agreed to by the Landlord and the Tenant prior to the commencement of each such Lease Year.

All other terms of the original Agreement and any previous amendments remain binding, except where in contradiction to this amendment, which shall prevail.

IN WITNESS WHEREOF, Landlord and Tenant hereby accept and agree to the amendments contained herein.

WASAGA DISTRIBUTION INC.	WASAGA RESOURCE SERVICES INC.
By:	By:
And: Brenda Sigouin (c/s)	And: (c/s)
Jan 28/13	February 25 2013
Date	Date

Attachment E –WDI Tax Return

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Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

200

055 Do not use this area

COPY

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

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

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

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

Identification

Business number (BN) 001 86673 1649 RC0001

Corporation's name
002 Wasaga Distribution Inc.

Address of head office
Has this address changed since the last time we were notified? . . . . 010 1 Yes [ ] 2 No [X]
(If **yes**, complete lines 011 to 018.)
011 950 River Road West
012
City: 015 Wasaga Beach
Province, territory, or state: 016 ON
Country (other than Canada): 017
Postal code/Zip code: 018 L9Z 1A2

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? . . . . 020 1 Yes [ ] 2 No [X]
(If **yes**, complete lines 021 to 028.)
021 c/o
022 P.O. Box 20
023 950 River Road West
City: 025 Wasaga Beach
Province, territory, or state: 026 ON
Country (other than Canada): 027
Postal code/Zip code: 028 L9Z 1A2

Location of books and records (if different from head office address)
Has the location of books and records changed since the last time we were notified? . . . . 030 1 Yes [ ] 2 No [X]
(If **yes**, complete lines 031 to 038.)
031 P.O. Box 20
032 950 River Road West
City: 035 Wasaga Beach
Province,territory, or state: 036 ON
Country (other than Canada): 037
Postal code/Zip code: 038 L9Z 1A2

040 **Type of corporation at the end of the tax year**
1 [X] Canadian-controlled private corporation (CCPC)
2 [ ] Other private corporation
3 [ ] Public corporation
4 [ ] Corporation controlled by a public corporation
5 [ ] Other corporation (specify, below)

If the type of corporation changed during the tax year, provide the effective date of the change . . . . 043 ____ YYYY MM DD

To which tax year does this return apply?
Tax year start: 060 2014-01-01 (YYYY MM DD)
Tax year-end: 061 2014-12-31 (YYYY MM DD)

Has there been an acquisition of control to which subsection 249(4) applies since the tax year start on line 060? . . . . 063 1 Yes [ ] 2 No [X]

If **yes**, provide the date control was acquired . . . . 065 ____ YYYY MM DD

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? . . . . 066 1 Yes [ ] 2 No [X]

Is the corporation a professional corporation that is a member of a partnership? . . . . 067 1 Yes [ ] 2 No [X]

Is this the first year of filing after:
Incorporation? . . . . 070 1 Yes [ ] 2 No [X]
Amalgamation? . . . . 071 1 Yes [ ] 2 No [X]
If **yes**, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? . . . . 072 1 Yes [ ] 2 No [X]
If **yes**, complete and attach Schedule 24.

Is this the final tax year before amalgamation? . . . . 076 1 Yes [ ] 2 No [X]

Is this the final return up to dissolution? . . . . 078 1 Yes [ ] 2 No [X]

If an election was made under section 261, state the functional currency used 079

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

Is the non-resident corporation claiming an exemption under an income tax treaty? . . . . 082 1 Yes [ ] 2 No [X]
If **yes**, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:
085
1 [ ] Exempt under paragraph 149(1)(e) or (l)
2 [ ] Exempt under paragraph 149(1)(j)
3 [ ] Exempt under paragraph 149(1)(t)
4 [ ] Exempt under other paragraphs of section 149

Do not use this area
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Attachments

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

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161	X	49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal *Income Tax Regulations*?	170		29
Did the corporation have a total amount over $1 million of reportable transactions with non-arm's length non-residents?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		———
Does the corporation earn income from one or more Internet webpages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; gifts of cultural or ecological property; or gifts of medicine?	202		2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	X	3
Is the corporation claiming any type of losses?	204		4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	X	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) does the corporation have aggregate investment income at line 440?	207		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210	X	10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves (other than transitional reserves under section 34.2)?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231	X	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232	X	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	———
Is the corporation claiming a surtax credit?	237		37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments – continued from page 2

		Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		T1134
Did the corporation own specified foreign property in the year with a cost amount over $100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263	X	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265	X	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268	X	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269		54

Additional information

		1 Yes	2 No
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270		X
Is the corporation inactive?	280		X

What is the corporation's main revenue-generating business activity? 221122 Electric Power Distribution

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Distribution revenue	285	100.000 %
286		287	%
288		289	%

		1 Yes	2 No
Did the corporation immigrate to Canada during the tax year?	291		X
Did the corporation emigrate from Canada during the tax year?	292		X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293		

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible 294 ______ YYYY MM DD

		1 Yes	2 No
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295		

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI.	300		414,933	A
Deduct: Charitable donations from Schedule 2	311			
Gifts to Canada, a province, or a territory from Schedule 2	312			
Cultural gifts from Schedule 2	313			
Ecological gifts from Schedule 2	314			
Gifts of medicine from Schedule 2	315			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320			
Part VI.1 tax deduction*	325			
Non-capital losses of previous tax years from Schedule 4	331			
Net capital losses of previous tax years from Schedule 4	332			
Restricted farm losses of previous tax years from Schedule 4	333			
Farm losses of previous tax years from Schedule 4	334			
Limited partnership losses of previous tax years from Schedule 4	335			
Taxable capital gains or taxable dividends allocated from a central credit union	340			
Prospector's and grubstaker's shares	350			
Subtotal				B
Subtotal (amount A **minus** amount B) (if negative, enter "0")			414,933	C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360		414,933	
Income exempt under paragraph 149(1)(t)	370			
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 **minus** line 370)			414,933	Z

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

Small business deduction

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

Income from active business carried on in Canada from Schedule 7 . . . . . . **400** 414,933 A

Taxable income from line 360 on page 3, **minus** 100/28 3.57143 of the amount on line 632* on page 7, **minus** 4 times the amount on line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax . . . . . . **405** 414,933 B

Business limit (see notes 1 and 2 below) . . . . . . **410** ______ C

Notes:

1. For CCPCs that are not associated, enter $ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year divided by 365, and enter the result on line 410.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C ______ x **415** *** 24,570 / 11,250 D = ... ______ E

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

Small business deduction

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

Enter amount G on line I on page 7.

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

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

*** **Large corporations**

- If the corporation is not associated with any corporations in both the current and previous tax years, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **prior year** minus $10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **current year** minus $10,000,000) x 0.225%.
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from page 3 (line 360 or amount Z, whichever applies)			414,933	A
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27		B		
Amount QQ from Part 13 of Schedule 27		C		
Personal service business income **432**		D		
Amount used to calculate the credit union deduction (amount F from Schedule 17)		E		
Amount from line 400, 405, 410, or 425 on page 4, whichever is the least		F		
Aggregate investment income from line 440 on page 6*		G		
Subtotal (**add** amounts B to G)		▶		H
Amount A **minus** amount H (if negative, enter "0")			414,933	I
General tax reduction for Canadian-controlled private corporations – Amount I **multiplied** by 13 % Enter amount J on line 638 on page 7.			53,941	J

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

General tax reduction

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

Taxable income from page 3 (line 360 or amount Z, whichever applies)				K
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27		L		
Amount QQ from Part 13 of Schedule 27		M		
Personal service business income **434**		N		
Amount used to calculate the credit union deduction (amount F from Schedule 17)		O		
Subtotal (**add** amounts L to O)		▶		P
Amount K **minus** amount P (if negative, enter "0")				Q
General tax reduction – Amount Q **multiplied** by 13 % Enter amount R on line 639 on page 7.				R

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7	**440**		x 26 2 / 3 % =		A
Foreign non-business income tax credit from line 632 on page 7					B
Deduct:					
Foreign investment income from Schedule 7	**445**		x 9 1 / 3 % =		C
			(if negative, enter "0")	▶	D
Amount A **minus** amount D (if negative, enter "0")					E
Taxable income from line 360 on page 3				414,933	F
Deduct:					
Amount from line 400, 405, 410, or 425 on page 4, whichever is the least					G
Foreign non-business income tax credit from line 632 on page 7		x 100 / 35 =			H
Foreign business income tax credit from line 636 on page 7		x 4 =			I
		Subtotal	▶		J
				414,933	K
			x 26 2 / 3 % =	110,649	L
Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 8)				15,892	M
Refundable portion of Part I tax – Amount E, L, or M, whichever is the least	**450**				N

Refundable dividend tax on hand

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

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	200,000	x 1 / 3 =	66,667	S
Refundable dividend tax on hand at the end of the tax year from line 485 above				T
Dividend refund – Amount S or T, whichever is less				U

Enter amount U on line 784 on page 8.

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) **multiplied** by 38 % . . .		550	157,675	A
Recapture of investment tax credit from Schedule 31		602		B

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

Aggregate investment income from line 440 on page 6				C
Taxable income from line 360 on page 3	414,933	D		
Deduct:				
Amount from line 400, 405, 410, or 425 on page 4, whichever is the least		E		
Net amount (amount D **minus** amount E)	414,933	▶	414,933	F

Refundable tax on CCPC's investment income – 6 2 / 3 % of whichever is less: amount C or amount F		604		G
Subtotal (**add** amounts A, B, and G)			157,675	H

Deduct:

Small business deduction from line 430 on page 4					I
Federal tax abatement	608	41,493			
Manufacturing and processing profits deduction from Schedule 27	616				
Investment corporation deduction	620				
Taxed capital gains 624					
Additional deduction – credit unions from Schedule 17	628				
Federal foreign non-business income tax credit from Schedule 21	632				
Federal foreign business income tax credit from Schedule 21	636				
General tax reduction for CCPCs from amount J on page 5	638	53,941			
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	46,349			
Subtotal		141,783	▶	141,783	J

Part I tax payable – Amount H **minus** amount J	15,892	K

Enter amount K on line 700 on page 8.

Summary of tax and credits

Federal tax

Part I tax payable from amount K on page 7	700	15,892
Part II surtax payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		15,892

Add provincial or territorial tax:

Provincial or territorial jurisdiction . . . 750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial or territorial tax payable (except Quebec and Alberta)	760	28,563	
Provincial tax on large corporations (Nova Scotia Schedule 342)	765		
(The Nova Scotia tax on large corporations is eliminated effective July 1, 2012.)			
Total provincial or territorial tax		28,563 ▶	28,563
Total tax payable	770		44,455 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780		
Dividend refund from amount U on page 6	784		
Federal capital gains refund from Schedule 18	788		
Federal qualifying environmental trust tax credit refund	792		
Canadian film or video production tax credit refund (Form T1131)	796		
Film or video production services tax credit refund (Form T1177)	797		
Tax withheld at source	800		
Total payments on which tax has been withheld	801		
Provincial and territorial capital gains refund from Schedule 18	808		
Provincial and territorial refundable tax credits from Schedule 5	812		
Tax instalments paid	840	37,800	
Total credits	890	37,800 ▶	37,800 B

Refund code 894 ☐ Overpayment ______

Balance (amount A **minus** amount B) 6,655

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 6,655

For information on how to make your payment, go to **www.cra-arc.gc.ca/payments**.

Enclosed payment 898 6,655

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information

910 ______ Branch number

914 ______ Institution number

918 ______ Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? . . . 896 1 Yes ☐ 2 No X

If this return was prepared by a tax preparer for a fee, provide their EFILE number . . . 920 M2790

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Certification

I, 950 Tackaberry (Last name (print)) 951 Joanne (First name (print)) 954 Manager (Position, office, or rank),

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

955 2015-05-13 Date (yyyy/mm/dd) ______ Signature of the authorized signing officer of the corporation 956 (705) 429-2517 Telephone number

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

958 ______ Name (print) 959 ______ Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français. 990 1

Schedule of Instalment Remittances

Name of corporation contact

Telephone number

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
2014-12-31	Instalments	37,800
	Total amount of instalments claimed (carry the result to line 840 of the T2 Return)	37,800 A
	Total instalments credited to the taxation year per T9	37,800 B

Transfer

	Account number	Taxation year end	Amount	Effective interest date	Description
From:					
To:					
From:					
To:					
From:					
To:					
From:					
To:					
From:					
To:					

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Net Income (Loss) for Income Tax Purposes

SCHEDULE 1

Corporation's name	Business Number	Tax year end Year Month Day
Wasaga Distribution Inc.	86673 1649 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*.

Amount calculated on line 9999 from Schedule 125			328,956	A
Add:				
Provision for income taxes – current	101	74,394		
Provision for income taxes – deferred	102	149,431		
Amortization of tangible assets	104	597,388		
Scientific research expenditures deducted per financial statements	118	80,845		
Subtotal of additions		902,058 ▶	902,058	
Other additions:				
Miscellaneous other additions:				
604				
Total	294			
Subtotal of other additions	199	0 ▶	0	
Total additions	500	902,058 ▶	902,058	B
Amount A **plus** amount B			1,231,014	
Deduct:				
Gain on disposal of assets per financial statements	401	2,320		
Capital cost allowance from Schedule 8	403	771,557		
Cumulative eligible capital deduction from Schedule 10	405	663		
SR&ED expenditures claimed in the year from Form T661 (line 460)	411	14,431		
Subtotal of deductions		788,971 ▶	788,971	
Other deductions:				
Miscellaneous other deductions:				
701 Capital lease payments	391	27,110		
704				
Total	394			
Subtotal of other deductions	499	27,110 ▶	27,110	
Total deductions	510	816,081 ▶	816,081	
Net income (loss) for income tax purposes – enter on line 300 of the T2 return			414,933	

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DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND PART IV TAX CALCULATION

SCHEDULE 3

Name of corporation	Business Number	Tax year-end Year Month Day
Wasaga Distribution Inc.	86673 1649 RC0001	2014-12-31

- This schedule is for the use of any corporation to report:
  - non-taxable dividends under section 83;
  - deductible dividends under subsection 138(6);
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (b) or (d); or
  - taxable dividends paid in the tax year that qualify for a dividend refund.
- The calculations in this schedule apply only to private or subject corporations.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act.*
- A recipient corporation is connected with a payer corporation at any time in a tax year, if at that time the recipient corporation:
  - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
  - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return.*
- Column A – Enter "X" if dividends received from a foreign source (connected corporation only).
- Column F1 – Enter the amount of dividends received reported in column 240 that are eligible.
- Column F2 – Enter the code that applies to the deductible taxable dividend.
- Column F3 – Enter if dividends have been received or not after December 20, 2012. This information is required for corporations that must complete Schedules 71 and 72. For more details with regards to this column, consult the Help.

Part 1 – Dividends received in the tax year

Do not include dividends received from foreign non-affiliates.

Name of payer corporation (from which the corporation received the dividend) 200	A	Complete if payer corporation is connected: B Enter 1 if payer corporation is connected 205	C Business Number of connected corporation 210	D Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYY/MM/DD (See note) 220	E Non-taxable dividend under section 83 230
				Total (enter on line 402 of Schedule 1)	

Note: If your corporation's tax year-end is different than that of the connected payer corporation, your corporation could have received dividends from more than one tax year of the payer corporation. If so, use a separate line to provide the information for each tax year of the payer corporation. For more details, consult the Help.

F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (b), or (d)* 240	F1 Eligible dividends (included in column F)	F2	F3	Complete if payer corporation is connected: G Total taxable dividends paid by connected payer corporation (for tax year in column D) 250	H Dividend refund of the connected payer corporation (for tax year in column D)** 260	I Part IV tax before deductions F x 1 / 3 *** 270
						J

Total (enter the amount from column F on line 320 of the T2 return and amount J in Part 2)

* If taxable dividends are received, enter the amount in column 240, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column 270. Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

** If the connected payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.

*** For dividends received from connected corporations: Part IV tax = $\frac{\text{Column F x Column H}}{\text{Column G}}$

Part 2 – Calculation of Part IV tax payable

Part IV tax before deductions (amount J in Part 1)			
Deduct:			
Part IV.I tax payable on dividends subject to Part IV tax	320		
		Subtotal	
Deduct:			
Current-year non-capital loss claimed to reduce Part IV tax	330		
Non-capital losses from previous years claimed to reduce Part IV tax	335		
Current-year farm loss claimed to reduce Part IV tax	340		
Farm losses from previous years claimed to reduce Part IV tax	345		
Total losses applied against Part IV tax		x 1 / 3 =	
Part IV tax payable (enter amount on line 712 of the T2 return)	360		

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund

	A	B	C	D	D1
	Name of connected recipient corporation	Business Number	Tax year end of connected recipient corporation in which the dividends in column D were received YYYY/MM/DD (See note)	Taxable dividends paid to connected corporations	Eligible dividends (included in column D)
	400	410	420	430	
1	Geosands Inc.	86673 1441 RC0001	2014-12-31	200,000	

Note

If your corporation's tax year-end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information for each tax year of the recipient corporation. For more details, consult the Help.

Total 200,000

Total taxable dividends paid in the tax year to other than connected corporations	450	
Eligible dividends (included in line 450)	450a	
Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column D above **plus** line 450)	460	200,000

Part 4 – Total dividends paid in the tax year

Complete this part if the total taxable dividends paid in the tax year that qualify for a dividend refund (line 460 above) is different from the total dividends paid in the tax year.

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above)			200,000
Other dividends paid in the tax year (total of 510 to 540)			
Total dividends paid in the tax year	500		200,000
Deduct:			
Dividends paid out of capital dividend account	510		
Capital gains dividends	520		
Dividends paid on shares described in subsection 129(1.2)	530		
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year	540		
Subtotal		▶	
Total taxable dividends paid in the tax year that qualify for a dividend refund			200,000

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Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
Wasaga Distribution Inc.	86673 1649 RC0001	2014-12-31

- Use this schedule if, during the tax year, the corporation:
  - had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only complete columns A, B and D in Part 1);
  - is claiming provincial or territorial tax credits or rebates (see Part 2); or
  - has to pay taxes, other than income tax, for Newfoundland and Labrador, or Ontario (see Part 2).
- Regulations mentioned in this schedule are from the *Income Tax Regulations*.
- For more information, see the *T2 Corporation – Income Tax Guide*.
- Enter the regulation number in field 100 of Part 1.

Part 1 – Allocation of taxable income

100 ______ Enter the Regulation that applies (402 to 413).

A Jurisdiction Tick yes if the corporation had a permanent establishment in the jurisdiction during the tax year. *		B Total salaries and wages paid in jurisdiction	C (B x taxable income**) / G	D Gross revenue	E (D x taxable income**) / H	F Allocation of taxable income (C + E) x 1/2*** (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	003 1 Yes ☐	103		143		
Newfoundland and Labrador Offshore	004 1 Yes ☐	104		144		
Prince Edward Island	005 1 Yes ☐	105		145		
Nova Scotia	007 1 Yes ☐	107		147		
Nova Scotia Offshore	008 1 Yes ☐	108		148		
New Brunswick	009 1 Yes ☐	109		149		
Quebec	011 1 Yes ☐	111		151		
Ontario	013 1 Yes ☐	113		153		
Manitoba	015 1 Yes ☐	115		155		
Saskatchewan	017 1 Yes ☐	117		157		
Alberta	019 1 Yes ☐	119		159		
British Columbia	021 1 Yes ☐	121		161		
Yukon	023 1 Yes ☐	123		163		
Northwest Territories	025 1 Yes ☐	125		165		
Nunavut	026 1 Yes ☐	126		166		
Outside Canada	027 1 Yes ☐	127		167		
Total		129 G		169 H		

* "Permanent establishment" is defined in Regulation 400(2).
** If the corporation has income or loss from an international banking centre: the taxable income is the amount on line 360 or line Z of the T2 return **plus** the total amount not required to be included, or **minus** the total amount not allowed to be deducted, in calculating the corporation's income under section 33.1 of the federal *Income Tax Act*. This does not apply to tax years starting after March 20, 2013.
*** For corporations other than those described under Regulation 402, use the appropriate calculation described in the Regulations to allocate taxable income.

Notes:
1. After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see the instructions for Schedule 5 in the *T2 Corporation – Income Tax Guide*.
2. If the corporation has provincial or territorial tax payable, complete Part 2.

Part 2 – Ontario tax payable, tax credits, and rebates

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
414,933		414,933	47,717

	Line	Amount		Amount	
Ontario basic income tax (from Schedule 500)	270	47,717			
Deduct: Ontario small business deduction (from Schedule 500)	402				
Subtotal		47,717	▶	47,717	A6
Add:					
Ontario additional tax re Crown royalties (from Schedule 504)	274				
Ontario transitional tax debits (from Schedule 506)	276				
Recapture of Ontario research and development tax credit (from Schedule 508)	277				
Subtotal			▶		B6
Subtotal (amount A6 **plus** amount B6)				47,717	C6
Deduct:					
Ontario resource tax credit (from Schedule 504)	404				
Ontario tax credit for manufacturing and processing (from Schedule 502)	406				
Ontario foreign tax credit (from Schedule 21)	408				
Ontario credit union tax reduction (from Schedule 500)	410				
Ontario transitional tax credits (from Schedule 506)	414				
Ontario political contributions tax credit (from Schedule 525)	415				
Subtotal			▶		D6
Subtotal (amount C6 **minus** amount D6) (if negative, enter "0")				47,717	E6
Deduct: Ontario research and development tax credit (from Schedule 508)			416	11,124	
Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount E6 **minus** amount on line 416) (if negative, enter "0")				36,593	F6
Deduct:					
Ontario corporate minimum tax credit (from Schedule 510)			418		
Ontario community food program donation tax credit for farmers (from Schedule 2)			420		
Ontario corporate income tax payable (amount F6 **minus** amounts on line 418 and line 420) (if negative, enter "0")				36,593	G6
Add:					
Ontario corporate minimum tax (from Schedule 510)	278				
Ontario special additional tax on life insurance corporations (from Schedule 512)	280				
Subtotal			▶		H6
Total Ontario tax payable before refundable credits (amount G6 **plus** amount H6)				36,593	I6
Deduct:					
Ontario qualifying environmental trust tax credit	450				
Ontario co-operative education tax credit (from Schedule 550)	452				
Ontario apprenticeship training tax credit (from Schedule 552)	454				
Ontario computer animation and special effects tax credit (from Schedule 554)	456				
Ontario film and television tax credit (from Schedule 556)	458				
Ontario production services tax credit (from Schedule 558)	460				
Ontario interactive digital media tax credit (from Schedule 560)	462				
Ontario sound recording tax credit (from Schedule 562)	464				
Ontario book publishing tax credit (from Schedule 564)	466				
Ontario innovation tax credit (from Schedule 566)	468	8,030			
Ontario business-research institute tax credit (from Schedule 568)	470				
Subtotal		8,030	▶	8,030	J6
Net Ontario tax payable or refundable credit (amount I6 **minus** amount J6) (if a credit, enter a negative amount) Include this amount on line 255.			290	28,563	K6

Summary

Enter the total net tax payable or refundable credits for all provinces and territories on line 255.

Net provincial and territorial tax payable or refundable credits	255	28,563

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.
If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business Number	Tax year end Year Month Day
Wasaga Distribution Inc.	86673 1649 RC0001	2014-12-31

For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide*.

Is the corporation electing under *Regulation* 1101(5q)? **101** 1 Yes ☐ 2 No ☒

	1 Class number (See Note)	Description	2 Undepreciated capital cost at the beginning of the year (amount from column 12 of last year's schedule 8)	3 Cost of acquisitions during the year (new property must be available for use)*	4 Adjustments and transfers**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)***	7 Reduced undepreciated capital cost	8 CCA rate % ****	9 Recapture of capital cost allowance***** (line 107 of Schedule 1)	10 Terminal loss (line 404 of Schedule 1)	11 Capital cost allowance (for declining balance method, column 7 **multiplied** by column 8, or a lower amount) (line 403 of Schedule 1) ******	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11)
	200		201	203	205	207	211		212	213	215	217	220
1.	1	Buildings	1,011,470	4,626		0	2,313	1,013,783	4	0	0	40,551	975,545
2.	1	Distribution Equipment	5,874,037			0		5,874,037	4	0	0	234,961	5,639,076
3.	47	distribution and transmission equ	5,657,793	1,093,533		8,000	542,767	6,200,559	8	0	0	496,045	6,247,281
		Totals	12,543,300	1,098,159		8,000	545,080	13,088,379				771,557	12,861,902

Note: Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed.
Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).

* Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see *Regulation* 1100(2) and (2.2).

** Enter in column 4, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost.
Items that **increase** the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that **reduce** the undepreciated capital cost include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the *T2 Corporation Income Tax Guide* for other examples of adjustments and transfers to include in column 4.

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

**** Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 11.

***** For every entry in column 9, the "Recapture of capital cost allowance" there must be a corresponding entry in column 5, "Proceeds of dispositions during the year". The recapture and terminal loss rules do not apply to passenger vehicles in Class 10.1.

****** If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the *T2 Corporation Income Tax Guide* for more information.

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Wasaga Distribution Inc.	86673 1649 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*.

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	Wasaga Resource Services Inc.		86758 4724 RC0001	3					
2.	Geosands Inc.		86673 1441 RC0001	1					2,745,596
3.	Wasaga Genco Inc.		86758 4526 RC0001	3					
4.	The Corporation of the Town of Wa		10810 1577 RC0001	4					100

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

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SCHEDULE 10

CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Name of corporation	Business Number	Tax year-end Year Month Day
Wasaga Distribution Inc.	86673 1649 RC0001	2014-12-31

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*.
- A separate cumulative eligible capital account must be kept for each business.

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

Cumulative eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0")			200	9,468 A
Add: Cost of eligible capital property acquired during the taxation year	222			
Other adjustments	226			
Subtotal (line 222 plus line 226)		x 3 / 4 = ___ B		
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002	228	x 1 / 2 = ___ C		
amount B minus amount C (if negative, enter "0")			▶	D
Amount transferred on amalgamation or wind-up of subsidiary			224	E
Subtotal (add amounts A, D, and E)			230	9,468 F
Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	242	___ G		
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244	___ H		
Other adjustments	246	___ I		
(add amounts G,H, and I)		x 3 / 4 =	248	J
Cumulative eligible capital balance (amount F minus amount J)				9,468 K
(if amount K is negative, enter "0" at line M and proceed to Part 2)				
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business		249		
amount K	9,468			
less amount from line 249				
Current year deduction	9,468 x 7.00 % =	250	663 *	
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)			663 ▶	663 L
Cumulative eligible capital – Closing balance (amount K minus amount L) (if negative, enter "0")			300	8,805 M

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

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

(complete this part only if the amount at line K is negative)

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

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SCHEDULE 23

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year, is required to file an agreement for each tax year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group. Include non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the *Income Tax Act* (ITA) not to be associated for purposes of the small business deduction.

Column 2: Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the association code that applies to each corporation:

1 – Associated for purposes of allocating the business limit (unless code 5 applies)
2 – CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
3 – Non-CCPC that is a "third corporation" as defined in subsection 256(2)
4 – Associated non-CCPC
5 – Associated CCPC to which code 1 does not apply because of a subsection 256(2) election made by a "third corporation"

Column 4: Enter the business limit for the year of each corporation in the associated group. The business limit is computed at line 4 on page 4 of each respective corporation's T2 return.

Column 5: Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A falls within the range for the calendar year to which the agreement applies:

Calendar year	Acceptable range
2006	maximum $300,000
2007	$300,001 to $400,000

Calendar year	Acceptable range
2008	maximum $400,000
2009	$400,001 to $500,000

If the calendar year to which this agreement applies is after 2009, ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . . . 025 Year Month Day

Enter the calendar year to which the agreement applies . . . . . . 050 Year 2014

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

	1 Names of associated corporations 100	2 Business Number of associated corporations 200	3 Association code 300	4 Business limit for the year (before the allocation) $	5 Percentage of the business limit % 350	6 Business limit allocated* $ 400
1	Wasaga Distribution Inc.	86673 1649 RC0001	1	500,000		
2	Wasaga Resource Services Inc.	86758 4724 RC0001	1	500,000	100.0000	500,000
3	Geosands Inc.	86673 1441 RC0001	4			
4	Wasaga Genco Inc.	86758 4526 RC0001	1	500,000		
				Total	100.0000	500,000 A

Business limit reduction under subsection 125(5.1) of the ITA

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "Large corporation amount" at line 415 of the T2 return. If the corporation is a member of an associated group** of corporations in the current tax year, the amount at line 415 of the T2 return is equal to 0.225% x (A - $10,000,000) where, "A" is the total of taxable capital employed in Canada*** of each corporation in the associated group for its last tax year ending in the preceding calendar year.

* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules apply if a CCPC has more than one tax year ending in a calendar year and is associated in more than one of those years with another CCPC that has a tax year ending in the same calendar year. If the tax year straddles January 1, 2009, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit that would have been determined for the first tax year ending in the calendar year, if $500,000 was used in allocating the amounts among associated corporations and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year. Otherwise, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit determined for the first tax year ending in the calendar year and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year.

** The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

*** "Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the ITA.

Schedule 31

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Investment Tax Credit – Corporations

General information

- Use this schedule:
  - to calculate an investment tax credit (ITC) earned during the tax year;
  - to claim a deduction against Part I tax payable;
  - to claim a refund of credit earned during the current tax year;
  - to claim a carryforward of credit from previous tax years;
  - to transfer a credit following an amalgamation or wind-up of a subsidiary, as described under subsections 87(1) and 88(1) of the federal *Income Tax Act*;
  - to request a credit carryback to one or more previous years; or
  - if you are subject to a recapture of ITC.
- The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a twenty-year carryforward.
- All legislative references are to the federal *Income Tax Act* and *Income Tax Regulations*.
- Investments or expenditures, described in subsection 127(9) of the Act and Part XLVI of the Regulations, that earn an ITC are:
  - qualified property and qualified resource property (Parts 4 to 7 of this schedule);
  - expenditures that are part of the SR&ED qualified expenditure pool (Parts 8 to 17). File Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim;*
  - pre-production mining expenditures (Parts 18 to 20);
  - apprenticeship job creation expenditures (Parts 21 to 23); and
  - child care spaces expenditures (Parts 24 to 28).
- Include a completed copy of this schedule with the *T2 Corporation Income Tax Return*. If you need more space, attach additional schedules.
- For more information on ITCs, see "Investment Tax Credit" in Guide T4012, *T2 Corporation – Income Tax Guide*, Information Circular IC 78-4, *Investment Tax Credit Rates*, and its related Special Release.
- For more information on SR&ED, see Brochure RC4472, *Overview of the Scientific Research and Experimental Development Program (SR&ED) Tax Incentive Program*; Brochure RC4467, *Support for your R&D in Canada*, and T4088, *Guide to Form T661 – Scientific Research and Experimental Development (SR&ED) Expenditures Claim*. Also see the *Eligibility of Work for SR&ED Investment Tax Credits Policy* at **www.cra.gc.ca/txcrdt/sred-rsde/clmng/lgbltywrkfrsrdnvstmnttxcrdts-eng.html**.

Detailed information

- For the purpose of this schedule, **investment** means the capital cost of the property (excluding amounts added by an election under section 21 of the Act), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property when it files the income tax return for the year in which the property was acquired.
- An ITC deducted or refunded in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces the capital cost of that property in the next tax year. It also reduces the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
- Property acquired has to be **available for use** before a claim for an ITC can be made. See subsections 127(11.2) and 248(19) for more information.
- Expenditures for SR&ED and capital costs for a property qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 is not applicable for the agreement to share any income or loss. Special rules apply to specified and limited partners. For more information, see Guide T4068, *Guide for the Partnership Information Return*.
- For SR&ED expenditures, the expression **in Canada** includes the "exclusive economic zone" (as defined in the *Oceans Act* to generally consist of an area that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil for that zone.
- For the purpose of this schedule, the expression **Atlantic Canada** includes the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulation 4609).
- For the purpose of this schedule, **qualified property** means property in Atlantic Canada that is used primarily for manufacturing and processing, farming or fishing, logging, storing grain, or harvesting peat. Property in Atlantic Canada that is used primarily for oil and gas, and mining activities is considered qualified property only if acquired by the taxpayer **before** March 29, 2012. Qualified property includes new buildings and new machinery and equipment (prescribed in Regulation 4600), and if acquired by the taxpayer **after** March 28, 2012, new energy generation and conservation property (prescribed in Regulation 4600). Qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as described in Regulation 4610). See the definition of **qualified property** in subsection 127(9) of the Act for more information.
- For the purpose of this schedule, **qualified resource property** means property in Atlantic Canada that is used primarily for oil and gas, and mining activities, if acquired by the taxpayer **after** March 28, 2012, and **before** January 1, 2016. Qualified resource property includes new buildings and new machinery and equipment (prescribed in Regulation 4600). See the definition of **qualified resource property** in subsection 127(9) of the Act for more information.

Detailed information (continued)

- For the purpose of this schedule, **pre-production mining exploration expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to determine the existence, location, extent, or quality of certain mineral resources in Canada, excluding expenses incurred in the exploration of an oil or gas well. See subparagraph (a)(i) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining development expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to bring a new mineral resource mine in Canada into production, excluding expenses in the development of a bituminous sands deposit or an oil shale deposit. See subparagraph (a)(ii) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.

Part 1 – Investments, expenditures, and percentages

	Specified percentage
Investments	
Qualified property acquired primarily for use in Atlantic Canada	10 %
Qualified resource property acquired primarily for use in Atlantic Canada and acquired:	
– after March 28, 2012, and before 2014	10 %
– after 2013 and before 2016	5 %
– after 2015*	0 %
Expenditures	
If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %
Note: If your current year's qualified expenditures are more than the corporation's expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 20 % rate**.	
If you are a corporation that is not a CCPC and have incurred qualified expenditures for SR&ED in any area in Canada:	
– before 2014**	20 %
– after 2013**	15 %
If you are a taxable Canadian corporation that incurred pre-production mining expenditures before March 29, 2012	10 %
If you are a taxable Canadian corporation that incurred pre-production mining exploration expenditures***:	
– after March 28, 2012, and before 2013	10 %
– in 2013	5 %
– after 2013***	0 %
If you are a taxable Canadian corporation that incurred pre-production mining development expenditures****:	
– after March 28, 2012, and before 2014****	10 %
– in 2014	7 %
– in 2015	4 %
– after 2015****	0 %
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment	10 %
If you incurred eligible expenditures after March 18, 2007, for the creation of licensed child care spaces for the children of your employees and, potentially, for other children	25 %

* A transitional relief rate of 10% may apply to property acquired after 2013 and before 2017, if the property is acquired under a written agreement entered into before March 29, 2012, or the property is acquired as part of a **phase** of a project where the construction or the engineering and design work for the construction started before March 29, 2012. See paragraph (a.1) of the definition of **specified percentage** in subsection 127(9) for more information.

** The reduction of the rate from 20% to 15% applies to 2014 and later tax years, except that, for 2014 tax years that start before 2014, the reduction is pro-rated based on the number of days in the tax year that are after 2013.

*** Pre-production mining exploration expenditures are described in subparagraph (a)(i) of the definition of **pre-production mining expenditure** in subsection 127(9).

**** A transitional relief rate of 10% may apply to expenditures incurred after 2013 and before 2016, if the expenditure is incurred under a written agreement entered into before March 29, 2012, or the expenditure is incurred as part of the development of a new mine where the construction or the engineering and design work for the construction of the new mine started before March 29, 2012. See subparagraph (k)(ii) of the definition of **specified percentage** in subsection 127(9) for more information. Pre-production mining development expenditures are described in subparagraph (a)(ii) of the definition of **pre-production mining expenditure** in subsection 127(9).

Corporation's name	Business number	Tax year-end Year Month Day
Wasaga Distribution Inc.	86673 1649 RC0001	2014-12-31

Part 2 – Determination of a qualifying corporation

Is the corporation a qualifying corporation? . . . . . . **101** 1 Yes [ ] 2 No [X]

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

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

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

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

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

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

a) one or more persons exempt from Part I tax under section 149;

b) Her Majesty in right of a province, a Canadian municipality, or any other public authority; or

c) any combination of persons referred to in a) or b) above.

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

Part 3 – Corporations in the farming industry

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

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

Contributions to agricultural organizations for SR&ED* . . . . . . **103** ________

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

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

Qualified Property and Qualified Resource Property

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

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

Total of investments for qualified property and qualified resource property ________ A

* CCA: capital cost allowance

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

ITC at the end of the previous tax year				B
Deduct:				
Credit deemed as a remittance of co-op corporations	210			
Credit expired	215			
Subtotal (line 210 **plus** line 215)			▶	C
ITC at the beginning of the tax year (amount B **minus** amount C)			220	
Add:				
Credit transferred on amalgamation or wind-up of subsidiary	230			
ITC from repayment of assistance	235			
Qualified property; and qualified resource property acquired after March 28, 2012, and before January 1, 2014* (applicable part of amount A from Part 4) ______ x 10 % =	240			
Qualified resource property acquired after December 31, 2013, and before January 1, 2016 (applicable part of amount A from Part 4) ______ x 5 % =	242			
Credit allocated from a partnership	250			
Subtotal (total of lines 230 to 250)			▶	D
Total credit available (line 220 **plus** amount D)				E
Deduct:				
Credit deducted from Part I tax (enter at amount D in Part 30)	260			
Credit carried back to the previous year(s) (amount H from Part 6)		a		
Credit transferred to offset Part VII tax liability	280			
Subtotal (total of line 260, amount a, and line 280)			▶	F
Credit balance before refund (amount E **minus** amount F)				G
Deduct:				
Refund of credit claimed on investments from qualified property and qualified resource property (from Part 7)			310	
ITC closing balance of investments from qualified property and qualified resource property (amount G **minus** line 310)			320	

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

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

	Year	Month	Day			
1st previous tax year				Credit to be applied	901	
2nd previous tax year				Credit to be applied	902	
3rd previous tax year				Credit to be applied	903	
				Total (enter at amount a in Part 5)		H

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

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

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

SR&ED

Part 8 – Qualified SR&ED expenditures

Current expenditures

Current expenditures (from line 557 on Form T661)		68,751		
Contributions to agricultural organizations for SR&ED				
Deduct:				
Government assistance, non-government assistance, or contract payment				
Contributions to agricultural organizations for SR&ED for the federal ITC (this amount is updated to line 103 of Part 3. For more details, consult the Help.)*		+		
Current expenditures (line 557 on Form T661 **plus** line 103 from Part 3)*		68,751	350	68,751
Capital expenditures incurred **before** 2014 (from line 558 on Form T661)**			360	
Repayments made in the year (from line 560 on Form T661)			370	
Qualified SR&ED expenditures (total of lines 350 to 370)			380	68,751

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

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

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

Part 9 only applies if the corporation is a CCPC.

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

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

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

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

Enter your taxable income for the previous tax year* (prior to any loss carry-backs applied)	390	
Enter your taxable capital employed in Canada for the previous tax year minus $10 million. If this amount is nil or negative, enter "0". If this amount is over $40 million, enter $40 million	398	

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

Part 10 – SR&ED expenditure limit for a CCPC

For a stand-alone corporation:			$ 8,000,000	
Deduct:				
Taxable income for the previous tax year (line 390 from Part 9) or $500,000, whichever is more		x 10 =		A
Excess ($8,000,000 **minus** amount A; if negative, enter "0")				B
$ 40,000,000 **minus** line 398 from Part 9		a		
Amount a **divided** by $ 40,000,000				C
Expenditure limit for the stand-alone corporation (amount B **multiplied** by amount C)				D*
For an associated corporation:				
If associated, the allocation of the SR&ED expenditure limit as provided on Schedule 49		400	2,181,013	E*

Where the tax year of the corporation is less than 51 weeks, calculate the amount of the expenditure limit as follows:

Amount D or E ______ x Number of days in the tax year 365 / 365 = ______ F

Your SR&ED expenditure limit for the year (enter the amount from line D, E, or F, whichever applies) 410 — 2,181,013

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

Part 11 – Investment tax credits on SR&ED expenditures

Current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10), whichever is less*	420	68,751	x	35 %	=	24,063	G
Line 350 **minus** line 410 (if negative, enter "0")**	430		x	15 %	=		H
Line 410 **minus** line 350 (if negative, enter "0")		2,112,262	b				
Capital expenditures (line 360 from Part 8) or amount b above, whichever is less*	440		x	35 %	=		I
Line 360 **minus** amount b above (if negative, enter "0")**	450		x	15 %	=		J
Repayments (amount from line 370 in Part 8)							

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit at the rate that would have applied to the repaid amount. Enter the amount of the repayment on the line that corresponds to the appropriate rate.**

460		x	35 %	=		c		
480		x	15 %	=		d		
			Subtotal (amount c **plus** amount d)			▶		K

Current-year SR&ED ITC (total of amounts G to K; enter on line 540 in Part 12) . . . 24,063 L

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

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

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

ITC at the end of the previous tax year				22,286	M
Deduct:					
Credit deemed as a remittance of co-op corporations	510				
Credit expired	515				
Subtotal (line 510 **plus** line 515)			▶		N
ITC at the beginning of the tax year (amount M **minus** amount N)			520	22,286	
Add:					
Credit transferred on amalgamation or wind-up of subsidiary	530				
Total current-year credit (from amount L in Part 11)	540	24,063			
Credit allocated from a partnership	550				
Subtotal (total of lines 530 to 550)		24,063	▶	24,063	O
Total credit available (line 520 **plus** amount O)				46,349	P
Deduct:					
Credit deducted from Part I tax (enter at amount E in Part 30)	560	46,349			
Credit carried back to the previous year(s) (amount S from Part 13)			e		
Credit transferred to offset Part VII tax liability	580				
Subtotal (total of line 560, amount e, and line 580)		46,349	▶	46,349	Q
Credit balance before refund (amount P **minus** amount Q)					R
Deduct:					
Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies)			610		
ITC closing balance on SR&ED (amount R **minus** line 610)			620		

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

	Year	Month	Day			
1st previous tax year				Credit to be applied	911	
2nd previous tax year				Credit to be applied	912	
3rd previous tax year				Credit to be applied	913	
				Total (enter at amount e in Part 12)		S

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

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

Is the corporation an excluded corporation as defined under subsection 127.1(2)? . . . 650 1 Yes [ ] 2 No [X]

Current-year ITC (lines 540 **plus** 550 from Part 12 **minus** amount K from Part 11) . . . ______ f

Refundable credits (amount f above or amount R from Part 12, whichever is less)* . . . ______ T

Deduct:

Amount T or amount G from Part 11, whichever is less . . . ______ U

Net amount (amount T **minus** amount U; if negative, enter "0") . . . ______ V

Amount V **multiplied** by 40 % . . . ______ W

Add:

Amount U . . . ______ X

Refund of ITC (amount W **plus** amount X – enter this, or a lesser amount, on line 610 in Part 12) . . . ______ Y

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

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

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

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

Credit balance before refund (amount R from Part 12) . . . ______ Z

Deduct:

Amount Z or amount G from Part 11, whichever is less . . . ______ AA

Net amount (amount Z **minus** amount AA; if negative, enter "0") . . . ______ BB

Amount BB or amount I from Part 11, whichever is less . . . ______ CC

Amount CC **multiplied** by 40 % . . . ______ DD

Add :

Amount AA . . . ______ EE

Refund of ITC (amount DD **plus** amount EE) . . . ______ FF

Enter FF, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

Recapture – SR&ED

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

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

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

Note:

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

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

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

Calculation 1 – If you meet all of the above conditions

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

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

Calculation 2 – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil in amount B in Part 16 on page 9.

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

Calculation 2 (continued) – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil in amount B below.

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

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

Calculation 3

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

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

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

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

Pre-Production Mining

Part 18 – Pre-production mining expenditures

Exploration information

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

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

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

List of minerals 800	Project name 805

Mineral title 806	Mining division 807

Pre-production mining expenditures*

Exploration:

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

Prospecting . . . 810 ____

Geological, geophysical, or geochemical surveys . . . 811 ____

Drilling by rotary, diamond, percussion, or other methods . . . 812 ____

Trenching, digging test pits, and preliminary sampling . . . 813 ____

Development:

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

Clearing, removing overburden, and stripping . . . 820 ____

Sinking a mine shaft, constructing an adit, or other underground entry . . . 821 ____

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

Description 825	Amount 826

Add amounts in column 826 ____ ▶ ____ A

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

Deduct:

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

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

Add:

Repayments of government and non-government assistance . . . 835 ____

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

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

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

ITC at the end of the previous tax year . . . . ______ D

Deduct:

Credit deemed as a remittance of co-op corporations . . . . . . **841** ______

Credit expired . . . . **845** ______

Subtotal (line 841 **plus** line 845) ______ ▶ ______ E

ITC at the beginning of the tax year (amount D **minus** amount E) . . . . . . **850** ______

Add:

Credit transferred on amalgamation or wind-up of subsidiary . . . . . . **860** ______

Pre-production mining expenditures* incurred before January 1, 2013 (applicable part of amount C from Part 18) . . **870** ______ x 10 % = ______ a

Pre-production mining exploration expenditures incurred in 2013 (applicable part of amount C from Part 18) . . **872** ______ x 5 % = ______ b

Pre-production mining development expenditures incurred in 2014 (applicable part of amount C from Part 18) . . **874** ______ x 7 % = ______ c

Pre-production mining development expenditures incurred in 2015 (applicable part of amount C from Part 18) . . **876** ______ x 4 % = ______ d

Current year credit (total of amounts a to d) **880** ______ ▶ ______ F

Total credit available (total of lines 850, 860, and amount F) . . . . . . ______ G

Deduct:

Credit deducted from Part I tax (enter at amount F in Part 30) . . . . . . **885** ______

Credit carried back to the previous year(s) (amount I from Part 20) . . . . . . ______ e

Subtotal (line 885 **plus** amount e) ______ ▶ ______ H

ITC closing balance from pre-production mining expenditures (amount G **minus** amount H) . . . . . . **890** ______

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

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

	Year	Month	Day			
1st previous tax year				Credit to be applied	**921**	______
2nd previous tax year				Credit to be applied	**922**	______
3rd previous tax year				Credit to be applied	**923**	______

Total (enter at amount e in Part 19) ______ I

Apprenticeship Job Creation

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

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number or name) appears below? (If not, you cannot claim the tax credit.) .... **611** 1 Yes ☐ 2 No ☐

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

A Contract number (SIN or name of apprentice) **601**	B Name of eligible trade **602**	C Eligible salary and wages* **603**	D Column C x 10 % **604**	E Lesser of column D or $ 2,000 **605**

Total current-year credit (enter at line 640 in Part 22) ______ A

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

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

ITC at the end of the previous tax year .... ______ B

Deduct:

Credit deemed as a remittance of co-op corporations .... **612** ______

Credit expired after 20 tax years .... **615** ______

Subtotal (line 612 **plus** line 615) ______ ▶ ______ C

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

Add:

Credit transferred on amalgamation or wind-up of subsidiary .... **630** ______

ITC from repayment of assistance .... **635** ______

Total current-year credit (amount A from Part 21) .... **640** ______

Credit allocated from a partnership .... **655** ______

Subtotal (total of lines 630 to 655) ______ ▶ ______ D

Total credit available (line 625 **plus** amount D) .... ______ E

Deduct:

Credit deducted from Part I tax (enter at amount G in Part 30) .... **660** ______

Credit carried back to the previous year(s) (amount G from Part 23) .... ______ a

Subtotal (line 660 **plus** amount a) ______ ▶ ______ F

ITC closing balance from apprenticeship job creation expenditures (amount E **minus** amount F) .... **690** ______

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

	Year	Month	Day			
1st previous tax year				Credit to be applied	**931**	
2nd previous tax year				Credit to be applied	**932**	
3rd previous tax year				Credit to be applied	**933**	

Total (enter at amount a in Part 22) ______ G

Child Care Spaces

Part 24 – Eligible child care spaces expenditures

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

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

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

Cost of depreciable property from the current tax year

	CCA* class number 665	Description of investment 675	Date available for use 685	Amount of investment 695
1.				

Total cost of depreciable property from the current tax year **715** ______

Add:

Specified child care start-up expenditures from the current tax year . . . . . **705** ______

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

Deduct:

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

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

Add:

Repayments by the corporation of government and non-government assistance . . . . . **735** ______

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

* CCA: capital cost allowance

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

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

Eligible expenditures (from line 745) . . . . . ______ x 25 % = ______ C

Number of child care spaces . . . . . **755** ______ x $ 10,000 = ______ D

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

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

ITC at the end of the previous tax year				F
Deduct:				
Credit deemed as a remittance of co-op corporations	765			
Credit expired after 20 tax years	770			
Subtotal (line 765 **plus** line 770)			►	G
ITC at the beginning of the tax year (amount F **minus** amount G)			775	
Add:				
Credit transferred on amalgamation or wind-up of subsidiary	777			
Total current-year credit (amount E from Part 25)	780			
Credit allocated from a partnership	782			
Subtotal (total of lines 777 to 782)			►	H
Total credit available (line 775 **plus** amount H)				I
Deduct:				
Credit deducted from Part I tax (enter at amount H in Part 30)	785			
Credit carried back to the previous year(s) (amount K from Part 27)			a	
Subtotal (line 785 **plus** amount a)			►	J
ITC closing balance from child care spaces expenditures (amount I **minus** amount J)			790	

Part 27 – Request for carryback of credit from child care space expenditures

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

Recapture – Child Care Spaces

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

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

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

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

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

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

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

Amount from line 795 or line 797, whichever is less . . . . ____________ A

Corporate partnerships

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

Corporate partner's share of the excess of ITC **799** ____________

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

Enter amount B at amount B in Part 29.

Summary of Investment Tax Credits

Part 29 – Total recapture of investment tax credit

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

Enter amount C on line 602 of the T2 return.

Part 30 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 5)		D
ITC from SR&ED expenditures deducted from Part I tax (from line 560 in Part 12)	46,349	E
ITC from pre-production mining expenditures deducted from Part I tax (from line 885 in Part 19)		F
ITC from apprenticeship job creation expenditures deducted from Part I tax (from line 660 in Part 22)		G
ITC from child care space expenditures deducted from Part I tax (from line 785 in Part 26)		H
Total ITC deducted from Part I tax (total of amounts D to H)	46,349	I

Enter amount I at line 652 of the T2 return.

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Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 99 Cur. or cap. R&D for ITC

Current year

Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
24,063	24,063			

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2013-12-31	22,286		22,286	
2012-12-31				
2011-12-31				
2010-12-31				
2009-12-31				
2008-12-31				
2007-12-31				
2006-12-31				
2005-12-31				
2004-12-31				*
2003-12-31				
2002-12-31				
2001-12-31				
2000-12-31				
				*
Total	22,286		22,286	

B+C+D+G **Total ITC utilized** 46,349

* The **ITC end of year** includes the amount of ITC expired from the 10th preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20th preceding year if it is after December 31, 1997. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.

Canada Revenue Agency / Agence du revenu du Canada

Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Wasaga Distribution Inc.	86673 1649 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 amounts at the end of the year:

	Line	Amount		
Reserves that have not been deducted in computing income for the year under Part I	101			
Capital stock (or members' contributions if incorporated without share capital)	103	100		
Retained earnings	104	5,098,156		
Contributed surplus	105			
Any other surpluses	106	5,175,468		
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	3,593,269		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	229,112		
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is an amount (see note below) for a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership	112			
Subtotal		14,096,105 ▶	14,096,105	A

Deduct the following amounts:

	Line	Amount		
Deferred tax debit balance at the end of the year	121	158,547		
Any deficit deducted in computing its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122			
Any amount deducted under subsection 135(1) in computing income under Part I for the year, as long as the amount may reasonably be regarded as being included in any of lines 101 to 112 above	123			
The amount of deferred unrealized foreign exchange losses at the end of the year	124			
Subtotal		158,547 ▶	158,547	B
Capital for the year (amount A **minus** amount B) (if negative, enter "0")	190		13,937,558	

Note: Line 112 is determined as follows:

- An amount for the partnership is 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.
- Do not include amounts owing to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership.
- Do not include amounts owning to any partnership in which a corporation described above held a membership interest either directly or indirectly through another partnership.
- The proportion of the amount is determined by the amount that the corporation's share of the partnership's income or loss for the fiscal period—to which the corporation is entitled either directly or indirectly through another partnership—is of the partnership's income or loss for the period.

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend receivable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim, or similar obligation of, a partnership all of the members of which, throughout the year, were other partnership or other corporations (other than financial institutions) that were not exempt from tax under Part I.3 [other than by reason of paragraph 181.1(3)(d)]	406	
An interest in a partnership (see note 1 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	

Notes:

1. Where the corporation has an interest in a partnership or in tiered partnerships, consider the following:
   - the investment allowance of a partnership is deemed to be the amount calculated at line 490 above, at the end of its fiscal period, as if it was a corporation;
   - the total of the carrying value of each asset of the partnership described in the above lines is for its last fiscal period ending at or before the end of the corporation's tax year; and
   - the carrying value of a partnership member's interest at the end of the year is its specified proportion [as defined in subsection 248(1)] of the partnership's investment allowance.
2. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 [other than by reason of paragraph 181.1(3)(d)].
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation, according to subsection 181.2(6).

Part 3 – Taxable capital

Capital for the year (line 190)		13,937,558	C
Deduct: Investment allowance for the year (line 490)			D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	13,937,558	

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500) 13,937,558 x Taxable income earned in Canada **610** 414,933 / Taxable income 414,933 = **Taxable capital employed in Canada** **690** 13,937,558

Notes:
1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada			701	
Deduct the following amounts:				
Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada	711			
Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada	712			
Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below)	713			
Total deductions (**add** lines 711, 712, and 713)			▶	E
Taxable capital employed in Canada (line 701 **minus** amount E) (if negative, enter "0")			790	

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (line 690 or 790, whichever applies)		F
Deduct:	10,000,000	G
Excess (amount F **minus** amount G) (if negative, enter "0")		H
Calculation for purposes of the small business deduction (amount H x 0.00225)		I

Enter this amount at line 415 of the T2 return.

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Schedule 49

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Expenditure Limit

- Use this schedule to allocate the annual expenditure limit among associated Canadian-controlled private corporations (CCPCs), (subsection 127(10.2) of the *Income Tax Act*), in order to calculate the investment tax credit eligible for the 35% rate on qualifying scientific research and experimental development expenditures.
- 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 corporation in the associated group, including CCPCs and non-CCPCs. Do not include corporations deemed not to be associated under subsection 127(10.22) of the *Income Tax Act*.

Column 2: Provide the business number for each corporation in column 1 (if a corporation is not registered, enter "NR").

Column 3: Enter "1" for CCPC's or "2" for Non-CCPC's that applies for each corporation identified in columns 1 and 2.

Column 4: Enter the amount of the expenditure limit allocated to each corporation that has type of corporation code 1 in column 3. The rules for determining the expenditure limit that can be allocated (subsection 127(10.2) of the *Income Tax Act*) are explained below.

Allocating the expenditure limit

Date filed (do not use this area) . . . . . 025 Year Month Day

Enter the calendar year to which the agreement applies . . . . . 050 Year 2014

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

	1 Names of associated corporations 100	2 Business number of associated corporations 200	3 Type of corp. code 300	4 Expenditure limit allocated* $ 400
1	Wasaga Distribution Inc.	86673 1649 RC0001	1	2,181,013
2	Wasaga Resource Services Inc.	86758 4724 RC0001	1	
3	Geosands Inc.	86673 1441 RC0001	2	
4	Wasaga Genco Inc.	86758 4526 RC0001	1	

The expenditure limit (cannot be more than $3,000,000) 410 2,181,013

The expenditure limit is calculated as follows

[($8,000,000 **minus** 10A) x (($40,000,000 **minus** B) **divided by** $40,000,000)], where

A = the greater of:

- $500,000; and
- the total of all taxable incomes (prior to any loss carry-backs applied) of all associated corporations identified in columns 1 and 2 for their last tax years** ending in the previous calendar year.

B = the total of all taxable capital employed in Canada of all associated corporations for their last tax year ending in the previous calendar year minus $10 million. If this amount is nil or negative, enter "0". If this amount is over $40 million, enter $40 million.

Amount A 425 500,000 Amount B 495 10,919,833

* 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. In this case, the expenditure limit for the second (and subsequent) tax year(s) will be equal to the expenditure limit allocated for the first tax year ending in the calendar year.

** If any of the tax years referred to in A above are less than 51 weeks, gross up the taxable incomes for those tax years by the ratio that 365 is of the number of days in those tax years. Use these grossed up amounts when calculating the expenditure limit.

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SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
Wasaga Distribution Inc.	86673 1649 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 one number per shareholder				
	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust) 100	Business Number (If a corporation is not registered, enter "NR") 200	Social insurance number 300	Trust number 350	Percentage common shares 400	Percentage preferred shares 500
1	Geosands Inc. (Corporation)	86673 1441 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

SCHEDULE 53

Canada Revenue Agency / Agence du revenu du Canada

GENERAL RATE INCOME POOL (GRIP) CALCULATION

Name of corporation	Business Number	Tax year-end Year Month Day
Wasaga Distribution Inc.	86673 1649 RC0001	2014-12-31

On: 2014-12-31

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- When an eligible dividend was paid in the tax year, file a completed copy of this schedule with your *T2 Corporation Income Tax Return*. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsections referred to in this schedule are from the *Income Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool, and low rate income pool.

Eligibility for the various additions

Answer the following questions to determine the corporation's eligibility for the various additions:

2006 addition

1. Is this the corporation's first taxation year that includes January 1, 2006? . . . . . [ ] Yes [X] No
2. If not, what is the date of the taxation year end of the corporation's first year that includes January 1, 2006? Enter the date and go directly to question 4 2006-12-31
3. During that first year, was the corporation a CCPC or would it have been a CCPC if not for the election of subsection 89(11) ITA? . . . . . [ ] Yes [ ] No

   If the answer to question 3 is yes, complete Part "GRIP addition for 2006".

Change in the type of corporation

4. Was the corporation a CCPC during its preceding taxation year? . . . . . [X] Yes [ ] No
5. Corporations that become a CCPC or a DIC . . . . . [ ] Yes [X] No

   If the answer to question 5 is yes, complete Part 4.

Amalgamation (first year of filing after amalgamation)

6. Corporations that were formed as a result of an amalgamation . . . . . [ ] Yes [X] No

   If the answer to question 6 is yes, answer questions 7 and 8. If the answer is no, go to question 9.
7. Was one or more of the predecessor corporations neither a CCPC nor a DIC? . . . . . [ ] Yes [ ] No

   If the answer to question 7 is yes, complete Part 4.
8. Was one or more of the predecessor corporation a CCPC or a DIC during the taxation year that ended immediately before amalgamation? . . . . . [ ] Yes [ ] No

   If the answer to question 8 is yes, complete Part 3.

Winding-up

9. Has the corporation wound-up a subsidiary in the preceding taxation year? . . . . . [ ] Yes [X] No

   If the answer to question 9 is yes, answer questions 10 and 11. If the answer is no, go to Part 1.
10. Was the subsidiary neither a CCPC nor a DIC during its last taxation year? . . . . . [ ] Yes [ ] No

    If the answer to question 10 is yes, complete Part 4.
11. Was the subsidiary a CCPC or a DIC during its last taxation year? . . . . . [ ] Yes [ ] No

    If the answer to question 11 is yes, complete Part 3.

Part 1 – Calculation of general rate income pool (GRIP)

GRIP at the end of the previous tax year			100	4,396,771 A
Taxable income for the year (DICs enter "0") *		110	414,933 B	
Income for the credit union deduction * (amount E in Part 3 of Schedule 17)	120			
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less *	130			
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income *	140			
Subtotal (add lines 120, 130, and 140)		►	C	
Income taxable at the general corporate rate (line B minus line C) (if negative enter "0")		150	414,933	
After-tax income (line 150 x general rate factor for the tax year ** 0.72)			190	298,752 D
Eligible dividends received in the tax year		200		
Dividends deductible under section 113 received in the tax year		210		
Subtotal (add lines 200 and 210)			►	E
GRIP addition:				
Becoming a CCPC (line PP from Part 4)		220		
Post-amalgamation (total of lines EE from Part 3 and lines PP from Part 4)		230		
Post-wind-up (total of lines EE from Part 3 and lines PP from Part 4)		240		
Subtotal (add lines 220, 230, and 240)			► 290	F
Subtotal (add lines A, D, E, and F)				4,695,523 G
Eligible dividends paid in the previous tax year		300		
Excessive eligible dividend designations made in the previous tax year		310		

Note: If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.

Subtotal (line 300 **minus** line 310)		►	H
GRIP before adjustment for specified future tax consequences (line G **minus** line H) (amount can be negative)		490	4,695,523
Total GRIP adjustment for specified future tax consequences to previous tax years (amount W from Part 2)		560	
GRIP at the end of the tax year (line 490 **minus** line 560)		590	4,695,523

Enter this amount on line 160 of Schedule 55.

* For lines 110, 120, 130, and 140, the income amount is the amount before considering specified future tax consequences. This phrase is defined in subsection 248(1). It includes the deduction of a loss carryback from subsequent tax years, a reduction of Canadian exploration expenses and Canadian development expenses that were renounced in subsequent tax years (e.g., flow-through share renunciations), reversals of income inclusions where an option is exercised in subsequent tax years, and the effect of certain foreign tax credit adjustments.

** The **general rate factor** for a tax year is 0.68 for any portion of the tax year that falls before 2010, 0.69 for any portion of the tax year that falls in 2010, 0.70 for any portion of the tax year that falls in 2011, and 0.72 for any portion of the tax year that falls after 2011. Calculate the general rate factor in Part 5 for tax years that straddle these dates.

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560.

First previous tax year 2013-12-31

Taxable income before specified future tax consequences from the current tax year		118,174 J1	
Enter the following amounts before specified future tax consequences from the current tax year:			
Income for the credit union deduction (amount E in Part 3 of Schedule 17)	K1		
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less	L1		
Aggregate investment income (line 440 of the T2 return)	M1		
Subtotal (add lines K1, L1, and M1)	►	N1	
Subtotal (line J1 **minus** line N1) (if negative, enter "0")		118,174 ►	118,174 O1

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences . . . . ____ P1

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ____ Q1

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ____ R1

Aggregate investment income (line 440 of the T2 return) . . . . ____ S1

Subtotal (**add** lines Q1, R1, and S1) ____ ▶ ____ T1

Subtotal (line P1 **minus** line T1) (if negative, enter "0") ____ ▶ ____ U1

Subtotal (line O1 **minus** line U1) (if negative, enter "0") ____ V1

GRIP adjustment for specified future tax consequences to the first previous tax year

(line V1 **multiplied by** the general rate factor for the tax year 0.72) . . . . **500** ____

Second previous tax year 2012-12-31

Taxable income before specified future tax consequences from the current tax year 796,750 J2

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ____ K2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ____ L2

Aggregate investment income (line 440 of the T2 return) . . . . ____ M2

Subtotal (**add** lines K2, L2, and M2) ____ ▶ ____ N2

Subtotal (line J2 **minus** line N2) (if negative, enter "0") 796,750 ▶ 796,750 O2

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences . . . . ____ P2

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ____ Q2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ____ R2

Aggregate investment income (line 440 of the T2 return) . . . . ____ S2

Subtotal (**add** lines Q2, R2, and S2) ____ ▶ ____ T2

Subtotal (line P2 **minus** line T2) (if negative, enter "0") ____ ▶ ____ U2

Subtotal (line O2 **minus** line U2) (if negative, enter "0") ____ V2

GRIP adjustment for specified future tax consequences to the second previous tax year

(line V2 **multiplied by** the general rate factor for the tax year 0.72) . . . . **520** ____

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Third previous tax year 2011-12-31

Taxable income before specified future tax consequences from the current tax year . . . 805,970 J3

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ______ K3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ______ L3

Aggregate investment income (line 440 of the T2 return) . . . . ______ M3

Subtotal (**add** lines K3, L3, and M3) ______ ▶ ______ N3

Subtotal (line J3 **minus** line N3) (if negative, enter "0") 805,970 ▶ 805,970 O3

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences . . . . ______ P3

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ______ Q3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ______ R3

Aggregate investment income (line 440 of the T2 return) . . . . ______ S3

Subtotal (**add** lines Q3, R3, and S3) ______ ▶ ______ T3

Subtotal (line P3 **minus** line T3) (if negative, enter "0") ______ ▶ ______ U3

Subtotal (line O3 **minus** line U3) (if negative, enter "0") ______ V3

GRIP adjustment for specified future tax consequences to the third previous tax year
(line V3 **multiplied by** the general rate factor for the tax year 0.72) . . . . **540** ______

Total GRIP adjustment for specified future tax consequences to previous tax years:
(**add** lines 500, 520, and 540) (if negative, enter "0") . . . . ______ W

Enter amount W on line 560.

Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)

nb. 1 Post amalgamation . . . ☐ Post wind-up . . . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or a DIC in its last tax year. In the calculation below, **corporation** means a predecessor or a subsidiary. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year . . . . ______ AA

Eligible dividends paid by the corporation in its last tax year . . . . ______ BB

Excessive eligible dividend designations made by the corporation in its last tax year . . . . ______ CC

Subtotal (line BB **minus** line CC) ______ ▶ ______ DD

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)
(line AA **minus** line DD) . . . . ______ EE

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the EE lines. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC

nb. 1 Corporation becoming a CCPC . . . . . . ☐ Post amalgamation . . . . ☐ Post wind-up . . . . ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year. Also, use this part for a corporation becoming a CCPC. In the calculation below, **corporation** means a corporation becoming a CCPC, a predecessor, or a subsidiary.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was not a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year . . . . ______ FF

The corporation's money on hand immediately before the end of its previous/last tax year . . . . ______ GG

Unused and unexpired losses at the end of the corporation's previous/last tax year:

Non-capital losses . . . . ______
Net capital losses . . . . ______
Farm losses . . . . ______
Restricted farm losses . . . . ______
Limited partnership losses . . . . ______

Subtotal ______ ► ______ HH

Subtotal (**add** lines FF, GG, and HH) ______ II

All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year . . . . ______ JJ

Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year . . . . ______ KK

All the corporation's reserves deducted in its previous/last tax year . . . . ______ LL

The corporation's capital dividend account immediately before the end of its previous/last tax year . . . . ______ MM

The corporation's low rate income pool immediately before the end of its previous/last tax year . . . . ______ NN

Subtotal (**add** lines JJ, KK, LL, MM, and NN) ______ ► ______ OO

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC (line II **minus** line OO) (if negative, enter "0") . . . . ______ PP

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the PP lines. Enter this total amount on:

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 5 – General rate factor for the tax year

Complete this part to calculate the general rate factor for the tax year.

0.68	x	number of days in the tax year before January 1, 2010 / number of days in the tax year	/ 365	=		QQ
0.69	x	number of days in the tax year in 2010 / number of days in the tax year	/ 365	=		RR
0.7	x	number of days in the tax year in 2011 / number of days in the tax year	/ 365	=		SS
0.72	x	number of days in the tax year after December 31, 2011 / number of days in the tax year	365 / 365	=	0.720000000	TT

General rate factor for the tax year (total of lines QQ to TT) . . . . 0.72000 UU

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SCHEDULE 55

PART III.1 TAX ON EXCESSIVE ELIGIBLE DIVIDEND DESIGNATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
Wasaga Distribution Inc.	86673 1649 RC0001	2014-12-31

Do not use this area

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, *General Rate Income Pool (GRIP) Calculation*, or Schedule 54, *Low Rate Income Pool (LRIP) Calculation*, whichever is applicable.
- File the completed schedules with your *T2 Corporation Income Tax Return* no later than six months from the end of the tax year.
- All legislative references on this schedule are to the federal *Income Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool (GRIP), and low rate income pool (LRIP).
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

	Line		Line	Amount	
Taxable dividends paid in the tax year **not included** in Schedule 3					
Taxable dividends paid in the tax year **included** in Schedule 3		200,000			
Total taxable dividends paid in the tax year	100	200,000			
Total eligible dividends paid in the tax year			150		A
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")			160	4,695,523	B
Excessive eligible dividend designation (line 150 **minus** line 160)					C
Deduct:					
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends*			180		D
Subtotal (amount C **minus** amount D)					E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E **multiplied** by 20 %)			190		F

Enter the amount from line 190 on line 710 of the T2 return.

Part 2 – Other corporations

	Line		Line	Amount	
Taxable dividends paid in the tax year **not included** in Schedule 3					
Taxable dividends paid in the tax year **included** in Schedule 3					
Total taxable dividends paid in the tax year	200				
Total excessive eligible dividend designations in the tax year (amount from line A of Schedule 54)					G
Deduct:					
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends*			280		H
Subtotal (amount G **minus** amount H)					I
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I **multiplied** by 20 %)			290		J

Enter the amount from line 290 on line 710 of the T2 return.

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax. For more information on how to make this election, go to **www.cra.gc.ca/eligibledividends**.

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Schedule 500

Ontario Corporation Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
Wasaga Distribution Inc.	86673 1649 RC0001	2014-12-31

- Use this schedule if the corporation had a permanent establishment (as defined in section 400 of the federal *Income Tax Regulations*) in Ontario at any time in the tax year and had Ontario taxable income in the year.
- All legislative references are to the federal *Income Tax Act* and *Income Tax Regulations*.
- This schedule is a worksheet only. You do not have to file it with your *T2 Corporation Income Tax Return*.

Part 1 – Calculation of Ontario basic rate of tax for the year

Number of days in the tax year before July 1, 2011 / Number of days in the tax year	____ / 365	x	12.00 %	=	%	A1
Number of days in the tax year after June 30, 2011 / Number of days in the tax year	365 / 365	x	11.50 %	=	11.50000 %	A2

Ontario basic rate of tax for the year (rate A1 **plus** A2) 11.50000 ▶ 11.50000 % A3

Part 2 – Calculation of Ontario basic income tax

Ontario taxable income * . . . . 414,933 B

Ontario basic income tax: amount B **multiplied** by Ontario basic rate of tax for the year (rate A3 from Part 1) . . . . 47,717 C

If the corporation has a permanent establishment in more than one jurisdiction, or is claiming an Ontario tax credit in addition to Ontario basic income tax, or has Ontario corporate minimum tax or Ontario special additional tax on life insurance corporations payable, enter amount C on line 270 of Schedule 5, *Tax Calculation Supplementary – Corporations*. Otherwise, enter it on line 760 of the T2 return.

* If the corporation has a permanent establishment only in Ontario, enter the amount from line 360 or line Z, whichever applies, of the T2 return. Otherwise, enter the taxable income allocated to Ontario from column F in Part 1 of Schedule 5.

Part 3 – Ontario small business deduction (OSBD)

Complete this part if the corporation claimed the federal small business deduction under subsection 125(1) or would have claimed it if subsection 125(5.1) had not been applicable in the tax year.

Income from active business carried on in Canada (amount from line 400 of the T2 return)	414,933	1
Federal taxable income, less adjustment for foreign tax credit (amount from line 405 of the T2 return)		2
Federal business limit before the application of subsection 125(5.1) (amount from line 410 of the T2 return)		3

Business limit reduction (amount from line E of the T2 return) ______ x Number of days in the tax year after May 1, 2014 (244) / Number of days in the tax year (365) = ______ 4

Amount from line 3 **minus** amount from line 4 (if negative, enter "0") = ______ 5

Enter the least of amounts 1, 2, 3 and 5 ______ D

Ontario domestic factor: Ontario taxable income * (414,933.00) / Taxable income earned in all provinces and territories ** (414,933) = 1.00000 E

Amount D x factor E ______ a

Ontario taxable income (amount B from Part 2) 414,933 b

Ontario small business income (lesser of amount a and amount b) ______ F

Number of days in the tax year before July 1, 2011 ( ) / Number of days in the tax year (365) x 7.50 % = ______ % G1

Number of days in the tax year after June 30, 2011 (365) / Number of days in the tax year (365) x 7.00 % = 7.00000 % G2

OSBD rate for the year (rate G1 **plus** G2) 7.00000 % G3

Ontario small business deduction: amount F **multiplied** by OSBD rate for the year (rate G3) ______ H

Enter amount H on line 402 of Schedule 5.

* Enter amount B from Part 2.

** Includes the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Part 4 – Ontario adjusted small business income

Complete this part if the corporation was a Canadian-controlled private corporation throughout the tax year and is claiming the Ontario tax credit for manufacturing and processing or the Ontario credit union tax reduction.

Ontario adjusted small business income (lesser of amount D and amount b from Part 3) ______ I

Enter amount I on line K in Part 5 of this schedule or on line B in Part 2 of Schedule 502, *Ontario Tax Credit for Manufacturing and Processing*, whichever applies.

Part 5 – Calculation of credit union tax reduction

Complete this part and Schedule 17, *Credit Union Deductions*, if the corporation was a credit union throughout the tax year.

Amount D from Part 3 of Schedule 17		J		
Deduct:				
Ontario adjusted small business income (amount I from Part 4)		K		
Subtotal (amount J **minus** amount K) (if negative, enter "0")		L		
OSBD rate for the year (rate G3 from Part 3)	7.00000 %			
Amount L **multiplied** by the OSBD rate for the year				M
Ontario domestic factor (factor E from Part 3)			1.00000	N
Ontario credit union tax reduction (amount M **multiplied** by factor N)				O

Enter amount O on line 410 of Schedule 5.

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SCHEDULE 508

ONTARIO RESEARCH AND DEVELOPMENT TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
Wasaga Distribution Inc.	86673 1649 RC0001	2014-12-31

- Use this schedule to:
  - calculate an Ontario research and development tax credit (ORDTC);
  - claim an ORDTC earned in the tax year or carried forward from any of the 20 previous tax years that are a tax year ending after December 31, 2008, to reduce Ontario corporate income tax payable in the current tax year;
  - carry back an ORDTC to reduce Ontario corporate income tax payable in any of the three previous tax years, but not to a tax year that ends before January 1, 2009;
  - add an ORDTC that was allocated to the corporation by a partnership of which it was a member;
  - transfer an ORDTC after an amalgamation or windup; or
  - calculate a recapture of the ORDTC.
- The ORDTC is a 4.5% non-refundable tax credit on eligible expenditures incurred by a corporation in a tax year that ends after December 31, 2008.
- An eligible expenditure is an expenditure for a permanent establishment in Ontario of a corporation, that is a qualified expenditure for the purposes of section 127 of the federal *Income Tax Act* for scientific research and experimental development (SR&ED) carried on in Ontario.
- Only corporations that are not exempt from Ontario corporate income tax and none of whose income is exempt income can claim the ORDTC.
- Attach a completed copy of this schedule to the *T2 Corporation Income Tax Return.*

Part 1 – Ontario SR&ED expenditure pool

Total eligible expenditures incurred by the corporation in Ontario in the tax year	100	2,200	A		
Deduct: Government assistance, non-government assistance, or a contract payment for eligible expenditures	105	8,030	B		
Net eligible expenditures for the tax year (amount A **minus** amount B) (if negative, enter "0")			C		
Add: Eligible expenditures transferred to the corporation by another corporation	110	78,095	D		
Subtotal (amount C **plus** amount D)		78,095	▶	78,095	E
Deduct: Eligible expenditures the corporation transferred to another corporation				115	F
Ontario SR&ED expenditure pool (amount E **minus** amount F) (if negative, enter "0")				120 78,095	G

Part 2 – Calculation of the current part of the ORDTC

Ontario SR&ED expenditure pool (amount G in Part 1)		78,095	x 4.50 % =	200	3,514	H
ORDTC allocated to a corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *				205		I
Repayment made in the tax year of government or non-government assistance or a contract payment that reduced an eligible expenditure other than for first term or second term shared-use equipment	210		x 4.50 % =	215		J
Repayment made in the tax year of government or non-government assistance or a contract payment that reduced an eligible expenditure for first term or second term shared-use equipment	220	x 1 / 4 =	x 4.50 % =	225		K
Current part of the ORDTC (total of amounts H to K)				230	3,514	L

* If there is a disposal or change of use of eligible property, see Part 6

Part 3 – Calculation of ORDTC available for deduction and ORDTC balance

ORDTC balance at the end of the previous tax year			7,610 M		
Deduct: ORDTC expired after 20 tax years		300	N		
ORDTC at the beginning of the tax year (amount M **minus** amount N)		305	7,610 O		
Add:					
ORDTC transferred on amalgamation or windup		310	P		
Current part of ORDTC (amount L in Part 2)	3,514 Q				

Are you waiving all or part of the current part of the ORDTC? . . . . . . **315** Yes 1 ☐ No 2 ☒

If you answered **yes** at line 315, enter the amount of the tax credit waived on line 320.

If you answered **no** at line 315, enter "0" on line 320.

Deduct: Waiver of the current part of the ORDTC	320	R			
Subtotal (amount Q **minus** amount R)		3,514 ▶	3,514 S		
ORDTC available for deduction (total of amounts O, P and S)			11,124 ▶		11,124 T
Deduct:					
ORDTC claimed * (Enter amount U on line 416 of Schedule 5, *Tax Calculation Supplementary – Corporations*)			11,124 U		
ORDTC carried back to a previous tax year (from Part 4)			V		
Subtotal (amount U **plus** amount V)			11,124 ▶		11,124 W
ORDTC balance at the end of the tax year (amount T **minus** amount W)				325	X

* This amount cannot be more than the lesser of the following amounts:
– ORDTC available for deduction (amount T); or
– Ontario corporate income tax payable before the ORDTC and the Ontario corporate minimum tax credit (amount from line E6 of Schedule 5).

Part 4 – Request for carryback of tax credit

	Year Month Day			
1st previous tax year	2013-12-31	Credit to be applied	901	
2nd previous tax year	2012-12-31	Credit to be applied	902	
3rd previous tax year	2011-12-31	Credit to be applied	903	

Total (enter amount on line V in Part 3)

Part 5 – Analysis of tax credit available for carryforward by tax year of origin

You can complete this part to show all the credits from preceding tax years available for carryforward, by year of origin. This will help you determine the amount of credit that could expire in following years.

Tax year of origin (earliest tax year first) Year / Month / Day	Credit available
2000-12-31	
2001-12-31	
2002-12-31	
2003-12-31	

	Tax year of origin (earliest tax year first) Year / Month / Day	Credit available
	2004-12-31	
	2005-12-31	
	2006-12-31	
	2007-12-31	
	2008-12-31	
	2009-12-31	
	2010-12-31	
	2011-12-31	
	2012-12-31	
	2013-12-31	
Current tax year	2014-12-31	

Total (equals line 325 in Part 3) ________

The amount available from the 20th preceding tax year will expire after this year. When you file your return for the next year, you will enter the expired amount on line 300 of Schedule 508 for that year.

Part 6 – Calculation of a recapture of ORDTC

You will have a recapture of ORDTC in a tax year when you meet **all** of the following conditions:

- you acquired a particular property in the current year or in any of the 20 previous tax years if the ORDTC was earned in a tax year ending after 2008;
- you claimed the cost of the property as an eligible expenditure for the ORDTC;
- the cost of the property was included in computing your ORDTC or was subject to an agreement made under subsection 127(13) of the federal Act to transfer qualified expenditures and section 42 of the *Taxation Act, 2007* (Ontario) applied; and
- you disposed of the property or converted it to commercial use in a tax year ending after December 31, 2008. You also meet this condition if you disposed of or converted to commercial use a property which incorporates the particular property previously referred to.

Note: The recapture **does not apply** if you disposed of the property to a non-arm's length purchaser who intended to use it all or substantially all for SR&ED in Ontario. When the non-arm's length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical federal investment tax credit (ITC) rate * of the original user in Calculation 1 below.

You have to report the recapture on Schedule 5 for the year in which you disposed of the property or converted it to commercial use. If the corporation is a member of a partnership, report its share of the recapture.

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

* Federal ITC in calculations 1 and 2 should be determined without reference to paragraph (e) of the definition **investment tax credit** in subsection 127(9) of the federal Act.

Calculation 1 – If you meet all of the above conditions

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

Subtotal (enter amount BB, on line KK in Part 7) ________ BB

Calculation 2 – If the corporation is deemed by subsection 42(1) of the *Taxation Act, 2007* (Ontario) to have transferred all or part of the eligible expenditure to another corporation as a consequence of an agreement described in subsection 127(13) of the federal Act complete Calculation 2. Otherwise, enter nil on line II.

	CC	DD	EE
	The rate percentage that the transferee used to determine its federal ITC for a qualified expenditure that was transferred under an agreement under subsection 127(13) of the federal Act	The proceeds of disposition of the property if you dispose of it to a person at arm's length; or, in any other case, the fair market value of the property at conversion or disposition	The amount, if any, already provided for in Calculation 1 (this allows for the situation where only part of the cost of a property is transferred for an agreement under subsection 127(13) of the federal Act)
	720	730	740
1.			

	FF	GG	HH
	Amount determined by the formula (CC x DD) – EE (using the columns above)	The federal ITC earned by the transferee for the qualified expenditure that was transferred	Amount from column FF or GG, whichever is less
		750	
1.			

Subtotal (enter amount II on line LL below) ______ II

Calculation 3

As a member of a partnership, you will report your share of the ORDTC of the partnership after the ORDTC has been reduced by the amount of the recapture. If this is a positive amount, you will report it on line 205 in Part 2. However, if the partnership does not have enough ORDTC otherwise available to offset the recapture, then the amount by which reductions to the ORDTC exceeds additions (the excess) will be determined and reported on line JJ.

Corporate partner's share of the excess of ORDTC (enter amount JJ at line NN below) . . . . 760 ______ JJ

Part 7 – Total recapture of ORDTC

Recaptured federal ITC for Calculation 1 (amount from line BB) . . . . ______ KK

Recaptured federal ITC for Calculation 2 (amount from line II above) . . . . ______ LL

Amount KK **plus** amount LL . . . . ______ x 23.56 % = ______ MM

Add: Corporate partner's share of the excess of ORDTC for Calculation 3 (amount from line JJ above) . . . . ______ NN

Recapture of ORDTC (amount MM **plus** amount NN) (enter amount OO on line 277 of Schedule 5) . . . . ______ OO

Schedule A - Worksheet for eligible expenditures incurred by the corporation in Ontario for the current taxation year

This worksheet allows you to report the amount of eligible expenditures entered on Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim* which represents eligible expenditures as defined in section 127 of the *Income Tax Act* (ITA) with regard to scientific research and experimental development (SR&ED) **carried on in Ontario and attributable to a permanent establishment in Ontario of a corporation.**

Data on the worksheet is calculated based on the amounts on Form T661, but will have to be adjusted according to the rules of Ontario, if applicable, in particular when the corporation has had a permanent establishment in more than one jurisdiction. This data will be used when calculating Schedule 508 and Schedule 566.

Enter the breakdown between current and capital expenditures

		Current Expenditures			Capital Expenditures	
Total expenditures for SR&ED		80,845				
Add						
• payment of prior years' unpaid expenses (other than salary or wages)	+					
• prescribed proxy amount (Enter "0" if you use the traditional method)	+					
• expenditures on shared-use equipment				+		
• other additions	+			+		
Subtotal	=	80,845		=		
Less						
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end	–					
• amounts paid in respect of an SR&ED contract to a person or partnership that is not taxable supplier	–					
• 20% of contract expenditures for SR&ED performed on your behalf	–	550				
• prescribed expenditures not allowed by regulations	–			–		
• other deductions	–			–		
• non-arm's length transactions						
– expenditures for non-arm's length SR&ED contracts	–	78,095				
– purchases (limited to costs) of goods and services from non-arm's length suppliers	–			–		
Subtotal	=	2,200	I	=		II
Total eligible expenditures incurred by the corporation in Ontario in the tax year (add amount I and II)				=	2,200	III

Enter amount III on line 100 of Schedule 508.

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SCHEDULE 546

CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
Wasaga Distribution Inc.	86673 1649 RC0001	2014-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit **www.ServiceOntario.ca** for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record)
Wasaga Distribution Inc.

Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	**110** Date of incorporation or amalgamation, whichever is the most recent (Year Month Day)	**120** Ontario Corporation No.
Ontario	2000-05-11	1409425

Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)

200 Care of (if applicable)

210 Street number	**220** Street name/Rural route/Lot and Concession number	**230** Suite number
950	River Road West	

240 Additional address information if applicable (line 220 must be completed first)

250 Municipality (e.g., city, town)	**260** Province/state	**270** Country	**280** Postal/zip code
Wasaga Beach	ON	CA	L9Z 1A2

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit **www.ServiceOntario.ca**.

300 1 If there have been no changes, enter **1** in this box and then go to "Part 4 – Certification."
If there are changes, enter **2** in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 Tackaberry (Last name) **451** Joanne (First name)

454 ______________________ (Middle name(s))

460 3 Please enter one of the following numbers in this box for the above-named person: **1** for director, **2** for officer, or **3** for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter **1** or **2**.

Note: Sections 13 and 14 of the Ontario *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500 Please enter one of the following numbers in this box:

1 - Show no mailing address on the MGS public record.
2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule.
3 - The corporation's complete mailing address is as follows:

510 Care of (if applicable)

520 Street number

530 Street name/Rural route/Lot and Concession number

540 Suite number

550 Additional address information if applicable (line 530 must be completed first)

560 Municipality (e.g., city, town)

570 Province/state

580 Country

590 Postal/zip code

Part 6 – Language of preference

600 Indicate your language of preference by entering **1** for English or **2** for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.

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SCHEDULE 566

ONTARIO INNOVATION TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
Wasaga Distribution Inc.	86673 1649 RC0001	2014-12-31

- Use this schedule to claim an Ontario innovation tax credit (OITC). A qualifying corporation must:
  - have had a permanent establishment in Ontario during the tax year;
  - have carried on scientific research and experimental development (SR&ED) in Ontario during the tax year;
  - be eligible to claim a federal investment tax credit under section 127 of the federal *Income Tax Act* for its qualified expenditures; and
  - have filed Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*, in the tax year.
- The OITC is a 10% refundable tax credit based on the sum of the corporation's qualified expenditures incurred in Ontario and any eligible repayments.
- The OITC is available to a maximum annual expenditure limit of $3 million. Associated corporations must share in the $3 million expenditure limit.
- Effective January 1, 2010, qualifying corporations are eligible to claim the full OITC with a qualified expenditure limit of $3 million where their specified capital amount or their federal taxable income for the previous tax year is not more than $25 million and $500,000, respectively. If one of these amounts is more than the respective threshold, the $3 million limit is progressively reduced.
- Qualified expenditures include 100% of current expenditures and 40% of capital expenditures.
- A corporation can waive its eligibility for all or part of the OITC by completing Part 7 of this schedule.
- Expenditure limit, qualified expenditure, and eligible repayments are defined in subsections 96(3), 96(3.1), as well as 96(8) and 96(12) of the *Taxation Act*, 2007 (Ontario), respectively.
- File this schedule with your *T2 Corporation Income Tax Return*.

Part 1 – Eligibility

		1 Yes	2 No
1. Did the corporation have a permanent establishment in Ontario at any time during the tax year?	100	X	
2. Was the corporation exempt from tax for the tax year under Part III of the *Taxation Act*, 2007 (Ontario)?	105		X
3. Did the corporation carry on SR&ED in Ontario during the tax year?	110	X	
4. Is the corporation eligible to claim an investment tax credit under section 127 of the federal *Income Tax Act* on qualified expenditures made in the tax year?	115	X	
5. Did the corporation file Form T661 in the tax year?	120	X	

If you answered **yes** to question 2 or **no** to question 1, 3, 4, or 5, you are **not eligible** for the Ontario innovation tax credit.

Part 2 – SR&ED qualified expenditure pool

Ontario qualified expenditures of a current nature			200	80,295	A
Ontario qualified expenditures of a capital nature	205	x 40 % =	210		B
SR&ED qualified expenditure pool * (amount A **plus** amount B)			215	80,295	C

* The SR&ED expenditure pool is not reduced for amounts considered to be specified contract payments. See Part 8 of this schedule.

Part 3 – Eligible repayments

Designated repayments made in the year of government or non-government assistance or contract payments relating to Ontario qualified expenditures of a current nature . . . . . **300** ______ D

Designated repayments made in the year of government or non-government assistance or contract payments relating to Ontario qualified expenditures of a capital nature . . . . . **305** ______ E

Designated repayments made in the year of government or non-government assistance or contract payments relating to Ontario qualified expenditures for first term or second term shared-use equipment . . . . . **310** ______ x 25 % = **315** ______ F

Subtotal (amount E **plus** amount F) ______ x 0.4 = **320** ______ G

Eligible repayments (amount D **plus** amount G) . . . . . **325** ______ H

Part 4 – Expenditure limit

For a stand-alone corporation: $ **8,000,000**

Taxable income for the previous tax year (before any loss carrybacks being applied) * . . . . . **400** ______ I

Amount I or $ 500,000 , whichever is greater . . . . . ______ x 10 = ______ J

Excess ($ 8,000,000 **minus** amount J) ** (If your tax year starts before January 1, 2010, see the note below) . . . . . ______ K

Specified capital amount for the corporation for the previous tax year (line 500 in Part 5) . . . . ______ **minus** $ 25,000,000 = **405** ______ L**

$ 25,000,000 **minus** amount L . . . . . **410** ______ M**

Expenditure limit for the stand-alone corporation: $\dfrac{\text{(amount K x amount M)}}{25{,}000{,}000}$ = ... **415** ______ N***

Note
If your tax year starts before January 1, 2010, complete the following calculation to determine the excess (amount K):

$$\underset{\text{Amount K}}{\_\_\_\_} = \underset{\text{Amount BB}}{\_\_\_\_} - \left[\left(\underset{\text{Amount BB}}{\_\_\_\_} - \underset{\text{Amount AA}}{\_\_\_\_}\right) \times \left(\frac{\text{Amount CC}}{\text{Amount DD} \quad 365}\right)\right]$$

Amount K = BB – [(BB **minus** AA) x (CC **divided by** DD)] where,

AA = [$7,000,000 minus (10 x (line 400 or $400,000, whichever is more))];
BB = [$8,000,000 minus (10 x (line 400 or $500,000, whichever is more))];
CC = number of days in the tax year before January 1, 2010;
DD = number of days in the tax year.

* If any of the tax years referred to at line 400 is less than 51 weeks, **multiply** the taxable income by 365 and **divide** by the number of days in the tax year.

** If the result is negative, enter "0".

*** Amount N cannot be more than $ 3,000,000 .

Part 4 – Expenditure limit (continued)

For associated corporations: **$ 8,000,000**

Total of all taxable incomes of the corporation and of its associated corporations (before any loss carrybacks being applied) for their last tax year ending in the previous calendar year * . . . . . **420** 475,263 O

Amount O or $ 500,000 , whichever is greater . . . . . 500,000 x 10 = 5,000,000 P

Excess ($ 8,000,000 **minus** amount P) ** (If your tax year starts before January 1, 2010, see the note below) . . . . . . 3,000,000 Q

Specified capital amount of the corporation and of its associated corporations for their last tax year ending in the previous calendar year (line 505 in Part 5) . . . . . 13,812,149 **minus** $ 25,000,000 = **425** ________ R**

$ 25,000,000 **minus** amount R . . . . . **430** 25,000,000 S**

Expenditure limit for associated corporations: (amount Q x amount S) / 25,000,000 = 3,000,000 x 25,000,000 / 25,000,000 = ... **435** 3,000,000 T

Expenditure limit for the corporation (amount allocated from column 3 in Part 6) . . . . . **440** 3,000,000 U***

Expenditure limit where the tax year of the stand-alone or associated corporation is less than 51 weeks:

Calculate the amount of the expenditure limit as follows:

Amount N or amount U, whichever applies ________ x (number of days in the tax year / 365) = ... **445** ________ V

Note
If your tax year starts before January 1, 2010, complete the following calculation to determine the excess (amount Q):

$$\text{Amount Q} = \text{Amount BB} - \left[\left(\text{Amount BB} - \text{Amount AA} \right) \times \left(\frac{\text{Amount CC}}{\text{Amount DD}} \quad 365 \right) \right]$$

Amount Q = BB – [(BB **minus** AA) x (CC **divided by** DD)] where,

AA = [$7,000,000 minus (10 x (line 420 or $400,000, whichever is more))];
BB = [$8,000,000 minus (10 x (line 420 or $500,000, whichever is more))];
CC = number of days in the tax year before January 1, 2010;
DD = number of days in the tax year.

* If any of the tax years referred to at line 420 is less than 51 weeks, **multiply** the taxable income by 365 and **divide** by the number of days in the tax year.

** If the result is negative, enter "0".

*** Amount U cannot be more than $ 3,000,000 .

Part 5 – Calculation of the specified capital amount

For stand-alone corporations (see notes below):

Specified capital amount for the previous tax year . . . . **500** ____ W

For associated corporations (see notes below and subsection 96(4.1) of *Taxation Act, 2007* (Ontario)):

Specified capital amount for the corporation and each of its associated corporations for their last tax year ending in the previous calendar year (complete the table below) . . . . **505** 13,812,149 X

	1 Names of associated corporations **510**	2 Business Number of associated corporations (enter "NR" if a corporation is not registered) **515**	3 Specified capital amount **520**
1.	Wasaga Distribution Inc.	86673 1649 RC0001	13,812,149
2.	Wasaga Resource Services Inc.	86758 4724 RC0001	
3.	Geosands Inc.	86673 1441 RC0001	
4.	Wasaga Genco Inc.	86758 4526 RC0001	
		Total specified capital amount	13,812,149 Y

Enter on line 505 the total specified capital amount in column 3 (amount Y).

Notes for stand-alone corporations and associated corporations

1. If the corporation is an insurance corporation or a credit union for a tax year, enter the amount of the corporation's taxable capital employed in Canada for the applicable tax year, from line 590, 690, or 790 of Schedule 35, *Taxable Capital Employed in Canada – Large Insurance Corporations*, or line 690 of Schedule 34, *Taxable Capital Employed in Canada – Financial Institutions.*
2. If the corporation is a financial institution, as defined in subsection 96(18) of the *Taxation Act, 2007* (Ontario), for a tax year, enter the amount of the corporation's adjusted taxable paid-up capital for the applicable tax year. If the applicable tax year ends before January 1, 2009, enter the sum of the amounts from lines 565 and 570 of *CT23 Corporations Tax and Annual Return* (Ontario). If the applicable tax year ends after December 31, 2008, enter the amount from line 250 of Schedule 514, *Ontario Capital Tax on Financial Institutions*.
3. For all other corporations, enter the amount of the corporation's taxable paid-up capital or its taxable capital for the applicable tax year. If the applicable tax year ends before January 1, 2009, enter the amount of taxable paid-up capital from line 470 of *CT23 Corporations Tax and Annual Return* (Ontario). If the applicable tax year ends after December 31, 2008, enter the amount of taxable capital from line 120 of Schedule 515, *Ontario Capital Tax on Other Than Financial Institutions*.

Part 6 – Agreement among associated corporations to allocate the expenditure limit

	1 Names of associated corporations 600	2 Business Number of associated corporations (enter "NR" if a corporation is not registered) 605	3A Maximum expenditure limit	3 Expenditure limit allocated *(allocate the amount of the expenditure limit from line 435 in Part 4 to each associated corporation) 610
1.	Wasaga Distribution Inc.	86673 1649 RC0001	3,000,000	3,000,000
2.	Wasaga Resource Services Inc.	86758 4724 RC0001	3,000,000	
3.	Geosands Inc.	86673 1441 RC0001	3,000,000	
4.	Wasaga Genco Inc.	86758 4526 RC0001	3,000,000	
			Total expenditure limit	3,000,000 Z

Enter on line 440 in Part 4 the expenditure limit allocated to the corporation in column 3.

* Special rules apply if the corporation has more than one tax year ending in a calendar year and is associated in more than one of those years with another corporation that has a tax year ending in the same calendar year. In this case, the expenditure limit of the corporation for the second (and later) tax year(s) will be equal to the expenditure limit allocated for the first tax year ending in the calendar year.

Part 7 – Calculation of the Ontario innovation tax credit

	Current Expenditures		Capital Expenditures			
SR&ED qualified expenditure pool (line 215 in Part 2)	80,295	+		=	80,295	AA
Add: Eligible repayments (line 325 in Part 3)		+		=		BB
Subtotal (amount AA **plus** amount BB)	80,295	+		= 700	80,295	CC
Expenditure limit (line 415, 440, or 445, whichever applies)					3,000,000	DD
Amount CC or amount DD, whichever is less	80,295	+		= 705	80,295	EE
Ontario innovation tax credit: (amount EE x 10 %)				= 710	8,030	FF

Are you waiving all or part of the OITC? 715 1 Yes [ ] 2 No [X]

If you answered **yes** at line 715, enter the amount of the tax credit waived on line 720.
If you answered **no** at line 715, enter "0" on line 720.

Deduct: Waiver of the tax credit . . . 720 ________ GG

Ontario innovation tax credit claimed (amount FF **minus** amount GG) . . . 8,030 HH

Enter amount HH on line 468 on page 5 of Schedule 5, T*ax Calculation Supplementary – Corporations*.

Part 8 – Specified contract payments

- Specified contract payments, as defined in subsection 96(11) of the *Taxation Act, 2007* (Ontario), are contract payments received for the performance of SR&ED carried on in Ontario by a payor corporation that does not have a permanent establishment in Ontario and is not entitled to claim the OITC.
- According to subsection 96(9) of the **Taxation Act, 2007** (Ontario), the recipient does not have to deduct the specified contract payment from its SR&ED qualified expenditure pool.
- Specified contract payments include all amounts that are received, receivable, or reasonably expected to be received by the corporation.

Note
A corporation cannot claim SR&ED credits for contract payments received from another corporation that are not specified contract payments. These payments, if eligible, would be claimed by the corporation making the payments.

Provide details of specified contract payments received for which the OITC is being claimed:

	Name of corporation making the payment 800	Address of the corporation making the payment 805
1.		

	Is this an arm's length transaction? 810	Gross amount of specified contract payment received 815	Actual SR&ED expenditure relating to contract included in claim 820
1.	1 Yes ☐ 2 No ☐		

Schedule A – Worksheet for eligible expenditures incurred by the corporation in Ontario for the current taxation year

This worksheet allows you to report the amount of eligible expenditures entered on Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim* which represents eligible expenditures as defined in section 127 of the *Income Tax Act* (ITA) with regard to scientific research and experimental development (SR&ED) **carried on in Ontario and attributable to a permanent establishment in Ontario of a corporation.**

Data on the worksheet is calculated based on the amounts on Form 508, but will have to be adjusted according to the rules of Ontario, if applicable. This data will be used when calculating lines 200 and 205 of Section 2

Enter the breakdown between current and capital expenditures

		Current Expenditures		Capital Expenditures
Total eligible expenditures incurred by the corporation in Ontario in the tax year. (Schedule 508, line I and II of Schedule A)		2,200		
Add				
Eligible expenditures transferred to the corporation by another corporation (Schedule 508, breakdown of line 110)	+	78,095	+	
Subtotal	=	80,295	=	
Less				
Eligible expenditures the corporation transferred to another corporation (Schedule 508, breakdown of line 115)	–		–	
Government assistance, non-government assistance or a contract payment in respect of eligible expenditures	–		–	
Total eligible expenditures incurred by the corporation in Ontario in the tax year	=	80,295 *	=	**

* (enter amount at line 200 of Section 2)
** (enter amount at line 205 of Section 2)

Canada Revenue Agency / Agence du revenu du Canada

Code 1301

SCIENTIFIC RESEARCH AND EXPERIMENTAL DEVELOPMENT (SR&ED) EXPENDITURES CLAIM

Use this form:
- to provide technical information on your SR&ED projects;
- to calculate your SR&ED expenditures; and
- to calculate your qualified SR&ED expenditures for investment tax credits (ITC).

To claim an ITC, use either:
- Schedule T2SCH31, *Investment Tax Credit – Corporations*, or
- Form T2038(IND), *Investment Tax Credit (Individuals)*.

The information requested in this form and documents supporting your expenditures are prescribed information.

Your SR&ED claim must be filed within 12 months of the filing due date of your income tax return.

To help you fill out this form, use the T4088, *Guide to Form T661*, which is available on our Web site: **www.cra.gc.ca/sred**.

Part 1 – General information

010 Name of claimant: Wasaga Distribution Inc.	Enter one of the following:	
Tax year From: 2014-01-01 (Year Month Day) To: 2014-12-31 (Year Month Day)	Business number (BN): 86673 1649 RC0001	
050 Total number of projects you are claiming this tax year: 2	Social insurance number (SIN):	
100 Contact person for the financial information: Brandon Weiss	**105** Telephone number/extension: (705) 429-2517	**110** Fax number: (705) 429-2590
115 Contact person for the technical information: Paul Trace	**120** Telephone number/extension: (705) 429-2517	**125** Fax number: (705) 429-2590

151 If this claim is filed for a partnership, was Form T5013 filed? . . . . . . 1 ☐ Yes 2 ☐ No

If you answered **no** to line 151, complete lines 153, 156 and 157.

153 Names of the partners	**156** %	**157** BN or SIN
1		
2		
3		
4		
5		

Part 2 - Project information

CRA internal form identifier 060
Code 1301

Complete a separate Part 2 for each project claimed this year.

Section A - Project identification

200 Project title (and identification code if applicable)

See schedule

Part 3 – Calculation of SR&ED expenditures

What did you spend on your SR&ED projects?

Section A – Select the method to calculate the SR&ED expenditures

I elect (choose) to use the following method to calculate my SR&ED expenditures and related investment tax credits (ITC) for this tax year.
I understand that my election is irrevocable (cannot be changed) for this tax year.

160 [X] I elect to use the proxy method
(Enter "0" on line 360. Complete Part 5 and you do not need to track any expenditure incurred for overhead)

162 [ ] I choose to use the traditional method
(Enter "0" on line 355. Complete line 360, and track any expenditure incurred for overhead)

Section B – Calculation of allowable SR&ED expenditures (to the nearest dollar)

	Line		Amount
• SR&ED portion of salary or wages of employees directly engaged in the SR&ED:			
a) Employees other than specified employees for work performed in Canada	300	+	
b) Specified employees for work performed in Canada	305	+	
Subtotal (add lines 300 and 305)	306	=	
c) Employees other than specified employees for work performed outside Canada (subject to limitations – see guide)	307	+	
d) Specified employees for work performed outside Canada (subject to limitations – see guide)	309	+	
• Salary or wages identified on line 315 in prior years that were paid in this tax year	310	+	
• Salary or wages incurred in the year but not paid within 180 days of the tax year end	315		
• Cost of materials consumed in performing SR&ED	320	+	
• Cost of materials transformed in performing SR&ED	325	+	
• Contract expenditures for SR&ED performed on your behalf:			
a) Arm's length contracts (see note 1)	340	+	2,750
b) Non-arm's length contracts (see note 1)	345	+	78,095
• Lease costs of equipment used before 2014:			
a) All or substantially all (90% of the time or more) for SR&ED	350	+	
b) Primarily (more than 50% of the time but less than 90%) for SR&ED. (Enter 50% of lease costs if you use the proxy method or enter "0" if you use the traditional method)	355	+	
• Overhead and other expenditures (enter "0" if you use the proxy method)	360	+	
• Third-party payments (see note 2) (complete Form T1263*)	370	+	
Total current SR&ED expenditures (add lines 306 to 370; do not add line 315) (Corporations need to adjust line 118 of schedule T2SCH1)	380	=	80,845
• Capital expenditures for depreciable property available for use before 2014 (Do not include these capital expenditures on schedule T2SCH8)	390	+	
Total allowable SR&ED expenditures (add lines 380 and 390)	400	=	80,845

Section C – Calculation of pool of deductible SR&ED expenditures (to the nearest dollar)

	Line		Amount
Amount from line 400	420		80,845
Deduct			
• provincial government assistance for expenditures included on line 400	429	–	11,544
• other government assistance for expenditures included on line 400	431	–	
• non-government assistance for expenditures included on line 400	432	–	
• SR&ED ITCs applied and/or refunded in the prior year (see guide)	435	–	54,870
• sale of SR&ED capital assets and other deductions	440	–	
Subtotal (line 420 minus lines 429 to 440)	442	=	14,431
Add			
• repayments of government and non-government assistance that previously reduced the SR&ED expenditure pool	445	+	
• prior year's pool balance of deductible SR&ED expenditures (from line 470 of prior year T661)	450	+	
• SR&ED expenditure pool transfer from amalgamation or wind-up	452	+	
• amount of SR&ED ITC recaptured in the prior year	453	+	
Amount available for deduction (add lines 442 to 453) (enter positive amount only, include negative amount in income)	455	=	14,431
• Deduction claimed in the year (Corporations should enter this amount on line 411 of schedule T2SCH1)	460	–	14,431
Pool balance of deductible SR&ED expenditures to be carried forward to future years (line 455 minus 460)	470	=	

* Form T1263, *Third-Party Payments for Scientific Research and Experimental Development (SR&ED)*

Note 1 – For contract expenditures made after 2013, no amounts for purchasing or leasing capital property can be included.

Note 2 – For third-party payments made after 2013, no amounts for purchasing or leasing capital property can be included.

Part 4 – Calculation of qualified SR&ED expenditures for investment tax credit (ITC) purposes

The resulting amount is used to calculate your refundable and/or non refundable ITC.

Enter the breakdown between current and capital expenditures (to the nearest dollar)

	Line	Current Expenditures	Line	Capital Expenditures
Total expenditures for SR&ED (from lines 380 and 390)	492	80,845	496	
Add				
• payment of prior years' unpaid amounts (other than salary or wages)	500 +			
• prescribed proxy amount (complete Part 5) (Enter "0" if you use the traditional method)	502 +			
• expenditures on shared-use equipment for property acquired before 2014			504 +	
• qualified expenditures transferred to you (see note 3) (complete Form T1146**)	508 +	78,095	510 +	
Subtotal (add lines 492 to 508, and add lines 496 to 510)	511 =	158,940	512 =	
Deduct (see note 4)				
• provincial government assistance	513 –	11,544	514 –	
• other government assistance	515 –		516 –	
• non-government assistance and contract payments	517 –		518 –	
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end	520 –			
• amounts paid in respect of an SR&ED contract to a person or partnership that is not a taxable supplier	528 –			
• 20% of expenditures included on lines 340 and 370 that were incurred after December 31, 2012	529 –	550		
• prescribed expenditures not allowed by regulations (see guide)	530 –		532 –	
• other deductions (see guide)	533 –		535 –	
• non-arm's length transactions				
– assistance allocated to you (complete Form T1145*)	538 –		540 –	
– expenditures for non-arm's length SR&ED contracts (from line 345)	541 –	78,095		
– adjustments to purchases (limited to costs) of goods and services from non-arm's length suppliers (see guide)	542 –		543 –	
– qualified expenditures you transferred (complete Form T1146**)	544 –		546 –	
Subtotal (line 511 minus lines 513 to 544 and line 512 minus lines 514 to 546)	557 =	68,751	558 =	
Qualified SR&ED expenditures (add lines 557 and 558)			559 =	68,751
Add				
• repayments of assistance and contract payments made in the year			560 +	
Total qualified SR&ED expenditures for ITC purposes (add lines 559 and 560)			570 =	68,751

* Form T1145, *Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length*

** Form T1146, *Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length*

Note 3 – On line 510 (capital) – Only include expenditures made before 2014 by the transferor (performer). Complete the latest version of Form T1146.

Note 4 – On lines 514, 516, 518, 532, 535, 540, 543 and 546 – Only include amounts related to expenditures of a capital nature made before 2014.

Part 5 – Calculation of prescribed proxy amount (PPA)

A notional amount representing your overhead and other expenditures.

This part calculates the PPA to enter on line 502 in Part 4. Do not complete this part if you have chosen to use the traditional method in Part 3 (line 162).
You can only claim a PPA if you elected to use the proxy method for the year in Part 3 (line 160).

Special rules apply for specified employees. Calculate your salary base in Section A and the PPA in Section B.

Section A – Salary base

Salary or wages of employees other than specified employees (from lines 300 and 307) . . . . **810** + ________

Deduct

Bonuses, remuneration based on profits, and taxable benefits that were included on line 810 . . . . **812** – ________

Subtotal (line 810 minus 812) . . . . **814** = ________

Salary or wages of specified employees

850	852	854	856	858	860
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Name of specified employee	Total salary or wages for the year (SR&ED and non-SR&ED) excluding bonuses, remuneration based on profits, and taxable benefits (to the nearest dollar)	% of time spent on SR&ED (maximum 75%)	Amount in column 2 multiplied by percentage in column 3	2,5 x A x B/365 A = Year's maximum pensionable earnings B = Number of days employed in tax year	Amount in column 4 or 5, whichever amount is less

(Enter total of column 6 on line 816) **816** + ________

Salary base (total of lines 814 and 816) . . . . **818** = ________

Section B – Prescribed proxy amount (PPA)

Enter 65% of the salary base (line 818) less 5% of the salary base for the number of 2013 calendar days in the tax year, and less 10% of the salary base for number of days after 2013 in the tax year (use the formula in the guide-line 820) . . . . **820** = ________

Enter the amount from line 820 on line 502 in Part 4 unless the overall cap on PPA applies to you. . . . .

(See the guide for explanation and example of the overall cap on PPA)

Part 6 – Project costs

Information requested in this part must be provided for **all** SR&ED projects claimed in the year.
Expenditures should be recorded and allocated on a project basis.

750	752	754	756
Project title or identification code	Salary or wages in the tax year (Total of lines 306 to 309)	Cost of materials in the tax year (Total of lines 320 and 325)	Contract expenditures for SR&ED performed on your behalf in the tax year (Total of lines 340 and 345)
1. Electrical Distribution System Installation Advancements			44,981
2. Smart Meter Information Management Systems			35,864
Total			80,845

Part 7 – Additional information

Expenditures for SR&ED performed by you in Canada (line 400 minus lines 307, 309, 340, 345, and 370) . . . . **605** ______

From the total you entered on line 605, estimate the percentage of distribution of the sources of funds for SR&ED performed within your organization.

	Line	Canadian (%)	Line	Foreign (%)
Internal	600	100.000		
Parent companies, subsidiaries, and affiliated companies	602		604	
Federal grants (do not include funds or tax credits from SR&ED tax incentives)	606			
Federal contracts	608			
Provincial funding	610			
SR&ED contract work performed for other companies on their behalf	612		614	
Other funding (e.g., universities, foreign governments)	616		618	

For statistical purposes indicate whether the work you performed falls within the realm of Basic or Applied research (to advance scientific knowledge) or Experimental development (to achieve a technological advancement):

620 [ ] Basic or Applied research **622** [X] Experimental development

Enter the number of SR&ED personnel in full-time equivalents (FTE):

Scientists and engineers	632	
Technologists and technicians	634	1
Managers and administrators	636	
Other technical supporting staff	638	

Part 8 – Claim checklist

To ensure your claim is complete, make sure you have:

1. used the current version of this form . . . . . . [X]
2. entered the method you have chosen for reporting your SR&ED expenditures in Section A of Part 3 . . . . . . [X]
3. completed Part 2 for each project . . . . . . [X]
4. filed a completed Schedule T2SCH31 or Form T2038(IND) to claim ITCs on your qualified SR&ED expenditures . . . . . . [X]
5. filed a completed Form T1145*, T1146**, T1174*** and/or T1263**** including any required attachments, if applicable . . . . . . [X]

To expedite the processing of your claim, make sure you have:

1. completed Form T2, *Corporation Income Tax Return* or Form T1, *Income Tax and Benefit Return* . . . . . . [X]
2. filed the appropriate provincial and/or territorial tax credit forms, if applicable . . . . . . [X]
3. retained documents to support the SR&ED work performed and SR&ED expenditures you claimed . . . . . . [X]
4. checked boxes 231 and 232 on page 2 of your T2 return to indicate attachment of Form T661 and Schedule T2SCH31 . . . . . . [X]

* Form T1145, *Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length*

** Form T1146, *Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length*

*** Form T1174, *Agreement Between Associated Corporations to Allocate Salary or Wages of Specified Employees for Scientific Research and Experimental Development (SR&ED)*

**** Form T1263, *Third-Party Payments for Scientific Research and Experimental Development (SR&ED)*

Part 9 – Claim preparer information

Information requested in this part must be provided for each claim preparer that has accepted consideration to prepare or assist in the preparation of this SR&ED claim. Certification is required on lines 935, 970, and 975.

A $1000 penalty may be assessed if the information requested below about the claim preparer(s) and billing arrangement(s), is missing, incomplete, or inaccurate. Where a claim preparer has prepared or assisted in the preparation of this SR&ED form, the claimant and the claim preparer will be jointly and severally, or solidarily, liable for the penalty.

935 **Was a claim preparer engaged in any aspect of the preparation of this SR&ED claim?**

1. [X] Yes (complete the claim preparer information table and lines 970 and 975 below)
2. [ ] No (complete lines 970 and 975)

Claim preparer information table

940	945	950	955	960	965
Name of claim preparer (company or individual)	Business number	Billing arrangement code (see codes*)	Billing rate (percentage, hourly/daily rate or flat fee)	Other billing arrangement(s) (Maximum 10 words)	Total fee paid, payable, or expected to pay
1. BeneFACT Consulting Group	86673 1649 RC0001	1	20.00		7,121
				Total	7,121

*** Billing arrangement codes**

Code	Type of billing arrangement
1	Contingency fee arrangement – where the fee is based on a percentage of the investment tax credit earned
2	Hourly rate
3	Daily rate
4	Flat fee arrangement (lump sum)
5	Other arrangements – describe the arrangement in box 960 in 10 words or less

970 I, Joanne Tackaberry, certify that the information provided in this part is complete and accurate.
Name of authorized signing officer of the corporation , or individual (print)

Signature

975 2015-05-13
Year Month Day

Part 10 – Certification

I certify that I have examined the information provided on this form and on the attachments and it is true, correct, and complete.

165 Joanne Tackaberry
Name of authorized signing officer of the corporation, or individual

Signature

170 2015-05-13
Date

175 BeneFact Consulting Group Inc.
Name of person/firm who completed this form

Part 2 - Project information (continued)

Project number 1

CRA internal form identifier 060
Code 1301

Complete a separate Part 2 for each project claimed this year.

Section A – Project identification

200 Project title (and identification code if applicable)

Electrical Distribution System Installation Advancements

202 Project start date: 2012-11 (Year Month)

204 Completion or expected completion date: 2014-12 (Year Month)

206 Field of science or technology code (See guide for list of codes): 2.02.01 Electrical and electronic engineering

Project claim history

208 1 [X] Continuation of a previously claimed project

210 1 [ ] First claim for the project

218 Was any of the work done jointly or in collaboration with other businesses? . . . . 1 [X] Yes 2 [ ] No

If you answered **yes** to line 218, complete lines 220 and 221.

	220 Names of the businesses	**221** BN
1	Wasaga Resource Services Inc.	86758 4724 RC0001

Section B – Project descriptions

242 What scientific or technological uncertainties did you attempt to overcome – uncertainties that could not be removed using standard practice? (*Maximum 50 lines*)

1. The technological advancement sought in this project was to develop our
2. knowledge and capabilities for installations of new fiber optic technology and
3. design and installation of guy wires in unique, constrained situations.
4. In this fiscal year, two major obstacles were encountered when the projects
5. reached the installation phase. First, the installation of hydro poles where
6. guy wire lengths were impeded due to geographical restrictions, interference,
7. and spatial constraints. Second, the installation of fiber optic lines, which
8. were a brand new technology to Wasaga Distribution and our supplier. Unproven
9. methodology needed to be conceptualized and experimentally implemented to
10. determine the correct best practices for installing the new technology.
11. It was uncertain how to reduce hydro guy wires enough to meet the specific
12. spatial and geographical constraints of a few unique situations. A custom
13. solution was necessary to address each unique situation and the approach was
14. unproven. It was not clear if the standard practice 7 m radius for guy wires
15. could be dramatically reduced in half, down to 3.5m.
16. The introduction of fiber optics technology is a brand new endeavor for Wasaga
17. Distribution and the entire installation envelope was experimental and
18. uncertain. The installation of this technology was never done before by us,
19. and Rogers Communication (the fiber optics service provider) was in the
20. initial pioneering stages of this technology. There was a host of unknowns
21. and challenges that arose during experimental implementation of the prototype,
22. pilot project. Coiling of the cable was an issue when installing long 150m
23. runs. Floating conduits posed additional issues and it was uncertain how to
24. control the cable as it is buried in long lengths.
25. Initial methods for installing hydro poles in uniquely constrained situations
26. and the pilot installation of fiber optics technology were based on standard
27. practice for similar situations. Additional hypotheses and development work
28. were required to address on-site installation challenges and evaluated in the
29. field. Through this, the best practices pertaining to these specific
30. applications were advanced.

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in Line 242? (Summarize the systematic investigation or search) (*Maximum 100 lines*)

1. Preliminary work to re-design the hydro guy wires was performed in the
2. previous fiscal year and its field installation was slated for this fiscal
3. year. Additional iterations of design were to be evaluated using the
4. SpidaCalc modeling software, then validated in the field. This project began

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in Line 242? (Summarize the systematic investigation or search) (*Maximum 100 lines*)

with the field validation of the previous year's design iteration. The initial installation of the new fiber optics technology was hypothesized as an extension of the previous standard practice for buried hydro lines. Evaluating this practice in the field would lead to several modifications and experimental procedures which took place on site to accommodate some of the unique features of this new technology.

As a continuation of the hydro guy wires, the design had been iteratively advanced to a point where this year began installation of the proposed designs. The hydro poles were designed as per best practice with 7m length for the supporting guy wires. Installation in the field resulted in a few instances where spatial and geographical anomalies would interfere with this 7m wire. Thus the guy wires could not be installed as per design. These unanticipated findings resulted in a new round of iterative designs to try to resolve the issue. The guy wire was observed to need to be reduced from 7m to only 3.5m. The redesign was brought back to the conceptual phase where numerous proposed designs were simulated using the SpidaCalc modeling software. The systematic evaluation of the options narrowed the design to a solution that required additional engineering to certify. With that completed, the 3.5m guy wires were installed successfully.

Fiber optics is a new technology and its installation in the Wasaga jurisdiction was part of a pilot program. As it had never been done before, this first installation was a prototype initiative by Rogers Communication, the service provider. Working with Rogers, Wasaga Distribution was responsible for the installation of these fibers. When beginning with standard practices similar to buried hydro lines, there were remarkable differences that had to be addressed. The fiber optics layout was much different than the typical distribution schematic. The standard design for which best practice had been established was for a central hub, connecting to individual homes via a radial, or spider distribution. With this, lengths are kept minimal, up to 60m. This hub would feed 10-12 homes. The new fiber optic schematic has a hub at the end of a line and feeds 24 houses. This required precise GPS mapping of the nodes and cable distribution. Several mapping approaches were investigated. A viable and accurate solution was systematically developed. Initial training and best practices had to be experimentally forged and refined through on-site installation.

Typically a 200m trench would be opened and hardware installed. This did not work with the fiber optics. The trench would remain open for days as multiple hypotheses on installation techniques were tested. Water and debris would accumulate in the trenches. The conduits for the cables were observed to float in the water, creating issues. A systematic backfill solution was developed where cable was laid in varying lengths and backfill introduced in 50m increments. This process was iteratively refined until the installation of the cables was performed in 5m intervals. These practices found that 5m backfills prevented coiling of the wires and the introduction of sand weighed down the cables to manage floating.

In addition, the labeling of the cable was a challenge. The fibers are significantly smaller in diameter than traditional cables, and so an identifying system was developed to label the individual strands. Research was conducted into a multitude of labeling approaches. Several options were experimentally evaluated and many resulted in ID tags wrapping over itself, thus blocking the identifiers. After testing various approaches, a Band-Aid style marker was selected as a suitable label.

By the end of this fiscal year a suitable design was achieved for the 3.5m guy wires for the unique installations scenarios that were observed at the onset of this year. New installation techniques, training, and best practices were obtained throughout this project. By fiscal year end, the installation of fiber optics was being performed efficiently, effectively and successfully.

246 What scientific or technological advancements did you achieve as a result of the work described in Line 244? (*Maximum 50 lines*)

1.	This project successfully advanced the design and practices of various
2.	installations. With the redesigns of hydro pole supporting guy wires, and the
3.	development of new practices for the entrenching of fiber optics, advancements
4.	were made to overcome a number of limitations. The first key technological
5.	gain was the successful reduction in guy wire lengths from 7m down to 3.5m to
6.	accommodate special geographical and spatial constraints. The second
7.	advancement was the development of best practices and installation methods for
8.	burying fiber optic cables and running fiber lengths of up to 150m from hub to
9.	home.
10.	We now know how to provide hydro pole installations to spatially constrained
11.	locations. We discovered how to dig trenches specific for fiber optic cable
12.	and how to systematically install the fiber in 5m increments. We discovered
13.	that long runs of 150m must be incrementally installed with backfill to
14.	prevent coiling. We now know how to properly label the small strands, how to
15.	manage the 24 strands leaving each hub, and the strict requirements for
16.	accurate GPS mapping

Section C – Additional project information

Who prepared the responses for Section B?

253 1 [X] Employee directly involved in the project	**254** Name: Paul Trace	
255 1 [ ] Other employee of the company	**256** Name:	
257 1 [X] External consultant	**258** Name: BeneFACT Consulting	**259** Firm: BeneFACT Consulting

List the key individuals directly involved in the project and indicate their qualifications/experience.

	260 Names	**261** Qualifications/experience and position title
1	Paul Trace	Electrical Technologist, 25yrs, Director of Operations
2	Nanette Dupuis	Electrical Technologist, 10yrs, Eng. Technologist
3		

265 Are you claiming any salary or wages for SR&ED performed outside Canada? . . . . . 1 [ ] Yes 2 [X] No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? . . . . . 1 [ ] Yes 2 [X] No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? . . . . . 1 [X] Yes 2 [ ] No

If you answered **yes** to line 267, complete lines 268 and 269.

	268 Names of individuals or companies	**269** BN
1	Wasaga Resource Services Inc.	86758 4724 RC0001
2		

What evidence do you have to support your claim? (Check any that apply)
You do not need to submit these items with the claim. However, you are required to retain them in the event of a review.

270 1 [X] Project planning documents
271 1 [X] Records of resources allocated to the project, time sheets
272 1 [ ] Design of experiments
273 1 [ ] Project records, laboratory notebooks
274 1 [ ] Design, system architecture and source code
275 1 [ ] Records of trial runs
276 1 [ ] Progress reports, minutes of project meetings
277 1 [ ] Test protocols, test data, analysis of test results, conclusions
278 1 [ ] Photographs and videos
279 1 [ ] Samples, prototypes, scrap or other artefacts
280 1 [ ] Contracts
281 1 [ ] Others, specify **282**

Part 2 - Project information (continued)

Project number 2

CRA internal form identifier 060
Code 1301

Complete a separate Part 2 for each project claimed this year.

Section A – Project identification

200 Project title (and identification code if applicable)

Smart Meter Information Management Systems

202 Project start date: 2012-01 (Year Month)	**204** Completion or expected completion date: 2015-12 (Year Month)	**206** Field of science or technology code (See guide for list of codes): 2.02.01 Electrical and electronic engineering

Project claim history

208 1 [X] Continuation of a previously claimed project **210** 1 [ ] First claim for the project

218 Was any of the work done jointly or in collaboration with other businesses? . . . . 1 [X] Yes 2 [ ] No

If you answered **yes** to line 218, complete lines 220 and 221.

220 Names of the businesses	**221** BN
1 Wasaga Resource Services Inc.	86758 4724 RC0001

Section B – Project descriptions

242 What scientific or technological uncertainties did you attempt to overcome – uncertainties that could not be removed using standard practice? (*Maximum 50 lines*)

1. The technological objective of this project is to develop an automated
2. solution to collect Smart Meter data, populate GIS databases and use this
3. database to automatically translate into the DESS software. This will allow
4. for instant access for monthly snap shots of demand per house, load on
5. transformers, as well as simulating loads for the grid and its subsectors.
6. This data will allow for on demand analysis, as well as providing valuable
7. data for future grid planning and designing for an accurate loading scenario.
8. As the state of technology progresses, various streams of data have become
9. available. Attempting to integrate this data into valuable analysis, it was
10. discovered that the multiple sources are of varying formats and do not
11. translate directly into our analysis software. Collecting data from Smart
12. Meters, populating GIS databases, and translating this into DESS electrical
13. load analysis software was a manual process in the past. The previous
14. standard practice was to overdesign grids for maximum foreseeable loads. This
15. led to added costs due to oversized components.
16. It was uncertain how to translate the data from Smart Meters into GIS, and
17. then from GIS format into DESS while preserving Open Street data (to overlay
18. mapped locations with electrical schematics and load data). The demand per
19. house can be optimized through smart control of the furnace. Integrating a
20. wifi enabled thermostat with Smart Meters such that household load can be
21. monitored and controlled via internet enabled apps was a venture into the
22. unknown and unproven. It was not clear how to establish this technology and
23. its reliability required experimental validation. Transfer of GIS data to
24. DESS was not simple, and initially vital data was lost in formatting and
25. translation. It was unclear how to resolve all of the unforeseen data loss.
26. It was proposed that translation software can collect data sets from the Smart
27. Meters in the field to populate the GIS system. Although this is a standard
28. practice for larger panels, incoming feeds from sub 10 kW solar panels were
29. not on this system. It is also hypothesized that a translation software can
30. take all GIS data, overlay it with Open Street data to produce a geographical
31. model in DESS to produce an engineering model populated by actual loading of
32. the electrical grid.

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in Line 242? (Summarize the systematic investigation or search) (*Maximum 100 lines*)

1. It was hypothesized that household demand could be closely monitored,
2. controlled and programmed via internet connection with Zigby technology. This

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in Line 242? (Summarize the systematic investigation or search) (*Maximum 100 lines*)

required new Smart Meters and the development of a communications protocol between controller, thermostat, and Smart Meter. It was proposed to test 3 homes with this technology. A data translation process was planned to capture the GIS data, overlay the Open Street mapping, and import this into the DESS engineering software. The SR&ED plan was to program the previous manual process into an automated system. Several iterations were needed to capture any lost information that was only found through experimental trials of the translation software.

Beginning with the micro system and expanding outward, this project description details the work performed in collecting data at the source, then integrating it into the larger network to produce a full picture of load on the grid. Household demand was captured and communicated via the Smart Meters installed at the residence. The furnace load was advanced with new Zigby technology that allows the thermostat to be controlled via internet for optimal utilization of energy. This required upgrading the Smart Meter and the swap involved overcoming a number of challenges with regards to communication. Incoming power to the grid from solar voltaic below 10 kW was also a new concern for this year as the previous method of inputting its data was manual. Efforts were made in this fiscal year to automate the data incoming from the sub-10 kW solar panels. Collected into an overall GIS database, several translation issues were faced when attempting to import the information into DEISS.Three homes were identified for experimental trails of the new automated technology. The previous Smart Meters were exchanged for Zigby enabled Smart Meters. The old Smart Meters were then recycled to new home installations and an unpredicted issue arose. It was observed that the recycled meters continued the data set from the previous installation. Hence the new home had existing data that was being associated with it. Over a number of software versions, a solution was obtained to reset the Smart Meter for the new installation. Therefore a meter recycling protocol was developed. Continuing work with the Zigby thermostat control technology, the major issues that prevailed were communication based between thermostats to wifi. Over several software revisions, communication was resolved and test are still ongoing. Another major issue was determining programming parameters as furnace controlled varied from brand to brand. The software needed to be able to accept several brands of furnace, each with differing protocols. Developing the robustness necessary required multiple iterations and testing is ongoing to evaluate unique and infrequent situations.

The GIS data sets gathered from the Smart Meters were previously input into engineering software manually. As some of the software used was proprietary, a contractor was hired to perform the coding required to map data from GIS to DEISS. Testing of initial translation software found that key information was not being translated. Data was lost or incomplete. Transformers identification was being picked up, however their sizing was lost and their location on the map was erroneous. Single phase power lines were not differentiated from 3 phase lines. These identifiers and mapping parameters were not accurately translated by the prototype software. An intense effort was made to investigate each error to determine if it's a programming logistical error, or an anomaly brought on by formatting. Both situations arose and significant effort was made to iteratively resolve the issues over numerous software revisions. At the end of this fiscal period, information such as transformer size, location, demand, and capacity are being translated from GIS to DESS, however it is not 100% successful. Some properties are still being lost within programming anomalies that are being tracked down into the next fiscal year. Properties such as CAD line styles and colour co-ordination for graphical display in DESS remains an ongoing area of improvement. Smart Meters have the ability to provide a wealth of information practically on demand, however the software is still not able to harness this capability. Developments are ongoing to improve the type of data, the amount

244 What work did you perform **in the tax year** to overcome the scientific or technological uncertainties described in Line 242? (Summarize the systematic investigation or search) (*Maximum 100 lines*)

61. of data, and the frequency of which it can be accessed.
62. The software has been advanced through several iterations, however the
63. complete solution has not yet been achieved. Ongoing developments focus on
64. addressing data set anomalies that misses key properties in translation. The
65. DESS model will be further developed to deliver an accurate picture of monthly
66. consumption.

246 What scientific or technological advancements did you achieve as a result of the work described in Line 244? (*Maximum 50 lines*)

1. The state of the art was significantly advanced with the development of
2. automation and integration software. Previously manual operations of
3. inputting sub-10 kW solar panel data into GIS databases was advanced to an
4. automated solution. The GIS data sets was integrated into the DESS
5. engineering environment where an accurate model of consumption and electrical
6. loads throughout the grid could be analyzed. Zigby technology was integrated
7. into Smart Meters in a pilot project and tested in a limited number of homes.
8. We can now control furnace loading and accept a variety of furnace brands with
9. differing protocols. We learned how the furnaces cycle and how to program
10. thermostats to control the furnaces for the conservation of power utilization.
11. We discovered that recycling meters requires a reset protocol, which was
12. developed. We now know how to translate the bulk of GIS data into DESS. We
13. discovered how to introduce the Open Street mapping data so that the GIS
14. information is married with geographical location to populate an accurate map
15. of the grid and subsystems in the DESS environment. We have successfully
16. overcome many translation issues for importing GIS data into DESS.

Section C – Additional project information

Who prepared the responses for Section B?

253 1 [X] Employee directly involved in the project	**254** Name: Paul Trace
255 1 [ ] Other employee of the company	**256** Name:
257 1 [X] External consultant	**258** Name: BeneFACT ConBeneFACT Consulting Group — **259** Firm: BeneFACT Consulting Group

List the key individuals directly involved in the project and indicate their qualifications/experience.

260 Names	**261** Qualifications/experience and position title
1 Paul Trace	Electrical Technologist, 25yrs, Director of Operations
2 Dave Stavinga	Electrical Technologist, 25yrs, Director of Energy Services
3	

265 Are you claiming any salary or wages for SR&ED performed outside Canada? . . . 1 [ ] Yes 2 [X] No

266 Are you claiming expenditures for SR&ED carried out on behalf of another party? . . . 1 [ ] Yes 2 [X] No

267 Are you claiming expenditures for SR&ED performed by people other than your employees? . . . 1 [X] Yes 2 [ ] No

If you answered **yes** to line 267, complete lines 268 and 269.

	268 Names of individuals or companies	**269** BN
1	Wasaga Resource Services Inc.	86758 4724 RC0001
2	Automated Solutions International Inc.	89163 1095 RT0001

What evidence do you have to support your claim? (Check any that apply)
You do not need to submit these items with the claim. However, you are required to retain them in the event of a review.

270	1	X	Project planning documents	276	1		Progress reports, minutes of project meetings
271	1	X	Records of resources allocated to the project, time sheets	277	1		Test protocols, test data, analysis of test results, conclusions
272	1		Design of experiments	278	1		Photographs and videos
273	1		Project records, laboratory notebooks	279	1		Samples, prototypes, scrap or other artefacts
274	1		Design, system architecture and source code	280	1		Contracts
275	1		Records of trial runs	281	1		Others, specify 282

Canada Revenue Agency / Agence du revenu du Canada

AGREEMENT TO TRANSFER QUALIFIED EXPENDITURES INCURRED IN RESPECT OF SR&ED CONTRACTS BETWEEN PERSONS NOT DEALING AT ARM'S LENGTH

(See instructions at the end of the form)

AGREEMENT

The transferor and the transferee identified below hereby agree to transfer the amount of SR&ED qualified expenditures (per line 106 on page 2 of this Form) to the transferee. **010** $ 78,095

The breakdown of the transferred amount is:

Current expenditures **015** $ 78,095

Capital expenditures (Ensure that you only include expenditures made before 2014) **020** $

Carry the transferred amounts on lines 015 and 020 above over to Form T661, lines 508 and 510 for the transferee, and to lines 544 and 546 of Form T661 for the transferor.

025 Is this an amended agreement? 1 [ ] Yes 2 [X] No

AUTHORIZATION TO TRANSFER

The transferor and the transferee must file with Form T1146:

– certified copies of the resolutions of the Directors authorizing the agreement; or

– a Directors' resolution delegating authority to an authorized officer of each corporation signing this form.

The Directors' resolution will be in effect for all subsequent years until it is rescinded.

If two corporations are owned exclusively by one shareholder, a T1146 signed by authorized officers of each corporation will be accepted if a signed confirmation by the shareholder is filed with the form stating that he is the only shareholder of both corporations, and that he has authorized the transfer of the SR&ED qualified expenditure from one corporation to the other. A Directors' resolution will not be required.

030 Were copies of the resolutions/confirmation authorizing the transfer submitted in a previous year? 1 [X] Yes 2 [ ] No

035 If you answered **yes** to line 030, in what tax year was it submitted? 2010 (Year)

If you answered **no** to line 030:

- If you are filing a paper return, attach the required documents to Form T1146.
- If you are filing electronically, refer to the "Paper Documentation" section of RC4018, *Electronic Filers Manual*, for instructions on how to file paper documents in support of electronically filed forms.

040 Name of transferor (print) Wasaga Resource Services Inc.			**045** Business number or social insurance number 86758 4724 RC 0001
Address (head office if corporation) 950 River Road West			**050** Tax year-end 2014-12-31 Year Month Day
City Wasaga Beach	Province, territory, or state ON		
Country (other than Canada)	Postal Code L9Z 1A2	Zip Code	
055 Name of individual or authorized signing officer of the corporation Joanne Tackaberry			**060** Title Manager
Signature of individual or authorized signing officer of the corporation			**065** Date 2015-05-13

070 Name of transferee (print) Wasaga Distribution Inc.			**075** Business number or social insurance number 86673 1649 RC 0001
Address (head office if corporation) 950 River Road West			**080** Tax year-end 2014-12-31 Year Month Day
City Wasaga Beach	Province, territory, or state ON		
Country (other than Canada)	Postal Code L9Z 1A2	Zip Code	
085 Name of individual or authorized signing officer of the corporation Joanne Tackaberry			**090** Title Manager
Signature of individual or authorized signing officer of the corporation			**095** Date 2015-05-13

Calculation of qualified SR&ED expenditures to be transferred for the tax year of the transferor

Transferor's SR&ED qualified expenditure pool at the end of the tax year, before subtracting the transferred amount		**100**	$ 78,095
Notional contract payments (NCP) – the total of all amounts that would be contract payments to the transferor for SR&ED performed for, or on behalf of, the transferee, if the two parties were dealing at arm's length (For a definition of contract payment see the SR&ED Glossary located at www.cra-arc.gc.ca/txcrdt/sred-rsde/clmng/glssry-eng.html)	**110** $ 78,095		
Notional contract payments on line 110 that are not paid by the transferee within 180 days of the tax year-end of the transferor	**112** – $		
Maximum notional contract payments (line 110 minus line 112)	**114** = $ 78,095		
Qualified expenditures (related to the NCP) **incurred and paid in the year** by the transferor for the portion of SR&ED performed at non-arm's length. (The expenditures must be paid by the performer on or before the day that is 180 days after the end of the tax year in which they are incurred. Do not include qualified expenditures that are not paid within that time.)	$ 78,095		
Amounts transferred to the transferor for qualified expenditures attributable to the SR&ED performed for the transferee (This would be the case where the transferor has subcontracted all or a portion of the SR&ED performed for the transferee to another non-arm's length subcontractor, and the subcontractor transferred its qualified expenditures attributable to that SR&ED to the transferor.)	+ $		
Total	= $ 78,095 (A)		
Qualified expenditures (related to the NCP) **incurred** in the year by the transferor for the portion of SR&ED performed at non-arm's length, before subtracting unpaid amounts. (unpaid amounts per subsections 127(26) and 78(4) of the *ITA*)	$ 78,095		
Amounts transferred to the transferor for qualified expenditures attributable to the SR&ED performed for the transferee	+ $		
Total	= $ 78,095 (B)		
Divide amount (A) by amount (B)	= $ 1.00000 (C)		
Multiply amount on line 114 by amount (C)	= $ 78,095 (D)		
Enter amount calculated in (D) above		**102**	$ 78,095
Maximum amount that may be transferred: enter the amount from line 100 or 102, whichever is less		**104**	$ 78,095
Amount specified for the transfer: You may transfer an amount up to the amount on line 104. Carry this amount over to line 010 on page 1 of this form.		**106**	$ 78,095

Instructions:

This form is to be used:

- by a taxpayer who performed the SR&ED work (the "transferor");
- to transfer qualified SR&ED expenditures incurred (of the transferor) in a particular tax year, for SR&ED contract work performed for or on behalf of another taxpayer (the "transferee") at a time when the two parties were not dealing at arm's length.

The amount transferred can only be added to the transferee's qualified expenditures **in the first tax year** that ends at or after the end of the particular tax year of the transferor.

The transferor and the transferee each have to file a copy of the agreement at the Tax Centre where they would normally file their return of income.

An agreement should be filed for each transfer of qualified expenditures.

The agreement must be filed:

- on or before the transferor's filing-due date for the particular tax year the SR&ED work was performed, or
- in the period within which the transferor may serve a notice of objection to an assessment for the particular tax year, or
- in the period within which the transferee may serve a notice of objection to an assessment for its first tax year that ends at or after the end of the transferor's particular tax year.

Reference: Income Tax Act subsections 127(13); 127(15)

Attachment F –WDI 2011-2014 Final CDM Results

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Message from the Vice President:

The IESO is pleased to provide the enclosed 2011-2014 Final Results Report. This report is designed to help populate LDC Annual Reports that will be submitted to the Ontario Energy Board (OEB) in September 2015.

2011-2014 Conservation Framework Highlights:

- LDCs have made significant achievements against dual energy and peak demand savings targets. Collectively, the LDCs have achieved 109% of the energy target and 70% of the peak demand target.
- Momentum has built as we transition to the Conservation First Framework. 2014 demonstrated an achievement of over 1 TWh of net incremental energy savings, positioning us well for average net incremental energy savings of 1.2 TWh required in the new framework to meet our 2020 CDM targets.
- Throughout the past framework, program results have become more predictable year over year as noted in the increasingly smaller variance between quarterly preliminary results and verified final results.
- Customer engagement continued to increase in both the Consumer and Business Programs. Between 2011 - 2014 consumers have purchased over 10 million energy efficient products through the saveONenergy COUPONS program. Customers in RETROFIT continue to declare a positive experience participating in the program with 86% likely to recommend.
- saveONenergy has seen a steady and significant increase in unaided brand awareness by 33% from 2011-2014
- Conservation is becoming even more cost-effective as programs become more efficient and effective. 2014 proved early investments in long lead time projects will pay off with the high savings now being realized in programs like PROCESS & SYSTEMS and RETROFIT. Within 4 cents per kWh, Conservation programs continue to be a valuable and cost effective resource for customers across the province.

The 2011-2014 Final Results within this report vary from the Draft 2011-2014 Final Results Report for the following reasons:

- Savings from Time of Use pricing are included in the Final Results Report. Overall the province saved 55 MWs from Time-of-Use pricing in 2014, or 0.73% of residential summer peak demand.
- Between August 4th and August 28th, the IESO and LDCs have worked collaboratively to reconcile projects from 2011-2014 Final Results Report to ensure every eligible project was captured and accurately reported.
- Verified savings from Innovation Fund pilots are also included for participating LDCs.

All results will be considered final for the 2011-2014 Conservation Framework. Any additional program activity not captured in the 2011-2014 Final Results Report will not be included as part of a future adjustment process.

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

We appreciate your collaboration and cooperation throughout the reporting and evaluation process and we look forward to the success ahead in the Conservation First Framework.

Sincerely,

Terry Young

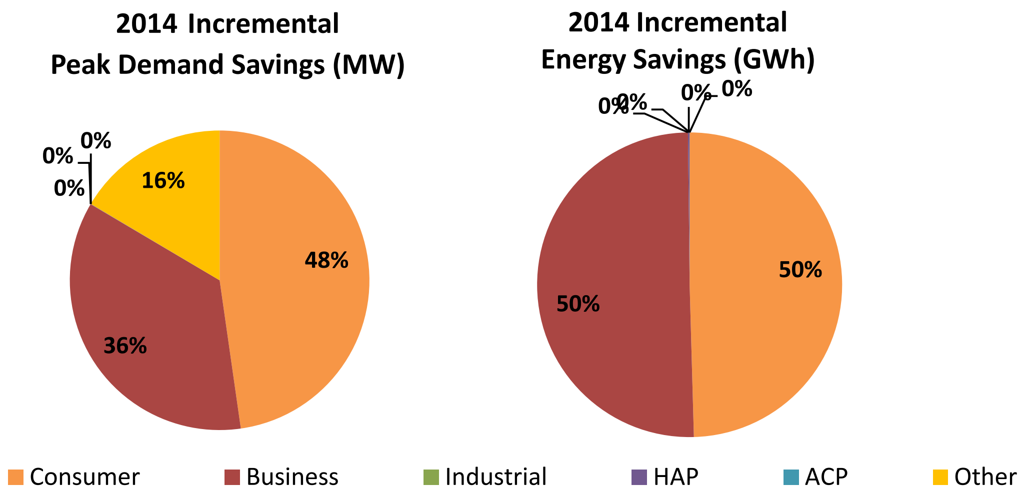
IESO-Contracted Province-Wide CDM Programs: 2011-2014 Final Results Report

LDC: Wasaga Distribution Inc.

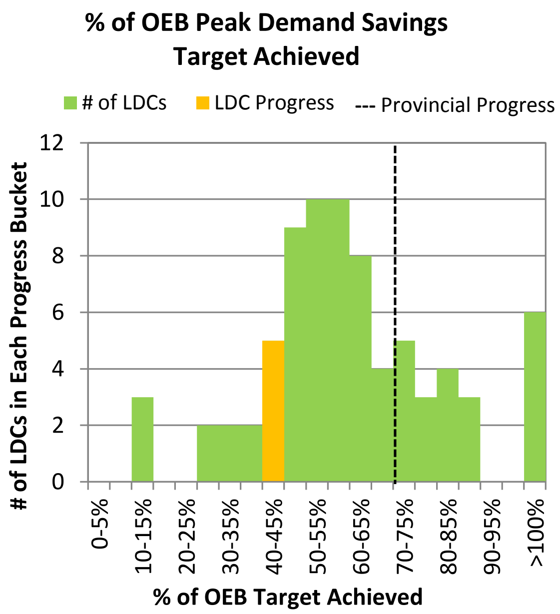
Final 2014 Achievement Against Targets	2014 Incremental	2011-2014 Achievement Against Target	% of Target Achieved
Net Annual Peak Demand Savings (MW)	0.3	0.6	**42.1%**
Net Energy Savings (GWh)	0.8	4.3	**107.9%**

Unless otherwise noted, results are presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

Achievement by Sector



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



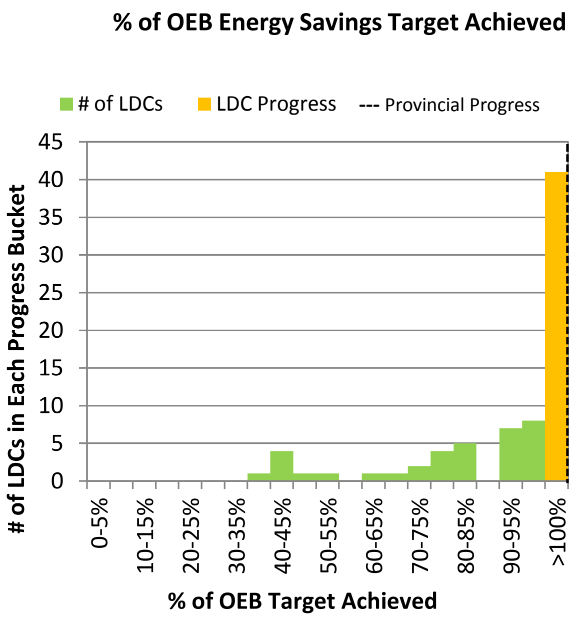


Table 1: Wasaga Distribution Inc. Initiative and Program Level Net Savings by Year

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR): 2014 Net Annual Peak Demand Savings (kW)	Program-to-Date Verified Progress to Target (excludes DR): 2011-2014 Net Cumulative Energy Savings (kWh)
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	95	40	24	8	5	2	1	1	39,547	15,567	10,423	3,565	9	229,300
Appliance Exchange	Appliances	8	1	5	15	1	0	1	3	1,076	174	1,847	5,542	5	13,618
HVAC Incentives	Equipment	87	95	138	197	29	20	29	45	53,128	35,481	53,319	85,574	124	511,163
Conservation Instant Coupon Booklet	Items	929	56	626	2,584	2	0	1	5	34,491	2,516	13,868	71,252	9	244,500
Bi-Annual Retailer Event	Items	1,713	1,909	1,700	8,681	3	3	2	14	52,875	48,187	30,911	221,132	22	639,014
Retailer Co-op	Items	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential Demand Response	Devices	0	0	0	200	0	0	0	92	0	0	0	0	92	0
Residential Demand Response (IHD)	Devices	0	0	0	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	0	0	0
Consumer Program Total						**40**	**25**	**35**	**160**	**181,117**	**101,924**	**110,367**	**387,064**	**260**	**1,637,595**
Business Program															
Retrofit	Projects	2	2	5	5	0	71	13	16	56,159	395,203	77,702	165,138	99	1,730,788
Direct Install Lighting	Projects	15	22	7	42	18	24	6	40	51,687	102,205	28,036	162,232	79	702,515
Building Commissioning	Buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Construction	Buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Energy Audit	Audits	0	0	0	1	0	0	0	13	0	0	0	65,274	13	65,274
Small Commercial Demand Response	Devices	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	1	1	1	1	68	68	69	50	2,636	984	917	0	50	4,536
Business Program Total						**86**	**163**	**87**	**120**	**110,481**	**498,393**	**106,655**	**392,644**	**242**	**2,503,114**
Industrial Program															
Process & System Upgrades	Projects	0	0	0	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	0	0	0
Energy Manager	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retrofit	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Industrial Program Total						**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Home Assistance Program															
Home Assistance Program	Homes	0	9	6	2	0	0	1	0	0	0	6,682	1,371	2	14,656
Home Assistance Program Total						**0**	**0**	**1**	**0**	**0**	**0**	**6,682**	**1,371**	**2**	**14,656**
Aboriginal Program															
Home Assistance Program	Homes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Direct Install Lighting	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aboriginal Program Total						**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	2	0	0	0	0	0	0	0	1,838	0	0	0	0	7,352
High Performance New Construction	Projects	0	0	0	0	0	0	0	0	142	197	0	0	0	1,157
Toronto Comprehensive	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Multifamily Energy Efficiency Rebates	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LDC Custom Programs	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pre-2011 Programs completed in 2011 Total						**0**	**0**	**0**	**0**	**1,980**	**197**	**0**	**0**	**1**	**8,510**
Other															
Program Enabled Savings	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Time-of-Use Savings	Homes	0	0	0	n/a	0	0	0	55	0	0	0	0	55	0
LDC Pilots	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Total						**0**	**0**	**0**	**55**	**0**	**0**	**0**	**0**	**55**	**0**
Adjustments to 2011 Verified Results							**1**	**0**	**0**		**25,510**	**0**	**0**	**1**	**102,040**
Adjustments to 2012 Verified Results								**1**	**1**			**2,342**	**14,341**	**2**	**50,204**
Adjustments to 2013 Verified Results									**2**				**4,535**	**2**	**9,070**
Energy Efficiency Total						**59**	**121**	**55**	**193**	**290,942**	**599,530**	**222,787**	**781,079**	**417**	**4,159,338**
Demand Response Total (Scenario 1)						**68**	**68**	**69**	**142**	**2,636**	**984**	**917**	**0**	**142**	**4,536**
Adjustments to Previous Years' Verified Results Total						**0**	**1**	**1**	**3**	**0**	**25,510**	**2,342**	**18,876**	**5**	**161,314**
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						**126**	**189**	**125**	**338**	**293,578**	**626,024**	**226,046**	**799,955**	**564**	**4,325,188**
													Full OEB Target:	**1,340**	**4,010,000**
													% of Full OEB Target Achieved to Date (Scenario 1):	**42.1%**	**107.9%**

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

*Includes adjustments after Final Reports were issued

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

Table 2: Adjustments to Wasaga Distribution Inc. Net Verified Results due to Variances

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)	
														2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	0	0	0		0	0	0		0	0	0		0	0
Appliance Exchange	Appliances	0	0	0		0	0	0		0	0	0		0	0
HVAC Incentives	Equipment	-18	5	9		-4	1	2		-8,027	2,342	3,768		-1	-17,547
Conservation Instant Coupon Booklet	Items	15	0	2		0	0	0		496	0	42		0	2,068
Bi-Annual Retailer Event	Items	147	0	0		0	0	0		3,928	0	0		0	15,714
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						**-4**	**1**	**2**		**-3,603**	**2,342**	**3,810**		**-1**	**235**
Business Program															
Retrofit	Projects	0	0	0		0	0	0		0	0	0		0	0
Direct Install Lighting	Projects	0	0	0		0	0	0		0	0	0		0	0
Building Commissioning	Buildings	0	0	0		0	0	0		0	0	0		0	0
New Construction	Buildings	0	0	0		0	0	0		0	0	0		0	0
Energy Audit	Audits	0	0	0		0	0	0		0	0	0		0	0
Small Commercial Demand Response	Devices	0	0	0		0	0	0		0	0	0		0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0		0	0	0		0	0
Demand Response 3	Facilities	0	0	0		0	0	0		0	0	0		0	0
Business Program Total						**0**	**0**	**0**		**0**	**0**	**0**		**0**	**0**
Industrial Program															
Process & System Upgrades	Projects	0	0	0		0	0	0		0	0	0		0	0
Monitoring & Targeting	Projects	0	0	0		0	0	0		0	0	0		0	0
Energy Manager	Projects	0	0	0		0	0	0		0	0	0		0	0
Retrofit	Projects	0	0	0		0	0	0		0	0	0		0	0
Demand Response 3	Facilities	0	0	0		0	0	0		0	0	0		0	0
Industrial Program Total						**0**	**0**	**0**		**0**	**0**	**0**		**0**	**0**
Home Assistance Program															
Home Assistance Program	Homes	0	9	1		0	1	0		0	14,418	725		1	44,628
Home Assistance Program Total						**0**	**1**	**0**		**0**	**14,418**	**725**		**1**	**44,628**
Aboriginal Program															
Home Assistance Program	Homes	0	0	0		0	0	0		0	0	0		0	0
Direct Install Lighting	Projects	0	0	0		0	0	0		0	0	0		0	0
Aboriginal Program Total						**0**	**0**	**0**		**0**	**0**	**0**		**0**	**0**
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	1	0	0		5	0	0		29,113	0	0		5	116,451
High Performance New Construction	Projects	0	0	0		0	0	0		0	0	0		0	0
Toronto Comprehensive	Projects	0	0	0		0	0	0		0	0	0		0	0
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0		0	0	0		0	0
LDC Custom Programs	Projects	0	0	0		0	0	0		0	0	0		0	0
Pre-2011 Programs completed in 2011 Total						**5**	**0**	**0**		**29,113**	**0**	**0**		**5**	**116,451**
Other															
Program Enabled Savings	Projects	0	0	0		0	0	0		0	0	0		0	0
Time-of-Use Savings	Homes	0	0	0		0	0	0		0	0	0		0	0
LDC Pilots	Projects	0	0	0		0	0	0		0	0	0		0	0
Other Total						**0**	**0**	**0**		**0**	**0**	**0**		**0**	**0**
Adjustments to 2011 Verified Results						**1**				**25,510**				**1**	**102,040**
Adjustments to 2012 Verified Results							**2**				**16,760**			**2**	**50,204**
Adjustments to 2013 Verified Results								**2**				**4,535**		**2**	**9,070**
Total Adjustments to Previous Years' Verified Results						**1**	**2**	**2**		**25,510**	**16,760**	**4,535**		**5**	**161,314**

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

Adjustments to previous years' results shown in this table will not align to adjustments shown in Table 1 as the information presented above is presented in the implementation year. Adjustements in Table 1 reflect persisted savings in the year in which that adjustment is verified.

Table 3: Wasaga Distribution Inc. Realization Rate & NTG

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement	1.00	1.00	n/a	n/a	0.51	0.47	0.42	0.42	1.00	1.00	n/a	n/a	0.51	0.47	0.44	0.44
Appliance Exchange	1.00	1.00	1.00	1.00	0.52	0.52	0.53	0.53	1.00	1.00	1.00	1.00	0.52	0.52	0.53	0.53
HVAC Incentives	1.00	1.00	n/a	1.00	0.60	0.49	0.48	0.51	1.00	1.00	n/a	1.00	0.60	0.49	0.48	0.51
Conservation Instant Coupon Booklet	1.00	1.00	1.00	1.00	1.14	1.00	1.11	1.52	1.00	1.00	1.00	1.00	1.11	1.05	1.13	1.52
Bi-Annual Retailer Event	1.00	1.00	1.00	1.00	1.13	0.91	1.04	1.74	1.00	1.00	1.00	1.00	1.10	0.92	1.04	1.75
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	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	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	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	n/a	n/a	n/a	n/a
Business Program																
Retrofit	n/a	1.01	0.81	0.80	n/a	0.79	0.70	0.69	n/a	1.25	0.93	0.92	n/a	0.81	0.70	0.71
Direct Install Lighting	1.08	0.68	0.81	0.78	0.93	0.94	0.94	0.94	0.90	0.85	0.84	0.83	0.93	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	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	n/a	n/a	n/a	n/a
Energy Audit	n/a	n/a	n/a	0.96	n/a	n/a	n/a	0.68	n/a	n/a	n/a	1.00	n/a	n/a	n/a	0.67
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	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	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	1.00	n/a	n/a	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	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	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	n/a	n/a	n/a	n/a
Retrofit																
Demand Response 3	0.84	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Home Assistance Program																
Home Assistance Program	n/a	n/a	0.06	0.90	n/a	n/a	1.00	1.00	n/a	n/a	0.88	0.78	n/a	n/a	1.00	1.00
Aboriginal Program																
Home Assistance Program	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	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	n/a	n/a	n/a	n/a
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program	0.77	n/a	n/a	n/a	0.52	n/a	n/a	n/a	0.77	n/a	n/a	n/a	0.52	n/a	n/a	n/a
High Performance New Construction	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50	1.00	1.00	1.00	1.00	0.50	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	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	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	n/a	n/a	n/a	n/a
Other																
Program Enabled Savings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	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	n/a	n/a	n/a	n/a
LDC Pilots	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Summary Achievement Against CDM Targets

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

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

Implementation Period	Annual			
	2011	2012	2013	2014
2011 - Verified	0.1	0.1	0.1	0.0
2012 - Verified†	0.0	0.2	0.1	0.1
2013 - Verified†	0.0	0.0	0.1	0.1
2014 - Verified†	0.0	0.0	0.0	0.3
Verified Net Annual Peak Demand Savings Persisting in 2014:				**0.6**
Wasaga Distribution Inc. 2014 Annual CDM Capacity Target:				**1.3**
Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):				**42.0%**

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

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011 - Verified	0.3	0.3	0.3	0.3	1.1
2012 - Verified†	0.0	0.6	0.6	0.6	1.9
2013 - Verified†	0.0	0.0	0.2	0.2	0.5
2014 - Verified†	0.0	0.0	0.02	0.8	0.8
Verified Net Cumulative Energy Savings 2011-2014:					**4.3**
Wasaga Distribution Inc. 2011-2014 Annual CDM Energy Target:					**4.0**
Verified Portion of Cumulative Energy Target Achieved in 2014 (%):					**107.9%**

†Includes adjustments to previous years' verified results

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

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

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)	
														2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	56,110	34,146	20,952	22,563	3,299	2,011	1,433	1,617	23,005,812	13,424,518	8,713,107	9,497,343	8,221	159,100,415
Appliance Exchange	Appliances	3,688	3,836	5,337	5,685	371	556	1,106	1,178	450,187	974,621	1,971,701	2,100,266	2,973	10,556,192
HVAC Incentives	Equipment	92,748	87,540	96,286	113,002	32,037	19,060	19,552	23,106	59,437,670	32,841,283	33,923,592	42,888,217	93,755	447,009,930
Conservation Instant Coupon Booklet	Items	567,678	30,891	347,946	1,208,108	1,344	230	517	2,440	21,211,537	1,398,202	7,707,573	32,802,537	4,531	137,258,436
Bi-Annual Retailer Event	Items	952,149	1,060,901	944,772	4,824,751	1,681	1,480	1,184	8,043	29,387,468	26,781,674	17,179,841	122,902,769	12,389	355,157,348
Retailer Co-op	Items	152	0	0	0	0	0	0	0	2,652	0	0	0	0	10,607
Residential Demand Response	Devices	19,550	98,388	171,733	241,381	10,947	49,038	93,076	117,513	24,870	359,408	390,303	8,379	117,513	782,960
Residential Demand Response (IHD)	Devices	0	49,689	133,657	188,577	0	0	0	0	0	0	0	0	0	0
Residential New Construction	Homes	27	21	279	2,367	0	2	18	369	743	17,152	163,690	2,330,865	390	2,712,676
Consumer Program Total						**49,681**	**72,377**	**116,886**	**154,267**	**133,520,941**	**75,796,859**	**70,049,807**	**212,530,376**	**239,772**	**1,112,588,565**
Business Program															
Retrofit	Projects	2,828	6,481	9,746	10,925	24,467	61,147	59,678	70,662	136,002,258	314,922,468	345,346,008	462,903,521	213,493	2,631,401,223
Direct Install Lighting	Projects	20,741	18,691	17,833	23,784	23,724	15,284	18,708	23,419	61,076,701	57,345,798	64,315,558	84,503,302	73,304	604,196,658
Building Commissioning	Buildings	0	0	0	5	0	0	0	988	0	0	0	1,513,377	988	1,513,377
New Construction	Buildings	25	98	158	226	123	764	1,584	6,432	411,717	1,814,721	4,959,266	20,381,204	8,904	37,390,767
Energy Audit	Audits	222	357	589	473	0	1,450	2,811	6,323	0	7,049,351	15,455,795	30,874,399	10,583	82,934,042
Small Commercial Demand Response	Devices	132	294	1,211	3,652	84	187	773	2,116	157	1,068	373	319	2,116	1,916
Small Commercial Demand Response (IHD)	Devices	0	0	378	820	0	0	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	145	151	175	180	16,218	19,389	23,706	23,380	633,421	281,823	346,659	0	23,380	1,261,903
Business Program Total						**64,617**	**98,221**	**107,261**	**133,319**	**198,124,253**	**381,415,230**	**430,423,659**	**600,176,121**	**332,769**	**3,358,699,887**
Industrial Program															
Process & System Upgrades	Projects	0	0	5	10	0	0	294	9,692	0	0	2,603,764	72,053,255	9,986	77,260,782
Monitoring & Targeting	Projects	0	1	3	5	0	0	0	102	0	0	0	502,517	102	502,517
Energy Manager	Projects	1	132	306	379	0	1,086	3,558	5,191	0	7,372,108	21,994,263	40,436,427	8,384	95,324,998
Retrofit	Projects	433	0	0	0	4,615	0	0	0	28,866,840	0	0	0	4,613	115,462,282
Demand Response 3	Facilities	124	185	281	336	52,484	74,056	162,543	166,082	3,080,737	1,784,712	4,309,160	0	166,082	9,174,609
Industrial Program Total						**57,098**	**75,141**	**166,395**	**181,066**	**31,947,577**	**9,156,820**	**28,907,187**	**112,992,199**	**189,168**	**297,725,188**
Home Assistance Program															
Home Assistance Program	Homes	46	5,920	29,654	25,424	2	566	2,361	2,466	39,283	5,442,232	20,987,275	19,582,658	5,370	77,532,571
Home Assistance Program Total						**2**	**566**	**2,361**	**2,466**	**39,283**	**5,442,232**	**20,987,275**	**19,582,658**	**5,370**	**77,532,571**
Aboriginal Program															
Home Assistance Program	Homes	0	0	717	1,125	0	0	267	549	0	0	1,609,393	3,101,207	816	6,319,993
Direct Install Lighting	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aboriginal Program Total						**0**	**0**	**267**	**549**	**0**	**0**	**1,609,393**	**3,101,207**	**816**	**6,319,993**
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	2,028	0	0	0	21,662	0	0	0	121,138,219	0	0	0	21,662	484,552,876
High Performance New Construction	Projects	182	73	19	3	5,098	3,251	772	134	26,185,591	11,901,944	3,522,240	688,738	9,255	148,181,415
Toronto Comprehensive	Projects	577	15	4	5	15,805	0	0	281	86,964,886	0	0	2,479,840	16,086	350,339,385
Multifamily Energy Efficiency Rebates	Projects	110	0	0	0	1,981	0	0	0	7,595,683	0	0	0	1,981	30,382,733
LDC Custom Programs	Projects	8	0	0	0	399	0	0	0	1,367,170	0	0	0	399	5,468,679
Pre-2011 Programs completed in 2011 Total						**44,945**	**3,251**	**772**	**415**	**243,251,550**	**11,901,944**	**3,522,240**	**3,168,578**	**49,382**	**1,018,925,088**
Other															
Program Enabled Savings	Projects	33	71	46	43	0	2,304	3,692	5,500	0	1,188,362	4,075,382	19,035,337	11,496	30,751,187
Time-of-Use Savings	Homes	0	0	0	n/a	0	0	0	54,795	0	0	0	0	54,795	0
LDC Pilots	Projects	0	0	0	1,174	0	0	0	1,170	0	0	0	5,061,522	1,170	5,061,522
Other Total						**0**	**2,304**	**3,692**	**61,466**	**0**	**1,188,362**	**4,075,382**	**24,096,859**	**67,462**	**35,812,709**
Adjustments to 2011 Verified Results							**1,406**	**641**	**1,418**		**18,689,081**	**1,736,381**	**7,319,857**	**3,215**	**110,143,550**
Adjustments to 2012 Verified Results								**6,260**	**9,221**			**41,947,840**	**37,080,215**	**15,401**	**238,780,637**
Adjustments to 2013 Verified Results									**24,391**				**150,785,808**	**24,391**	**296,465,211**
Energy Efficiency Total						**136,610**	**109,191**	**117,536**	**224,457**	**603,144,419**	**482,474,435**	**554,528,447**	**975,639,300**	**575,647**	**5,896,382,612**
Demand Response Total (Scenario 1)						**79,733**	**142,670**	**280,099**	**309,091**	**3,739,185**	**2,427,011**	**5,046,495**	**8,698**	**309,091**	**11,221,389**
Adjustments to Previous Years' Verified Results Total						**0**	**1,406**	**6,901**	**35,030**	**0**	**18,689,081**	**43,684,221**	**195,185,880**	**43,006**	**645,389,397**
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						**216,343**	**253,267**	**404,536**	**568,578**	**606,883,604**	**503,590,526**	**603,259,163**	**1,170,833,878**	**927,745**	**6,552,993,397**
													Full OEB Target:	**1,330,000**	**6,000,000,000**
													% of Full OEB Target Achieved to Date (Scenario 1):	**70%**	**109%**

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

*Includes adjustments after Final Reports were issued

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

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

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR): 2014 Net Annual Peak Demand Savings (kW)	Program-to-Date Verified Progress to Target (excludes DR): 2011-2014 Net Cumulative Energy Savings (kWh)
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	0	0	0		0	0	0		0	0	0		0	0
Appliance Exchange	Appliances	0	0	0		0	0	0		0	0	0		0	0
HVAC Incentives	Equipment	-18,839	2,319	4,705		-5,270	479	1,037		-9,707,002	955,512	1,838,408		-3,754	-32,284,656
Conservation Instant Coupon Booklet	Items	8,216	0	1,050		16	0	2		275,655	0	23,571		18	1,149,763
Bi-Annual Retailer Event	Items	81,817	0	0		108	0	0		2,183,391	0	0		108	8,733,563
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	20	2	193		1	1	72		14,667	985	441,938		74	945,497
Consumer Program Total						**-5,145**	**480**	**1,111**		**-7,233,290**	**956,497**	**2,303,917**		**-3,555**	**-21,664,975**
Business Program															
Retrofit	Projects	312	876	961		3,208	7,233	11,961		16,266,129	42,498,052	78,146,280		22,056	347,545,386
Direct Install Lighting	Projects	444	197	51		501	204	46		1,250,388	736,541	164,667		620	7,158,143
Building Commissioning	Buildings	0	0	0		0	0	0		0	0	0		0	0
New Construction	Buildings	15	29	72		850	1,304	2,241		3,604,553	4,825,774	8,636,179		4,401	46,187,216
Energy Audit	Audits	119	77	270		604	439	2,383		2,945,189	2,145,367	13,100,635		3,426	44,418,129
Small Commercial Demand Response	Devices	0	0	0		0	0	0		0	0	0		0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0		0	0	0		0	0
Demand Response 3	Facilities	0	0	0		0	0	0		0	0	0		0	0
Business Program Total						**5,162**	**9,181**	**16,631**		**24,066,259**	**50,205,734**	**100,047,761**		**30,503**	**385,148,444**
Industrial Program															
Process & System Upgrades	Projects	0	0	2		0	0	324		0	0	968,659		324	1,937,318
Monitoring & Targeting	Projects	0	1	3		0	0	54		0	528,000	639,348		54	2,862,696
Energy Manager	Projects	1	93	101		27	1,067	2,395		241,515	8,266,841	25,814,853		4,345	81,853,489
Retrofit	Projects	0	0	0		0	0	0		0	0	0		0	0
Demand Response 3	Facilities	0	0	0		0	0	0		0	0	0		0	0
Industrial Program Total						**27**	**1,067**	**2,774**		**241,515**	**8,794,841**	**27,422,860**		**4,723**	**61,215,516**
Home Assistance Program															
Home Assistance Program	Homes	0	887	2,898		0	222	791		0	1,316,749	4,321,794		1,009	12,515,300
Home Assistance Program Total						**0**	**222**	**791**		**0**	**1,316,749**	**4,321,794**		**1,009**	**8,581,177**
Aboriginal Program															
Home Assistance Program	Homes	0	0	133		0	0	134		0	0	563,715		134	1,127,430
Direct Install Lighting	Projects	0	0	0		0	0	0		0	0	0		0	0
Aboriginal Program Total						**0**	**0**	**134**		**0**	**0**	**563,715**		**134**	**1,127,430**
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	12	0	0		138	0	0		545,536	0	0		138	2,182,145
High Performance New Construction	Projects	37	4	15		1,507	363	-184		2,398,941	2,832,533	-993,596		1,686	16,106,171
Toronto Comprehensive	Projects	0	15	4		0	672	185		0	4,523,517	1,324,388		857	16,219,327
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0		0	0	0		0	0
LDC Custom Programs	Projects	0	0	0		0	0	0		0	0	0		0	0
Pre-2011 Programs completed in 2011 Total						**1,645**	**1,035**	**2**		**2,944,477**	**7,356,050**	**330,792**		**2,682**	**11,104,528**
Other															
Program Enabled Savings	Projects	33	55	33		1,776	3,712	2,020		7,727,573	11,481,687	10,688,564		7,509	86,732,481
Time-of-Use Savings	Homes	0	0	0		0	0	0		0	0	0		0	0
LDC Pilots	Projects	0	0	0		0	0	0		0	0	0		0	0
Other Total						**1,776**	**3,712**	**2,020**		**7,727,573**	**11,481,687**	**10,688,564**		**7,509**	**86,732,481**
Adjustments to 2011 Verified Results						**3,465**				**27,746,535**				**3,215**	**110,143,550**
Adjustments to 2012 Verified Results							**15,697**				**80,111,558**			**15,401**	**238,780,637**
Adjustments to 2013 Verified Results								**23,463**				**145,679,403**		**24,391**	**296,465,211**
Adjustments to Previous Years' Verified Results Total						**3,465**	**15,697**	**23,463**		**27,746,535**	**80,111,558**	**145,679,403**		**43,006**	**645,389,397**

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

Adjustments to previous years' results shown in this table will not align to adjustments shown in Table 1 as the information presented above is presented in the implementation year. Adjustements in Table 1 reflect persisted savings in the year in which that adjustment is verified.

Table 8: Province-Wide Realization Rate & NTG

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement	1.00	1.00	1.00	1.00	0.51	0.46	0.42	0.45	1.00	1.00	1.00	1.00	0.46	0.47	0.44	0.47
Appliance Exchange	1.00	1.00	1.00	1.00	0.51	0.52	0.53	0.53	1.00	1.00	1.00	1.00	0.52	0.52	0.53	0.53
HVAC Incentives	1.00	1.00	1.00	1.00	0.60	0.50	0.48	0.48	1.00	1.00	1.00	1.00	0.50	0.49	0.48	0.48
Conservation Instant Coupon Booklet	1.00	1.00	1.00	1.00	1.14	1.00	1.11	1.69	1.00	1.00	1.00	1.00	1.00	1.05	1.13	1.73
Bi-Annual Retailer Event	1.00	1.00	1.00	1.00	1.12	0.91	1.04	1.74	1.00	1.00	1.00	1.00	0.91	0.92	1.04	1.75
Retailer Co-op	1.00	n/a	n/a	n/a	0.68	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	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	n/a	n/a	n/a	n/a
Residential New Construction	1.00	3.65	0.78	1.03	0.41	0.49	0.63	0.63	3.65	7.17	3.09	0.62	0.49	0.49	0.63	0.63
Business Program																
Retrofit	1.06	0.93	0.92	0.84	0.72	0.75	0.73	0.71	0.93	1.05	1.01	0.98	0.75	0.76	0.73	0.72
Direct Install Lighting	1.08	0.69	0.82	0.78	1.08	0.94	0.94	0.94	0.69	0.85	0.84	0.83	0.94	0.94	0.94	0.94
Building Commissioning	n/a	n/a	n/a	1.97	n/a	n/a	n/a	1.00	n/a	n/a	n/a	1.16	n/a	n/a	n/a	1.00
New Construction	0.50	0.98	0.68	0.71	0.50	0.49	0.54	0.54	0.98	0.99	0.76	0.79	0.49	0.49	0.54	0.54
Energy Audit	n/a	n/a	1.02	0.96	n/a	n/a	0.66	0.68	n/a	n/a	0.97	1.00	n/a	n/a	0.66	0.67
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	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	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	n/a	n/a	n/a	n/a
Industrial Program																
Process & System Upgrades	n/a	n/a	0.85	0.96	n/a	n/a	0.94	0.79	n/a	n/a	0.87	0.96	n/a	n/a	0.93	0.80
Monitoring & Targeting	n/a	n/a	n/a	0.59	n/a	n/a	n/a	1.00	n/a	n/a	n/a	0.36	n/a	n/a	n/a	1.00
Energy Manager	n/a	1.16	0.90	0.91	n/a	0.90	0.90	0.90	1.16	1.16	0.90	0.96	0.90	0.90	0.90	0.85
Retrofit	1.11	n/a	n/a	n/a	0.72	n/a	n/a	n/a	0.91	n/a	n/a	n/a	0.75	n/a	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	n/a	n/a	n/a	n/a
Home Assistance Program																
Home Assistance Program	1.00	0.32	0.26	0.49	0.70	1.00	1.00	1.00	0.32	0.99	0.88	0.78	1.00	1.00	1.00	1.00
Aboriginal Program																
Home Assistance Program	n/a	n/a	0.05	0.15	n/a	n/a	1.00	1.00	n/a	n/a	0.95	0.97	n/a	n/a	1.00	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	n/a	n/a	n/a	n/a
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program	0.80	n/a	n/a	n/a	0.54	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
High Performance New Construction	1.00	1.00	1.00	n/a	0.49	0.50	0.50	0.50	1.00	1.00	1.00	n/a	0.50	0.50	0.50	0.50
Toronto Comprehensive	1.13	n/a	n/a	n/a	0.50	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	0.93	n/a	n/a	n/a	0.78	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	1.00	n/a	n/a	n/a	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other																
Program Enabled Savings	n/a	1.06	1.00	0.86	n/a	1.00	1.00	1.00	n/a	2.26	1.00	0.98	n/a	1.00	1.00	1.00
Time-of-Use Savings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Pilots	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Summary Provincial Progress Towards CDM Targets

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

Implementation Period	Annual			
	2011	2012	2013	2014
2011	216.3	136.6	135.8	129.0
2012†	1.4	253.3	109.8	108.2
2013†	0.6	7.0	404.5	122.0
2014†	1.4	10.8	34.2	568.6
Verified Net Annual Peak Demand Savings in 2014:				**927.7**
2014 Annual CDM Capacity Target:				**1,330**
Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):				**69.8%**

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

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011	606.9	603.0	601.0	582.3	2,393.1
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†	7.3	44.8	191.0	1,170.8	1,413.9
Verified Net Cumulative Energy Savings 2011-2014:					**6,553.0**
2011-2014 Cumulative CDM Energy Target:					**6,000**
Verified Portion of Cumulative Energy Target Achieved in 2014 (%):					**109.2%**

†Includes adjustments to previous years' verified results

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

METHODOLOGY

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

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

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

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Conservation Instant Coupon Booklet	LDC-coded coupons directly attributed to LDC. Otherwise results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year in which the coupon was redeemed.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Bi-Annual Retailer Event	Results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year in which the event occurs.	
Retailer Co-op	When postal code information is provided by the customer, results are directly attributed. If postal code information is not available, results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year of the home visit and installation date.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Residential Demand Response	Results are directly attributed to LDC based on data provided to IESO 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 iCon system. Initiative was not evaluated in 2011, reported results are presented with forecast assumptions as per the business case.	Savings are considered to begin in the year of the project completion date.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Business Program			
Efficiency: Equipment Replacement	Results are directly attributed to LDC based on LDC identified at the facility level in the iCon system. 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 in the iCON system.	Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON 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 2014)		

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.	Savings are considered to begin in the year of the actual project completion date.	Peak demand and energy savings are determined by the total savings for a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
New Construction and Major Renovation Incentive	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the actual project completion date.	
Energy Audit	Projects are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the audit date.	Peak demand and energy savings are determined by the total savings resulting from an audit as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

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

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Monitoring & Targeting	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the incentive project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
Energy Manager	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the project was completed by the energy manager. If no date is specified the savings will begin the year of the Quarterly Report submitted by the energy manager.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

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

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

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Pre-2011 Programs completed in 2011			
Electricity Retrofit Incentive Program	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, 2012, 2013 or 2014 assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported. A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). If energy savings are not available, an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports).
High Performance New Construction	Results are directly attributed to LDC based on customer data provided to the OPA from Enbridge; Initiative was not evaluated in 2011, 2012, 2013 or 2014, assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	
Toronto Comprehensive	Program run exclusively in Toronto Hydro-Electric System Limited service territory; Initiative was not evaluated in 2011, 2012, 2013 or 2014, assumptions as per 2010 evaluation.		

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Multifamily Energy Efficiency Rebates	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, 2012, 2013 or 2014, assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). If energy savings are not available, an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports).
Data Centre Incentive Program	Program run exclusively in PowerStream Inc. service territory; Initiative was not evaluated in 2011, assumptions as per 2009 evaluation.		
EnWin Green Suites	Program run exclusively in ENWIN Utilities Ltd. service territory; Initiative was not evaluated in 2011 or 2012, assumptions as per 2010 evaluation.		

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 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: Wasaga Distribution Inc. Initiative and Program Level Gross Savings by Year

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement**	Appliances	11	2	3	1	79,235	15,567	22,038	7,531
Appliance Exchange**	Appliances	2	0	2	6	2,087	174	3,510	10,529
HVAC Incentives	Equipment	48	41	62	95	88,989	72,693	112,695	180,320
Conservation Instant Coupon Booklet	Items	2	0	1	3	31,264	2,386	12,311	41,230
Bi-Annual Retailer Event	Items	3	3	2	8	48,398	52,578	29,582	126,405
Retailer Co-op	Items	0	0	0	0	0	0	0	0
Residential Demand Response	Devices	0	0	0	92	0	0	0	0
Residential Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Residential New Construction	Homes	0	0	0	0	0	0	0	0
Consumer Program Total		**65**	**46**	**70**	**205**	**249,974**	**143,398**	**180,135**	**366,015**
Business Program									
Retrofit	Projects	0	77	18	23	82,826	377,841	110,615	223,581
Direct Install Lighting	Projects	17	33	7	42	55,664	122,835	29,703	171,879
Building Commissioning	Buildings	0	0	0	0	0	0	0	0
New Construction	Buildings	0	0	0	0	0	0	0	0
Energy Audit	Audits	0	0	0	20	0	0	0	97,278
Small Commercial Demand Response	Devices	0	0	0	0	0	0	0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	68	68	69	50	2,636	984	917	0
Business Program Total		**84**	**177**	**93**	**135**	**141,126**	**501,660**	**141,236**	**492,738**
Industrial Program									
Process & System Upgrades	Projects	0	0	0	0	0	0	0	0
Monitoring & Targeting	Projects	0	0	0	0	0	0	0	0
Energy Manager	Projects	0	0	0	0	0	0	0	0
Retrofit	Projects	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	0	0	0	0	0	0	0	0
Industrial Program Total		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Home Assistance Program									
Home Assistance Program	Homes	0	0	1	0	0	0	6,682	1,371
Home Assistance Program Total		**0**	**0**	**1**	**0**	**0**	**0**	**6,682**	**1,371**
Aboriginal Program									
Home Assistance Program	Homes	0	0	0	0	0	0	0	0
Direct Install Lighting	Projects	0	0	0	0	0	0	0	0
Aboriginal Program Total		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	1	0	0	0	3,535	0	0	0
High Performance New Construction	Projects	0	0	0	0	283	394	0	0
Toronto Comprehensive	Projects	0	0	0	0	0	0	0	0
Multifamily Energy Efficiency Rebates	Projects	0	0	0	0	0	0	0	0
LDC Custom Programs	Projects	0	0	0	0	0	0	0	0
Pre-2011 Programs completed in 2011 Total		**1**	**0**	**0**	**0**	**3,818**	**394**	**0**	**0**
Other									
Program Enabled Savings	Projects	0	0	0	0	0	0	0	0
Time-of-Use Savings	Homes	0	0	0	55	0	0	0	0
LDC Pilots	Projects	0	0	0	0	0	0	0	0
Other Total		**0**	**0**	**0**	**55**	**0**	**0**	**0**	**0**
Adjustments to 2011 Verified Results			**2**	**0**	**0**		**47,259**	**0**	**0**
Adjustments to 2012 Verified Results				**3**	**1**			**4,795**	**14,341**
Adjustments to 2013 Verified Results					**4**				**8,745**
Energy Efficiency Total		**83**	**156**	**96**	**254**	**392,282**	**644,468**	**327,136**	**860,124**
Demand Response Total		**68**	**68**	**69**	**142**	**2,636**	**984**	**917**	**0**
Adjustments to Previous Years' Verified Results Total		**0**	**2**	**3**	**5**	**0**	**47,259**	**4,795**	**23,086**
OPA-Contracted LDC Portfolio Total (inc. Adjustments)		**150**	**227**	**167**	**401**	**394,917**	**692,711**	**332,848**	**883,210**

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

*Includes adjustments after Final Reports were issued

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

Gross results are presented for informational purposes only and are not considered official 2014 Final Verified Results

**Net results substituted for gross results due to unavailability of data

Table 12: Adjustments to Wasaga Distribution Inc. Gross Verified Results due to Variances

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement	Appliances	0	0	0		0	0	0	
Appliance Exchange	Appliances	0	0	0		0	0	0	
HVAC Incentives	Equipment	-7	3	4		-13,458	4,795	7,983	
Conservation Instant Coupon Booklet	Items	0	0	0		461	0	37	
Bi-Annual Retailer Event	Items	0	0	0		4,271	0	0	
Retailer Co-op	Items	0	0	0		0	0	0	
Residential Demand Response	Devices	0	0	0		0	0	0	
Residential Demand Response (IHD)	Devices	0	0	0		0	0	0	
Residential New Construction	Homes	0	0	0		0	0	0	
Consumer Program Total		**-7**	**3**	**4**		**-8,727**	**4,795**	**8,020**	
Business Program									
Retrofit	Projects	0	0	0		0	0	0	
Direct Install Lighting	Projects	0	0	0		0	0	0	
Building Commissioning	Buildings	0	0	0		0	0	0	
New Construction	Buildings	0	0	0		0	0	0	
Energy Audit	Audits	0	0	0		0	0	0	
Small Commercial Demand Response	Devices	0	0	0		0	0	0	
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0	
Demand Response 3	Facilities	0	0	0		0	0	0	
Business Program Total		**0**	**0**	**0**		**0**	**0**	**0**	
Industrial Program									
Process & System Upgrades	Projects	0	0	0		0	0	0	
Monitoring & Targeting	Projects	0	0	0		0	0	0	
Energy Manager	Projects	0	0	0		0	0	0	
Retrofit	Projects	0	0	0		0	0	0	
Demand Response 3	Facilities	0	0	0		0	0	0	
Industrial Program Total		**0**	**0**	**0**		**0**	**0**	**0**	
Home Assistance Program									
Home Assistance Program	Homes	0	0	0		0	14,418	725	
Home Assistance Program Total		**0**	**0**	**0**		**0**	**14,418**	**725**	
Aboriginal Program									
Home Assistance Program	Homes	0	0	0		0	0	0	
Direct Install Lighting	Projects	0	0	0		0	0	0	
Aboriginal Program Total		**0**	**0**	**0**		**0**	**0**	**0**	
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	10	0	0		55,986	0	0	
High Performance New Construction	Projects	0	0	0		0	0	0	
Toronto Comprehensive	Projects	0	0	0		0	0	0	
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0	
LDC Custom Programs	Projects	0	0	0		0	0	0	
Pre-2011 Programs completed in 2011 Total		**10**	**0**	**0**		**55,986**	**0**	**0**	
Other									
Program Enabled Savings	Projects	0	0	0		0	0	0	
Time-of-Use Savings	Homes	0	0	0		0	0	0	
LDC Pilots	Projects	0	0	0		0	0	0	
Other Total		**0**	**0**	**0**		**0**	**0**	**0**	
Adjustments to 2011 Verified Results		**2**				**47,259**			
Adjustments to 2012 Verified Results			**3**				**19,213**		
Adjustments to 2013 Verified Results				**4**				**8,745**	
Total Adjustments to Previous Years' Verified Results		**2**	**3**	**4**		**47,259**	**19,213**	**8,745**	

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

Gross results are presented for informational purposes only and are not considered official 2014 Final Verified Results

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

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement**	Appliances	6,750	2,011	3,151	3,579	45,971,627	13,424,518	18,616,239	20,315,770
Appliance Exchange**	Appliances	719	556	2,101	2,238	873,531	974,621	3,746,106	3,990,372
HVAC Incentives	Equipment	53,209	38,346	40,418	48,467	99,413,430	66,929,213	71,225,037	90,274,814
Conservation Instant Coupon Booklet	Items	1,184	231	464	1,442	19,192,453	1,325,898	6,842,244	19,000,254
Bi-Annual Retailer Event	Items	1,504	1,622	1,142	4,626	26,899,265	29,222,072	16,441,329	70,254,471
Retailer Co-op	Items	0	0	0	0	3,917	0	0	0
Residential Demand Response	Devices	10,390	49,038	93,076	117,513	23,597	359,408	390,303	8,379
Residential Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Residential New Construction	Homes	0	1	29	587	1,813	4,884	259,826	3,699,786
Consumer Program Total		**73,757**	**91,805**	**140,380**	**178,452**	**192,379,633**	**112,240,615**	**117,521,084**	**207,543,846**
Business Program									
Retrofit	Projects	34,201	78,965	82,896	98,849	184,070,265	387,817,248	478,410,896	642,515,421
Direct Install Lighting	Projects	22,155	20,469	19,807	24,794	65,777,197	68,896,046	68,140,249	89,528,509
Building Commissioning	Buildings	0	0	0	988	0	0	0	1,513,377
New Construction	Buildings	247	1,596	2,934	11,911	823,434	3,755,869	9,183,826	37,742,970
Energy Audit	Audits	0	1,450	4,283	9,367	0	7,049,351	23,386,108	46,012,517
Small Commercial Demand Response	Devices	55	187	773	2,116	131	1,068	373	319
Small Commercial Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	21,390	19,389	23,706	23,380	633,421	281,823	346,659	0
Business Program Total		**78,048**	**122,056**	**134,399**	**171,405**	**251,304,448**	**467,801,406**	**579,468,111**	**817,313,113**
Industrial Program									
Process & System Upgrades	Projects	0	0	313	12,287	0	0	2,799,746	90,463,617
Monitoring & Targeting	Projects	0	0	0	102	0	0	0	502,517
Energy Manager	Projects	0	1,034	3,953	5,767	0	7,067,535	24,438,070	44,929,364
Retrofit	Projects	6,372	0	0	0	38,412,408	0	0	0
Demand Response 3	Facilities	176,180	74,056	162,543	166,082	4,243,958	1,784,712	4,309,160	0
Industrial Program Total		**182,552**	**75,090**	**166,809**	**184,238**	**42,656,366**	**8,852,247**	**31,546,976**	**135,895,498**
Home Assistance Program									
Home Assistance Program	Homes	4	1,777	2,361	2,466	56,119	5,524,230	20,987,275	19,582,658
Home Assistance Program Total		**4**	**1,777**	**2,361**	**2,466**	**56,119**	**5,524,230**	**20,987,275**	**19,582,658**
Aboriginal Program									
Home Assistance Program	Homes	0	0	267	549	0	0	1,609,393	3,101,207
Direct Install Lighting	Projects	0	0	0	0	0	0	0	0
Aboriginal Program Total		**0**	**0**	**267**	**549**	**0**	**0**	**1,609,393**	**3,101,207**
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	40,418	0	0	0	223,956,390	0	0	0
High Performance New Construction	Projects	10,197	6,501	772	268	52,371,183	23,803,888	3,522,240	1,377,475
Toronto Comprehensive	Projects	33,467	0	0	802	174,070,574	0	0	7,085,257
Multifamily Energy Efficiency Rebates	Projects	2,553	0	0	0	9,774,792	0	0	0
LDC Custom Programs	Projects	534	0	0	0	649,140	0	0	0
Pre-2011 Programs completed in 2011 Total		**87,169**	**6,501**	**772**	**1,070**	**460,822,079**	**23,803,888**	**3,522,240**	**8,462,733**
Other									
Program Enabled Savings	Projects	0	2,177	3,692	5,500	0	525,011	4,075,382	19,035,337
Time-of-Use Savings	Homes	0	0	0	54,795	0	0	0	0
LDC Pilots	Projects	0	0	0	1,170	0	0	0	5,061,522
Other Total		**0**	**2,177**	**3,692**	**60,296**	**0**	**525,011**	**4,075,382**	**19,035,337**
Adjustments to 2011 Verified Results			**13,266**	**645**	**1,601**		**48,705,294**	**20,581**	**6,028**
Adjustments to 2012 Verified Results				**8,632**	**13,449**			**54,301,893**	**59,098,939**
Adjustments to 2013 Verified Results					**34,727**				**206,413,158**
Energy Efficiency Total		**213,515**	**156,735**	**168,583**	**289,384**	**942,317,539**	**616,320,385**	**753,683,966**	**1,210,925,694**
Demand Response Total		**208,015**	**142,670**	**280,099**	**309,091**	**4,901,107**	**2,427,011**	**5,046,495**	**8,698**
Adjustments to Previous Years' Verified Results Total		**0**	**13,266**	**9,277**	**49,777**	**0**	**48,705,294**	**54,322,474**	**265,518,125**
OPA-Contracted LDC Portfolio Total (inc. Adjustments)		**421,530**	**312,671**	**457,958**	**648,252**	**947,218,646**	**667,452,690**	**813,052,934**	**1,476,452,516**

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

Gross results are presented for informational purposes only and are not considered official 2014 Final Verified Results

**Net results substituted for gross results due to unavailability of data

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

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement	Appliances	0	0	0		0	0	0	
Appliance Exchange	Appliances	0	0	0		0	0	0	
HVAC Incentives	Equipment	-8,759	1,091	2,157		-16,241,086	1,952,473	3,873,449	
Conservation Instant Coupon Booklet	Items	15	0	1		255,975	0	20,668	
Bi-Annual Retailer Event	Items	117	0	0		2,373,616	0	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	1	1	115		330,093	2,009	701,488	
Consumer Program Total		**-8,628**	**1,092**	**2,273**		**-13,281,402**	**1,954,483**	**4,595,605**	
Business Program									
Retrofit	Projects	4,511	10,114	16,584		22,046,931	58,528,789	108,677,566	
Direct Install Lighting	Projects	541	217	49		1,346,618	781,858	174,460	
Building Commissioning	Buildings	0	0	0		0	0	0	
New Construction	Buildings	3,287	2,673	4,151		11,323,593	9,884,305	15,992,924	
Energy Audit	Audits	656	488	3,631		2,391,744	2,386,374	19,822,524	
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		**8,996**	**13,491**	**24,414**		**37,108,886**	**71,581,326**	**144,667,473**	
Industrial Program									
Process & System Upgrades	Projects	0	0	426		0	0	1,232,785	
Monitoring & Targeting	Projects	0	0	54		0	528,000	639,348	
Energy Manager	Projects	29	1,071	2,687		0	8,968,007	28,893,596	
Retrofit	Projects	0	0	0		0	0	0	
Demand Response 3	Facilities	0	0	0		0	0	0	
Industrial Program Total		**29**	**1,071**	**3,168**		**0**	**9,496,007**	**30,765,729**	
Home Assistance Program									
Home Assistance Program	Homes	0	222	791		0	1,316,749	4,321,794	
Home Assistance Program Total		**0**	**222**	**791**		**0**	**1,316,749**	**4,321,794**	
Aboriginal Program									
Home Assistance Program	Homes	0	0	134		0	0	563,715	
Direct Install Lighting	Projects	0	0	0		0	0	0	
Aboriginal Program Total		**0**	**0**	**134**		**0**	**0**	**563,715**	
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	266	0	0		1,049,108	0	0	
High Performance New Construction	Projects	13,072	727	405		23,905,663	5,665,066	1,535,048	
Toronto Comprehensive	Projects	0	1,920	529		0	12,924,335	3,783,965	
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		**13,337**	**2,647**	**934**		**24,954,771**	**18,589,400**	**5,319,013**	
Other									
Program Enabled Savings	Projects	1,776	3,712	2,020		1,673,712	11,481,687	10,688,564	
Time-of-Use Savings	Homes	0	0	0		0	0	0	
LDC Pilots	Projects	0	0	0		0	0	0	
Other Total		**1,776**	**3,712**	**2,020**		**1,673,712**	**11,481,687**	**10,688,564**	
Adjustments to 2011 Verified Results		**15,511**				**50,455,967**			
Adjustments to 2012 Verified Results			**22,235**				**114,419,652**		
Adjustments to 2013 Verified Results				**33,734**				**200,921,892**	
Adjustments to Previous Years' Verified Results Total		**15,511**	**22,235**	**33,734**		**50,455,967**	**114,419,652**	**200,921,892**	

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

*Includes adjustments after Final Reports were issued

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

Gross results are presented for informational purposes only and are not considered official 2014 Final Verified Results

Attachment G –LRAMVA Calculations

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LDC Info

Utility Name	Wasaga Distribution
Service Territory	Wasaga Beach
Assigned EB Number	EB-2015-0107
Name of Contact and Title	Brandon Weiss
Phone Number	705-429-2517
Email Address	B.weiss@wasagadist.ca
Bridge Year	2015
Test Year	2016
Last Rebasing Year	2012

Notes

Pale green cells represent input cells.

White cells contain fixed values, automatically generated values or formulae.

CornerstonE
Hydro Electric Concepts
LRAMVA

Customer Class & Current Tariff Sheet

Customer Class Name	Existing/ Proposed	MSC Metric	Usage Metric
Residential	**Exisitng**	Customer	kWh
General Service < 50 kW	**Existing**	Customer	kWh
General Service > 50 to 4999 kW	**Existing**	Customer	kW
Unmetered Scattered Load	**Existing**	Connection	kWh
Street Lighting	**Existing**	Connection	kW

Verified results updated	2013

Description	Residential	General Service < 50 kW	General Service > 50 to 4999 kW	Unmetered Scattered Load	Street Lighting	Total
2011 Forecast	$0.00	$0.00	$0.00	$0.00	$0.00	**$0.00**
2011 Verified	$2,662.42	$1,488.27	$1,621.34	$0.00	$0.00	**$5,772.03**
2011 Cleared						**$0.00**
2012 Forecast	-$7,988.48	-$1,541.20	-$1,341.61	$0.00	$0.00	**-$10,871.29**
2012 Verified	$4,016.38	$2,799.94	$5,475.09	$0.00	$0.00	**$12,291.41**
2012 Cleared						**$0.00**
2013 Forecast	-$7,811.38	-$1,525.87	-$1,325.56	$0.00	$0.00	**-$10,662.80**
2013 Actuals	$5,592.56	$3,482.04	$4,502.88	$0.00	$0.00	**$13,577.48**
2013 Cleared						**$0.00**
Balance	**-$6,019.93**	**$6,587.95**	**$10,401.18**	**$0.00**	**$0.00**	**$10,106.81**

Input amounts cleared by rate class.

[1] Update formula for most recent rate year

CornerstonE Hydro Electric Concepts LRAMVA

CDM Targets

Forecast Year	kWh	kW
2011		(146)
2012	802,000	(291)
2013	802,000	(291)
2014	802,000	(291)
	2,406,000	**(1,019)**

Table 2 - Savings Due to CDM Included in Approved Load Forecast

Forecast Year	Residential	General Service < 50 kW	General Service > 50 to 4999 kW	Unmetered Scattered Load	Street Lighting	Total
	kWh	kWh	kW	kWh	kW	
2011	0.00	0.00	0.00	0.00	0.00	
2012	559,287	115,015	291	-	-	
2013	559,287	115,015	291	-	-	
2014	559,287	115,015	291	-	-	

Notes: No CDM for 2011-2014 assumed in the most recent load forecast (2010 Cost of Service application)

Table 3 - Forecast Loss Revenue by Class

Forecast Year	Residential	General Service < 50 kW	General Service > 50 to 4999 kW	Unmetered Scattered Load	Street Lighting	Total
	$	$	$	$	$	$
2011	$ -	$ -	$ -	$ -	$ -	**$ -**
2012	$ 7,988	$ 1,541	$ 1,342	$ -	$ -	**$ 10,871**
2013	$ 7,811	$ 1,526	$ 1,326	$ -	$ -	**$ 10,663**
2014	$ 7,905	$ 1,545	$ 1,343	$ -	$ -	**$ 10,792**

CDM Adjustment as Approved in last Cost of Service

2011	Residential	General Service < 50 kW	General Service > 50 to 4999 kW	Unmetered Scattered Load	Street Lighting	Total
Approved Load Forecast	92,721,561	19,067,748	22,680,860	321,139.00	1,828,859.00	136,620,167
% of Billed	68%	14%	17%	0.00	0.01	100%
CDM Spread kWh	-	-	-	0.00	0.00	0.00
Adjusted Billed kWh with CDM Applied	92,721,561	19,067,748	22,680,860	321139.00	1828859.00	136,620,167

No CDM was applied to Load Forecast since to 2010.
The tables below will be used to show the OEB approved billed data from which CDM adjustments are derived

2012	Residential	General Service < 50 kW	General Service > 50 to 4999 kW	Unmetered Scattered Load	Street Lighting	Total
kWh						
Approved Billed Forecast Non CDM Adj	92,721,561	19,067,748	22,680,860	321,139.00	1,828,859.00	136,620,167
% of Billed	1	0	0	0.00	0.01	100%
Applied CDM kWh	(559,287)	(115,015)	(127,698)	-	-	(802,000)
Adjusted Billed kWh with CDM Applied	92,162,274	18,952,733	22,553,162	321139.00	1828859.00	135,818,167
kW						
2012 Weather Normal Billed kW	-	-	51,712	0.00	0.00	51,712
CDM kW Reduction	-	-	(291)	0.00	0.00	(291)
Adjusted Billed kWh with CDM Applied	-	-	51,421	0.00	0.00	51,421
kWh to KW Ratio			0.228%			

2013	Residential	General Service < 50 kW	General Service > 50 to 4999 kW	Unmetered Scattered Load	Street Lighting	Total
kWh						
Approved Billed Forecast Non CDM Adj	92,721,561	19,067,748	22,680,860	321,139.00	1,828,859.00	136,620,167
% of Billed	1	0	0	0.00	0.01	100%
Applied CDM kWh	(559,287)	(115,015)	(127,698)	-	-	(802,000)
Adjusted Billed kWh with CDM Applied	92,162,274	18,952,733	22,553,162	321139.00	1828859.00	135,818,167
kW						
2012 Weather Normal Billed kW	-	-	51,712	0.00	0.00	51,712
CDM kW Reduction	-	-	(291)	0.00	0.00	(291)
Adjusted Billed kWh with CDM Applied	-	-	51,421	0.00	0.00	51,421
kWh to KW Ratio			0.228%			

2014	Residential	General Service < 50 kW	General Service > 50 to 4999 kW	Unmetered Scattered Load	Street Lighting	Total
kWh						
Approved Billed Forecast Non CDM Adj	92,721,561	19,067,748	22,680,860	321,139.00	1,828,859.00	136,620,167
% of Billed	1	0	0	0.00	0.01	100%
Applied CDM kWh	(559,287)	(115,015)	(127,698)	-	-	(802,000)
Adjusted Billed kWh with CDM Applied	92,162,274	18,952,733	22,553,162	321139.00	1828859.00	135,818,167
kW						
2012 Weather Normal Billed kW	-	-	51,712	0.00	0.00	51,712
CDM kW Reduction	-	-	(291)	0.00	0.00	(291)
Adjusted Billed kWh with CDM Applied	-	-	51,421	0.00	0.00	51,421
kWh to KW Ratio			0.228%			

CornerstonE LRAMVA

Table 4 - Carrying Charges Prescribed Rates

Period	Board specified	Estimated	Used in calculations
2011 Q1	1.47%		1.47%
2011 Q2	1.47%		1.47%
2011 Q3	1.47%		1.47%
2011 Q4	1.47%		1.47%
2012 Q1	1.47%		1.47%
2012 Q2	1.47%		1.47%
2012 Q3	1.47%		1.47%
2012 Q4	1.47%		1.47%
2013 Q1	1.47%		1.47%
2013 Q2	1.47%		1.47%
2013 Q3	1.47%		1.47%
2013 Q4	1.47%		1.47%
2014 Q1	1.47%		1.47%
2014 Q2	1.47%		1.47%
2014 Q3		1.47%	1.47%
2014 Q4		1.47%	1.47%
2015 Q1		1.47%	1.47%
2015 Q2		1.47%	1.47%

Table 5 - Carrying Charges by Rate Class

Month	Quarter	Monthly Rate	Residential	General Service < 50 kW	General Service > 50 to 4999 kW	Unmetered Scattered Load	Street Lighting	Total
Jan-11	Q1	0.12%						
Feb-11	Q1	0.12%	$0.27	$0.15	$0.17	$0.00	$0.00	$0.59
Mar-11	Q1	0.12%	$0.54	$0.30	$0.33	$0.00	$0.00	$1.18
Apr-11	Q2	0.12%	$0.82	$0.46	$0.50	$0.00	$0.00	$1.77
Total for rate year 2010			$1.63	$0.91	$0.99	$0.00	$0.00	$3.54
Amount Cleared								$0.00
Opening Balance for rate year 2011			**$1.63**	**$0.91**	**$0.99**	**$0.00**	**$0.00**	**$3.54**
May-11	Q2	0.12%	$1.09	$0.61	$0.66	$0.00	$0.00	$2.36
Jun-11	Q2	0.12%	$1.36	$0.76	$0.83	$0.00	$0.00	$2.95
Jul-11	Q3	0.12%	$1.63	$0.91	$0.99	$0.00	$0.00	$3.54
Aug-11	Q3	0.12%	$1.90	$1.06	$1.16	$0.00	$0.00	$4.12
Sep-11	Q3	0.12%	$2.17	$1.22	$1.32	$0.00	$0.00	$4.71
Oct-11	Q4	0.12%	$2.45	$1.37	$1.49	$0.00	$0.00	$5.30
Nov-11	Q4	0.12%	$2.72	$1.52	$1.66	$0.00	$0.00	$5.89
Dec-11	Q4	0.12%	$2.99	$1.67	$1.82	$0.00	$0.00	$6.48
Jan-12	Q1	0.12%	$3.26	$1.82	$1.99	$0.00	$0.00	$7.07
Feb-12	Q1	0.12%	$2.86	$1.95	$2.41	$0.00	$0.00	$7.22
Mar-12	Q1	0.12%	$2.45	$2.08	$2.83	$0.00	$0.00	$7.36
Apr-12	Q2	0.12%	$2.05	$2.21	$3.25	$0.00	$0.00	$7.51
Total for rate year 2011			**$28.55**	**$18.09**	**$21.40**	**$0.00**	**$0.00**	**$68.04**
Amount Cleared								$0.00
Opening Balance for rate year 2012			**$28.55**	**$18.09**	**$21.40**	**$0.00**	**$0.00**	**$68.04**
May-12	Q2	0.12%	$1.64	$2.34	$3.67	$0.00	$0.00	$7.65
Jun-12	Q2	0.12%	$1.23	$2.47	$4.10	$0.00	$0.00	$7.80
Jul-12	Q3	0.12%	$0.83	$2.59	$4.52	$0.00	$0.00	$7.94
Aug-12	Q3	0.12%	$0.42	$2.72	$4.94	$0.00	$0.00	$8.09
Sep-12	Q3	0.12%	$0.02	$2.85	$5.36	$0.00	$0.00	$8.23
Oct-12	Q4	0.12%	-$0.39	$2.98	$5.78	$0.00	$0.00	$8.38
Nov-12	Q4	0.12%	-$0.79	$3.11	$6.21	$0.00	$0.00	$8.52
Dec-12	Q4	0.12%	-$1.20	$3.24	$6.63	$0.00	$0.00	$8.67
Jan-13	Q1	0.12%	-$1.60	$3.37	$7.05	$0.00	$0.00	$8.81
Feb-13	Q1	0.12%	-$1.83	$3.56	$7.37	$0.00	$0.00	$9.11
Mar-13	Q1	0.12%	-$2.06	$3.76	$7.70	$0.00	$0.00	$9.41
Apr-13	Q2	0.12%	-$2.28	$3.96	$8.02	$0.00	$0.00	$9.70
Total for rate year 2012			**$22.54**	**$55.04**	**$92.75**	**$0.00**	**$0.00**	**$170.33**
Amount Cleared								$0.00
Opening Balance for rate year 2013			**$22.54**	**$55.04**	**$92.75**	**$0.00**	**$0.00**	**$170.33**
May-13	Q2	0.12%	-$2.51	$4.16	$8.35	$0.00	$0.00	$10.00
Jun-13	Q2	0.12%	-$2.74	$4.36	$8.67	$0.00	$0.00	$10.30
Jul-13	Q3	0.12%	-$2.96	$4.56	$9.00	$0.00	$0.00	$10.60
Aug-13	Q3	0.12%	-$3.19	$4.76	$9.32	$0.00	$0.00	$10.89
Sep-13	Q3	0.12%	-$3.42	$4.96	$9.64	$0.00	$0.00	$11.19
Oct-13	Q4	0.12%	-$3.64	$5.16	$9.97	$0.00	$0.00	$11.49
Nov-13	Q4	0.12%	-$3.87	$5.36	$10.29	$0.00	$0.00	$11.79
Dec-13	Q4	0.12%	-$4.10	$5.56	$10.62	$0.00	$0.00	$12.08
Jan-14	Q1	0.12%	-$4.32	$5.76	$10.94	$0.00	$0.00	$12.38
Feb-14	Q1	0.12%	-$4.58	$5.95	$11.08	$0.00	$0.00	$12.45
Mar-14	Q1	0.12%	-$4.84	$6.13	$11.22	$0.00	$0.00	$12.52
Apr-14	Q2	0.12%	-$5.09	$6.32	$11.36	$0.00	$0.00	$12.59
Total for rate year 2013			**-$22.72**	**$118.11**	**$213.22**	**$0.00**	**$0.00**	**$308.62**
Amount Cleared								$0.00
Opening Balance for rate year 2014			**-$22.72**	**$118.11**	**$213.22**	**$0.00**	**$0.00**	**$308.62**
May-14	Q2	0.12%	-$5.35	$6.51	$11.50	$0.00	$0.00	$12.66
Jun-14	Q2	0.12%	-$5.61	$6.70	$11.64	$0.00	$0.00	$12.73
Jul-14	Q3	0.12%	-$5.86	$6.88	$11.78	$0.00	$0.00	$12.80
Aug-14	Q3	0.12%	-$6.12	$7.07	$11.93	$0.00	$0.00	$12.88
Sep-14	Q3	0.12%	-$6.38	$7.26	$12.07	$0.00	$0.00	$12.95
Oct-14	Q4	0.12%	-$6.63	$7.44	$12.21	$0.00	$0.00	$13.02
Nov-14	Q4	0.12%	-$6.89	$7.63	$12.35	$0.00	$0.00	$13.09
Dec-14	Q4	0.12%	-$7.15	$7.82	$12.49	$0.00	$0.00	$13.16
Jan-15	Q1	0.12%	-$7.40	$8.00	$12.63	$0.00	$0.00	$13.23
Feb-15	Q1	0.12%	-$7.40	$8.00	$12.63	$0.00	$0.00	$13.23
Mar-15	Q1	0.12%	-$7.40	$8.00	$12.63	$0.00	$0.00	$13.23
Apr-15	Q2	0.12%	-$7.40	$8.00	$12.63	$0.00	$0.00	$13.23
Total for rate year 2014			**-$102.30**	**$207.42**	**$359.70**	**$0.00**	**$0.00**	**$464.82**
Amount Cleared								$0.00
Opening Balance for rate year 2015			-$102.30	$207.42	$359.70	$0.00	$0.00	$464.82

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Table 6 - Distribution Rates

Rate Class	Billing Unit	2011	2012	2013	2014	May 1, 2010 to Apr 30, 2011	May 1, 2011 to Apr 30, 2012	May 1, 2012 to November 30, 2012	December 1, 2012 to Apr 30, 2013	May 1, 2013 to Apr 30, 2014	May 1, 2014 to Apr 30, 2015
For "Calendar" rate year							2011	2012	2012	2013	2014
Pro-ratio of Rates (months) - Period 1							4	4	1	4	4
Pro-ratio of Rates (months) - Period 2							8	7	0	8	8
Residential	kWh	0.0147	0.0143	0.0140	0.0141	0.0147	0.0147	0.0141	0.0139	0.0140	0.0142
General Service < 50 kW	kWh	0.0138	0.0134	0.0133	0.0134	0.0138	0.0138	0.0132	0.0132	0.0133	0.0135
General Service > 50 to 4999 kW	kW	4.7456	4.6079	4.5528	4.6118	4.7425	4.7472	4.5383	4.5383	4.5601	4.6376
Standy Power - Approved on an Interim Basis	kW	0.0000	0.0000	0.0000	0.0000						
Unmetered Scattered Load	kWh	0.0138	0.0129	0.0076	0.0077	0.0138	0.0138	0.0132	0.0076	0.0076	0.0077
Sentinel Lighting	kW	0.0000	0.0000	0.0000	0.0000						
Street Lighting	kW	0.1436	0.1986	0.8500	0.8611	0.1435	0.1436	0.1373	0.8473	0.8514	0.8659

References:

	May 1, 2010 to Apr 30, 2011	May 1, 2011 to Apr 30, 2012	May 1, 2012 to November 30, 2012	December 1, 2012 to Apr 30, 2013	May 1, 2013 to Apr 30, 2014	May 1, 2014 to Apr 30, 2015
Decision & Orders relating to rates:	EB-2009-0209	EB-2010-0143	EB-2011-0103	EB-2011-0103	EB-2012-0171	EB-2013-0175

Table 7: Allocation of Program Savings Across Rate Classes 2011

#	Initiative	Results Status	Net Incremental Peak Demand Savings (kW)	Net Incremental Energy Savings (kWh)	Rate Allocation for LRAMVA								
			2011 kW Saved	2011 kWh Saved	Residential	General Service < 50 kW	General Service > 50 to 4999 kW	Standy Power - Approved on an Interim Basis	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	other	Total
	Consumer Program												
1	Appliance Retirement	Verified	5	39,547	100%								100%
2	Appliance Exchange	Verified	1	1,076	100%								100%
3	HVAC Incentives	Verified	29	53,128	100%								100%
4	Conservation Instant Coupon Booklet	Verified	2	34,491	100%								100%
5	Bi-Annual Retailer Event	Verified	3	52,875	100%								100%
6	Retailer Co-op	Verified			100%								100%
7	Residential Demand Response	Verified			100%								100%
8	Residential New Construction	Verified			100%								100%
	Business Program												
9	Retrofit	Verified	0	56,159		100%	0%						100%
10	Direct Install Lighting	Verified	18	51,687		100%							100%
11	Building Commissioning	Verified											0%
12	New Construction	Verified											0%
13	Energy Audit	Verified											0%
14	Commercial Demand Response (part of resid	Verified											0%
15	Demand Response 3	Verified	68	2,636			100%						100%
	Industrial Program												
16	Process & System Upgrades	Verified											0%
17	Monitoring & Targeting	Verified											0%
18	Energy Manager	Verified											0%
19	Retrofit	Verified											0%
20	Demand Response 3	Verified					100%						100%
	Home Assistance Program												
21	Home Assistance Program	Verified			100%								100%
	Pre-2011 Programs completed in 2011												
22	Electricity Retrofit Incentive Program	Verified	0	1,838			100%						100%
23	High Performance New Construction	Verified	0	142			100%						100%
24	Toronto Comprehensive	Verified											0%
25	Multifamily Energy Efficiency Rebates	Verified											0%
	Total kWh		**59**	**290,942**	**181,117**	**107,846**	**1,980**	**0**	**0**	**0**	**0**		**290,942**
12	**Total GS > 50 kW excluding Demand Response 3**						**4**	**0**	**0**	**0**	**0**		**4**
5	**Demand Response Total (Scenario 1)**		**68**	**2,636**			**338**	**0**	**0**	**0**	**0**		**338**
	OPA-Contracted LDC Portfolio Total		**126**	**293,578**									
	Rate				$0.0147	$0.0138	$4.7456	$0.0000	$0.0138	$0.0000	$0.1436		
	Lost Revenue in 2011				**$2,662**	**$1,488**	**$1,621**	**$0**	**$0**	**$0**	**$0**		**$5,772**
	2011 Savings Persisting in 2012				**179,269**	**106,745**	**2**	**0**	**0**	**0**	**0**		
	2011 Savings Persisting in 2013				**179,269**	**106,745**	**2**	**0**	**0**	**0**	**0**		
	2011 Savings Persisting in 2014				**160,787**	**95,741**	**2**	**0**	**0**	**0**	**0**		

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Table 8: Allocation of Program Savings Across Rate Classes
2012

#	Initiative	Results Status	Net Incremental Peak Demand Savings (kW)	Net Incremental Energy Savings (kWh)	Rate Allocation for LRAMVA								
			2012 kW Saved	2012 kWh Saved	Residential	General Service < 50 kW	General Service > 50 to 4999 kW	Standy Power - Approved on an Interim Basis	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	other	Total
	Consumer Program												
1	Appliance Retirement	Verified	2	15,567	100%								100%
2	Appliance Exchange	Verified	0	174	100%								100%
3	HVAC Incentives	Verified	20	35,481	100%								100%
4	Conservation Instant Coupon Booklet	Verified	0	2,516	100%								100%
5	Bi-Annual Retailer Event	Verified	3	48,187	100%								100%
6	Retailer Co-op	Verified			100%								100%
7	Residential Demand Response (switch/pstat)	Verified			100%								100%
8	Residential Demand Response (IHD)	Verified			100%								100%
9	Residential New Construction	Verified			100%								100%
	2011 True-up (Verified Errors & Omissions)												
3a	HVAC Incentives	True-Up			100%								100%
4a	Conservation Instant Coupon Booklet	True-Up			100%								100%
5a	Bi-Annual Retailer Event	True-Up			100%								100%
	Business Program												
10	Retrofit	Verified	71	395,203		0%	100%						100%
11	Direct Install Lighting	Verified	24	102,205		100%							100%
12	Building Commissioning	Verified											0%
13	New Construction	Verified											0%
14	Energy Audit	Verified											0%
15	Small Commercial Demand Response (switch/pstat)*	Verified											0%
16	Small Commercial Demand Response (IHD)	Verified											0%
17	Demand Response 3	Verified					100%						100%
	2011 True-up (Verified Errors & Omissions)												
11a	Direct Install Lighting	True-Up				100%							100%
	Industrial Program												
18	Process & System Upgrades	Verified											0%
19	Monitoring & Targeting	Verified											0%
20	Energy Manager	Verified											0%
21	Retrofit	Verified											0%
22	Demand Response 3	Verified	68	984			100%						100%
	Home Assistance Program												
23	Home Assistance Program	Verified			100%								100%
	Pre-2011 Programs completed in 2011												
24	Electricity Retrofit Incentive Program	Verified					100%						100%
25	High Performance New Construction	Verified		197			100%						100%
26	Toronto Comprehensive	Verified											0%
27	Multifamily Energy Efficiency Rebates	Verified											0%
28	LDC Custom Programs	Verified											0%
	2011 True-up (Verified Errors & Omissions)												
22a	High Performance New Construction	True-Up					100%						100%
	Other												
29	Program Enabled Savings	Verified											0%
30	Time-of-Use Savings	Verified											0%
	Total kWh		**120**	**599,530**	**101,924**	**102,205**	**395,400**	**0**	**0**	**0**	**0**		**599,530**
12	**Total GS > 50 kW excluding Demand Response 3**						**848**	**0**	**0**	**0**	**0**		**848**
5	**Demand Response Total (Scenario 1)**		**68**	**984**			**339**	**0**	**0**	**0**	**0**		**339**
	OPA-Contracted LDC Portfolio Total		**188**	**600,514**									
	Rate				$0.0143	$0.0134	$4.6079	$0.0000	$0.0129	$0.0000	$0.1986		
	Lost Revenue in 2012 from 2012				$1,456	$1,370	$5,466	$0	$0	$0	$0		$8,292
	Lost Revenue in 2012 from 2011				$2,561	$1,430	$9	$0	$0	$0	$0		$4,000
	Total Lost Revenue in 2012				**$4,016**	**$2,800**	**$5,475**	**$0**	**$0**	**$0**	**$0**		**$12,291**
	2012 Savings Persisting in 2013				**101,762**	**102,042**	**543**	**0**	**0**	**0**	**0**		
	2012 Savings Persisting in 2014				**101,762**	**102,042**	**543**	**0**	**0**	**0**	**0**		

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Table 10: Allocation of Program Savings Across Rate Classes
2013

#	Initiative	Results Status	Net Incremental Peak Demand Savings (kW)	Net Incremental Energy Savings (kWh)	Rate Allocation for LRAMVA								
			2013 kW Saved	2013 kWh Saved	Residential	General Service < 50 kW	General Service > 50 to 4999 kW	Standy Power - Approved on an Interim Basis	Unmetered Scattered Load	Sentinel Lighting	Street Lighting	other	Total
	Consumer Program												
1	Appliance Retirement	Verified	1	10,423	100%								100%
2	Appliance Exchange	Verified	1	1,847	100%								100%
3	HVAC Incentives	Verified	31	55,661	100%								100%
4	Conservation Instant Coupon Booklet	Verified	1	13,868	100%								100%
5	Bi-Annual Retailer Event	Verified	2	30,911	100%								100%
6	Retailer Co-op	Verified			100%								100%
7	Residential Demand Response (switch/pstat)	Verified			100%								100%
8	Residential Demand Response (IHD)	Verified			100%								100%
9	Residential New Construction	Verified			100%								100%
	2012 True-up (Verified Errors & Omissions)												
		True-up											
		True-up											
		True-up											
	Business Program												
10	Retrofit	Verified	13	77,702		33%	67%						100%
11	Direct Install Lighting	Verified	6	28,036		100%							100%
12	Building Commissioning	Verified											0%
13	New Construction	Verified											0%
14	Energy Audit	Verified											0%
15	Small Commercial Demand Response (switch/pstat)*	Verified											0%
16	Small Commercial Demand Response (IHD)	Verified											0%
17	Demand Response 3	Verified	69	917			100%						100%
	2012 True-up (Verified Errors & Omissions)												
		True-up											
		True-up											
		True-up											
	Industrial Program												
18	Process & System Upgrades	Verified											0%
19	Monitoring & Targeting	Verified											0%
20	Energy Manager	Verified											0%
21	Retrofit	Verified											0%
22	Demand Response 3	Verified					100%						100%
	2012 True-up (Verified Errors & Omissions)												
		True-up											
	Home Assistance Program												
23	Home Assistance Program	Verified	1	6,682	100%								100%
	2012 True-up (Verified Errors & Omissions)												
		True-up											
	Pre-2011 Programs completed in 2011												
24	Electricity Retrofit Incentive Program	Verified					100%						100%
25	High Performance New Construction	Verified					100%						100%
26	Toronto Comprehensive	Verified											0%
27	Multifamily Energy Efficiency Rebates	Verified											0%
28	LDC Custom Programs	Verified											0%
	2012 True-up (Verified Errors & Omissions)												
		True-up											
	Other												
29	Program Enabled Savings	Verified											0%
30	Time-of-Use Savings	Verified											0%
	Total kWh		**56**	**225,129**	**119,391**	**53,678**	**52,977**	**0**	**0**	**0**	**0**		**226,046**
12	**Total GS > 50 kW excluding Demand Response 3**						**101**	**0**	**0**	**0**	**0**		**101**
5	**Demand Response Total (Scenario 1)**		**69**	**917**			**343**	**0**	**0**	**0**	**0**		**343**
	OPA-Contracted LDC Portfolio Total		**125**	**226,046**									
	Rate				$0.0140	$0.0133	$4.5528	$0.0000	$0.0076	$0.0000	$0.8500		
	Lost Revenue in 2013 from 2013				$1,667	$712	$2,023	$0	$0	$0	$0		$4,403
	Lost Revenue in 2013 from 2012				$1,421	$1,354	$2,471	$0	$0	$0	$0		$5,246
	Lost Revenue in 2013 from 2011				$2,504	$1,416	$9	$0	$0	$0	$0		$3,929
	Total Lost Revenue in 2013				**$5,593**	**$3,482**	**$4,503**	**$0**	**$0**	**$0**	**$0**		**$13,577**
	2013 Savings Persisting in 2014				**118,863**	**53,440**	**45**	**0**	**0**	**0**	**0**		