

**John A.D. Vellone**  
T (416) 367-6730  
F (416) 361-2758  
[jvellone@blg.com](mailto:jvellone@blg.com)

**James K. Little**  
T (416) 367-6299  
F (416) 361-7332  
[jlittle@blg.com](mailto:jlittle@blg.com)

Borden Ladner Gervais LLP  
Scotia Plaza, 40 King St W  
Toronto, ON, Canada M5H 3Y4  
T 416.367.6000  
F 416.367.6749  
[blg.com](http://blg.com)



October 1, 2015

**Delivered by RESS, Email and Courier**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
Suite 2701  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re:       Waterloo North Hydro Inc. ("WNH")  
          Board File No. EB-2015-0108  
          Settlement Proposal**

We are counsel to WNH in the above captioned matter. We are pleased to advise the Board that the parties were able to arrive at a complete settlement in respect of the above noted matter.

Further to the letter dated September 29, 2015 from Mr. John Pickernell, please find enclosed a copy of the Settlement Proposal and related supporting documentation in relation to this matter.

In respect of OPEBs we note that at footnote number 1 of the attached Settlement Proposal: "All of the Parties recognize that the Board intends to hold a generic policy discussion on this matter, and that nothing in this settlement is intended to limit the positions any of the Parties may take in that more general policy discussion." WNH continues to be of the opinion that the OPEBs account should be maintained on an accrual basis. WNH reserves its right to make submissions to this effect on its own or as part of a group in the Board's generic policy process.

Yours very truly,

**BORDEN LADNER GERVAIS LLP**  
Per:

*Original signed by John A.D. Vellone*

John A.D. Vellone

cc:     Chris Amos, Waterloo North Hydro  
          Parties in EB-2015-0108

**EB-2015-0108**

**IN THE MATTER OF** the *Ontario Energy Board Act*,  
1998, S.O. 1998, c. 15, (Schedule B);

**AND IN THE MATTER OF** an application by Waterloo  
Hydro Inc. for an order approving just and reasonable rates  
and other charges for electricity distribution to be effective  
January 1, 2016.

**WATERLOO NORTH HYDRO INC.**

**SETTLEMENT PROPOSAL**

**October 1, 2015**

## Waterloo North Hydro Inc.

EB-2015-0108

### Settlement Proposal

#### Table of Contents

<b>SUMMARY.....</b>	<b>6</b>
<b>1. PLANNING.....</b>	<b>7</b>
1.1 Capital.....	7
1.2 OM&A.....	10
<b>2. REVENUE REQUIREMENT .....</b>	<b>13</b>
2.1 Are all elements of the Base Revenue Requirement reasonable, and have they been appropriately determined in accordance with OEB policies and practices? .....	13
2.2 Has the Base Revenue Requirement been accurately determined based on these elements? .....	17
<b>3. LOAD FORECAST, COST ALLOCATION AND RATE DESIGN .....</b>	<b>18</b>
3.1 Are the proposed load and customer forecast, loss factors, CDM adjustments and resulting billing determinants appropriate, and, to the extent applicable, are they an appropriate reflection of the energy and demand requirements of the applicant's customers? .....	18
3.2 Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios appropriate? .....	22
3.3 Are the applicant's proposals, including the proposed fixed/variable splits, for rate design appropriate? .....	24
3.4 Are the proposed Retail Transmission Service Rates and Low Voltage service rates appropriate? .....	27
<b>4. ACCOUNTING.....</b>	<b>28</b>
4.1 Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified and recorded, and is the rate-making treatment of each of these impacts appropriate? .....	28
4.2 Are the applicant's proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, and the continuation of existing accounts, appropriate? .....	29
<b>APPENDIX A – WNH 2016 TARIFF SHEET .....</b>	<b>37</b>
<b>APPENDIX B – OEB APPENDIX 2-AB.....</b>	<b>49</b>
<b>APPENDIX C – 2016 FIXED ASSET CONTINUITY SCHEDULE .....</b>	<b>50</b>
<b>APPENDIX D – BILL IMPACTS .....</b>	<b>51</b>
<b>APPENDIX E – OEB APPENDIX 2-EC, ACCOUNT 1576 .....</b>	<b>52</b>
<b>APPENDIX F – DRAFT ACCOUNTING ORDER – WIRELESS AND WIRELINE .....</b>	<b>53</b>
<b>APPENDIX G – DRAFT ACCOUNTING ORDER – MS DISPOSITION .....</b>	<b>55</b>
<b>APPENDIX H – DRAFT ACCOUNTING ORDER – OPEB .....</b>	<b>56</b>
<b>APPENDIX I - OPA/IESO FINAL 2011-2014 CDM RESULTS .....</b>	<b>58</b>

#### LIVE EXCEL MODELS

In addition to the Appendices listed above, the following live excel models have been filed together with and form an integral part of this Settlement Proposal:

Waterloo\_2016\_COS\_2015\_EDDVAR\_Continuity Schedule\_Settlement\_20151001  
Waterloo\_2016\_COS\_Cost\_Allocation\_Model\_Settlement\_20151001  
Waterloo\_2016\_Test\_Year\_Income\_Tax\_PILs\_Workform\_Settlement\_20151001  
Waterloo\_2016\_Bill\_Impacts\_Appendix 2-W\_Settlement\_20151001  
Waterloo\_2016\_Load\_Forecast\_Model\_Settlement\_20151001  
Waterloo\_2016\_Revised\_Rev\_Reqt\_Work\_Form\_V6\_Settlement\_20151001  
Waterloo\_2016\_Proposed\_Tariff\_Schedule\_Appendix 2-Z\_Settlement\_20151001

**Waterloo North Hydro Inc.**

**EB-2015-0108**

**Settlement Proposal**

**Filed with OEB:** October 1, 2015

Waterloo North Hydro Inc. (the “Applicant” or “WNH”) filed an application with the Ontario Energy Board (the “Board”) on May 1, 2015, as updated on May 12, 2015 under section 78 of the Ontario Energy Board Act, 1998, S.O. 1998, c. 15, (Schedule B) (the “Act”), seeking approval for changes to the rates that WNH charges for electricity distribution, to be effective January 1, 2016 (Board Docket Number EB-2015-0108) (the “Application”).

The Board issued and WNH published a Notice of Application and Hearing dated June 5, 2015 and Procedural Order No. 1 on June 22, 2015, the latter of which required the parties to the proceeding to develop a draft issues list.

WNH filed its interrogatory responses with the Board on July 31, 2015 and August 7, 2015, pursuant to which WNH updated several models and submitted them to the Board as Excel documents. To clarify matters arising from interrogatories, a technical conference was held on August 19, 2015. On August 24, 2015, following the interrogatories and technical conference, OEB staff submitted a proposed issues list as agreed to by the parties. On August 31, 2015 the Board issued its decision on the proposed issues list, approving the list submitted by OEB staff, and made provision for a settlement conference.

This Settlement Proposal is filed with the Board in connection with the Application.

Further to the Board’s Procedural Order No. 1 and its Issues List Decision, a settlement conference was convened on September 3, 2015 and continued to September 4, 2015 in accordance with the Board’s *Rules of Practice and Procedure* (the “Rules”) and the Board’s *Settlement Conference Guidelines* (the “Guidelines”). Jim Faught acted as facilitator for the settlement conference which lasted for two days.

WNH and the following intervenors (the “Intervenors”), participated in the settlement conference:

University of Waterloo via E2 Energy Inc. (“UofW”);  
Energy Probe Research Foundation (“EP”);  
School Energy Coalition (“SEC”); and  
Vulnerable Energy Consumers Coalition (“VECC”).

WNH and the Intervenors are collectively referred to below as the “Parties”.

Ontario Energy Board staff (“OEB staff”) also participated in the settlement conference. The role adopted by OEB staff is set out in page 5 of the Guidelines. Although OEB staff is not a party to this Settlement Proposal, as noted in the Guidelines, OEB staff who did participate in the

settlement conference are bound by the same confidentiality requirements that apply to the Parties to the proceeding.

This document is called a “Settlement Proposal” because it is a proposal by the Parties to the Board to settle the issues in this proceeding. It is termed a proposal as between the Parties and the Board. However, as between the Parties, and subject only to the Board’s approval of this Settlement Proposal, this document is intended to be a legal agreement, creating mutual obligations, and binding and enforceable in accordance with its terms. As set forth later in this Preamble, this agreement is subject to a condition subsequent, that if it is not accepted by the Board in its entirety, then unless amended by the Parties it is null and void and of no further effect. In entering into this agreement, the Parties understand and agree that, pursuant to the Act, the Board has exclusive jurisdiction with respect to the interpretation and enforcement of the terms hereof.

These settlement proceedings are subject to the rules relating to privilege contained in the Guidelines. The Parties understand this to mean that the documents and other information provided, the discussion of each issue, the offers and counter-offers, and the negotiations leading to the settlement – or not – of each issue during the settlement conference are strictly privileged and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception: the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Proposal.

This Settlement Proposal provides a brief description of each of the settled and partially settled issues, as applicable, together with references to the evidence. The Parties agree that references to the “evidence” in this Settlement Proposal shall, unless the context otherwise requires, include (a) additional information included by the Parties in this Settlement Proposal, and (b) the Appendices to this document. The supporting Parties for each settled and partially settled issue, as applicable, agree that the evidence in respect of that settled or partially settled issue, as applicable, is sufficient in the context of the overall settlement to support the proposed settlement, and the sum of the evidence in this proceeding provides an appropriate evidentiary record to support acceptance by the Board of this Settlement Proposal.

There are Appendices to this Settlement Proposal which provide further support for the proposed settlement. The Parties acknowledge that the Appendices were prepared by WNH. While the Intervenor has reviewed the Appendices, the Intervenor is relying on the accuracy of the underlying evidence in entering into this Settlement Proposal.

Outlined below are the final positions of the Parties following the settlement conference. For ease of reference, this Settlement Proposal follows the format of the final approved issues list for the Application attached to Procedural Order No. 2.

The Parties are pleased to advise the Board that they have reached a complete agreement with respect to the settlement of all of the issues in this proceeding. Specifically:

<b>“Complete Settlement”</b> means an issue for which complete settlement was reached by all Parties, and if this Settlement Proposal is accepted by the Board, the Parties will not adduce any	# issues settled:
---	-------------------

evidence or argument during the oral hearing in respect of these issues.	<b>All</b>
<b>“Partial Settlement”</b> means an issue for which there is partial settlement, as WNH and the Intervenors who take any position on the issue were able to agree on some, but not all, aspects of the particular issue. If this Settlement Proposal is accepted by the Board, the Parties who take any position on the issue will only adduce evidence and argument during the hearing on those portions of the issues not addressed in this Settlement Proposal.	# issues partially settled: <b>None</b>
<b>“No Settlement”</b> means an issue for which no settlement was reached. WNH and the Intervenors who take a position on the issue will adduce evidence and/or argument at the hearing on the issue.	# issues not settled: <b>None</b>

If applicable, a Party who is noted as taking no position on an issue may or may not have participated in the discussion on that particular issue, but in either case such Party takes no position a) on the settlement reached, and b) on the sufficiency of the evidence filed to date.

According to the Guidelines (p. 3), the Parties must consider whether a Settlement Proposal should include an appropriate adjustment mechanism for any settled issue that may be affected by external factors. These adjustments are specifically set out in the text of the Settlement Proposal.

The Parties have settled the issues as a package, and none of the parts of this Settlement Proposal are severable. If the Board does not accept this Settlement Proposal in its entirety, then there is no settlement (unless the Parties agree in writing that any part(s) of this Settlement Proposal that the Board does accept may continue as a valid settlement without inclusion of any part(s) that the Board does not accept).

In the event that the Board directs the Parties to make reasonable efforts to revise the Settlement Proposal, the Parties agree to use reasonable efforts to discuss any potential revisions, but no Party will be obligated to accept any proposed revision. The Parties agree that all of the Parties who took on a position on a particular issue must agree with any revised Settlement Proposal as it relates to that issue prior to its resubmission to the Board.

Unless stated otherwise, the settlement of any particular issue in this proceeding and the positions of the Parties in this Settlement Proposal are without prejudice to the rights of Parties to raise the same issue and/or to take any position thereon in any other proceeding, whether or not WNH is a party to such proceeding.

## SUMMARY

In reaching this complete settlement, the Parties have been guided by the Filing Requirements for 2015 rates, the approved issues list attached as Schedule A to the Board's decision of August 31, 2015, and the Report of the Board titled *Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach* dated October 18, 2012 ("RRFE").

This Settlement Proposal reflects a complete settlement of the issues in this proceeding.

The Parties believe that, since there are no areas of disagreement among the Parties, no oral hearing is required if this Settlement Proposal is accepted.

Based on the foregoing, and the evidence and rationale provided below, the parties agree that this Settlement Proposal is appropriate and recommend its acceptance by the Board. Please refer to Appendix A for the schedule of draft tariffs resulting if this settlement is accepted by the Board, subject only to updating the cost of capital parameters as discussed expressly in the settlement below. This Settlement Proposal reflects the Parties agreement on an effective date for new rates of January 1, 2016.

## 1. Planning

### 1.1 Capital

*Is the level of planned capital expenditures appropriate and is the rationale for planning and pacing choices appropriate and adequately explained, giving due consideration to:*

- *customer feedback and preferences;*
- *productivity;*
- *benchmarking of costs;*
- *reliability and service quality;*
- *impact on distribution rates;*
- *trade-offs with OM&A spending;*
- *government-mandated obligations; and*
- *the objectives of the Applicant and its customers*

**Complete Settlement:** For the purposes of the settlement of all of the issues in this proceeding, WNH agrees to adjust its 2015 rate base and test year capital plan to reflect the following changes:

- WNH agrees to remove MS3 from the 2016 opening rate base which amounts to a reduction of the Net Book Value of \$2,112 (Cost \$22,648, Accumulated Depreciation \$20,536 = \$2,112 Net Book Value) to reflect the fact that MS3 was taken out of service before January 1, 2016 as described in 1-EP-5 and JTC1.1.;
- WNH agrees to remove MS1 from 2016 closing rate base which amounts to a reduction of the Net Book Value of \$26,562 (Cost \$50,783, Accumulated Depreciation \$24,221 = \$26,562 Net Book Value) to reflect the fact that MS1 is forecast to be taken out of service by December 31, 2016 as described in 1-EP-5 and JTC1.1.;
- Recognizing the Board intends to address the method for accounting of OPEBs in rates as part of a generic policy process, WNH agrees to increase its test year capital expenditures by \$86,000 to account for the capitalization of the cash amount to reflect the recovery of OPEBs on a cash, rather than an accrual, basis,<sup>1</sup> subject to the approval of a new variance account as described further in the settlement of issue 4.2 below to record the difference in rates between these two methodologies pending the Board's final determination on the generic policy issue;
- A reduction of \$500,000 to in capital additions for the test year. This will allow for a steadier pacing of capital expenditures and an incentive for WNH to increase its productivity for its capital program. WNH proposes to achieve this reduction

---

<sup>1</sup> All of the Parties recognize that the Board intends to hold a generic policy discussion on this matter, and that nothing in this settlement is intended to limit the positions any of the Parties may take in that more general policy discussion.



in capital additions, in part, by deferring some of the projects originally planned for the test year in a manner largely consistent with the prioritization process described in the Distribution System Plan (Exhibit 2, Appendix 2-A).

With the above adjustments, and for the purposes of settlement of all the issues in this proceeding, the Parties accept that the level of planned capital expenditures and the rationale for planning and pacing choices are appropriate and adequately explained, giving due consideration to:

- The customer feedback and preferences as more fully detailed in Exhibit 1 at Section 2.4.3 pp 76-108, Attachment 1-6, Attachment 1-7 and Attachment 1-8;
- The past and planned productivity initiatives of WNH as more fully detailed in Exhibit 1 at Section 2.4.1 pp 11-19 and Section 2.4.1.1, and Section 2.4.1.2.
- WNH's benchmarking performance as more fully detailed in Exhibit 1 at Section 2.4.1, Section 2.4.3, Attachment 1-14 and in the Board's 2014 scorecard which was filed on September 2, 2015;
- WNH's past reliability and service quality performance as well as WNH's targets for performance in the test year as more fully detailed in Interrogatory 1-Staff-3;
- The total impact on distribution rates, as more fully detailed in Appendix D of this Settlement Proposal;
- The settlement on OM&A as described under issue 1.2 of this Settlement Proposal;
- WNH's performance meeting government mandated obligations as more fully detailed in Exhibit 1 at Section 2.4.1.2, Section 2.4.3 and Attachment 1-14; and
- WNH's targets and objectives as more fully detailed in Exhibit 1 at Section 2.4.1.2, Section 2.4.2 and Attachment 1-1, and Exhibit 2 at Attachment 2-1.

The Parties further agree that the Distribution System Plan filed in this proceeding, combined with the resources made available to WNH in the Test Year under the terms of this Settlement Proposal, provide a foundation to WNH in the Test Year to continue to: (a) pursue continuous improvement in productivity; (b) maintain system reliability and service quality objectives; and (c) maintain reliable and safe operation of its distribution system.

Appendix B of this Settlement Proposal provides updated Appendix 2-AB to reflect this settlement. Appendix C of this Settlement Proposal provides an updated 2016 Fixed Asset Continuity Schedule to reflect this settlement.

Capital Additions as a result of the Settlement are produced below in Table 1.

**Table 1 – Gross Capital Additions Summary**

<b>Capital Additions</b>	<b>Application</b>	<b>IRR - Changes</b>	<b>Settlement Changes</b>	<b>Settlement Proposal</b>
2015 Opening Balance	316,996,025	-	-	316,996,025
2015 Additions	21,308,611	1,530,366	-	22,838,977
2015 Contributed Capital	(4,914,818)	(1,374,120)	-	(6,288,938)
2015 Disposals	(642,135)	-	-	(642,135)
2015 Closing Balance / 2016 Opening Balance	332,747,683	156,246	-	332,903,929
2016 Adjust Opening Balance - MS Disposal	-	-	(22,648)	(22,648)
2016 Additions	19,078,917	4,141,804	(414,000)	22,806,721
2016 Contributed Capital	(2,289,738)	(4,082,571)	-	(6,372,309)
2016 Disposals	(316,071)	-	(50,783)	(366,854)
<b>2016 Closing Balance</b>	<b>349,220,791</b>	<b>215,478</b>	<b>(487,431)</b>	<b>348,948,838</b>

**Evidence:**

*Application:* Exhibit 1 - pages 15-17, 19-20, 21-53, 56, 58-67, 76-108, Attachments 1-7, 1-8, 1-14; Exhibit 2, including Tables 2-5, 2-10, 2-11, 2-17, 2-18, 2-31, 2-38, Attachments 2-1 (DSP), 2-2; Exhibit 4 Tables 4-44, 4-45, 4-51, 4-52, pages 80-99; Exhibit 9 pages 14-24

*IRRs:* 1-Staff-3, 11, 12, 13, 14, 17, 1-Energy Probe-2, 5, 1-SEC-3, 1.0-VECC-1, 2, 4, 6; 2-Staff-19, 21, 25, 26, 29, 30, 31, 36, 39, 40, 41, 42, 43, 45, 46, 48, 49, 50, 51, 54, 55, 56, 57, 58, 60, 64, 66, 68, 69, 70, 72, 73, 74, 75, 78, 79, 80, 81, 82, 83, 85, 87, 88, 89, 90, 91, 92, 2-Energy Probe- 14, 15, 17, 18, 1-E2-5, 2-SEC-7, 8, 9, 11, 13, 18, 20, 21, 22, 28, 29, 31, 35, 36, 2.0-VECC-10, 11, 15, 16

*TC Transcript:* August 19, 2015 TC Transcript at pages 6-7, 10-12, 15-22, 26-46, 48-54, 57-59, 63-67, 69-71, 73, 75-76, 83-84, 89-90

*Undertaking Responses:* JTC1.1, JTC1.2, JTC1.3, JTC1.5, JTC1.6, JTC1.8, JTC1.22

*Appendices to this Settlement Proposal:* Appendix A, Appendix B, Appendix C, Appendix D]

**Supporting Parties:** All

## 1.2 OM&A

*Is the level of planned OM&A expenditures appropriate and is the rationale for planning choices appropriate and adequately explained, giving due consideration to:*

- *customer feedback and preferences;*
- *productivity;*
- *benchmarking of costs;*
- *reliability and service quality;*
- *impact on distribution rates;*
- *trade-offs with capital spending;*
- *government-mandated obligations; and*
- *the objectives of the Applicant and its customers.*

**Complete Settlement:** For the purposes of the settlement of all of the issues in this proceeding, WNH agrees to reduce its proposed OM&A expenses in the test year by \$310,000.

Subject to the creation of a deferral and variance account described below in issue 4.2, the Parties agree to a reduction in OM&A of a further \$262,000 to reflect the adjustment to OPEBs from an accrual to cash basis. \$176,000 will be recorded in a deferral account as discussed in item 4.2 below and \$86,000 is to be recorded in capital in item 1.1 above. Table 2 below provides a reconciliation of OPEBs in OM&A.<sup>2</sup>

**Table 2 – Reconciliation of OPEB Charges in OM&A**

<b>Reconciliation of Changes to OM&amp;A for OPEB</b>	
Amounts included in Application, OM&A	\$ 391,999
Annual Premiums Paid	\$ (215,973)
<b>Cash vs Accrual Difference</b>	<b>\$ 176,026</b>
<b>Moved from OM&amp;A to Deferral Account</b>	<b>\$ 176,000</b>

Annual Premiums Paid	\$ 215,973
<b>Allocate 40% to Capital from OM&amp;A</b>	<b>\$ 86,389</b>
<b>Moved from OM&amp;A to Capital</b>	<b>\$ 86,000</b>

The Parties agree with WNH's overall objectives, and have agreed that the revised OM&A budget will allow WNH to achieve those objectives in the Test Year. Based on the foregoing and the evidence filed by WNH, the Parties agree that the level of planned OM&A expenditures and the rationale for planning and pacing choices are appropriate and adequately explained, giving due consideration to:

<sup>2</sup> All of the Parties recognize that the Board intends to hold a generic policy discussion on this matter, and that nothing in this settlement is intended to limit the positions any of the Parties may take in that more general policy discussion.

- The customer feedback and preferences as more fully detailed in Exhibit 1 at Section 2.4.3 pp 76-108, Attachment 1-6, Attachment 1-7 and Attachment 1-8;
- The past and planned productivity initiatives of WNH as more fully detailed in Exhibit 1 at Section 2.4.1 pp 11-19, and Section 2.4.1.1, and Section 2.4.1.2.
- WNH's benchmarking performance as more fully detailed in Exhibit 1 at Section 2.4.1, Section 2.4.3, Attachment 1-14 and the Board's 2014 scorecard which was filed on September 2, 2015;
- WNH's past reliability and service quality performance as well as WNH's targets for performance in the test year as more fully detailed in Interrogatory 1-Staff-3;
- The total impact on distribution rates, as more fully detailed in Appendix D of this Settlement Proposal;
- The changes in capital spending as described under issue 1.1 of this Settlement Proposal;
- WNH's performance meeting government mandated obligations as more fully detailed in Exhibit 1 at Section 2.4.1.2, Section 2.4.3 and Attachment 1-14; and
- WNH's targets and objectives as more fully detailed in Exhibit 1 at Section 2.4.1.2, Section 2.4.2 and Attachment 1-1, and Exhibit 2 at Attachment 2-1.

WHN has considered possible adjustments to its budget on a preliminary basis and has provided, in Settlement Table 2: a revised OM&A budget based on the proposed total amount. The breakdown of the budget into categories is not intended by the Parties to be in any way a deviation from the normal rule that, once the budget is established, it is up to management to determine through the year how best to spend that budget given the actual circumstances and priorities of the company throughout the test year.

Changes to OM&A are reproduced below as Table 3.

**Table 3 – OM&A**

OM&A	Application	IRR - Changes	Settlement Changes	Settlement Proposal
Operations	5,799,381		(110,000)	5,689,381
Maintenance	1,613,140			1,613,140
Billing & Collecting	2,902,731		(100,000)	2,802,731
Community Relations	142,200			142,200
Administrative & General	3,221,882	10,000	(362,000)	2,869,882
LEAP	42,000			42,000
<b>Total OM&amp;A</b>	<b>13,721,334</b>	<b>10,000</b>	<b>(572,000)</b>	<b>13,159,334</b>

Finally, for the purposes of settlement of the issues in this proceeding, WNH agrees to, prior to its next rebasing application, undertake a review of executive compensation incentive plans with its board of directors to evaluate the potential for more objective measures, and to identify potential opportunities for even better alignment with the Board's RRFE outcomes and the metrics of the DSP.

**Evidence:**

*Application:* Exhibit 1 pages 15-18, 19, 21-53, 55-56, 67-69, 76-108, Attachments 1-7, 1-8, 1-14; Exhibit 2 Tables 2-2, 2-24, Attachment 2-1 DSP including Appendix C, D; Exhibit 4 including Tables 4-1, 4-6, 4-6A

*IRRs:* 1-Staff-6, 11, 14, 17, 1-Energy Probe-2, 8, 1-SEC-3, 1.0-VECC-2, 3; 2-Staff-21, 26, 46, 2-SEC-18, 30, 38; 4-Staff-113, 114, 115, 116, 118, 119, 120, 121, 122, 123, 124, 126, 130, 131, 4-Energy Probe-30, 31, 33, 34, 35, 36, 39, 4-SEC-39, 41, 42, 45, 46, 4.0-VECC-26, 27, 28, 30, 31, 32, 33, 34, 36, 37, 39

*TC Transcript:* August 19, 2015 TC Transcript at pages 9-14, 48-49, 73-75, 85-86, 98, -120, 122-127

*Undertaking Responses:* JTC1.4, JTC1.15, JTC1.16, JTC1.17, JTC1.18, JTC1.19, JTC1.22

*Appendices to this Settlement Proposal:* Appendix A, Appendix D

**Supporting Parties:** All

## 2. Revenue Requirement

### 2.1 Are all elements of the Base Revenue Requirement reasonable, and have they been appropriately determined in accordance with OEB policies and practices?

**Complete Settlement:** The Parties agree that all elements of the Base Revenue Requirement have been correctly determined in accordance with Board policies and practices. Specifically:

- a) *Rate Base:* Based on the adjustment to OPEBs described above in issue 1.1, WNH agrees to an increase of \$ 86,000 to its rate base calculation for the test year. WNH further agrees to adjust its rate base calculations to reflect the removal of MS1 and MS3 from service as described in issue 1.1 above. Finally, WNH further agrees to adjust its rate base calculations to reflect a reduction in test year capital additions of \$500,000 as described in issue 1.1 above. For clarity, a summary of the rate base calculation and adjustments has been provided below as Table 4. Subject to this adjustment, and any other adjustments contained herein, the Parties agree that the test year rate base is correct and based on Board policies and practices.

**Table 4 – Rate Base Calculation**

Rate Class / Details	Application ( A )	Interrogatories ( B )	Variance ( C ) = ( B ) - ( A )	Settlement ( D )	Variance ( E ) = ( D ) - ( B )
Average Gross Fixed Assets	340,984,237	341,170,099	185,862	340,915,060	(255,040)
Average Accumulated Depreciation	146,617,358	146,624,329	6,972	146,552,361	(71,968)
Average Net Book Value	194,366,880	194,545,770	178,890	194,362,699	(183,071)
Working Capital	177,783,549	187,813,339	10,029,790	190,606,909	2,793,571
Working Capital Allowance (%)	13.0%	7.5%	-5.5%	7.5%	-
Working Capital Allowance (\$)	23,111,861	14,086,000	(9,025,861)	14,295,518	209,518
<b>Rate Base</b>	<b>217,478,741</b>	<b>208,631,771</b>	<b>(8,846,971)</b>	<b>208,658,217</b>	<b>26,446</b>

- b) *Working Capital:* The Parties agree that the working capital calculations, as updated by this Settlement Proposal, are reasonable and have been appropriately determined in accordance with OEB policies and practices.
- c) *Cost of Capital:* For the purposes of settlement of the issues in this proceeding, WNH agrees to adjust the debt rate applicable to the forecasted long-term debt of \$7,200,000 expected to be issued in June, 2016 to 3.43%, which is reflective of the best information available at the time of the settlement negotiations. Subject to this adjustment, the Parties agree that the proposed capital structure, rate of return on equity and short and long-term debt costs are determined in accordance with Board policy. All the Parties agree that the cost of capital calculation must be adjusted to reflect the updated cost of capital parameters currently anticipated to be announced in November, 2015.

- d) *Other Revenue:* For the purposes of settlement of the issues in this proceeding, WNH agrees to increase its forecast of other revenues by \$40,000, which is reflective of a historic average of other revenue excluding one-time amounts. The Parties agree that this methodology is appropriate.
- e) *Depreciation:* For the purposes of settlement of the issues in this proceeding, WNH agrees to update its depreciation calculations to reflect the following changes:
  - a. *Overhead Conductors:* With respect to this asset category, WNH agrees to depreciate overhead conductions over a period of 50 years, which is within the Kinectrics range for this asset category. 2016 Depreciation in Account # 1835 decreased \$70,036 for this change;
  - b. *Communication Towers:* With respect to this asset category, WNH agrees to depreciate this equipment asset over a period of 60 years, which is within the Kinectrics range for this asset category. 2016 Depreciation in Account # 1808 decreased \$3,488 for this change;
  - c. *Disposal of MS # 1:* WNH agrees to remove MS # 1 from Rate Base in 2016 and the associated 2016 depreciation in Account # 1808 of \$747 has also been removed;
  - d. *Reduction of 2016 Rate Base in Issue 1.1 and 2.1(a):* WNH agrees to remove the 2016 depreciation associated with the reduction of Rate Base of \$500,000 detailed in Issue 1.1 and 2.1(a). 2016 Depreciation was removed in Account # 1835 in the amount of \$2,778 and Account # 1845 in the amount of \$3,571; and
  - e. *Addition of OPEB Capital Portion in Issue 1.2:* WNH agrees to the addition of \$86,000, the capital portion of OPEB premiums paid, the 2016 Depreciation in Account # 1845 in the amount of \$1,229 was added for this item.

Depreciation adjustments are reflected in Table 5 below.

**Table 5 – Depreciation**

Details	USoA	Undertaking	Settlement Agreement	
		JTC1.22 RRWF	Change	Balance
Net Depreciation		8,157,240		8,157,240
<i>Settlement Agreement Changes</i>				
<i>Buildings and Fixtures</i>				
Remove MS # 1 2016 Depreciation	1808		(747)	
Change Tower Useful Life to 60 Years from 50 Years			(3,488)	
<i>Overhead Conductors and Devices</i>				
Change Overhead Conductors/Devices Useful Life to 50 Years from 45 Years	1835		(70,036)	
Allocated 1/2 of \$500k Decrease to USoA 1835 - Change in Depreciation			(2,778)	
<i>Underground Conductors and Devices</i>				
Allocated 1/2 of \$500k Decrease to USoA 1845- Change in Depreciation	1845		(3,571)	
Depreciation on \$86k Increase in OPEB			1,229	(79,391)
<b>Net Depreciation after Changes</b>		<b>8,157,240</b>	<b>(79,391)</b>	<b>8,077,849</b>

Subject to the adjustments above and adjustments to rate base as noted herein, the Parties accept that the WNH depreciation/amortization expenses are appropriate and reflect the useful lives of the assets and the Board's accounting policies.

- f) *Taxes*: For the purposes of settlement of the issues in this proceeding, and subject to the other adjustments arising in this Settlement Proposal, the parties agree that the proposed level of taxes are accurate. A working Microsoft Excel format of the PILs workform reflecting this Settlement Proposal is provided as part of the supporting material in file named "Waterloo\_2016\_Test\_Year\_Income\_Tax\_PILs\_Workform\_Settlement\_20151001".

A revised Appendix 2-W (Bill Impacts) in working Microsoft Excel format reflecting this Settlement Proposal is provided as part of the supporting material in file named "Waterloo\_2016\_Bill Impacts\_Appendix 2-W\_Settlement\_20151001".

WNH has made changes to the Revenue Requirement as reproduced below in Table 6 to reflect the Settlement Proposal.



**Table 6 – Revenue Requirement**

Details	Application ( A )	Interrogatories ( B )	Variance	Settlement ( D )	Variance
			( C ) = ( B ) - ( A )		( E ) = ( D ) - ( B )
OM&A Expenses	13,679,334	13,689,334	10,000	13,117,334	(572,000)
Donations - LEAP	42,000	42,000	-	42,000	-
Property Taxes	489,734	489,734	-	489,734	-
Amortization Expenses	8,151,672	8,157,240	5,568	8,077,849	(79,392)
Regulated Return On Capital	13,427,518	12,881,291	(546,227)	12,789,608	(91,683)
PILs	803,815	740,537	(63,279)	718,460	(22,077)
Service Revenue Requirement	36,594,073	36,000,135	(593,938)	35,234,984	(765,152)
Less: Revenue Offsets	1,181,606	1,183,596	1,990	1,223,596	40,000
Base Revenue Requirement	35,412,467	34,816,540	(595,928)	34,011,388	(805,152)
Revenue at Existing Rates	31,257,951	31,276,093	18,142	31,669,501	393,408
Revenue Deficiency	4,154,517	3,540,447	(614,070)	2,341,887	(1,198,559)

**Evidence:**

*Application:* Exhibit 1 pages 53-54, Tables 1-5, 1-16; Exhibit 2, including at Tables 2-1, 2-2, 2-3, 2-24, 2-25; Exhibit 3 pages 38-45, Tables 3-1, 3-37 through 3-43; Exhibit 4; Exhibit 5; Exhibit 6

*IRRs:* 1-Staff-8, 21, 22, 23, 24; 2-Energy Probe-12; 3-Staff-110, 111, 3-Energy Probe-26, 3.0-VECC-25; 4-Staff 128, 129, 4-Energy Probe-40, 41, 42, 43, 44, 45, 4.0-VECC-38; 5-Staff-133, 5-Energy Probe-46, 47, 48, 5-SEC-48, 5.0-VECC-42; 9-Staff-149

*TC Transcript:* August 19, 2015 TC Transcript at pages 92-93, 106-107, 128-129

*Undertaking Responses:* JTC1.10, JTC1.12, JTC1.21, JTC1.22

*Appendices to this Settlement Proposal:* Appendix C, Appendix D

**Supporting Parties:** All

**2.2** Has the Base Revenue Requirement been accurately determined based on these elements?

**Complete Settlement:** For the purposes of settlement of the issues in this proceeding, and subject to the adjustments expressly noted in this Settlement Proposal, the Parties agree that the proposed Base Revenue Requirement has been accurately determined in the Appendices.

In Sheet 10 of the RRWF property taxes have not been included in the OM&A or Taxes/PILs category but it has been included in the total Service Revenue Requirement.

A revised Revenue Requirement Workform in working Microsoft Excel format reflecting this Settlement Proposal is provided as part of the supporting material in file named "Waterloo\_2016\_Revised\_Rev\_Reqt\_Work\_Form\_V6\_Settlement\_20151001".

**Evidence:**

*Application:* Exhibit 6, including Tables 6-1 through 6-5, Attachment 6-1

*IRRs:* 6-Energy Probe-49, 1-E2-3

*TC Transcript:* N/A

*Undertaking Responses:* JTC1.22

*Appendices to this Settlement Proposal:* N/A

**Supporting Parties:** All

### 3. Load Forecast, Cost Allocation and Rate Design

#### 3.1 Are the proposed load and customer forecast, loss factors, CDM adjustments and resulting billing determinants appropriate, and, to the extent applicable, are they an appropriate reflection of the energy and demand requirements of the applicant's customers?

**Complete Settlement:** For the purposes of the settlement of the issues in this proceeding, WNH agrees to the following adjustments:

- an increase of 148 residential customers and 10 GS>50 customers for the customer forecast;
- an increase in load forecast for the test year resulting in a load forecast of 1540 GWh.
- 2016 annualized savings for LRAMVA purposes is a total of 14,950,000 kWh, allocated in Table 7 below.
- As outlined in Section 4.2 below, for the purposes of settlement of the issues in this proceeding, the Parties agree that the LRAMVA calculations for 2011 to 2014 should be updated to reflect the latest IESO results. As a result, the 2016 annualized savings for LRAMVA of 14,950,000 kWh has been split by rate class in Table 5 to reflect the final 2011 to 2014 OPA CDM Results. Prior to the preparation of this settlement proposal the 14,950,000 kWh was split by rate class to reflect the final 2011 to 2013 OPA CDM Results.

**Table 7 – CDM Savings**

LRAMVA Split kWh 11-14		CDM Savings	
		kWh	kW
Residential	18.7%	2,793,968	
GS < 50 kW	24.7%	3,691,547	
GS >50 kW	42.4%	6,337,140	15,626
Large User	14.2%	2,127,346	3,895
<b>Total</b>	<b>100.0%</b>	<b>14,950,000</b>	

Subject to the adjustments above, the Parties agree that the customer forecast, loss factors, CDM adjustments and the resulting billing determinates are appropriate and are reflective of the energy and demand requirements of the applicant's customers. The adjusted 2016 load forecast is presented below as Table 8:

**Table 8 – Load Forecast**

Rate Class / Details	Application ( A )	Interrogatories ( B )	Variance ( C ) = ( B ) - ( A )	Settlement ( D )	Variance ( E ) = ( D ) - ( B )
<b>Predicted kWh Purchases</b>	1,513,105,368	1,513,105,368	-	1,540,000,000	26,894,632
<b>CDM Purchase Adjustment</b>	(14,562,388)	(14,558,610)	3,778	(15,534,181)	(975,571)
<b>Predicted kWh Purchases after CDM</b>	1,498,542,980	1,498,546,758	3,778	1,524,465,819	25,919,062
<b>Residential</b>					
Customers	49,305	49,305	-	49,453	148
kWh	399,341,268	399,471,640	130,373	408,868,804	9,397,164
<b>General Service &lt; 50 kW</b>					
Customers	5,632	5,632	-	5,642	10
kWh	192,108,795	192,172,348	63,554	196,732,916	4,560,568
<b>General Service &gt; 50 to 4999 kW</b>					
Customers	693	693	-	693	-
kWh	710,364,299	712,810,799	2,446,499	721,724,020	8,913,222
kW	1,746,786	1,752,802	6,016	1,774,720	21,918
<b>Large User</b>					
Customers	1	1	-	1	-
kWh	95,063,906	92,802,320	(2,261,586)	94,944,937	2,142,617
kW	173,581	169,451	(4,130)	173,364	3,912
<b>Direct Market Participant</b>					
Customers	2	2	-	2	-
kWh	6,823,514	6,823,514	-	6,823,514	-
kW	12,620	12,620	-	12,620	-
<b>Street Lights</b>					
Connections	13,828	13,828	-	13,828	-
kWh	7,594,660	7,594,660	-	7,594,660	-
kW	21,115	21,115	-	21,115	-
<b>Unmetered Loads</b>					
Connections	563	563	-	563	-
kWh	3,140,372	3,140,372	-	3,140,372	-
<b>Embedded Distributor</b>					
Customers	1	1	-	1	-
kWh	31,378,863	31,378,863	-	31,378,863	-
kW	71,406	71,406	-	71,406	-
<b>Total</b>					
Customer/Connections	70,025	70,025	-	70,183	158
kWh	1,445,815,676	1,446,194,516	378,840	1,471,208,086	25,013,570
kW from applicable classes	2,025,508	2,027,394	1,886	2,053,224	25,830

Rate Class / Details	Settlement before CDM ( A )	Settlement after CDM ( B )	CDM Adjustment ( C ) = ( B ) - ( A )
<b>Predicted kWh Purchases</b>	1,540,000,000	1,524,465,819	(15,534,181)
<b>Residential</b>			
Customers	49,453	49,453	-
kWh	411,670,526	408,868,804	(2,801,722)
<b>General Service &lt; 50 kW</b>			
Customers	5,642	5,642	-
kWh	200,434,708	196,732,916	(3,701,791)
<b>General Service &gt; 50 to 4999 kW</b>			
Customers	693	693	-
kWh	728,078,747	721,724,020	(6,354,726)
kW	1,790,346	1,774,720	(15,626)
<b>Large User</b>			
Customers	1	1	-
kWh	97,078,186	94,944,937	(2,133,250)
kW	177,259	173,364	(3,895)
<b>Direct Market Participant</b>			
Customers	2	2	-
kWh	6,823,514	6,823,514	-
kW	12,620	12,620	-
<b>Street Lights</b>			
Connections	13,828	13,828	-
kWh	7,594,660	7,594,660	-
kW	21,115	21,115	-
<b>Unmetered Loads</b>			
Connections	563	563	-
kWh	3,140,372	3,140,372	-
<b>Embedded Distributor</b>			
Customers	1	1	-
kWh	31,378,863	31,378,863	-
kW	71,406	71,406	-
<b>Total</b>			
Customer/Connections	70,183	70,183	-
kWh	1,486,199,575	1,471,208,086	(14,991,489)
kW from applicable classes	2,072,746	2,053,224	(19,521)

For the purposes of settlement, Parties agreed the manual CDM adjustment would be updated to include the persistence of 2014 programs into 2016 that were outlined in the final 2011 to 2014 OPA CDM Results.

A revised load forecast model in working Microsoft Excel format reflecting this Settlement Proposal is included together with this Settlement Proposal under file named “Waterloo\_2016\_Load Forecast Model\_Settlement\_20151001”.

**Evidence:**

*Application:* Exhibit 1 page 57; Exhibit 3 including pages 2-37, Tables 3-2 through 3-36

*IRRs:* 1-Staff-15; 3-Staff-94, 95, 96, 99, 100, 102, 104, 105, 107, 3-Energy Probe-21, 23, 24, 25, 3.0-VECC-17, 18, 19, 21, 23, 24

*TC Transcript:* August 19, 2015 TC Transcript at pages 88-92, 96-97

*Undertaking Responses:* JTC1.11, JTC1.12, JTC1.13, JTC1.14, JTC1.22

*Appendices to this Settlement Proposal:* N/A

**Supporting Parties:** All

**3.2** Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios appropriate?

**Complete Settlement:** For the purposes of the settlement of the issues in this proceeding, the Parties agree that the base numbers prepared in response to Undertaking JTC1.22 are appropriate.

Subject to the above, the Parties agree that the cost allocation methodology is appropriate and results in revenue-to-cost ratios that are within the Board's permitted ranges. These revenue-to-cost ratios are reproduced below in Table 9.

**Table 9: Revenue-to-Cost Ratios**

Rate Class	2016 Settlement Cost Allocation Study	2016 Settlement Proposed Ratios
Residential	103.06%	103.02%
GS < 50 kW	102.45%	102.45%
GS >50 to 4999 kW	94.42%	94.42%
Large Use	76.97%	85.00%
Unmetered Scattered Load	190.15%	120.00%
Street Lighting	103.29%	103.02%
Embedded Distributor	67.67%	100.00%

A revised working Microsoft Excel format of the cost allocation model from this Settlement Proposal is provided as part of the supporting material in file named "Waterloo\_2016\_COS\_Cost\_Allocation\_Model\_Settlement\_20151001".

On a best effort basis, WNH agrees to provide notice to the University of Waterloo, and specifically to the attention of its Director, Maintenance & Utilities, Rick Zalagenas via email at rszalagenas@uwaterloo.ca and also to its consultant, E2 Energy, specifically to the attention of its CEO, Scott Walker via email at swalker@e2energyinc.com, if WNH believes that a new or existing customer may likely qualify as a (new) Large User customer in its service territory. This notification will be as soon as reasonably possible but no later than when it first begins to bill a customer as a Large User. Currently, WNH does not commence billing a customer as a Large User until such a time as the customer has proven 12 consecutive months of billing data, meeting or exceeding the Large User threshold parameter).

**Evidence:**

*Application:* Exhibit 1 pages 70-72; Exhibit 7 including pages 2-13, Tables 7-1 through 7-8, Attachment 7-1

*IRRs:* 7-Staff-135, 136, 137, 7-Energy Probe-50, 51, 1-E2-1, 1-E2-2, 1-E2-3, 7.0-VECC-44

*TC Transcript:* August 19, 2015 TC Transcript at pages 86-88, 93-95, 130-133

*Undertaking Responses:* JTC1.22, JTC1.23

*Appendices to this Settlement Proposal:* N/A

**Supporting Parties:** All



**3.3** Are the applicant's proposals, including the proposed fixed/variable splits, for rate design appropriate?

**Complete Settlement:** For the purposes of settlement of the issues in this proceeding, WNH has increased the Residential fixed charge to \$19.87. WNH used the fixed charge of \$16.32 based on the current fixed/variable revenue proportions as the starting point for the calculation in Appendix 2-PA since \$16.32 was below the ceiling fixed charge from the cost allocation model of \$19.64. WNH has adjusted the \$16.32 fixed charge to \$19.87 as calculated by the Board's Appendix 2-PA which reflects the first year of a four year transition to a 100% fixed charge. Appendix 2-PA is shown in Table 11 below.

For the purpose of settlement of the issues in this proceeding, the Parties agree to maintain the current 2015 monthly fixed charge for all non-residential rate classes, where the proposed fixed charge is above the Customer Unit Cost per month - Minimum System with PLCC (Peak Load Carrying Capability). This results in the following adjustments:

- General Service < 50 kW fixed charge is reduced to \$31.96, with a corresponding change to the variable charge;
- General Service > 50 kW fixed charge is reduced to \$119.38, with a corresponding change to the variable charge;
- Large Use fixed charge is reduced to \$6,975.72, with a corresponding change to the variable charge;
- Street Lighting fixed charge is reduced to \$0.33, with a corresponding change to the variable charge;

For the purposes of settlement of the issues in this proceeding, WNH has reduced the Unmetered Scattered Load fixed charge to \$10.70. The ceiling fixed charge from the cost allocation model is \$9.69 and the current 2015 fixed charge is \$15.20. WNH has adjusted to the fixed charge based on the current fixed/variable revenue proportions.

Subject to the above, the Parties agree that WNH's proposals, including the proposed fixed/variable splits, for rate design are appropriate. The distribution charges resulting from this Settlement Proposal are produced below as Table 10.

**Table 10: Distribution Charges**

Rate Class	Proposed Monthly Service Charge	Unit of Measure	Proposed Distribution Volumetric Charge
Residential	\$ 19.87	\$/kWh	\$ 0.0155
GS < 50 kW	\$ 31.96	\$/kWh	\$ 0.0161
GS >50 to 4999 kW	\$ 119.38	\$/kW	\$ 5.1046
Large Use	\$ 6,975.72	\$/kW	\$ 4.0579
Unmetered Scattered Load	\$ 10.70	\$/kWh	\$ 0.0133
Street Lighting	\$ 0.33	\$/kW	\$ 9.4838

**Table 11 – OEB Appendix 2-PA Residential Service Charge Transition**

**Appendix 2-PA  
New Rate Design Policy For Residential Customers**

Please complete the following tables.

**A) Data Inputs**

Test Year Billing Determinants for Residential Class	
Customers	49,453
kWh	408,916,548
Proposed Residential Class Specific Revenue Requirement1	\$ 18,111,250.31
Residential Base Rates on Current Tariff	
Monthly Fixed Charge (\$)	16.32
Distribution Volumetric Rate (\$/kWh)	0.0206

**B) Current Fixed/Variable Split**

	Base Rates	Billing Determinants	Revenue	% of Total Revenue
Fixed	16.32	49,453	\$ 9,684,875.52	53.48%
Variable	0.0206	408,916,548	\$ 8,423,680.88	46.52%
<b>TOTAL</b>	-	-	\$ 18,108,556.40	-

**C) Calculating Test Year Base Rates**

Number of Required Rate Design Policy Transition Years2	4
---	---

	Test Year Revenue @ Current F/V Split	Test Year Base Rates @ Current F/V Split	Reconciliation - Test Year Base Rates @ Current F/V Split
Fixed	\$ 9,686,316.28	16.32	\$ 9,684,875.52
Variable	\$ 8,424,934.03	0.0206	\$ 8,423,680.88
<b>TOTAL</b>	\$ 18,111,250.31	-	\$ 18,108,556.40

	New F/V Split	Revenue @ new F/V Split	Final Adjusted Base Rates	Reconciliation @ Adjusted Rates
Fixed	65.11%	\$ 11,792,549.79	19.87	\$ 11,791,573.32
Variable	34.89%	\$ 6,318,700.52	0.0155	\$ 6,338,206.49
<b>TOTAL</b>	-	\$ 18,111,250.31	-	\$ 18,129,779.81

Checks3	
Change in Fixed Rate	\$ 3.55
Difference Between Revenues @ Proposed Rates and Class Specific Revenue Requirement	\$ 18,529.50
	0.10%

The reconciliation of revenue reflecting the rate design from this Settlement Proposal is provided in Table 12 below.

**Table 12 – Revenue Reconciliation**

Rate Class	Customers/ Connections	Number of Customers/Connections			Test Year Consumption		Proposed Rates			Revenues at Proposed Rates	Class Specific Revenue Requirement	Transformer Allowance Credit	Total	Difference
		Start of Test Year	End of Test Year	Average	kWh	kW	Monthly Service Charge	Volumetric						
								kWh	kW					
Residential	Customers	49,005	49,901	49,453	408,868,804		\$ 19.87	\$ 0.0155		\$ 18,129,040	\$ 18,111,250		\$18,111,250	\$ 17,789
GS < 50 kW	Customers	5,615	5,669	5,642	196,732,916		\$ 31.96	\$ 0.0161		\$ 5,331,220	\$ 5,265,016	\$ 74,612	\$ 5,339,628	\$ 8,409
GS > 50 kW	Customers	695	695	695		1,787,340	\$ 119.38		\$ 5.1046	\$ 10,119,287	\$ 9,477,308	\$ 641,990	\$10,119,298	\$ 11
Large User	Customers	1	1	1		173,364	\$ 6,975.72		\$ 4.0579	\$ 787,201	\$ 787,202		\$ 787,202	\$ 2
Unmetered Scattered Load	Connections	552	574	563	3,140,372		\$ 10.70	\$ 0.0133		\$ 114,077	\$ 114,167		\$ 114,167	\$ 90
Streetlighting	Connections	13,818	13,838	13,828		21,115	\$ 0.33		\$ 9.4838	\$ 255,006	\$ 255,006		\$ 255,006	\$ 0
Embedded Distributor Class	Customers	1	1	1		71,406	\$ -		\$ 0.0201	\$ 1,435	\$ 1,437		\$ 1,437	\$ 2
Total										\$ 34,737,265	\$ 34,011,388	\$ 716,602	\$34,727,990	\$ 9,275

**Evidence:**

*Application:* Exhibit 1 pages 70, 72; Exhibit 8 including Tables 8-1 through 8-7 and Table 8-11 through 8-14, Attachments 8-2 through 8-4

*IRRs:* 1-Energy Probe-7; 8-Staff-138, 8-Energy Probe-52, 53, 8.0-VECC-46

*TC Transcript:* N/A

*Undertaking Responses:* JTC1.9, JTC1.22, JTC1.24, JTC1.25

*Appendices to this Settlement Proposal:* N/A

**Supporting Parties: All**

**3.4** Are the proposed Retail Transmission Service Rates and Low Voltage service rates appropriate?

**Complete Settlement:** For the purposes of the settlement of the issues in this proceeding, the Parties agree that the proposed forecast of other regulated rates and charges including the proposed Retail Transmission Service Rates and Low Voltage service rates are appropriate. Retail Transmission Service Rates and Low Voltage service rates have been reproduced below as Tables 13 and 14, respectively.

**Table 13: Retail Transmission Service Rates**

Rate Class	Unit of Measure	Proposed RTSR - Network	Proposed RTSR - Connection
Residential	\$/kWh	\$ 0.0074	\$ 0.0023
General Service < 50 kW	\$/kWh	\$ 0.0067	\$ 0.0021
General Service 50 To 4,999 KW (less than 1,000 kW)	\$/kW	\$ 2.7741	\$ 0.8036
General Service 50 To 4,999 KW (Interval Metered less than 1,000 kW)	\$/kW	\$ 2.9465	\$ 1.0037
General Service 50 To 4,999 KW (Interval Metered 1,000 to 4,999 kW)	\$/kW	\$ 2.9427	\$ 1.0026
Large Use	\$/kW	\$ 3.2624	\$ 1.0072
Unmetered Scattered Load	\$/kWh	\$ 0.0067	\$ 0.0021
Street Lighting	\$/kW	\$ 2.0924	\$ 0.6210

**Table 14: Low Voltage service rates**

Rate Class	Unit of Measure	Proposed Low Voltage Charges
Residential	\$/kWh	\$ 0.0002
GS < 50 kW	\$/kWh	\$ 0.0002
GS > 50 kW	\$/kW	\$ 0.0738
Large Use	\$/kW	\$ 0.0925
Unmetered Scattered Load	\$/kWh	\$ 0.0002
Street Lighting	\$/kW	\$ 0.0570

**Evidence:**

*Application:* Exhibit 8 including pages 10-11 and 12-14, Tables 8-8, 8-9, 8-10, Attachment 8-1

*IRRs:* N/A

*TC Transcript:*

*Undertaking Responses:* August 19, 2015 TC Transcript at pages 142 - 143

*Appendices to this Settlement Proposal:* N/A

**Supporting Parties:** All

#### **4. Accounting**

- 4.1** Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified and recorded, and is the rate-making treatment of each of these impacts appropriate?

**Complete Settlement:** For the purposes of the settlement of the issues in this proceeding, and subject to the adjustment in the depreciation calculations noted in the settlement of issue 2.1 above, the Parties agree that the impacts of any changes in accounting standards, policies, estimates and adjustments have been properly identified, and the treatment of each of these impacts is appropriate.

An updated EDDVAR Continuity Schedule is provided in working Microsoft Excel format reflecting this Settlement Proposal provided under file named “Waterloo\_2016\_COS\_2015\_EDDVAR\_Continuity Schedule\_Settlement\_20151001”. This file also includes the calculation of the various riders discussed below.

**Evidence:**

*Application:* Exhibit 1 pages 109 -112; Exhibit 2 pages 3-4, 23-24, 52-56, 79-86; Exhibit 4 pages 80-99; Exhibit 9 pages 9-24

*IRRs:* N/A

*TC Transcript:* N/A

*Undertaking Responses:* JTC1.22

*Appendices to this Settlement Proposal:* N/A

**Supporting Parties:** All

**4.2** Are the applicant's proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, and the continuation of existing accounts, appropriate?

**Complete Settlement:** For the purposes of the settlement of the issues in this proceeding, the Parties agree to the following:

- i) The disposition of the balance and the discontinuance of the Other Regulatory Asset – Sub-Account – Other Capital Gain Variance – 2011 COS Settlement Agreement Item Account 1508 related to the Administration Building and Service Centre on Northfield Drive in Waterloo, as was created in EB-2010-0144, is appropriate as further described in Exhibit 9;
- ii) The disposition of the balance and the discontinuance of the Other Regulatory Asset – Sub-Account – Other OMERS Difference – 2011 COS Settlement Agreement Item Account 1508 related to the difference in actual OMERS costs to the amounts included in rates, as was created in EB-2010-0144, is appropriate as further described in Exhibit 9;
- iii) The disposition of the balance of Account 1576 as described in issue 4.1 above is appropriate, as further described in as further described in Exhibit 9 9.0-VECC-47. The Weighted Average Cost of Capital will be adjusted when the Board updated rates are published, as discussed in item 2.1 (c) above. A revised OEB Appendix 2-EC, Account 1576, is reflected in Appendix E of this Settlement Proposal;
- iv) The disposition of the balance and the discontinuance of the Other Regulatory Asset – Sub-Account – 1508 - Deferred IFRS Transition Costs is appropriate as further described in Exhibit 9;
- v) The disposition of the balance and the discontinuance of the PILs and Tax Variances for 2006 and Subsequent Years, including the Sub-Account – 1592 , is appropriate as further described in Exhibit 9;
- vi) The disposition of the balance and the discontinuance of the Smart Meter Capital and Recovery Offset Variance –Sub Account – Stranded Meter Costs - 1555 , is appropriate as further described in Exhibit 9;
- vii) The disposition of the balance and the discontinuance of the Disposition and Recovery/Refund of Regulatory Balances (2010 – 2013) - 1595, is appropriate as further described in Exhibit 9;

- viii) The creation of a variance account 1508 Other Regulatory Assets - Sub-account Wireless and Wireline to record two items: 1) the net (less any related costs) incremental revenues received from any wireless attachments during the IRM period; and 2) any changes in revenue received due to any change in the currently regulated wireline attachment rate of \$22.35 per attachment per pole per year. For clarity, the latter is a symmetrical account that reflects changes to the rate rather than change in number of wireline attachments. Any balance in this variance account is to be cleared in WNH's next Cost of Service Application. A draft accounting order for this account is attached as Appendix F to this Settlement Proposal;
- ix) The creation of a variance account 1508 Other Regulatory Asset - Sub-account Gains/Losses on Disposition of Municipal Stations, to capture net gains and losses on disposition of various Municipal Station properties inclusive of remediation costs. Upon disposition, the balance of this account will be distributed with 75% to ratepayers and 25% to WNH. For clarity, this account is not symmetrical in that the Parties agree ratepayers will not owe a credit to WNH if this account is in a net loss scenario at the time of disposition. Any applicable balance is to be disposed of in WNH's next Cost of Service Application. A draft accounting order for this account is attached as Appendix G to this Settlement Proposal;
- x) WNH is to establish a new variance account 1508 Other Regulatory Asset Sub-account OPEB for the purpose of recording the difference in revenue requirement each year, starting in the test year, between both the capitalized and OM&A components of OPEBs accounted for using a cost basis (as to be reflected in rates if this settlement is accepted by the Board) and both capitalized and OM&A components of OPEBs accounted for using an accrual basis together with related PILs adjustments. This account will accrue interest until final disposition. If the Board determines that LDCs must only include in rates OPEBs accounted for using a cash basis, WNH will seek to discontinue this account without seeking disposition of the amounts recorded in this account. If the Board determines that LDCs may recover OPEBs in rates using an accrual accounting methodology, the Parties agree that WNH will be permitted to seek disposition of this account to recover the amounts so recorded in its rate application following the Board's Decision. WNH will propose a disposition period over which the account should be recovered depending on the quantum in the account and the potential rate impacts at the time. A draft accounting order for this account is attached as Appendix H to this Settlement Proposal.; and
- xi) The disposition of the balance of Account the remaining deferral and variance accounts are reflected in EDDVAR Model which is attached to this Settlement Proposal as "Waterloo\_2016\_COS\_2015\_EDDVAR\_ContinuitySchedule\_Settlement\_20151001".

WNH notes that it has now received verified final results from the IESO for 2014 CDM. This report is attached as Appendix I in this Settlement Proposal.

For the purposes of settlement of the issues in this proceeding, the Parties agree that the LRAMVA calculations for 2011 to 2014 should be updated to reflect the latest IESO results. In addition, the Parties agree that WNH is now entitled to seek disposition of 2014 LRAMVA amounts and for the purposes of settlement of the issues in this proceeding, the Parties agree that it would be appropriate for WNH to do so now. An update of the LRAMVA numbers for 2011 to 2014 is shown in Tables 15 – 17 below.

**Table 15 - Summary of Requested LRAM Amounts**

LRAM Rate Rider	LRAMVA	CDM \$ in 2011 COS	Net LRAMVA	Interest	Total LRAMVA Claim	2016 Proposed Billing Determinant	UOM	LRAMVA Rider
Residential	229,389	163,011	66,378	2,003	68,381	408,916,548	kWh	\$ 0.0002
General Service Less Than 50 kW	225,354	55,489	169,865	5,126	174,991	196,359,585	kWh	\$ 0.0009
General Service 50 to 4,999 kW	548,117	108,485	439,632	13,266	452,898	1,788,910	kW	\$ 0.2532
Large User	44,212	10,161	34,051	1,027	35,078	172,792	kW	\$ 0.2030
<b>Total</b>	<b>1,047,072</b>	<b>337,146</b>	<b>709,926</b>	<b>21,422</b>	<b>731,348</b>			



**Table 16 - Allocation of OPA Results**

LRAMVA Calculation for 2011 to 2014 final results of OPA Program									
Net KWh saved from OPA program									
OPA Initiative Name	Program Year	Results Status	Rate Class	Market	2011 kWh Saved	2012 kWh Saved	2013 kWh Saved	2014 kWh Saved	Total kWh Saved
Appliance Retirement	2011	Final	Residential	Consumer	180,566	180,566	180,566	180,463	722,161
Appliance Exchange	2011	Final	Residential	Consumer	3,051	3,051	3,051	1,895	11,046
HVAC Incentives	2011	Final	Residential	Consumer	650,749	650,749	650,749	650,749	2,602,995
Conservation Instant Coupon Booklet	2011	Final	Residential	Consumer	189,312	189,312	189,312	189,312	757,248
Bi-Annual Retailer Event	2011	Final	Residential	Consumer	316,302	316,302	316,302	316,302	1,265,210
Equipment Replacement Incentive Initiative	2011	Final	<50 kW - 12%	Business	172,665	172,665	172,665	172,665	690,658
			>50 kW - 88%	Business	1,260,457	1,260,457	1,260,457	1,260,457	5,041,828
Direct Install Lighting	2011	Final	<50 kW	Business	635,841	635,841	635,841	419,046	2,326,569
Energy Audit	2011	Final	<50 kW	Business	79,195	79,195	79,195	79,195	316,780
Demand Response 3	2011	Final	>50 kW	Business	4,323	-	-	-	4,323
Equipment Replacement Incentive Initiative	2011	Final	>50 kW	Industrial	1,128,878	1,128,878	1,128,878	1,128,878	4,515,511
Demand Response 3	2011	Final	>50 kW	Industrial	23,003	-	-	-	23,003
Electricity Retrofit Incentive Program	2011	Final	<50 kW	Business	913,663	913,663	913,663	913,663	3,654,650
High Performance New Construction	2011	Final	>50 kW	Business	346,664	346,664	346,664	346,664	1,386,657
Appliance Retirement	2012	Final	Residential	Consumer	-	99,292	99,292	99,292	297,876
Appliance Exchange	2012	Final	Residential	Consumer	-	18,832	18,832	18,832	56,496
HVAC Incentives	2012	Final	Residential	Consumer	-	450,936	450,936	450,936	1,352,808
Conservation Instant Coupon Booklet	2012	Final	Residential	Consumer	-	14,008	14,008	14,008	42,025
Bi-Annual Retailer Event	2012	Final	Residential	Consumer	-	268,321	268,321	268,321	804,962
Retrofit	2012	Final	<50 kW - 6.2%	Business	-	336,278	336,278	330,681	1,003,237
			>50 kW - 37.4%	Business	-	2,034,971	2,034,971	2,001,102	6,071,044
			Large Use - 56.4%	Business	-	3,062,531	3,062,531	3,011,560	9,136,621
Direct Install Lighting	2012	Final	<50 kW	Business	-	307,810	307,810	307,692	923,312
New Construction	2012	Final	>50 kW	Business	-	5,261	5,261	5,261	15,782
Energy Audit	2012	Final	<50 kW	Business	-	208,243	208,243	208,243	624,728
Demand Response 3	2012	Final	>50 kW	Business	-	1,614	-	-	1,614
Demand Response 3	2012	Final	>50 kW	Industrial	-	30,360	-	-	30,360
Home Assistance Program	2012	Final	Residential	Consumer	-	29,893	29,893	29,862	89,649
High Performance New Construction	2012	Final	>50 kW	Business	-	105,383	105,383	105,383	316,150
Appliance Retirement	2013	Final	Residential	Consumer	-	-	63,885	63,885	127,770
Appliance Exchange	2013	Final	Residential	Consumer	-	-	23,275	23,275	46,549
HVAC Incentives	2013	Final	Residential	Consumer	-	-	427,746	427,746	855,492
Conservation Instant Coupon Booklet	2013	Final	Residential	Consumer	-	-	77,457	77,457	154,913
Bi-Annual Retailer Event	2013	Final	Residential	Consumer	-	-	172,122	172,122	344,243
Residential Demand Response	2013	Final	Residential	Consumer	-	-	652	-	652
Retrofit	2013	Final	<50 kW - 17.4%	Business	-	-	645,460	643,144	1,288,604
			>50 kW - 78.9%	Business	-	-	2,920,048	2,909,570	5,829,618
			Large Use - 3.7%	Business	-	-	137,217	136,725	273,942
Direct Install Lighting	2013	Final	<50 kW	Business	-	-	408,878	408,878	817,756
New Construction	2013	Final	>50 kW	Business	-	-	8,839	8,839	17,679
Energy Audit	2013	Final	<50 kW	Business	-	-	1,696,902	1,696,902	3,393,803
Small Commercial Demand Response	2013	Final	<50 kW	Business	-	-	10	-	10
Demand Response 3	2013	Final	>50 kW	Business	-	-	1,504	-	1,504
Energy Manager	2013	Final	>50 kW	Business	-	-	69,300	69,300	138,600
Demand Response 3	2013	Final	>50 kW	Industrial	-	-	30,917	-	30,917
Home Assistance Program	2013	Final	Residential	Consumer	-	-	188,705	187,478	376,183
Appliance Retirement	2014	Final	Residential	Consumer	-	-	-	80,001	80,001
Appliance Exchange	2014	Final	Residential	Consumer	-	-	-	52,460	52,460
HVAC Incentives	2014	Final	Residential	Consumer	-	-	-	544,462	544,462
Conservation Instant Coupon Booklet	2014	Final	Residential	Consumer	-	-	-	515,369	515,369
Bi-Annual Retailer Event	2014	Final	Residential	Consumer	-	-	-	1,231,340	1,231,340
Retrofit	2014	Final	<50 kW - 11.8%	Business	-	-	-	575,911	575,911
			>50 kW - 87.9%	Business	-	-	-	4,289,821	4,289,821
			Large Use - .3%	Business	-	-	-	15,620	15,620
Direct Install Lighting	2014	Final	<50 kW	Business	-	-	-	349,433	349,433
New Construction	2014	Final	>50 kW	Business	-	-	-	147,947	147,947
Energy Audit	2014	Final	<50 kW	Business	-	-	-	391,641	391,641
Energy Manager	2014	Final	>50 kW	Business	-	-	-	91,627	91,627
Home Assistance Program	2014	Final	Residential	Consumer	-	-	-	48,046	48,046
Program Enabled Savings	2014	Final	>50 kW	Business	-	-	-	125,622	125,622
									-
									-
<b>Total</b>					<b>5,904,668</b>	<b>12,851,074</b>	<b>19,692,018</b>	<b>27,795,080</b>	<b>66,242,840</b>
<b>Rate Class Allocation (kWh)</b>					<b>2011 kWh Saved</b>	<b>2012 kWh Saved</b>	<b>2013 kWh Saved</b>	<b>2014 kWh Saved</b>	<b>Total kWh Saved</b>
<b>Residential</b>					<b>1,339,980</b>	<b>2,221,262</b>	<b>3,175,104</b>	<b>5,643,612</b>	<b>12,379,958</b>
<b>General Service &lt; 50 kW</b>					<b>1,801,363</b>	<b>2,653,693</b>	<b>5,404,943</b>	<b>6,497,092</b>	<b>16,357,092</b>
<b>General Service 50 to 4,999 kW</b>					<b>2,763,326</b>	<b>4,913,588</b>	<b>7,912,223</b>	<b>12,490,471</b>	<b>28,079,607</b>
<b>Large Use</b>					<b>3,062,531</b>	<b>3,199,748</b>	<b>3,163,905</b>	<b>9,426,183</b>	<b>12,462,267</b>
<b>Total</b>					<b>5,904,668</b>	<b>12,851,074</b>	<b>19,692,018</b>	<b>27,795,080</b>	<b>66,242,840</b>

Waterloo North Hydro Inc.  
EB-2015-0108  
Settlement Proposal

Net KW saved from OPA program									
OPA Initiative Name	Program Year	Results Status	Rate Class	Market	2011 kW Saved	2012 kW Saved	2013 kW Saved	2014 kW Saved	Total kW Saved
Appliance Retirement	2011	Final	Residential	Consumer	24.31	24.3	24.3	24.20	97.1
Appliance Exchange	2011	Final	Residential	Consumer	2.36	2.4	2.4	1.06	8.1
HVAC Incentives	2011	Final	Residential	Consumer	349.92	349.9	349.9	349.92	1,399.7
Conservation Instant Coupon Booklet	2011	Final	Residential	Consumer	11.66	11.7	11.7	11.66	46.6
Bi-Annual Retailer Event	2011	Final	Residential	Consumer	17.93	17.9	17.9	17.93	71.7
Residential Demand Response	2011	Final	Residential	Consumer	72.24	-	-	-	72.2
Equipment Replacement Incentive Initiative	2011	Final	<50 kW - 16% >50 kW - 84%	Business	41.17	41.2	41.2	41.17	164.7
Direct Install Lighting	2011	Final	<50 kW	Business	221.42	221.4	221.4	221.42	885.7
Energy Audit	2011	Final	<50 kW	Business	256.29	256.3	249.11	184.53	946.2
Commercial Demand Response	2011	Final	<50 kW	Business	16.27	16.27	16.27	16.27	65.1
Demand Response 3	2011	Final	>50 kW	Business	5.12	-	-	-	5.1
Equipment Replacement Incentive Initiative	2011	Final	>50 kW	Business	110.39	-	-	-	110.4
Demand Response 3	2011	Final	>50 kW	Industrial	179.85	179.9	179.9	179.85	719.4
Electricity Retrofit Incentive Program	2011	Final	<50 kW	Industrial	391.88	-	-	-	391.9
High Performance New Construction	2011	Final	>50 kW	Consumer, Business	180.79	180.8	180.8	180.79	723.2
Appliance Retirement	2012	Final	Residential	Consumer	187.08	187.1	187.1	187.08	748.3
Appliance Exchange	2012	Final	Residential	Consumer	14.45	14.45	14.45	14.45	43.4
HVAC Incentives	2012	Final	Residential	Consumer	10.78	10.78	10.78	10.78	32.4
Conservation Instant Coupon Booklet	2012	Final	Residential	Consumer	261.32	261.32	261.32	261.32	784.0
Bi-Annual Retailer Event	2012	Final	Residential	Consumer	2.31	2.31	2.31	2.31	6.9
Retrofit	2012	Final	<50 kW - 9.8% >50 kW - 50.2% Large Use - 40.0%	Business	14.83	14.83	14.83	14.83	44.5
Direct Install Lighting	2012	Final	<50 kW	Business	87.98	86.95	86.28	261.2	1,341.2
New Construction	2012	Final	>50 kW	Business	451.75	446.43	443.00	1,071.0	246.7
Energy Audit	2012	Final	<50 kW	Business	360.74	356.49	353.75	1,071.0	4.66
Demand Response 3	2012	Final	<50 kW	Business	82.23	82.23	82.21	128.4	111.1
Demand Response 3	2012	Final	>50 kW	Business	4.66	4.66	4.66	14.0	111.1
Demand Response 3	2012	Final	>50 kW	Industrial	42.80	42.80	42.80	128.4	111.1
Home Assistance Program	2012	Final	Residential	Consumer	1,259.75	-	-	1,259.8	8.4
High Performance New Construction	2012	Final	>50 kW	Business	2.81	2.81	2.81	64.3	8.4
Appliance Retirement	2013	Final	Residential	Consumer	21.44	21.44	21.44	19.3	26.1
Appliance Exchange	2013	Final	Residential	Consumer	9.67	9.67	9.67	502.1	10.4
HVAC Incentives	2013	Final	Residential	Consumer	13.05	13.05	13.05	23.7	195.7
Conservation Instant Coupon Booklet	2013	Final	Residential	Consumer	251.03	251.03	251.03	333.4	1,091.2
Bi-Annual Retailer Event	2013	Final	Residential	Consumer	5.18	5.18	5.18	61.4	228.0
Residential Demand Response	2013	Final	Residential	Consumer	11.86	11.86	11.86	41.3	617.3
Retrofit	2013	Final	<50 kW - 22.4% >50 kW - 73.5% Large Use - 4.1%	Business	195.75	167.10	166.25	333.4	1,091.2
Direct Install Lighting	2013	Final	<50 kW	Business	546.97	544.19	544.19	61.4	228.0
New Construction	2013	Final	>50 kW	Business	30.79	30.64	30.64	41.3	617.3
Energy Audit	2013	Final	<50 kW	Business	114.01	114.01	114.01	6.4	112.6
Small Commercial Demand Response	2013	Final	<50 kW	Business	20.65	20.65	20.65	66.2	1,150.8
Demand Response 3	2013	Final	>50 kW	Business	308.65	308.65	308.65	27.7	12.2
Energy Manager	2013	Final	>50 kW	Business	6.40	6.40	6.40	29.4	296.2
Demand Response 3	2013	Final	>50 kW	Industrial	112.64	112.64	112.64	42.3	365.2
Home Assistance Program	2013	Final	Residential	Consumer	33.09	33.09	33.09	108.5	695.4
Appliance Retirement	2014	Final	Residential	Consumer	1,150.81	1,150.81	1,150.81	1.5	94.3
Appliance Exchange	2014	Final	Residential	Consumer	13.89	13.89	13.89	30.3	80.2
HVAC Incentives	2014	Final	Residential	Consumer	12.2	12.2	12.2	8.4	104.2
Conservation Instant Coupon Booklet	2014	Final	Residential	Consumer	29.4	29.4	29.4	23.5	23.5
Bi-Annual Retailer Event	2014	Final	Residential	Consumer	296.2	296.2	296.2	1,081.1	4.2
Residential Demand Response	2014	Final	Residential	Consumer	42.3	42.3	42.3	88.6	650.5
Retrofit	2014	Final	<50 kW - 13.5% >50 kW - 86.3% Large Use - 2%	Business	108.5	108.5	108.5	-	-
Direct Install Lighting	2014	Final	<50 kW	Business	695.4	695.4	695.4	1.5	94.3
New Construction	2014	Final	>50 kW	Business	1.5	1.5	1.5	30.3	80.2
Energy Audit	2014	Final	<50 kW	Business	94.3	94.3	94.3	8.4	104.2
Small Commercial Demand Response	2014	Final	<50 kW	Business	30.3	30.3	30.3	23.5	23.5
Demand Response 3	2014	Final	>50 kW	Business	80.2	80.2	80.2	1,081.1	4.2
Energy Manager	2014	Final	>50 kW	Industrial	8.4	8.4	8.4	88.6	650.5
Demand Response 3	2014	Final	>50 kW	Industrial	104.2	104.2	104.2	-	-
Home Assistance Program	2014	Final	Residential	Consumer	23.5	23.5	23.5	-	-
Program Enabled Savings	2014	Final	>50 kW	Business	1,081.1	1,081.1	1,081.1	-	-
Time-of-Use Savings	2014	Final	Residential	Consumer	4.2	4.2	4.2	-	-
Total					2,068.69	4,217.98	5,820.89	8,075.27	20,182.83
General Service 50 to 4,999 kW (kW)					1,090.6	2,437.0	2,925.0	3,678.4	10,131.1
Large Use kW (kW)						360.7	387.3	385.9	1,133.9

**Table 17 - Calculation of LRAMVA**

Summary Units Lost	2011 kWh Saved	2012 kWh Saved	2013 kWh Saved	2014 kWh Saved	Total kWh Saved	
Residential (/kWh)	1,339,980	2,221,262	3,175,104	5,643,612	12,379,958	
General Service Less Than 50 kW (/kWh)	1,801,363	2,653,693	5,404,943	6,497,092	16,357,092	
General Service 50 to 4,999 kW (/kW)	13,088	29,244	35,100	44,141	121,574	
Large Use (/kW)	-	4,329	4,647	4,631	13,607	
Rate Class Distribution Volumetric Rates	Eff: Apr 1, 2010	Eff: May 1, 2011	Eff: May 1, 2012	Eff: May 1, 2013	Eff: May 1, 2014	
Residential (/kWh)	0.0131	0.0184	0.0186	0.0187	0.0190	
General Service Less Than 50 kW (/kWh)	0.0104	0.0137	0.0138	0.0139	0.0141	
General Service 50 to 4999 kW (/kW)	3.5420	4.3073	4.4733	4.6141	4.6787	
Large User (/kW)	2.6959	3.1991	3.2337	3.2492	3.2947	
Rate Class Distribution Volumetric Rates (Annualized)	2011	2012	2013	2014		
Residential (/kWh)	0.0166	0.0185	0.0187	0.0189		
General Service Less Than 50 kW (/kWh)	0.0126	0.0138	0.0139	0.0140		
General Service 50 to 4,999 kW (/kW)	4.0522	4.4180	4.5672	4.6572		
Large User	3.0314	3.2222	3.2440	3.2795		
LRAM \$	2011	2012	2013	2014	Total	
Residential (/kWh)	22,288	41,167	59,269	106,664	229,389	
General Service Less Than 50 kW (/kWh)	22,697	36,533	74,949	91,176	225,354	
General Service 50 to 4,999 kW (/kW)	53,034	129,200	160,309	205,574	548,117	
Large User (/kW)	-	13,948	15,076	15,187	44,212	
Total	98,019	220,849	309,602	418,601	1,047,072	
CDM in 2011 Forecast	Unit	2011	2012	2013	2014	
Residential (/kWh)	kWh	2,241,213	2,241,213	2,241,213	2,241,213	
General Service Less Than 50 kW (/kWh)	kWh	1,022,523	1,022,523	1,022,523	1,022,523	
General Service 50 to 4,999 kW (/kW)	kW	6,131	6,131	6,131	6,131	
Large User (/kW)	kW	795	795	795	795	
CDM in 2011 Forecast \$	Unit	2011	2012	2013	2014	Total
Residential (/kWh)	kWh	\$ 37,279	\$ 41,537	\$ 41,836	\$ 42,359	\$ 163,011
General Service Less Than 50 kW (/kWh)	kWh	\$ 12,884	\$ 14,077	\$ 14,179	\$ 14,349	\$ 55,489
General Service 50 to 4,999 kW (/kW)	kW	\$ 24,844	\$ 27,087	\$ 28,001	\$ 28,553	\$ 108,485
Large User (kW)	kW	\$ 2,411	\$ 2,562	\$ 2,580	\$ 2,608	\$ 10,161
Total		\$ 77,417	\$ 85,263	\$ 86,596	\$ 87,869	\$ 337,146
LRAMVA - LRAM \$ vs CDM in 2011 Forecast \$	Unit	2011	2012	2013	2014	Total
Residential (/kWh)	kWh	\$ (14,991)	\$ (370)	\$ 17,433	\$ 64,305	\$ 66,378
General Service Less Than 50 kW (/kWh)	kWh	\$ 9,813	\$ 22,456	\$ 60,770	\$ 76,826	\$ 169,865
General Service 50 to 4,999 kW (/kW)	kW	\$ 28,190	\$ 102,114	\$ 132,308	\$ 177,021	\$ 439,632
Large User (kW)	kW	\$ (2,411)	\$ 11,386	\$ 12,496	\$ 12,579	\$ 34,051
Total		\$ 20,602	\$ 135,586	\$ 223,006	\$ 330,732	\$ 709,926

For the purposes of the settlement of the issues in this proceeding, and subject to the above, the Parties agree that the Applicant's proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition and the continuation of existing accounts, are appropriate.

*Eligible Investments for Connection of Qualifying Generation Facilities to be funded by the IESO*

WNH had one qualifying Expansion Generation Facility connected in 2013, allocated in Table 18 below.

**Table 18 - Calculation of the Direct Benefit / Provincial Portion of Qualifying Expansion Generation Facility**

<b>Expansion Connection Project</b>	<b>\$ 117,320</b>
Direct Benefit - 17%	\$ 19,944
Provincial - 83%	\$ 97,376
<b>Total</b>	<b>\$ 117,320</b>

WNH recorded the total cost of the project in its Rate Base and recorded the IESO revenue to be received, in the amount of \$9,766, as a Revenue Offset.

*IESO Funding for Connection of Qualifying Generation Facilities for Board Approval*

The amount of Eligible Investments for Connection of Qualifying Generation Facilities to be funded by the IESO for which WNH is seeking Board Approval is shown in Table 19 below.

**Table 19 - Schedule of IESO Payments Requesting Approval**

<b>IESO Payments Requesting Board Approval</b>		
<b>Year</b>	<b>Annual</b>	<b>Monthly</b>
2016	\$ 9,766	\$ 814
2017	\$ 9,499	\$ 792
2018	\$ 9,232	\$ 769
2019	\$ 8,965	\$ 747
2020	\$ 8,698	\$ 725

Appendix 2-FA and 2-FC were filed in response to 9-Staff-149 which provides the calculation of this funding request.

The Parties anticipate that the Board will facilitate the compensation payments from the IESO to WNH as per O.Reg. 330/09.

**Evidence:**

*Application:* Exhibit 1 page 73; Exhibit 2 pages 3-4, 23-24, 52-56, 79-86; Exhibit 4 pages 80-99; Exhibit 9

*IRRs:* 2-Staff-25; 4-Staff-131, 4.0-VECC-39, 40, 41; 9-Staff-143, 145, 146, 147, 148, 149, 150, 9-Energy Probe-54, 2-E2-1, 9.0-VECC-47

*TC Transcript:* August 19, 2015 TC Transcript at pages 143-145

*Undertaking Responses:* JTC1.2, JTC1.22

*Appendices to this Settlement Proposal:* Appendix E, Appendix F, Appendix G, Appendix H

**Supporting Parties:** All

## **Appendix A – WNH 2016 Tariff Sheet**

Please see below the Proposed 2016 Tariff Sheet, as revised to reflect this Settlement Proposal.

**Waterloo North Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2016**

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

**EB-2015-0108**

**Appendix 2-Z**

**RESIDENTIAL SERVICE CLASSIFICATION**

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. All customers are single-phase. Further servicing details are available in the distributor's Conditions of Service.

**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	19.87
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0155
Low Voltage Service Rate	\$/kWh	0.0002
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0074
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0023
Rate Rider for Tax Change (2015) - effective until April 30, 2016	\$/kWh	(0.0001)
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2016	\$/kWh	(0.0014)
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016 Applicable only for Non RPP Customers	\$/kWh	0.0006
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kWh	0.0016
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016 Applicable only for Non RPP Customers	\$/kWh	0.0031
Rate rider for Disposition of Accounting Changes Under CGAAP Account 1576 - effective until December 31, 2016	\$/kWh	(0.0016)
Rate Rider for Disposition of Stranded Meter Costs - effective until December 31, 2018	\$	0.58
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2016) - effective until December 31, 2016	\$/kWh	0.0002

**MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

**Waterloo North Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2016**

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

**EB-2015-0108**

**Appendix 2-Z**

**GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION**

This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	31.96
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0161
Low Voltage Service Rate	\$/kWh	0.0002
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0067
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0021
Rate Rider for Tax Change (2015) - effective until April 30, 2016	\$/kWh	(0.00005)
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2016	\$/kWh	(0.0014)
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016	\$/kWh	0.0006
2016 Applicable only for Non RPP Customers		
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kWh	0.0017
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016	\$/kWh	0.0031
2016 Applicable only for Non RPP Customers		
Rate Rider for Disposition of Stranded Meter Costs - effective until December 31, 2018	\$	1.3800
Rate rider for Disposition of Accounting Changes Under CGAAP Account 1576 - effective until December 31, 2016	\$/kWh	(0.0016)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2016) - effective until December 31, 2016	\$/kWh	0.0009

**MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25



**Waterloo North Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2016**

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

**EB-2015-0108**

**Appendix 2-Z**

**GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION**

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service. Note that for the application of the Retail Transmission Rate – Network Service Rate and the Retail Transmission Rate – Line and Transformation Connection Service Rate the following sub-classifications apply: General Service 50 to 999 kW non-interval metered General Service 50 to 999 kW interval metered General Service 1,000 to 4,999 kW interval metered.

**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	119.38
Distribution Volumetric Rate	\$/kW	5.1046
Low Voltage Service Rate	\$/kW	0.0738
Retail Transmission Rate - Network Service Rate - (less than 1,000 kW)	\$/kW	2.7741
Retail Transmission Rate - Network Service Rate - Interval Metered (less than 1,000 kW)	\$/kW	2.9465
Retail Transmission Rate - Network Service Rate - Interval Metered (1,000 to 4,999 kW)	\$/kW	2.9427
Retail Transmission Rate - Line and Transformation Connection Service Rate - (less than 1,000 kW)	\$/kW	0.8036
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered (less than 1,000 kW)	\$/kW	1.0037
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered (1,000 to 4,999 kW)	\$/kW	1.0026
Rate Rider for Tax Change (2015) - effective until April 30, 2016	\$/kW	(0.0099)
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2016 Applicable only for Non Wholesale Market Participants	\$/kW	(0.6502)
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2016 Applicable only for Wholesale Market Participants	\$/kW	(0.1945)
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016 Applicable only for Non RPP Customers	\$/kW	0.2675
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016 Applicable Only for Non Wholesale Market Participants	\$/kW	0.7720
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016 Applicable only for Non RPP Customers	\$/kW	1.2659
Rate rider for Disposition of Accounting Changes Under CGAAP Account 1576 - effective until December 31, 2016 Applicable only for Non Wholesale Market Participants	\$/kW	(0.6395)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2016) - effective until December 31, 2016	\$/kW	0.2552
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016 Applicable Only for Wholesale Market Participants	\$/kW	0.1181
Rate rider for Disposition of Accounting Changes Under CGAAP Account 1576 - effective until December 31, 2016 Applicable only for Wholesale Market Participants	\$/kW	(0.8502)

**GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION**

**MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

**Waterloo North Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2016**

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

**EB-2015-0108**

**Appendix 2-Z**

**LARGE USE SERVICE CLASSIFICATION**

This classification applies to an account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	6,975.72
Distribution Volumetric Rate	\$/kW	4.0579
Low Voltage Service Rate	\$/kW	0.0925
Retail Transmission Rate - Network Service Rate	\$/kW	3.2624
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.0072
Rate Rider for Tax Change (2015) - effective until April 30, 2016	\$/kW	(0.0072)
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2016	\$/kW	(0.7541)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kW	1.0507
Rate rider for Disposition of Accounting Changes Under CGAAP Account 1576 - effective until December 31, 2016	\$/kW	(0.8612)
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) (2016) - effective until December 31, 2016	\$/kW	0.2023

**MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

**Waterloo North Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2016**

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

**EB-2015-0108**

**Appendix 2-Z**

**UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION**

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in the distributor's Conditions of Service.

**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	10.70
Distribution Volumetric Rate	\$/kWh	0.0133
Low Voltage Service Rate	\$/kWh	0.0002
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0067
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0021
Rate Rider for Tax Change (2015) - effective until April 30, 2016	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2016	\$/kWh	(0.0015)
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016	\$/kWh	0.0006
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016 Applicable only for Non RPP Customers	\$/kWh	0.0016
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kWh	0.0016
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016 Applicable only for Non RPP Customers	\$/kWh	0.0031
Rate rider for Disposition of Accounting Changes Under CGAAP Account 1576 - effective until December 31, 2016	\$/kWh	(0.0016)

**MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

**Waterloo North Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2016**

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

**EB-2015-0108**

**Appendix 2-Z**

**STREET LIGHTING SERVICE CLASSIFICATION**

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	0.33
Distribution Volumetric Rate	\$/kW	9.4838
Low Voltage Service Rate	\$/kW	0.0570
Retail Transmission Rate - Network Service Rate	\$/kW	2.0924
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	0.6210
Rate Rider for Tax Change (2015) - effective until April 30, 2016	\$/kW	(0.0208)
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2016	\$/kW	(0.5199)
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016 Applicable only for Non RPP Customers	\$/kW	0.2139
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kW	0.7019
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016 Applicable only for Non RPP Customers	\$/kW	1.1196
Rate rider for Disposition of Accounting Changes Under CGAAP Account 1576 - effective until December 31, 2016	\$/kW	(0.5656)

**MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

**Waterloo North Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2016**

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

**EB-2015-0108**

**Appendix 2-Z**

**microFIT SERVICE CLASSIFICATION**

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

**MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	5.40
----------------	----	------

**Waterloo North Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2016**

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

**EB-2015-0108**

**Appendix 2-Z**

**EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION**

This classification applies to an electricity distributor licensed by the Board that is provided electricity by means of this distributor's facilities. Further servicing details are available in the distributor's Conditions of Service.

**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

**MONTHLY RATES AND CHARGES - Delivery Component**

Distribution Volumetric Rate	\$/kW	0.0201
Rate Rider for Disposition of Deferral/Variance Accounts (2015) - effective until April 30, 2016	\$/kW	(0.5823)
Rate Rider for Disposition of Global Adjustment Account (2015) - effective until April 30, 2016 Applicable only for Non RPP Customers	\$/kW	0.2396
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until December 31, 2016	\$/kW	0.5306
Rate Rider for Disposition of Global Adjustment Account (2016) - effective until December 31, 2016 Applicable only for Non RPP Customers	\$/kW	1.3679

**MONTHLY RATES AND CHARGES - Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

**Waterloo North Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**

**Effective and Implementation Date January 1, 2016**

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

**EB-2015-0108**

**Appendix 2-Z**

**ALLOWANCES**

Transformer Allowance for Ownership - per kW of billing	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	\$	(1.00)

**SPECIFIC SERVICE CHARGES**

**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

**Customer Administration**

Easement letter	\$	15.00
Notification charge	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Income tax letter	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

**Non-Payment of Account**

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Disconnect/Reconnect at meter - during regular hours	\$	65.00
Disconnect/Reconnect at meter - after regular hours	\$	185.00
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35



**Waterloo North Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date January 1, 2016**

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

**EB-2015-0108**

**Appendix 2-Z**

**RETAIL SERVICE CHARGES (if applicable)**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$ 100.00
Monthly Fixed Charge, per retailer	\$ 20.00
Monthly Variable Charge, per customer, per retailer	\$/cust. 0.5000
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust. 0.3000
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust. (0.3000)
Service Transaction Requests (STR)	
Request fee, per request, applied to the requesting party	\$ 0.25
Processing fee, per request, applied to the requesting party	\$ 0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party	
Up to twice a year	\$ no charge
More than twice a year, per request (plus incremental delivery costs)	\$ 2.00

**LOSS FACTORS**

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0362
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0147
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0259
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0047

## Appendix B – OEB Appendix 2-AB

Please see below for an updated Appendix 2-AB revised to reflect this Settlement Proposal.

OEB Investment Category	Historical Period										Bridge Year	Test Year	Forecast Period				Average
	2011		2012		2013		2014		2015			2016	2017	2018	2019	2020	2016 - 2020
	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Budgeted (2)							
System Access	(1)	\$ 5,616,458	(1)	\$ 7,835,847	(1)	\$ 8,667,885	(1)	\$ 5,625,933	(1)	\$ 11,905,668		\$ 11,171,628	\$ 7,520,910	\$ 6,020,046	\$ 5,946,859	\$ 6,085,796	\$ 7,349,048
System Renewal	(1)	\$ 9,731,967	(1)	\$ 9,253,544	(1)	\$ 7,569,002	(1)	\$ 9,711,737	(1)	\$ 7,101,086		\$ 7,360,065	\$ 10,001,084	\$ 9,438,200	\$ 8,800,764	\$ 8,975,779	\$ 8,915,178
System Service	(1)	\$ 1,832,799	(1)	\$ 1,649,794	(1)	\$ 1,573,868	(1)	\$ 2,311,676	(1)	\$ 1,571,473		\$ 2,405,950	\$ 1,680,000	\$ 1,725,200	\$ 1,175,404	\$ 1,175,612	\$ 1,632,433
General Plant	(1)	\$ 29,572,430	(1)	\$ 3,380,268	(1)	\$ 2,140,562	(1)	\$ 2,044,660	(1)	\$ 2,260,750		\$ 1,869,078	\$ 2,813,765	\$ 1,661,176	\$ 1,670,309	\$ 1,649,525	\$ 1,932,771
Totals		\$ 46,753,654		\$ 22,119,452		\$ 19,951,316		\$ 19,694,006		\$ 22,838,977		\$ 22,806,721	\$ 22,015,759	\$ 18,844,622	\$ 17,593,336	\$ 17,886,713	\$ 19,829,430
System Operations		\$ 3,567,713		\$ 4,464,684		\$ 6,122,581		\$ 6,246,577		\$ 6,018,379		\$ 5,689,381					
System Maintenance		\$ 1,287,857		\$ 1,266,289		\$ 1,283,983		\$ 1,845,659		\$ 1,607,062		\$ 1,613,140					
Total O&M		\$ 4,855,570		\$ 5,730,973		\$ 7,406,564		\$ 8,092,236		\$ 7,625,441		\$ 7,302,521					

(1) This is Waterloo North Hydro's first Distribution System Plan and as such planned expenditures are not provided.

(2) due to the timing of the Application there are no actual expenditures available for 2015

## Appendix C – 2016 Fixed Asset Continuity Schedule

Please see below for an updated 2016 Fixed Asset Continuity Schedule to reflect this Settlement Proposal.

Appendix 2-BA  
Fixed Asset Continuity Schedule  
Accounting Standard: MIFRS  
Year: 2016

			Cost				Accumulated Depreciation				Net Book Value
CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
N/A	1805	Land	2,321,684		15,095	2,306,589	0			0	2,306,589
1b	1612	Land Rights	697,180	43,259		740,439	0			0	740,439
1b	1808	Buildings and Fixtures	30,493,333	128,050	35,688	30,585,695	3,962,605	839,579	23,473	4,778,711	25,806,984
13	1810	Leasehold Improvements	0			0	0			0	0
47	1815	Transformer Station Equipment - Normally Primary above	32,702,772	516,518		33,219,290	13,396,067	1,137,573		14,533,640	18,685,650
47	1820	Distribution Station Equipment - Normally Primary below	5,597,083	94,587		5,691,670	3,710,322	137,510		3,847,832	1,843,838
47	1825	Storage Battery Equipment	0			0	0			0	0
47	1830	Poles, Towers and Fixtures	68,420,424	3,611,587		72,032,011	26,053,752	1,176,513		27,230,264	44,801,746
47	1835	Overhead Conductors and Devices	37,985,703	3,319,842		41,305,544	11,439,265	832,160		12,271,425	29,034,120
47	1840	Underground Conduit	19,166,859	1,964,870		21,131,729	8,425,233	280,113		8,705,346	12,426,383
47	1845	Underground Conductors and Devices	44,392,197	5,336,630		49,728,827	20,205,930	1,023,385		21,229,315	28,499,512
47	1850	Line Transformers	57,507,844	4,106,004		61,613,848	24,113,855	1,146,132		25,259,987	36,353,861
47	1855	Services	26,409,533	1,044,553		27,454,086	12,779,915	364,147		13,144,063	14,310,024
8	1860	Meters	13,677,132	644,367		14,321,499	5,172,592	861,031		6,033,622	8,287,877
N/A	1865	Other Installations on Customer's Premises	0			0	0			0	0
N/A	1905	Land	0			0	0			0	0
CEC	1906	Land Rights	0			0	0			0	0
47	1908	Buildings and Fixtures	0			0	0			0	0
13	1910	Leasehold Improvements	0			0	0			0	0
8	1915	Office Furniture and Equipment	1,577,130	7,000		1,584,130	1,016,580	106,957		1,123,536	460,593
45/50	1920	Computer Equipment - Hardware	4,234,789	108,650		4,343,439	3,917,361	132,136		4,049,497	293,943
12/50	1611	Computer Software	6,823,715	871,760		7,695,475	5,793,849	476,948		6,270,797	1,424,678
10	1930	Transportation Equipment	9,126,170	619,409	316,071	9,429,508	5,472,270	589,154	305,084	5,756,340	3,673,169
8	1935	Stores Equipment	542,506			542,506	334,631	46,942		381,573	160,933
8	1940	Tools, Shop and Garage Equipment	1,447,361	77,000		1,524,361	1,131,371	117,919		1,249,290	275,072
8	1945	Measurement and Testing Equipment	941,204	15,000		956,204	822,680	44,963		867,642	88,562
8	1950	Power Operated Equipment	0			0	0			0	0
8	1955	Communication Equipment	944,263			944,263	607,835	92,368		700,203	244,060
8	1960	Miscellaneous Equipment	2,621,400	32,000		2,653,400	1,713,374	242,943		1,956,317	697,083
47	1970	Load Management Controls - Customer Premises	0			0	0			0	0
47	1975	Load Management Controls - Utility Premises	0			0	0			0	0
8	1980	System Supervisory Equipment	4,964,601	265,636		5,230,237	2,923,239	210,279		3,133,518	2,096,718
47	1985	Sentinel Lighting Rentals	0			0	0			0	0
47	1990	Other Tangible Property	0			0	0			0	0
47	1995	Contributions and Grants	(33,424,664)			(33,424,664)	(10,527,550)	(778,853)		(11,306,403)	(22,118,261)
2005		Property under Capital Lease	0			0	0			0	0
47	2440	Deferred Revenue - Contributed Capital	(6,288,938)	(6,372,309)		(12,661,248)	(164,469)	(248,033)		(412,501)	(12,248,746)
		<b>Total before Work in Process</b>	<b>332,881,281</b>	<b>16,434,411</b>	<b>366,854</b>	<b>348,948,838</b>	<b>142,300,708</b>	<b>8,831,862</b>	<b>328,557</b>	<b>150,804,014</b>	<b>198,144,825</b>
WIP	2070	Other utility plant	0			0				0	0
WIP	2055	Work in Process	1,704,604	1,703,555	1,704,604	1,703,555	0			0	1,703,555
WIP	2040	Electric Plant Held for Future Use	834,656			834,656					834,656
		<b>Total after Work in Process</b>	<b>335,420,541</b>	<b>18,137,966</b>	<b>2,071,458</b>	<b>351,487,049</b>	<b>142,300,708</b>	<b>8,831,862</b>	<b>328,557</b>	<b>150,804,014</b>	<b>200,683,036</b>

<b>Less: Fully Allocated Depreciation</b>	
Transportation	589,154
Truck Tools	117,919
Stores	46,942
<b>Net Depreciation</b>	<b>8,077,849</b>

## Appendix D – Bill Impacts

Please see below for updated Bill Impacts to reflect this Settlement Proposal.

Rate Class	kWh	kW	# of Connections	2015 Bill \$	2016 Bill \$	\$ Difference	Total Bill Impact %	Distribution Bill Impact % *	Distribution Bill Impact % **
Residential Time-of-Use	100			32.89	35.66	2.77	8.43%	13.66%	13.60%
	250			54.23	56.38	2.15	3.97%	8.42%	9.30%
	500			89.78	90.90	1.12	1.25%	2.18%	4.27%
	800			132.46	132.34	(0.12)	-0.09%	-2.90%	0.27%
	1,000			160.91	159.96	(0.95)	-0.59%	-5.40%	-1.67%
	1,500			232.03	229.00	(3.03)	-1.31%	-9.82%	-5.07%
	2,000			303.16	298.06	(5.10)	-1.68%	-12.73%	-7.27%
GS < 50 kW Time-of-Use	1,000			175.53	173.60	(1.93)	-1.10%	-5.85%	-2.95%
	2,000			311.89	312.23	0.34	0.11%	-2.92%	1.22%
	5,000			720.97	728.13	7.16	0.99%	1.26%	6.86%
	10,000			1,402.78	1,421.28	18.50	1.32%	3.82%	10.13%
	15,000			2,084.58	2,114.43	29.85	1.43%	4.93%	11.51%
GS 50-4,999 kW	20,000	60		3,368.95	3,491.39	122.44	3.63%	-0.29%	24.41%
	40,000	100		6,420.55	6,621.22	200.67	3.13%	-0.32%	25.77%
	100,000	250		15,848.61	16,350.28	501.66	3.17%	-0.37%	28.60%
	200,000	500		31,562.05	32,565.37	1,003.33	3.18%	-0.39%	29.69%
	400,000	1,000		60,412.51	62,419.16	2,006.65	3.32%	-0.40%	30.26%
Large Use	8,000,000	14,500		1,163,016.08	1,179,982.70	16,966.62	1.46%	1.61%	33.37%
USL	150		1	43.19	36.01	(7.18)	-16.63%	-34.35%	-32.64%
Street Lighting	150	1	1	33.43	35.63	2.20	6.59%	2.61%	21.58%
	50	0.14	1	9.14	9.43	0.29	3.21%	2.13%	15.77%
Embedded Distributor	2,615,000	6,000		337,870.45	350,697.78	12,827.33	3.80%	59.52%	1750.37%

\* Excludes Pass Through Items

\*\* Includes Pass Through Items

## Appendix E – OEB Appendix 2-EC, Account 1576

Please see below for an updated OEB Appendix 2-EC, Account 1576, to reflect this Settlement Proposal.

### Appendix 2-EC Account 1576 - Accounting Changes under CGAAP 2013 Changes in Accounting Policies under CGAAP

For applicants that made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013

Reporting Basis	Rebasing Year	2011	2012	2013	2014	2015	2016 Rebasing Year
	CGAAP	IRM	IRM	IRM	IRM	MIFRS	MIFRS
	Forecast	Actual	Actual	Actual	Actual	Forecast	Forecast
				\$	\$	\$	\$
<b>PP&amp;E Values under former CGAAP</b>							
Opening net PP&E - Note 1				164,787,950	173,961,321	181,552,703	
Net Additions - Note 4				20,339,324	13,206,059	18,222,841	
Net Depreciation (amounts should be negative) - Note 4				(11,165,953)	(5,614,676)	(11,366,992)	
<b>Closing net PP&amp;E (1)</b>				173,961,321	181,552,703	188,408,552	
<b>PP&amp;E Values under revised CGAAP (Starts from 2013)</b>							
Opening net PP&E - Note 1				164,787,950	174,590,342	183,020,607	
Net Additions - Note 4				17,881,164	11,001,407	15,907,904	
Net Depreciation (amounts should be negative) - Note 4				(8,078,771)	(2,571,143)	(8,345,826)	
<b>Closing net PP&amp;E (2)</b>				174,590,342	183,020,607	190,582,685	
<b>Difference in Closing net PP&amp;E, former CGAAP vs. revised CGAAP</b>				(629,021)	(1,467,904)	(2,174,132)	

#### Effect on Deferral and Variance Account Rate Riders

Closing balance in Account 1576	(2,174,132)
Return on Rate Base Associated with Account 1576 balance at WACC - Note 2	(89,974)
<b>Amount included in Deferral and Variance Account Rate Rider Calculation</b>	<b>(2,264,107)</b>

WACC 6.13%

# of years of rate rider disposition period 1

## **Appendix F – Draft Accounting Order – Wireless and Wireline**

Please see below for a Draft Accounting Order - Wireless, to reflect this Settlement Proposal.

### **Accounting Order Requested – 1508 Other Regulatory Asset – Sub-account Wireless and Wireline**

WNH requests a new variance account 1508 Other Regulatory Asset – Sub-account Wireless and Wireline Attachments, in relation to the creation of a variance account to record two items: 1) the net (less any related costs) incremental revenues received from any wireless attachments during the IRM period; and 2) any changes in revenue received due to any change in the currently regulated wireline attachment rate of \$22.35 per attachment per pole per year. For clarity, this is a symmetrical account that reflects changes to the rate rather than change in number of wireline attachments.

The Boards *Filing Requirements* indicate that in the event an applicant seeks an accounting order to establish a new deferral/variance account, the eligibility criteria must be met, including causation, materiality and prudence. The eligibility criteria has been met.

In the absence of a general variance account for this purpose, WNH requests that the Board approve an Accounting Order for WNH as part of this settlement, and that such an Accounting Order include the following:

- 1) The net (less any related costs) incremental revenues received from any wireless attachments during the IRM period. These incremental revenues will be recorded as follows:

*Accounting Entry:*

*Debit - Account 4210, Rent from Electric Property*

*Credit - Account 1508, Other Regulatory Asset – Sub-account Wireless and Wireline*

- 2) Any changes in revenue received due to any change in the currently regulated wireline attachment rate of \$22.35 per attachment per pole per year;

*Accounting Entry:*

*Debit/Credit - Account 4210, Rent from Electric Property*

*Credit/Debit - Account 1508, Other Regulatory Asset – Sub-account Wireless and Wireline*

- 3) The account is symmetrical that reflects changes to the rate rather than change in number of wireline attachments;
- 4) The balance in the variance account is to be disposed of at WNH's next Cost of Service Filing; and

- 5) Carrying charges, at the Board's Prescribed Interest Rate for Deferral and Variance Accounts, would be applied until final disposition.

## **Appendix G – Draft Accounting Order – MS Disposition**

Please see below for a Draft Accounting Order – MS Disposition, to reflect this Settlement Proposal.

### **Accounting Order Requested – 1508 Other Regulatory Asset – Sub-account MS Disposition**

WNH requests a new deferral/variance account 1508 Other Regulatory Asset – Sub-account MS Disposition, in relation creation of a variance account to capture net gains and losses on disposition of various Municipal Station properties inclusive of remediation costs and taxes. Upon disposition, the balance of this account will be distributed with 75% to ratepayers and 25% to WNH. For clarity, this account is not symmetrical in that the Parties agree ratepayers will not owe a credit to WNH if this account is in a net loss scenario at the time of disposition. The balance in the variance account is to be disposed of at WNH's next Cost of Service Filing

The Boards *Filing Requirements* indicate that in the event an applicant seeks an accounting order to establish a new deferral/variance account, the eligibility criteria must be met, including causation, materiality and prudence. The eligibility criteria has been met.

In the absence of a general variance account for this purpose, WNH requests that the Board approve an Accounting Order for WNH as part of this settlement, and that such an Accounting Order include the following:

- 1) The net gains and losses on disposition of various Municipal Station properties inclusive of remediation costs;

*Accounting Entry:*

*Debit/Credit - Account 4355/4360, Gain/Loss on Disposition of Utility and Other Property*

*Debit/Credit - Account 1508, Other Regulatory Asset – MS Disposition*

- 2) Upon disposition, the balance of this account will be distributed with 75% to ratepayers and 25% to WNH;
- 3) The account is not symmetrical in that the Parties agree ratepayers will not owe a credit to WNH if this account is in a net loss scenario at the time of disposition;
- 4) The balance in the variance account is to be disposed of at WNH's next Cost of Service Filing; and
- 5) Carrying charges, at the Board's Prescribed Interest Rate for Deferral and Variance Accounts, would be applied until final disposition.



## **Appendix H – Draft Accounting Order – OPEB**

Please see below for a Draft Accounting Order – OPEB Disposition, to reflect this Settlement Proposal.

### **Accounting Order Requested – 1508 Other Regulatory Asset – Sub-account OPEB**

WNH requests a new deferral/variance account 1508 Other Regulatory Asset – Sub-account OPEB, for the purpose of recording the difference in revenue requirement each year, starting in the test year, between both the capitalized and OM&A components of OPEBs accounted for using a cost basis (as to be reflected in rates if this settlement is accepted by the Board) and both capitalized and OM&A components of OPEBs accounted for using an accrual basis together with related PILs adjustments. This account will accrue interest until final disposition. If the Board determines that LDCs must only include in rates OPEBs accounted for using a cash basis, WNH will seek to discontinue this account without seeking disposition of the amounts recorded in this account. If the Board determines that LDCs may recover OPEBs in rates using an accrual accounting methodology, the Parties agree that WNH will be permitted to seek disposition of this account to recover the amounts so recorded in its next Rate Application following the Board's Decision. WNH will propose a disposition period over which the account should be recovered depending on the quantum in the account and the potential rate impacts at the time.

The Boards *Filing Requirements* indicate that in the event an applicant seeks an accounting order to establish a new deferral/variance account, the eligibility criteria must be met, including causation, materiality and prudence. The eligibility criteria has been met.

In the absence of a general variance account for this purpose, WNH requests that the Board approve an Accounting Order for WNH as part of this settlement, and that such an Accounting Order include the following:

- 1) The recording the difference in revenue requirement each year, starting in the test year, between both the capitalized and OM&A components of OPEBs accounted for using a cost basis (as to be reflected in rates if this settlement is accepted by the Board) and both capitalized and OM&A components of OPEBs accounted for using an accrual basis together with related PILs adjustments;

#### *Accounting Entry:*

*Debit - Account 1508, Other Regulatory Asset – Sub-account*  
*Credit – Account 5645, Employee Pensions and Benefits*

- 2) If the Board determines that LDCs must only include in rates OPEBs accounted for using a cash basis, WNH will seek to discontinue this account without seeking disposition of the amounts recorded in this account;

- 3) If the Board determines that LDCs may recover OPEBs in rates using an accrual accounting methodology, the Parties agree that WNH will be permitted to seek disposition of this account to recover the amounts so recorded in its next Rate Application following the Board's Decision. WNH will propose a disposition period over which the account should be recovered depending on the quantum in the account and the potential rate impacts at the time; and
- 4) Carrying charges, at the Board's Prescribed Interest Rate for Deferral and Variance Accounts, would be applied until final disposition.

**Appendix I - OPA/IESO Final 2011-2014 CDM Results**

Please see attached.



saveONenergy™

### 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](mailto: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

Table of Contents			
Summary		Provides a summary of the LDC specific IESO-Contracted Province-Wide Program performance to date: achievement against target using scenerio 1, sector breakdown and progress to target for the LDC community.	<a href="#">3</a>
LDC-Specific Performance (LDC Level Results)			
Table 1	LDC Initiative and Program Level Net Savings	Provides LDC-specific initiative-level results (activity, net peak demand and energy savings, and how each initiative contributes to targets).	<a href="#">4</a>
Table 2	LDC Adjustments to Net Verified Results	Provides LDC-specific initiative level adjustments from previous years' (activity, net peak demand and energy savings).	<a href="#">5</a>
Table 3	LDC Realization Rates & NTGs	Provides LDC-specific initiative-level realization rates and net-to-gross ratios.	<a href="#">6</a>
Table 4	LDC Net Peak Demand Savings (MW)	Provides a portfolio level view of LDC achievement of net peak demand savings against OEB target.	<a href="#">7</a>
Table 5	LDC Net Energy Savings (GWh)	Provides a portfolio level view of LDC achievement of net energy savings against OEB target.	<a href="#">7</a>
Province-Wide Data - (LDC Performance in Aggregate)			
Table 6	Provincial Initiative and Program Level Net Savings	Provides province-wide initiative-level results (activity, net peak demand and energy savings, and how each initiative contributes to targets).	<a href="#">8</a>
Table 7	Provincial Adjustments to Net Verified Results	Provides province-wide initiative level adjustments from previous years (activity, net peak demand and energy savings).	<a href="#">9</a>
Table 8	Provincial Realization Rates & NTGs	Provides province-wide initiative-level realization rates and net-to-gross ratios.	<a href="#">10</a>
Table 9	Provincial Net Peak Demand Savings (MW)	Provides a portfolio level view of provincial achievement of net peak demand savings against the OEB target.	<a href="#">11</a>
Table 10	Provincial Net Energy Savings (GWh)	Provides a portfolio level view of achievement of provincial net energy savings against the OEB target.	<a href="#">11</a>
Appendix			
-	Methodology	Detailed descriptions of methods used for results.	<a href="#">12 to 21</a>
-	Reference Tables	Consumer Program allocation methodology.	<a href="#">22 to 23</a>
-	Glossary	Definitions for terms used throughout the report.	<a href="#">24</a>
Table 11	LDC Initiative and Program Level Gross Savings	Provides LDC-specific initiative-level results (gross peak demand and energy savings).	<a href="#">25</a>
Table 12	LDC Adjustments to Gross Verified Results	Provides LDC-specific initiative level adjustments from previous years (gross peak demand and energy savings).	<a href="#">26</a>
Table 13	Provincial Initiative and Program Level Gross Savings	Provides province-wide initiative-level results (gross peak demand and energy savings).	<a href="#">27</a>
Table 14	Provincial Adjustments to Gross Verified Results	Provides province-wide initiative level adjustments from previous years (gross peak demand and energy savings).	<a href="#">28</a>

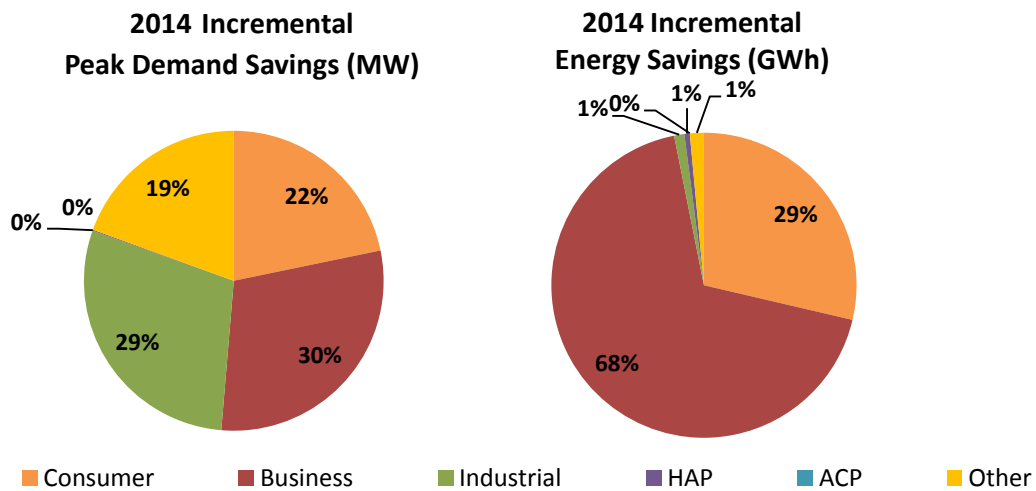
## IESO-Contracted Province-Wide CDM Programs: 2011-2014 Final Results Report

**LDC:** Waterloo North Hydro Inc.

Final 2014 Achievement Against Targets	2014 Incremental	2011-2014 Achievement Against Target	% of Target Achieved
<b>Net Annual Peak Demand Savings (MW)</b>	4.2	8.1	<b>51.1%</b>
<b>Net Energy Savings (GWh)</b>	9.9	66.2	<b>99.6%</b>

*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)

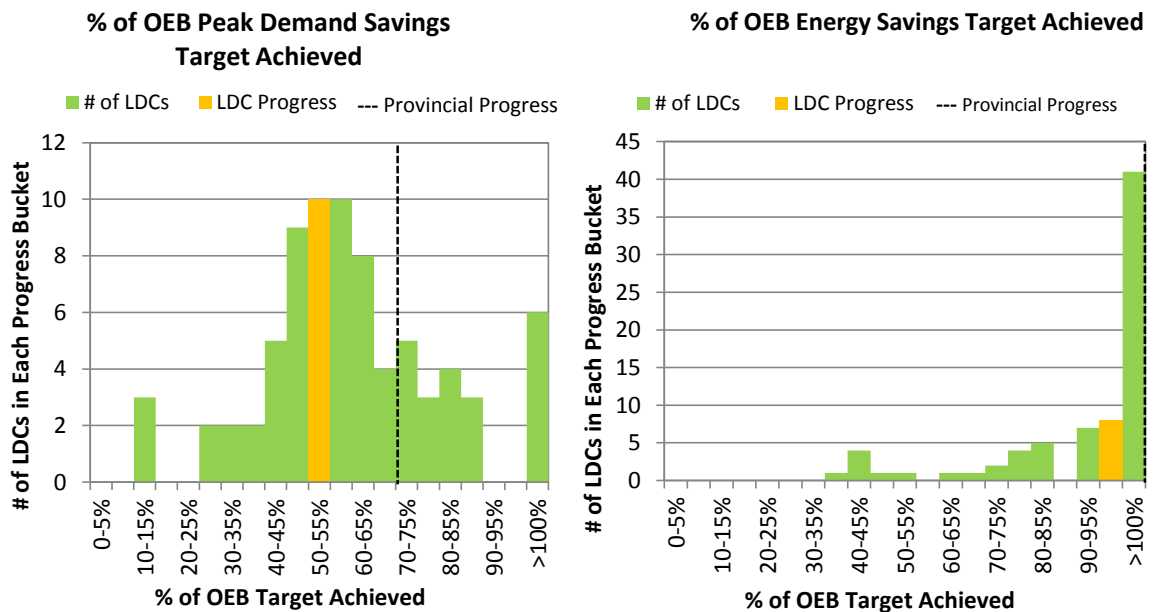


Table 1: Waterloo North Hydro Inc. Initiative and Program Level Net Savings by Year

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)	
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
Consumer Program															
Appliance Retirement	Appliances	433	246	148	182	24	14	10	12	180,566	99,292	63,885	80,001	60	1,227,809
Appliance Exchange	Appliances	22	75	63	142	2	11	13	29	3,051	18,832	23,275	52,460	54	166,552
HVAC Incentives	Equipment	1,199	1,155	1,196	1,521	417	255	240	296	773,162	439,314	409,133	544,462	1,209	5,773,317
Conservation Instant Coupon Booklet	Items	5,070	309	3,486	18,825	12	2	5	42	186,550	14,008	77,221	515,369	61	1,458,036
Bi-Annual Retailer Event	Items	9,539	10,629	9,465	48,338	17	15	12	81	294,427	268,321	172,122	1,231,340	124	3,558,254
Retailer Co-op	Items	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential Demand Response	Devices	129	0	511	1,031	72	0	196	365	0	0	652	0	365	652
Residential Demand Response (IHD)	Devices	0	0	381	853	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						544	298	476	826	1,437,756	839,767	746,287	2,423,632	1,874	12,184,620
Business Program															
Retrofit	Projects	40	63	155	134	263	762	557	805	1,433,122	4,566,653	3,060,859	4,881,353	2,369	30,341,738
Direct Install Lighting	Projects	225	106	114	114	248	82	114	94	617,168	307,810	408,878	349,433	466	4,348,246
Building Commissioning	Buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Construction	Buildings	0	2	3	4	0	4	1	30	0	3,763	1,047	147,947	35	161,329
Energy Audit	Audits	3	8	35	6	0	36	282	80	0	176,234	1,550,425	391,641	398	4,021,192
Small Commercial Demand Response	Devices	8	0	10	15	5	0	6	8	0	0	10	0	8	10
Small Commercial Demand Response (IHD)	Devices	0	0	2	3	0	0	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	3	3	3	3	111	111	113	104	4,323	1,614	1,504	0	104	7,442
Business Program Total						626	996	1,073	1,123	2,054,613	5,056,074	5,022,723	5,770,374	3,381	38,879,957
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	1	17	0	0	0	24	0	0	0	91,627	24	91,627
Retrofit	Projects	11	0	0	0	180	0	0	0	1,128,878	0	0	0	180	4,515,511
Demand Response 3	Facilities	4	7	6	10	392	1,260	1,151	1,081	23,003	30,360	30,917	0	1,081	84,279
Industrial Program Total						572	1,260	1,151	1,105	1,151,881	30,360	30,917	91,627	1,284	4,691,417
Home Assistance Program															
Home Assistance Program	Homes	0	40	420	124	0	2	12	4	0	26,655	170,106	48,046	18	467,034
Home Assistance Program Total						0	2	12	4	0	26,655	170,106	48,046	18	467,034
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	28	0	0	0	181	0	0	0	913,663	0	0	0	181	3,654,650
High Performance New Construction	Projects	6	1	0	0	182	21	0	0	932,887	105,383	0	0	203	4,047,698
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						362	21	0	0	1,846,550	105,383	0	0	384	7,702,349
Other															
Program Enabled Savings	Projects	0	0	0	3	0	0	0	89	0	0	0	125,622	89	125,622
Time-of-Use Savings	Homes	0	0	0	n/a	0	0	0	651	0	0	0	0	651	0
LDC Pilots	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Total						0	0	0	739	0	0	0	125,622	739	125,622
Adjustments to 2011 Verified Results															
Adjustments to 2012 Verified Results															
Adjustments to 2013 Verified Results															
Energy Efficiency Total						1,524	1,206	1,246	2,238	6,463,473	6,026,264	5,936,950	8,459,300	6,122	63,958,615
Demand Response Total (Scenario 1)						580	1,371	1,466	1,559	27,327	31,974	33,083	0	1,559	92,384
Adjustments to Previous Years' Verified Results Total						0	-36	66	365	0	-589,797	387,881	1,424,149	393	2,191,842
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						2,104	2,541	2,777	4,161	6,490,800	5,468,441	6,357,914	9,883,449	8,074	66,242,840
Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).														Full OEB Target:	
*Includes adjustments after Final Reports were issued														15,790	
Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year														66,490,000	
% of Full OEB Target Achieved to Date (Scenario 1):														51.1%	
														99.6%	

Table 2: Adjustments to Waterloo North Hydro 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)	
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
														2014	2014
Consumer Program															
Appliance Retirement	Appliances	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	-239	29	49		-67	6	11		-122,413	11,623	18,614		-50	-417,558
Conservation Instant Coupon Booklet	Items	82	0	11		0	0	0		2,762	0	236		0	11,519
Bi-Annual Retailer Event	Items	820	0	0		1	0	0		21,875	0	0		1	87,500
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						-66	6	11		-97,777	11,623	18,850		-49	-318,540
Business Program															
Retrofit	Projects	0	10	22		0	138	188		0	867,127	641,866		323	3,875,167
Direct Install Lighting	Projects	11	0	0		9	0	0		18,673	0	0		7	68,824
Building Commissioning	Buildings	0	0	0		0	0	0		0	0	0		0	0
New Construction	Buildings	0	1	2		0	1	20		0	1,498	7,792		21	20,079
Energy Audit	Audits	3	1	3		16	7	27		79,195	32,009	146,477		49	705,760
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						25	146	235		97,868	900,633	796,135		401	4,669,830
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	1		0	0	33		0	0	69,300		33	138,600
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	33		0	0	69,300		33	138,600
Home Assistance Program															
Home Assistance Program	Homes	0	3	21		0	1	2		0	3,238	18,599		2	46,843
Home Assistance Program Total						0	1	2		0	3,238	18,599		2	46,843
Aboriginal Program															
Home Assistance Program	Homes	0	0	0		0	0	0		0	0	0		0	0
Direct Install Lighting	Projects	0	0	0		0	0	0		0	0	0		0	0
Aboriginal Program Total						0	0	0		0	0	0		0	0
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	0	0	0		0	0	0		0	0	0		0	0
High Performance New Construction	Projects	1	0	0		5	0	0		-586,223	0	0		5	-2,344,891
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		-586,223	0	0		5	-2,344,891
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						-35				-586,131				-37	-2,350,395
Adjustments to 2012 Verified Results							152				915,494			152	2,746,451
Adjustments to 2013 Verified Results								280				902,884		277	1,795,785
Total Adjustments to Previous Years' Verified Results						-35	152	280		-586,131	915,494	902,884		393	2,191,842

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. Adjustments in Table 1 reflect persisted savings in the year in which that adjustment is verified.



**Table 3: Waterloo North Hydro 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
<b>Consumer Program</b>																
Appliance Retirement	1.00	1.00	n/a	n/a	0.51	0.46	0.42	0.42	1.00	1.00	n/a	n/a	0.52	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	0.50	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	1.34	1.00	1.00	1.00	1.00	1.11	1.05	1.13	1.39
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
<b>Business Program</b>																
Retrofit	0.97	0.94	0.91	0.85	0.71	0.71	0.70	0.70	1.16	1.00	0.96	0.93	0.74	0.70	0.71	0.70
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	0.96	0.47	0.78	n/a	0.49	0.54	0.54	n/a	1.11	0.81	0.92	n/a	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	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Industrial Program</b>																
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	0.91	n/a	n/a	n/a	0.90	n/a	n/a	n/a	0.96	n/a	n/a	n/a	0.90
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
<b>Home Assistance Program</b>																
Home Assistance Program	n/a	1.15	0.93	0.95	n/a	1.00	1.00	1.00	n/a	1.03	0.86	0.74	n/a	1.00	1.00	1.00
<b>Aboriginal Program</b>																
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
<b>Pre-2011 Programs completed in 2011</b>																
Electricity Retrofit Incentive Program	0.78	n/a	n/a	n/a	0.52	n/a	n/a	n/a	0.78	n/a	n/a	n/a	0.53	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
<b>Other</b>																
Program Enabled Savings	n/a	n/a	n/a	0.90	n/a	n/a	n/a	1.00	n/a	n/a	n/a	0.94	n/a	n/a	n/a	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 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	2.1	1.5	1.5	1.5
2012 - Verified†	0.0	2.5	1.2	1.2
2013 - Verified†	0.0	0.1	2.8	1.3
2014 - Verified†	0.0	0.1	0.4	4.2
Verified Net Annual Peak Demand Savings Persisting in 2014:				8.1
Waterloo North Hydro Inc. 2014 Annual CDM Capacity Target:				15.8
Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):				51.1%

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

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011 - Verified	6.5	6.5	6.4	6.3	25.7
2012 - Verified†	-0.6	5.5	5.4	5.4	15.7
2013 - Verified†	0.0	0.4	6.4	6.3	13.1
2014 - Verified†	0.0	0.5	1.43	9.9	11.9
Verified Net Cumulative Energy Savings 2011-2014:					66.2
Waterloo North Hydro Inc. 2011-2014 Annual CDM Energy Target:					66.5
Verified Portion of Cumulative Energy Target Achieved in 2014 (%):					99.6%

†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)	
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savines (kWh) 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
Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).														Full OEB Target:	
*Includes adjustments after Final Reports were issued														1,330,000	
Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year														6,000,000,000	
% of Full OEB Target Achieved to Date (Scenario 1):														70%	
														109%	

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)	
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2011-2014 Net Cumulative Energy Savings (kWh) 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. Adjustments 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
<b>Consumer Program</b>																
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
<b>Business Program</b>																
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
<b>Industrial Program</b>																
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
<b>Home Assistance Program</b>																
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
<b>Aboriginal Program</b>																
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
<b>Pre-2011 Programs completed in 2011</b>																
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
<b>Other</b>																
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
<b>2011</b>	216.3	136.6	135.8	129.0
<b>2012†</b>	1.4	253.3	109.8	108.2
<b>2013†</b>	0.6	7.0	404.5	122.0
<b>2014†</b>	1.4	10.8	34.2	568.6
<b>Verified Net Annual Peak Demand Savings in 2014:</b>				<b>927.7</b>
<b>2014 Annual CDM Capacity Target:</b>				<b>1,330</b>
<b>Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):</b>				<b>69.8%</b>

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

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
<b>2011</b>	606.9	603.0	601.0	582.3	2,393.1
<b>2012†</b>	18.7	503.6	498.4	492.6	1,513.3
<b>2013†</b>	1.7	44.4	603.3	583.4	1,232.8
<b>2014†</b>	7.3	44.8	191.0	1,170.8	1,413.9
<b>Verified Net Cumulative Energy Savings 2011-2014:</b>					<b>6,553.0</b>
<b>2011-2014 Cumulative CDM Energy Target:</b>					<b>6,000</b>
<b>Verified Portion of Cumulative Energy Target Achieved in 2014 (%):</b>					<b>109.2%</b>

*†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	<b>Gross Savings = Activity * Per Unit Assumption</b> <b>Net Savings = Gross Savings * Net-to-Gross Ratio</b> <b>All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)</b>
Engineered and Custom Projects	<b>Gross Savings = Reported Savings * Realization Rate</b> <b>Net Savings = Gross Savings * Net-to-Gross Ratio</b> <b>All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)</b>
Demand Response	<b>Peak Demand: Gross Savings = Net Savings = contracted MW at contributor level * Provincial contracted to ex ante ratio</b> <b>Energy: Gross Savings = Net Savings = provincial ex post energy savings * LDC proportion of total provincial contracted MW</b> <b>All savings are annualized (i.e. the savings are the same regardless of the time of year a participant began offering DR)</b>
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
<b>Consumer Program</b>			
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.
<b>Business Program</b>			
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.
<b>Industrial Program</b>			
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
<b>Home Assistance Program</b>			
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.
<b>Aboriginal Program</b>			
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 ( <a href="http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports">http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports</a> ).
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 ( <a href="http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports">http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports</a> ).
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: Waterloo North Hydro 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	49	14	21	26	359,259	99,292	135,218	169,628
Appliance Exchange**	Appliances	5	11	25	56	5,919	18,832	44,220	99,672
HVAC Incentives	Equipment	691	512	494	621	1,292,287	893,954	855,951	1,145,708
Conservation Instant Coupon Booklet	Items	10	2	5	25	169,297	13,284	68,551	300,894
Bi-Annual Retailer Event	Items	15	16	11	46	269,499	292,770	164,723	703,866
Retailer Co-op	Items	0	0	0	0	0	0	0	0
Residential Demand Response	Devices	72	0	196	365	0	0	652	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		842	556	751	1,140	2,096,261	1,318,132	1,269,315	2,419,768
Business Program									
Retrofit	Projects	372	1,099	797	1,190	1,949,090	6,430,988	4,340,396	7,061,007
Direct Install Lighting	Projects	231	110	121	100	664,665	369,939	433,193	370,213
Building Commissioning	Buildings	0	0	0	0	0	0	0	0
New Construction	Buildings	0	8	1	56	0	24,046	1,939	273,975
Energy Audit	Audits	0	36	430	119	0	176,234	2,345,942	583,668
Small Commercial Demand Response	Devices	5	0	6	8	0	0	10	0
Small Commercial Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	111	111	113	104	4,323	1,614	1,504	0
Business Program Total		719	1,364	1,468	1,578	2,618,079	7,002,822	7,122,984	8,288,864
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	26	0	0	0	101,808
Retrofit	Projects	249	0	0	0	1,453,318	0	0	0
Demand Response 3	Facilities	392	1,260	1,151	1,081	23,003	30,360	30,917	0
Industrial Program Total		641	1,260	1,151	1,107	1,476,321	30,360	30,917	101,808
Home Assistance Program									
Home Assistance Program	Homes	0	2	12	4	0	25,825	170,106	48,046
Home Assistance Program Total		0	2	12	4	0	25,825	170,106	48,046
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	346	0	0	0	1,742,736	0	0	0
High Performance New Construction	Projects	363	43	0	0	1,865,774	210,767	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		709	43	0	0	3,608,510	210,767	0	0
Other									
Program Enabled Savings	Projects	0	0	0	89	0	0	0	125,622
Time-of-Use Savings	Homes	0	0	0	651	0	0	0	0
LDC Pilots	Projects	0	0	0	0	0	0	0	0
Other Total		0	0	0	739	0	0	0	125,622
Adjustments to 2011 Verified Results			290	0	1		156,341	0	5,402
Adjustments to 2012 Verified Results				81	122			439,367	714,506
Adjustments to 2013 Verified Results					415				1,288,369
Energy Efficiency Total		2,330	1,854	1,916	3,009	9,771,844	8,555,931	8,560,238	10,984,107
Demand Response Total		580	1,371	1,466	1,559	27,327	31,974	33,083	0
Adjustments to Previous Years' Verified Results Total			290	81	538	0	156,341	439,367	2,008,277
OPA-Contracted LDC Portfolio Total (inc. Adjustments)		2,910	3,515	3,463	5,106	9,799,171	8,744,246	9,032,688	12,992,383

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 Waterloo North Hydro 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	-111	13	22		-204,642	23,715	39,112	
Conservation Instant Coupon Booklet	Items	0	0	0		2,565	0	207	
Bi-Annual Retailer Event	Items	1	0	0		23,781	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		-109	13	22		-178,296	23,715	39,319	
Business Program									
Retrofit	Projects	0	63	283		0	1,088,649	931,863	
Direct Install Lighting	Projects	9	0	0		20,111	0	0	
Building Commissioning	Buildings	0	0	0		0	0	0	
New Construction	Buildings	0	0	37		0	3,057	14,430	
Energy Audit	Audits	16	5	41		75,529	35,244	221,634	
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		25	69	360		95,639	1,126,950	1,167,927	
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	37		0	0	77,000	
Retrofit	Projects	0	0	0		0	0	0	
Demand Response 3	Facilities	0	0	0		0	0	0	
Industrial Program Total		0	0	37		0	0	77,000	
Home Assistance Program									
Home Assistance Program	Homes	0	0	2		0	3,238	18,599	
Home Assistance Program Total		0	0	2		0	3,238	18,599	
Aboriginal Program									
Home Assistance Program	Homes	0	0	0		0	0	0	
Direct Install Lighting	Projects	0	0	0		0	0	0	
Aboriginal Program Total		0	0	0		0	0	0	
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	0	0	0		0	0	0	
High Performance New Construction	Projects	374	0	0		238,998	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		374	0	0		238,998	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		290				156,341			
Adjustments to 2012 Verified Results			81				1,153,903		
Adjustments to 2013 Verified Results				421				1,302,845	
Total Adjustments to Previous Years' Verified Results		290	81	421		156,341	1,153,903	1,302,845	

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