



## **MILTON HYDRO DISTRIBUTION INC.**

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December 18, 2015

Ms. Kirsten Walli, Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Young Street  
27<sup>th</sup> Floor  
Toronto, ON  
M4P 1E4

**Re: OEB File No. EB-2015-0089  
Milton Hydro Distribution Inc. ED-2003-0014  
Interrogatory Responses**

Please find enclosed an electronic copy of Milton Hydro's Interrogatory Responses in regards to its 2016 Cost of Service Rate Application. Live Excel models have been filed through the RESS. Two hard copies of the Interrogatory Responses will follow by courier under separate cover.

Yours truly,

*Original signed by*

Cameron McKenzie  
Director, Regulatory Affairs  
Milton Hydro Distribution Inc.



**IN THE MATTER OF** the Ontario Energy Board Act, 1998, S.O. 1998, c.15, 3 Schedule B, as amended (the “OEB Act);

**AND IN THE MATTER OF** an Application by Milton Hydro Distribution Inc. under Section 78 of the OEB Act to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of May 1, 2016.

**MILTON HYDRO DISTRIBUTION INC. (“Milton Hydro”)**

**APPLICATION FOR APPROVAL OF 2016 ELECTRICITY  
DISTRIBUTION RATES**

**EB-2015-0089**

**INTERROGATORY RESPONSES**

**Filed: December 18, 2015**

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## **EXHIBIT 1 – ADMINISTRATIVE DOCUMENTS**

### **1.0 - Staff 1**

#### **Conditions of Service, Ref: Exhibit 1, p. 98**

Milton Hydro indicates that it has posted its most recent Conditions of Service on its website.

- a) Please identify any rates and charges that are included in the Applicant's Conditions of Service, but do not appear on the Board-approved tariff sheet, and provide an explanation for the nature of the costs being recovered through these rates and charges.
- b) Please provide a schedule outlining the revenues recovered from these rates and charges from 2012 to 2014 inclusive, and the revenues forecasted for the 2015 bridge and 2016 test years.
- c) Please explain whether, in the Applicant's view, these rates and charges should be included on the Applicant's tariff sheet of approved rates and charges.

#### **Response:**

- a) Milton Hydro has a Basic Connection Fee specific to traffic signals and pedestrian X-walk signals and beacons (S.3.8.2); bus shelters, telephone booths, signs (<50kW) and miscellaneous unmetered loads (<5kW) (S.3.8.3); and decorative lighting and tree lighting services (S3.8.4). The Basic Connection Fee is \$350.00 for overhead connections and \$560.00 for underground connections per location per installation.
- b) The Basic Connection Fees are not revenues but rather recovery of cost to make connections to Milton Hydro's distribution system. These charges are treated as Capital Contributions.
- c) The Basic Connections Charges should not be included in Milton Hydro's tariff sheet of approved rates and charges as the Basic Connection Charges are subject to change based on the actual costs of making the connections and therefore are based on a review of actual costs of labour, material and equipment for recovery.



## **1.0 – Staff 2**

### **Updated RRWF**

Upon completing all interrogatories from OEB staff and intervenors, please provide an updated RRWF in working Microsoft Excel format with any corrections or adjustments that the Applicant wishes to make to the amounts in the populated version of the RRWF filed in the initial applications.

Entries for changes and adjustments should be included in the middle column on sheet 3 Data\_Input\_Sheet.

Please include documentation of the corrections and adjustments, such as a reference to an interrogatory response or an explanatory note. Such notes should be documented on Sheet 10 Tracking Sheet, and may also be included on other sheets in the RRWF to assist understanding of changes.

### **Response:**

Milton Hydro has provided and updated RRWF in Microsoft Excel format as required in this interrogatory. Milton Hydro has also filed updated Excel models reflecting any corrections and adjustments arising as a result of interrogatory responses and Milton Hydro's updated forecasts.



## **1.0 – Staff 3**

### **Updated Appendix 2-W, Bill Impacts**

Upon completing all interrogatories from OEB staff and intervenors, please provide an updated Appendix 2-W for all classes at the typical consumption / demand levels (e.g. 362 and 800 kWh for residential, 2,000 kWh for GS<50, etc.).

#### **Response:**

Milton Hydro has provided an updated Appendix 2-W – Bill Impacts for all classes. Milton Hydro has included any changes or adjustments arising from the interrogatory responses and Milton Hydro's update to its forecasts.

The Excel file is "MILTON\_EB-2015-0089\_IRR\_Bill\_Impacts\_by\_Rate\_Class"



## **1.0 – Staff 4**

**Ref: Exhibit 1, pp. 59-84**

Chapter 2 of the Filing Requirements states, “The RRFE Report contemplates enhanced engagement between distributors and their customers to provide better alignment between distributor operational plans and customer needs and expectations.” (Emphasis added)

Please describe the differences between customer engagement conducted in preparation for the current application and previous customer engagement. Please explain how customer engagement has been enhanced.

**Response:**

Previous customer engagement processes have historically focused on addressing issues of concern raised directly by customers such as storm related power outages; what to do when personal electronic equipment has been damaged; and information sessions held to advise those customers that own their own pole lines, of their responsibility to provide clearance of the lines from trees or tree branches.

The customer engagement conducted in preparation of Milton Hydro's 2016 Cost of Service Rate Application has been enhanced to reach out and involve all interested customers through: an Online Workbook; small General Service and Residential Focus Groups; Mid-Market and Large Business Workshop; and random phone surveys.



## 1.0 – Staff 5

**Ref: Exhibit 1, pp. 59-84**

### **Exhibit 1, p. 41-43**

In the first reference, Milton Hydro provides information on its customer engagement activities and customer engagement surveys. In the second reference, Milton Hydro provides a broad description of its capital investment plans.

- a) Please provide a program or investment project roadmap that more directly connects Milton Hydro's future plans with the findings of its customer engagement surveys.
- b) Were any concerns raised about specific capital projects planned for 2016 during customer consultations?

### **Response:**

- a) Milton Hydro's proposed 2016 – 2020 System Access expenditure is a reflection of customer driven projects. Detailed in Table 1-10, EXHIBIT 1, p. 40 and summarized below the System Access program for 2016 – 2020 totals \$35.5 million and comprises 65.1% of Milton Hydro's capital expenditures for the 2016 – 2020 period. The System Access totals include provisions for Town of Milton and Halton Region road projects, individual customer connections and subdivision developments.

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>System Access</b>	7,906	8,092	6,212	6,411	6,878
<b>System Renewal</b>	1,863	1,821	1,790	1,800	1,725
<b>System Service</b>	1,139	1,225	1,350	1,350	1,500
<b>General Plant</b>	720	701	711	676	696
<b>Total</b>	<b>11,628</b>	<b>11,839</b>	<b>10,063</b>	<b>10,237</b>	<b>10,799</b>



EXHIBIT 1, pg 65 documents Milton Hydro's customer's high priority items including 'maintaining and upgrading equipment' and 'investing more in the grid to reduce the number of outages'. EXHIBIT 1, pg 73 further documents that customers 'feel that Milton Hydro should invest what it takes to replace the system's aging infrastructure'. In response to these preferences Milton Hydro has proposed a System Renewal program that invests consistently and prudently in renewing Milton Hydro's assets. The proposed System Renewal investment for 2016 – 2020 is \$9.0 million and represents 16.5% of Milton Hydro's total proposed capital expenditures.

EXHIBIT 1, pg 65 documents Milton Hydro's customer's high priority items including 'reducing the time needed to restore power'. EXHIBIT 1, pg 77 documents that 'the majority of Residential and General Service respondents think Milton Hydro should spend what is needed to reduce or at least maintain the number of power outages.' and 'respondents think Milton Hydro should spend what is needed to either reduce or at least maintain the length of power outages'. In response to these preferences, and as discussed above Milton Hydro has proposed a System Renewal program that invests consistently and prudently in renewing Milton Hydro's assets. Additionally Milton Hydro has proposed a System Service Spend program that invests in communication and automation technologies which support reliability efforts. Specifically, the 2016 System Service budget proposal includes provisions for deploying a WiMAX based communications infrastructure that will support system automation, automated fault notifications and remote switching capabilities.

- b) There were no concerns raised about specific capital projects planned for 2016 during the customer consultations. The majority of customers in all classes (90% on average) support Milton Hydro's capital planning; modernization of the distribution system (all class average 90%); and replacing aging distribution plant before it breaks down (all class average 79%)



**1.0 – Staff 6**

**Ref: Exhibit 1, Attachment 1-6, OEB Scorecard**

Milton Hydro included its 2013 Scorecard dated September 24, 2014. Please provide Milton Hydro's 2014 Scorecard. Please also provide an explanation or discussion of any differences from the 2013 Scorecard.

**Response:**

Milton Hydro has attached its 2014 Scorecard and Management Discussion & Analysis explaining the 2014 results and any differences from the 2013 Scorecard as Attachment 1.0 – Staff 6 – 2014 Scorecard



## **1.0 – Staff 7**

**Ref: Exhibit 1, Attachment 1-6, OEB Scorecard**

**Scorecard group and future cost performance.** Milton Hydro's scorecard shows that it has been assigned to Group 2 for Efficiency Assessment, based on the PEG July 2014 report. PEG has also provided LDCs with a spreadsheet that enables them to project future cost performance.

- a) Did Milton Hydro forecast their future cost performance for 2016-2020 based on the information provided in this application?
- b) If so, please provide the results. If not, please complete the forecast model, provide the results, any assumptions made and if Milton Hydro's efficiency assessment is forecasted to worsen, then please provide an explanation on why this is the case.

**Response:**

- a) Milton Hydro did not forecast its future cost performance for 2016-2020 based on the PEG spreadsheet and the information provided in this application.

Milton Hydro's understands from the OEB's consultant, that the PEG prediction model was not intended to be used for Rate Setting Purposes. Milton Hydro's Cost of Service Rate Application is based on the 2015 Bridge Year and the 2016 Test Year. The forecasts for 2017 to 2020 are just that, forecasts and do not impact Milton Hydro's Application. In addition, the prediction model is only up to date to 2019

- b) Milton Hydro's Stretch Factor for 2016 has changed from Group 2 to Group 3 primarily due to the increase in staffing of an additional seven employees over both the 2015 Bridge Year and the 2016 Test Year. Milton Hydro has removed the land and building from the determination of the capital costs for 2014 and 2015 and a non-recurring capital investment.



<b>Three Year Average</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Current Year	-4.84%	-5.51%	-7.75%	-10.43%
Previous Year	-1.55%	-4.84%	-5.51%	-7.75%
Two Years Ago	-5.83%	-1.55%	-4.84%	-5.51%
Three Year Average Performance	-4.07%	-3.97%	-6.03%	-7.90%
Stretch Factor Group	3	3	3	3



## **1.0 – Staff 8**

**Ref: Exhibit 1, p. 58**

It appears that on this page, Milton Hydro has inadvertently provided an incomplete paragraph under the heading, Cost Control. Please correct and or update the information in this paragraph.

### **Response:**

Milton Hydro has corrected the paragraph below by removing the need to confirm the data as this had been completed.

### **Cost Control**

Milton Hydro has improved its standing from Group 3 to Group 2 in 2013 and has maintained the Group 2 ranking for 2014. The total cost per customer and total cost per kilometer of line are within the norm of utilities as per the OEB yearbook 2013 (~~NEED TO CONFIRM OEB WEBSITE IS DOWN~~) even though Milton Hydro has continued to experience significant growth. The current Cost of Service rate application would maintain the cost parameters and efficiencies (~~HAVE WE CHECKED/VERIFIED THIS?~~).



## 1.0 – Staff 9

### Ref: Exhibit 1, p. 79, Table 1-22

This table shows project CDM savings for 2011 to 2014. Have any updates become available regarding these savings? Please provide:

- a) the reasons that the “demand savings results are below expectations”
- b) how Milton Hydro determined that they are “in line with many other LDCs”
- c) how Milton Hydro determined that it “will be in top 1/3 of LDCs when comparing results as a percent of target.”

### Response:

- a) The reasons for demand savings results below expectations are:

The DR3 initiative was closed to new applicants as of the beginning of 2014. This was expected to be a major contributor to demand savings.

The suspension of cogeneration projects under the PSUI initiative during the 2011-2014 period came at a critical time and led to the cancellation of a sizeable project by one of our large customers.

Milton Hydro’s Residential Demand Response offering which included the use of smart thermostats with two-way communication was late to market due to technical difficulties with the communications between thermostat and meter. The program was launched in May 2014.

- b) Milton Hydro determined that it was “in line” with many other LDCs based on the OPA 2014 Q4 CDM Status Report that indicated 57 of 76 LDCs were below the provincial progress.
- c) Milton Hydro determined that it would “be in the top 1/3 of LDCs when comparing results as a percent of target” based on the OPA 2014 Q4 CDM Status Report, including an estimate of the contribution of HPNC projects finished in 2013 and 2014 but not included on the report. However, based on the 2011-2014 Final Results Report this was not the case as the provincial percent of target was higher at 69.8% and a number of other



LDCs also improved their relative position versus the provincial result.



**1.0 – Staff 10**

**Interrogatory:**

**Ref: Exhibit 1, p. 95, Table 1-25 and Exhibit 9, p. 19, Table 9-13**

OEB staff notes the following discrepancies between Tables 1-25 and 9-13:

	Table 1-25 (App 2-Y)	Table 9-13 (App 2- BA CGAAP without accounting policy)	Difference
Closing NBV 2015 – CGAAP without policy changes	\$79,320,764	\$76,350,764	2,970,000

- a) Please explain the discrepancies.
- b) Please update the evidence as applicable

**Response:**

- a) Milton Hydro has revised Table 9-13 (App 2-BA CGAAP without accounting policy changes and notes that the closing NBV 2015 – CGAAP without policy changes of (\$76,350,764) was incorrect and has been corrected to be (\$79.320.764). The difference was the building value and the appropriate amortization.
- b) Milton Hydro has updated its evidence in the table below.



Fixed Asset Continuity Schedule <sup>1</sup>

Accounting Standard CGAAP  
Year 2015

CCA Class <sup>2</sup>	OEB Account <sup>3</sup>	Description <sup>3</sup>	Cost				Accumulated Depreciation				
			Opening Balance	Additions <sup>4</sup>	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
47	1609	Capital Contributions Paid	\$ 122,349			\$ 122,349	-\$ 7,341	-\$ 4,894		-\$ 12,235	\$ 110,114
12	1611	Computer Software (Formally known as Account 1925)	\$ 1,022,976	\$ 174,000		\$ 1,196,976	-\$ 686,658	-\$ 114,214		-\$ 800,872	\$ 396,104
CEC	1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -	\$ -			\$ -	\$ -
N/A	1805	Land	\$ 69,883			\$ 69,883	\$ -			\$ -	\$ 69,883
47	1808	Buildings	\$ -			\$ -	\$ -			\$ -	\$ -
13	1810	Leasehold Improvements	\$ -			\$ -	\$ -			\$ -	\$ -
47	1815	Transformer Station Equipment >50 kV	\$ -			\$ -	\$ -			\$ -	\$ -
47	1820	Distribution Station Equipment <50 kV	\$ 1,516,192			\$ 1,516,192	-\$ 1,449,764	-\$ 23,011		-\$ 1,472,775	\$ 43,417
47	1825	Storage Battery Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1830	Poles, Towers & Fixtures	\$ 31,816,741	\$ 2,007,110		\$ 33,823,851	-\$ 11,554,218	-\$ 1,006,925		-\$ 12,561,143	\$ 21,262,708
47	1835	Overhead Conductors & Devices	\$ 23,281,376	\$ 1,676,941		\$ 24,958,317	-\$ 13,531,289	-\$ 841,286		-\$ 14,372,575	\$ 10,585,742
47	1840	Underground Conduit	\$ 26,734,530	\$ 1,995,255		\$ 28,729,785	-\$ 9,213,495	-\$ 1,057,085		-\$ 10,270,580	\$ 18,459,205
47	1845	Underground Conductors & Devices	\$ 18,985,425	\$ 1,300,829		\$ 20,286,254	-\$ 8,178,912	-\$ 689,178		-\$ 8,868,090	\$ 11,418,164
47	1850	Line Transformers	\$ 38,278,683	\$ 1,199,267		\$ 39,477,950	-\$ 19,499,779	-\$ 1,435,823		-\$ 20,935,602	\$ 18,542,348
47	1855	Services (Overhead & Underground)	\$ 15,025,948	\$ 1,155,346		\$ 16,181,294	-\$ 4,269,625	-\$ 412,859		-\$ 4,682,484	\$ 11,498,810
47	1860	Meters	\$ -			\$ -	\$ -			\$ -	\$ -
47	1860	Meters (Smart Meters)	\$ 11,774,801	\$ 326,664		\$ 12,101,465	-\$ 5,343,711	-\$ 684,688		-\$ 6,028,399	\$ 6,073,066
N/A	1905	Land	\$ 5,182,052		-\$ 1,109,265	\$ 4,072,787	\$ -			\$ -	\$ 4,072,787
47	1908	Buildings & Fixtures	\$ -	\$ 10,500,000		\$ 10,500,000	\$ -	-\$ 105,000		-\$ 105,000	\$ 10,395,000
13	1910	Leasehold Improvements	\$ 377,009			\$ 377,009	-\$ 377,009			-\$ 377,009	\$ -
8	1915	Office Furniture & Equipment (10 years)	\$ 714,887	\$ 500,000		\$ 1,214,887	-\$ 639,118	-\$ 40,390		-\$ 679,508	\$ 535,379
8	1915	Office Furniture & Equipment (5 years)	\$ -			\$ -	\$ -			\$ -	\$ -
10	1920	Computer Equipment - Hardware	\$ 1,892,372	\$ 80,000		\$ 1,972,372	-\$ 1,629,939	-\$ 84,919		-\$ 1,714,858	\$ 257,514
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -			\$ -	\$ -			\$ -	\$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ -			\$ -	\$ -			\$ -	\$ -
10	1930	Transportation Equipment	\$ 2,661,180	\$ 530,000		\$ 3,191,180	-\$ 1,638,138	-\$ 240,463		-\$ 1,878,601	\$ 1,312,579
8	1935	Stores Equipment	\$ 281,519	\$ 117,032		\$ 398,551	-\$ 192,400	-\$ 17,476		-\$ 209,876	\$ 188,675
8	1940	Tools, Shop & Garage Equipment	\$ 420,812	\$ 9,500		\$ 430,312	-\$ 410,009	-\$ 7,794		-\$ 417,803	\$ 12,509
8	1945	Measurement & Testing Equipment	\$ 126,481			\$ 126,481	-\$ 33,683	-\$ 9,072		-\$ 42,755	\$ 83,726
8	1950	Power Operated Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1955	Communications Equipment	\$ 269,021	\$ 1,100,000		\$ 1,369,021	-\$ 198,619	-\$ 67,203		-\$ 265,822	\$ 1,103,199
8	1955	Communication Equipment (Smart Meters)	\$ -			\$ -	\$ -			\$ -	\$ -
8	1960	Miscellaneous Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
		Load Management Controls Customer Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1970	Load Management Controls Customer Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1975	Load Management Controls Utility Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1980	System Supervisor Equipment	\$ 122,172	\$ 270,000		\$ 392,172	-\$ 47,741	-\$ 13,442		-\$ 61,183	\$ 330,989
47	1985	Miscellaneous Fixed Assets	\$ -			\$ -	\$ -			\$ -	\$ -
47	1990	Other Tangible Property	\$ 133,004			\$ 133,004	-\$ 43,794	-\$ 13,301		-\$ 57,095	\$ 75,909
47	1995	Contributions & Grants	-\$ 51,971,243	-\$ 2,773,720		-\$ 54,744,963	\$ 15,131,417	\$ 2,106,483		\$ 17,237,900	-\$ 37,507,063
47	2440	Deferred Revenue <sup>5</sup>				\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
		Sub-Total	\$ 128,838,171	\$ 20,168,224	-\$ 1,109,265	\$ 147,897,130	-\$ 63,813,825	-\$ 4,762,540	\$ -	-\$ 68,576,365	\$ 79,320,765
		Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$ -	\$ -
		Less Other Non Rate-Regulated Utility Assets (input as negative)				\$ -				\$ -	\$ -
		Total PP&E	\$ 128,838,171	\$ 20,168,224	-\$ 1,109,265	\$ 147,897,130	-\$ 63,813,825	-\$ 4,762,540	\$ -	-\$ 68,576,365	\$ 79,320,765
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable <sup>6</sup>									
		Total					-\$ 4,762,540				

10	Transportation
8	Stores Equipment
8	Tools, Shop & Garage Equipment
8	Measurement & Testing Equipment

Less: Fully Allocated Depreciation

Transportation	-\$ 240,463
Stores Equipment	-\$ 17,476
Tools	-\$ 7,794
Measurement	-\$ 9,072
<b>Net Depreciation</b>	<b>-\$ 4,487,735</b>



## **1.0 – Staff 11**

### **Interrogatory:**

Please provide copies of all benchmarking studies, evaluation, surveys undertaken by Milton Hydro, either through a third-party or internally, since 2010.

### **Response:**

Milton Hydro has provided the Optimus Planning sessions for its Strategic Plan and Priorities (2014) & Board Strategic Planning (2014), Innovative Research Group Customer Survey & Report (2015) and UtilityPULSE Survey (2015) as part of its Application.

Milton Hydro benchmarks against other Mid-Size Utilities and Stretch Factor Peer Groups using the OEB Yearbooks for measures such as OM&A per Customer and Customers per Employee which have also been provided in its Application and updated in response to Energy Probe interrogatory 1-Energy Probe-1.

Milton Hydro also participates in the MEARIE Group annual surveys including Board of Director Compensation and Management Compensation. Milton Hydro has provided the 2015 MEARIE Group surveys; similar surveys are prepared for previous years and copies have been included in the interrogatory responses of previous distributors cost of service applications. The survey is included at ATTACHMENT 1.0-Staff 11.

Milton Hydro regularly participates in a number of other informal surveys conducted by an informal HR group of approximately 40 LDCs. The GridSmartCity group of LDCs also solicit their membership on a regular basis on topics such as insurance, benefits, equipment and salaries.



## Comparison of Ontario Electricity Distributors 2010/2011/2012/2013/2014 OEB Yearbooks OM&A per Customer

Built from Data submitted by LDCs to OEB via Yearbooks of Electricity Distributors

Mid-Size GTA Medium-High & High Undergrounding (as per the OEB Year Book Statistics)	OM&A per Customer 2010	OM&A per Customer 2011	OM&A per Customer 2012	OM&A per Customer 2013	OM&A per Customer 2014
Milton Hydro Distribution Inc.	191.91	209.83	209.19	247.59	243.34
Burlington Hydro Inc.	217.65	225.24	252.49	260.13	263.52
Oakville Hydro Electricity Distribution Inc.	175.79	206.45	223.21	270.31	263.02
Cambridge and North Dumfries Hydro Inc.	188.26	208.64	266.21	274.72	274.29
Whitby Hydro Electric Corporation	223.49	213.50	219.49	266.29	255.33
Kitchener-Wilmot Hydro Inc.	141.68	154.69	189.02	186.18	186.70
Guelph Hydro Electric Systems Inc.	194.82	250.75	266.86	298.11	271.51
Halton Hills Hydro Inc.	210.67	226.82	283.20	240.83	246.30
Brantford Power Inc.	201.44	176.40	198.95	229.54	235.71
Waterloo North Hydro Inc.	190.70	181.61	219.96	244.24	259.20
Oshawa PUC Networks Inc.	167.61	191.13	210.65	207.71	204.78
Newmarket - Tay Power Distribution Ltd.	202.84	198.21	240.26	214.87	231.48
Peer Group Average of Distributors that Reported	192.24	203.61	231.62	245.04	244.60
Peer Group Average Excluding Milton Hydro	192.27	203.04	233.66	244.81	244.71

Source: OEB Yearbooks of Electricity Distributors



## Comparison of Ontario Electricity Distributors Peer Groups per Stretch Factor Assignment Groups OM&A per Customer

Built from Data submitted by LDCs to OEB via Yearbooks of Electricity Distributors

Mid-Size GTA Medium-High & High Undergrounding (as per the OEB Year Book Statistics)	OM&A per Customer 2010	OM&A per Customer 2011	OM&A per Customer 2012	OM&A per Customer 2013	OM&A per Customer 2014
Kitchener-Wilmot Hydro Inc.	141.68	154.69	189.02	186.18	186.70
Oshawa PUC Networks	167.61	191.13	210.65	207.71	204.78
London Hydro Inc.	203.97	208.57	208.64	210.08	212.25
Essex Powerlines corporation	194.46	197.44	214.46	212.94	235.64
Newmarket - Tay Power Distribution Ltd.	202.84	198.21	240.26	214.87	231.48
Entregus Powerlines	n/a	n/a	220.81	237.24	230.35
<b>Milton Hydro Distribution Inc.</b>	<b>191.91</b>	<b>209.83</b>	<b>209.19</b>	<b>247.59</b>	<b>243.34</b>
Grimsby Power Incorporated	175.41	202.10	285.46	256.50	255.05
Lakefront Power Distribution Ltd.	219.38	217.11	234.92	263.07	250.26
Enersource Hydro Mississauga Inc.	242.63	237.85	267.42	274.75	260.39
Welland Hydro-Electric system Corp.	221.07	242.45	285.12	277.43	277.20
Cooperative Hydro Embrun Inc	241.50	274.48	271.97	323.64	288.44
Haldimand County Hydro Inc.	325.37	346.19	454.76	351.80	352.62
Lakeland Power Distribution Ltd.	311.46	293.07	327.77	354.04	390.02
Espanola Regional Hydro Distribution Corporation	311.73	325.54	412.05	417.85	394.02
Stretch Factor Group Average of Distributors that Reported	<b>225.07</b>	<b>235.62</b>	<b>268.83</b>	<b>269.05</b>	<b>267.50</b>
Stretch Factor Group Average Excluding Milton Hydro	<b>231.49</b>	<b>241.84</b>	<b>274.53</b>	<b>274.96</b>	<b>273.27</b>

Source: OEB Yearbooks of Electricity Distributors



## Comparison of Ontario Electricity Distributors Peer Groups per PEG Report Customers per Employee

Built from Data submitted by LDCs to MEARIE Survey of Ontario's Local Distribution Companies

Mid-Size GTA Medium-High & High Undergrounding (as per the Mearie & OEB Yearbook)	Customers per Employee July 1, 2010 (Mearie)	Customers per Employee Dec 31, 2011 (OEB Yearbook)	Customers per Employee Dec 31, 2012 (OEB Yearbook)	Customers per Employee Dec 31, 2013 (OEB Yearbook)	Customers per Employee Dec 31, 2014 (OEB Yearbook)
Milton Hydro Distribution Inc.	649	663	673	655	675
Burlington Hydro Inc.	677	694	711	695	699
Oakville Hydro Electricity Distribution Inc.	n/a	595	583	579	579
Cambridge and North Dumfries Hydro Inc.	n/a	543	541	517	502
Whitby Hydro Electric Corporation	n/a	606	n/a	n/a	n/a
Kitchener-Wilmot Hydro Inc.	505	506	500	509	506
Guelph Hydro Electric Systems Inc.	512	484	491	459	445
Halton Hills Hydro Inc.	n/a	433	418	413	406
Brantford Power Inc.	n/a	584	554	602	681
Waterloo North Hydro Inc.	438	454	449	395	417
Oshawa PUC Networks Inc.	756	717	711	750	720
Newmarket - Tay Power Distribution Ltd.	n/a	585	594	607	612
Peer Group Average of Distributors that Reported	589	572	566	562	567
Peer Group Average Excluding Milton Hydro	578	564	555	553	557

Source: MEARIE 2010,2010/2011 & 2011/2012/2013/2014  
Survey of Ontario's Local Distribution Companies



## 1-Energy Probe-1

### Interrogatory:

Ref: Exhibit 1, pages 25-28

Please update Tables 1-3 through 1-6 to include 2014 yearbook data.

### Response:

Milton Hydro has updated Tables 1-3 through 1-6 to include the 2014 yearbook data.

**Table 1-3**  
**Customers per Employee – Mid-Size GTA Medium High**

Mid-Size GTA Medium-High & High Undergrounding (as per the Mearie & OEB Yearbook)	Customers per Employee 2009 (Mearie)	Customers per Employee July 1, 2010 (Mearie)	Customers per Employee Dec 31, 2011 (OEB Yearbook)	Customers per Employee Dec 31, 2012 (OEB Yearbook)	Customers per Employee Dec 31, 2013 (OEB Yearbook)	Customers per Employee Dec 31, 2014 (OEB Yearbook)
Oshawa PUC Networks Inc.	n/a	756	717	711	750	720
Burlington Hydro Inc.	663	677	694	711	695	699
Brantford Power Inc.	447	n/a	584	554	602	681
<b>Milton Hydro Distribution Inc.</b>	<b>682</b>	<b>649</b>	<b>663</b>	<b>673</b>	<b>655</b>	<b>675</b>
Newmarket - Tay Power Distribution Ltd.	n/a	n/a	585	594	607	612
Oakville Hydro Electricity Distribution Inc.	595	n/a	595	583	579	579
Kitchener-Wilmot Hydro Inc.	500	505	506	500	509	506
Cambridge and North Dumfries Hydro Inc.	572	n/a	543	541	517	502
Guelph Hydro Electric Systems Inc.	499	512	484	491	459	445
Waterloo North Hydro Inc.	429	438	454	449	395	417
Halton Hills Hydro Inc.	464	n/a	433	418	413	406
Whitby Hydro Electric Corporation	557	n/a	606	n/a	n/a	n/a
Peer Group Average of Distributors that Reported	<b>541</b>	<b>589</b>	<b>572</b>	<b>566</b>	<b>562</b>	<b>567</b>
Peer Group Average Excluding Milton Hydro	<b>525</b>	<b>578</b>	<b>564</b>	<b>555</b>	<b>553</b>	<b>557</b>



**Table 1-4**  
**OM&A per Customers – Mid Size GTA Medium-High**

<b>Mid-Size GTA Medium-High &amp; High Undergrounding (as per the OEB Year Book Statistics)</b>	<b>OM&amp;A per Customer 2009</b>	<b>OM&amp;A per Customer 2010</b>	<b>OM&amp;A per Customer 2011</b>	<b>OM&amp;A per Customer 2012</b>	<b>OM&amp;A per Customer 2013</b>	<b>OM&amp;A per Customer 2014</b>
Cambridge and North Dumfries Hydro Inc.	197.44	188.26	208.64	266.21	274.72	274.29
Guelph Hydro Electric Systems Inc.	194.07	194.82	250.75	266.86	298.11	271.51
Burlington Hydro Inc.	207.76	217.65	225.24	252.49	260.13	263.52
Oakville Hydro Electricity Distribution Inc.	162.65	175.79	206.45	223.21	270.31	263.02
Waterloo North Hydro Inc.	172.31	190.70	181.61	219.96	244.24	259.20
Whitby Hydro Electric Corporation	214.00	223.49	213.50	219.49	266.29	255.33
Halton Hills Hydro Inc.	209.03	210.67	226.82	283.20	240.83	246.30
<b>Milton Hydro Distribution Inc.</b>	<b>195.08</b>	<b>191.91</b>	<b>209.83</b>	<b>209.19</b>	<b>247.59</b>	<b>243.34</b>
Brantford Power Inc.	205.16	201.44	176.40	198.95	229.54	235.71
Newmarket - Tay Power Distribution Ltd.	199.37	202.84	198.21	240.26	214.87	231.48
Oshawa PUC Networks Inc.	167.62	167.61	191.13	210.65	207.71	204.78
Kitchener-Wilmot Hydro Inc.	141.90	141.68	154.69	189.02	186.18	186.70
Peer Group Average of Distributors that Reported	<b>195.69</b>	<b>192.24</b>	<b>203.61</b>	<b>231.62</b>	<b>245.04</b>	<b>244.60</b>
Peer Group Average Excluding Milton Hydro	<b>188.30</b>	<b>192.27</b>	<b>203.04</b>	<b>233.66</b>	<b>244.81</b>	<b>244.71</b>



**Table 1-5**  
**Customers per Employee – Stretch Factor Group II**

<b>Group II - Stretch Factor Assignment</b>	<b>Customers per Employee Dec 31, 2011 (OEB Yearbook)</b>	<b>Customers per Employee Dec 31, 2012 (OEB Yearbook)</b>	<b>Customers per Employee Dec 31, 2013 (OEB Yearbook)</b>	<b>Customers per Employee Dec 31, 2014 (OEB Yearbook)</b>
Entregus Powerlines	n/a	789	792	844
Oshawa PUC Networks	717	711	750	720
<b>Milton Hydro Distribution Inc.</b>	<b>663</b>	<b>673</b>	<b>655</b>	<b>675</b>
Cooperative Hydro Embrun Inc	651	652	654	662
Grimsby Power Incorporated	573	583	589	613
Newmarket - Tay Power Distribution Ltd.	585	594	607	612
Essex Powerlines corporation	639	639	645	597
Enersource Hydro Mississauga Inc.	601	608	597	579
Welland Hydro-Electric system Corp.	518	501	558	576
Lakeland Power Distribution Inc.	600	605	610	531
Kitchener-Wilmot Hydro Inc.	506	500	509	506
Lakefront Utilities Inc.	499	489	492	500
London Hydro Inc.	491	491	490	489
Espanola Regional Hydro Distribution Corporation	660	550	472	472
Haldimand County Hydro Inc.	421	407	400	388
<b>Stretch Factor Group Average of Distributors that Reported</b>	<b>580</b>	<b>586</b>	<b>588</b>	<b>584</b>
<b>Stretch Factor Group Average Excluding Milton Hydro</b>	<b>574</b>	<b>580</b>	<b>583</b>	<b>578</b>



**Table 1-6**  
**OM&A per – Stretch Factor Group II**

<b>Mid-Size GTA Medium-High &amp; High Undergrounding (as per the OEB Year Book Statistics)</b>	<b>OM&amp;A per Customer 2009</b>	<b>OM&amp;A per Customer 2010</b>	<b>OM&amp;A per Customer 2011</b>	<b>OM&amp;A per Customer 2012</b>	<b>OM&amp;A per Customer 2013</b>	<b>OM&amp;A per Customer 2014</b>
Espanola Regional Hydro Distribution Corporation	327.70	311.73	325.54	412.05	417.85	394.02
Lakeland Power Distribution Ltd.	300.90	311.46	293.07	327.77	354.04	390.02
Haldimand County Hydro Inc.	332.30	325.37	346.19	454.76	351.80	352.62
Cooperative Hydro Embrun Inc	210.72	241.50	274.48	271.97	323.64	288.44
Welland Hydro-Electric system Corp.	218.72	221.07	242.45	285.12	277.43	277.20
Enersource Hydro Mississauga Inc.	263.63	242.63	237.85	267.42	274.75	260.39
Grimsby Power Incorporated	172.75	175.41	202.10	285.46	256.50	255.05
Lakefront Power Distribution Ltd.	194.59	219.38	217.11	234.92	263.07	250.26
<b>Milton Hydro Distribution Inc.</b>	<b>195.08</b>	<b>191.91</b>	<b>209.83</b>	<b>209.19</b>	<b>247.59</b>	<b>243.34</b>
Essex Powerlines corporation	184.00	194.46	197.44	214.46	212.94	235.64
Newmarket - Tay Power Distribution Ltd.	199.39	202.84	198.21	240.26	214.87	231.48
Entregus Powerlines	n/a	n/a	n/a	220.81	237.24	230.35
London Hydro Inc.	187.87	203.97	208.57	208.64	210.08	212.25
Oshawa PUC Networks	167.62	167.61	191.13	210.65	207.71	204.78
Kitchener-Wilmot Hydro Inc.	141.90	141.68	154.69	189.02	186.18	186.70
Stretch Factor Group Average of Distributors that Reported	<b>221.23</b>	<b>225.07</b>	<b>235.62</b>	<b>268.83</b>	<b>269.05</b>	<b>267.50</b>
Stretch Factor Group Average Excluding Milton Hydro	<b>223.24</b>	<b>227.62</b>	<b>237.60</b>	<b>273.09</b>	<b>270.58</b>	<b>269.23</b>



## **1-Energy Probe-2**

**Ref: Exhibit 1, page 101**

Please confirm that no costs associated with Milton Hydro Holdings Inc., Milton Energy & Generation Solutions Inc. or Milton Hydro Services Inc. have been included in either the historical data presented or in the 2016 revenue requirement of Milton Hydro Distribution Inc. If this cannot be confirmed, please provide the details by year of any such amounts included in the application.

### **Response:**

Milton Hydro Distribution Inc. confirms that there are no costs associated Milton Hydro Holdings Inc., Milton Energy & Generation Solutions Inc. or Milton Hydro Services Inc. included in either the historical data presented or in the 2016 revenue requirement.



## 1-SEC-1

Attached is a table, in both pdf. and Excel formats, comparing the most recent (2014 RRR, and 2014 benchmarking) results of twenty-four Ontario distributors similar to the Applicant, including the Applicant. With respect to these comparison tables:

- a. Please identify any distributors on the list that the Applicant feels are not appropriate comparators, and provide reasons for that conclusion. Please identify any distributors that the Applicant feels should be on the list, and are not, and provide reasons for that conclusion.
- b. With respect to the OEB efficiency assessment:
  - i. Please explain the anomalous 2012 results. If the reason for the anomaly is an accounting adjustment, please recalculate the 2012 predicted and actual costs without the adjustment.
  - ii. Please confirm that, with the exception of 2012, the Applicant regularly keeps its overall cost performance about 4% below predicted costs. Please provide any studies, reports or other documents the Applicant has in its possession discussing the reasons for that consistent performance.
  - iii. Please explain why two of the local utilities, Halton Hills and Kitchener-Wilmot, consistently have substantially better cost performance than the Applicant, and one other local utility, Hydro One Brampton, generally has marginally better cost performance than the Applicant. Please describe any plans or strategies of the Applicant to bring cost performance more in line with these best in class competitors.
  - iv. Please confirm that, even with a 6.1% rate increase in 2016 based on forecast increases in cost of service, the Applicant plans to remain at a level at least 4% below predicted costs in 2016.
- c. With respect to cost per customer, please confirm that only five of the comparator distributors had 2014 costs per customer lower than the Applicant. Please provide any exogenous reasons (for example, customer mix) that should be taken into account in analyzing this metric.



- d. With respect to OM&A per customer and Distribution Revenue per customer:
- i. Please confirm that the Applicant's OM&A per customer is 9<sup>th</sup> best of the comparator distributors, and the Applicant's Distribution Revenue per customer is 7<sup>th</sup> best of the comparator distributors. Please provide details of any data inconsistencies or other anomalies known to the Applicant that would make these comparisons incorrect.
  - ii. Please confirm that the Applicant's Distribution Revenue per customer has declined 7.5% since 2005 (\$497.35 to \$460.29), while on average across the industry it has increased 23.3% since 2005 (\$412.57 to \$508.64, excluding Hydro One and Toronto Hydro). Please explain the factors unique to Milton Hydro that are the cause of this material variance.
- e. Please provide any studies, reports or other materials in the possession of the Applicant analyzing the impact of the Applicant's rapid customer growth on its cost structure and/or any specific cost performance metrics. By way of example, and without intending to limit the scope of the question, has Milton Hydro investigated the extent, if any, to which the newness of its distribution assets impacts its operating and maintenance costs, or the extent, if any, to which its customer demographics impact its billing and collection costs (including such things as e-billing uptake, etc.)?

**Response:**

- a) Milton Hydro does not propose any changes to the list.
- b) Milton Hydro provides the following with respect to the OEB efficiency assessment:
  - i. Milton Hydro has checked the 2012 data base and does not have an explanation for the 2012 results.
  - ii. Milton Hydro confirms that, with the exception of 2012, it has regularly kept its overall cost performance about 4% below predicted costs and has forecasted its cost performance out to 2019. Please refer to the OEB Staff interrogatory 1.0 – Staff 7b).
  - iii. Milton Hydro cannot explain why Halton Hills has better cost performance other than Halton Hills has not experienced the same level of growth as Milton Hydro.



Milton Hydro's overall cost per customer is lower than Halton Hills. The other two distributors are not on the list. When comparing the three year efficiency assessment Milton Hydro is fifth on the list of twenty-four distributors. Milton Hydro's strategic areas of focus are set out in EXHIBIT 1, Page 20 which will drive Milton Hydro's efficiency in meeting its corporate and customer needs.

- iv. Please refer to Milton Hydro's response to ii. above.
- c) Milton Hydro confirms that only five of the comparator distributors had 2014 costs per customer lower than Milton Hydro. Apart from differences in accounting for capital and or OM&A Milton Hydro would offer the following exogenous reasons for analyzing this metric. Milton Hydro is a high growth distributor with approximately 65% of its capital driven by third parties with the capital investments partially offset by the capital contributions collected. Another consideration would be the ratio of urban service area to rural service area and therefore customers per kilometer of line.
- d) With respect to OM&A per customer and Distribution Revenue per customer:
  - i. Milton Hydro confirms that its OM&A per customer is 9<sup>th</sup> best of the comparator distributors, and that its Distribution Revenue per customer is the 8<sup>th</sup> lowest of the comparator distributors.
  - ii. Milton Hydro confirms that its Distribution Revenue per customer has declined 7.5% since 2005 (\$497.35 to \$460.29), while on average across the industry Milton Hydro has determined that Distribution Revenue per customer has increased 31.8% since 2005 (\$405.40 to \$534.46, excluding Hydro One and Toronto Hydro), which is different than the interrogatory. Despite the difference the results are still relevant. Milton Hydro's high customer growth and low rate increases during the IRM periods account for the decrease in Distribution Revenue per customer.
- e) Milton Hydro has not undertaken any specific studies analyzing the impact of the its rapid customer growth on its cost structure and/or any specific cost performance metrics.

From a customer service perspective, rapid customer growth means a higher level of customer contact with new customers in order to set up customer accounts for billing purposes. The charts below identify the number of calls and number of hand-delivered ("HD") collection notices issued each month/year. The number of hand-delivered collection notices have increased 134% from 2010 to 2015 while the number of customer



calls have increased 19% over the same period. While hand-delivered collection notices have increased year over year, customer calls fluctuate in correlation to the number of new customers each year. Customer demographics include a higher number of young families, who are likely more tech-savvy, allowing Milton Hydro to transition customers to e-billing. Effective November 1, 2014, Milton Hydro transitioned to ebilling for all new customers. New customers are only provided a paper bill on request. As of November 1, 2015, Milton Hydro has 9,400 (26%) of its customers on ebilling. Milton Hydro continues to encourage existing customers to transition to ebilling and regularly runs contests in this regard.

	2015 CALLS	2014 CALLS	2013 CALLS	2012 CALLS	2011 Calls	2010 Calls	Variance from 2010 to 2015P	
January	2270	2500	2471	2524	1940	2275	-5	
February	1993	1967	1912	2395	1799	1875	118	
March	2221	2108	2039	2651	2182	2327	-106	
April	2696	2419	3457	2940	2100	2145	551	
May	2683	2297	2642	3019	2416	2601	82	
June	3014	2374	2767	3298	2939	2748	266	
July	3193	2845	2966	3350	2581	2293	900	
August	2727	2721	3067	3180	2882	2097	630	
September	3164	2608	2583	2830	2660	2501	663	
October	3093	2840	2576	3365	2834	2024	1069	
November	2449	2287	2204	2912	2650	1968	481	
December**	1750	1773	3223	1731	1640	1332	418	
<b>TOTAL</b>	<b>31253</b>	<b>28739</b>	<b>31907</b>	<b>34195</b>	<b>28623</b>	<b>26186</b>	<b>5067</b>	<b>19%</b>
# of New Customers	1028	1038	1749	1839	1343			
# of Total Customers at Y/E	36139	35111	34073	32324	30485	29142		
** projected								

	2015 HD	2014 HD	2013 HD	2012 HD	2011 HD	2010 HD	Variance from 2010 to 2015P
January	1216	964	1009	868	853	699	517
February	1184	1111	867	702	928	489	695
March	1552	1419	919	1016	1302	841	711



April	1468	1119	1028	636	800	718	750	
May	1347	1374	1187	878	1097	596	751	
June	1117	964	884	713	811	644	473	
July	1459	1191	952	672	866	771	688	
August	845	1302	1034	1034	969	661	184	
September	912	1318	1391	1324	1241	979	-67	
October	1005	1404	1271	1052	837	460	545	
November	837	1172	1047	856	741	590	247	
December**	550	618	482	318	286	278	272	
<b>TOTAL</b>	<b>13492</b>	<b>13956</b>	<b>12071</b>	<b>10069</b>	<b>10731</b>	<b>7726</b>	<b>5766</b>	<b>134%</b>
	** projected							

Milton Hydro has included the list of distributors below.

Company	# of Customer	OM&A/ Customer	DX. Rev/ Customer	Gross PPE/ Customer	Net PPE/ Customer	Aging Ratio	Efficiency Assessment						Cost per Customer	Cost per km of Line
							2010	2011	2012	2013	2014	3 Year		
OSHAWA PUC NETWORKS INC.	54,731	\$204.78	\$361.92	\$3,105.41	\$1,558.90	50.20%	-21.7%	-18.0%	-14.5%	-17.4%	-18.1%	-16.7%	519	29,881
ENTEGRUS	40,503	\$230.35	\$492.53	\$3,281.01	\$1,778.28	54.20%	-13.1%	-13.4%	-10.9%	-12.5%	-16.7%	-13.4%	533	22,585
WESTARIO POWER INC.	22,822	\$230.83	\$439.14	\$2,760.53	\$1,765.65	63.96%	-3.1%	-0.2%	-1.4%	2.2%	-4.2%	-1.1%	540	23,829
NEWMARKET-TAY	34,871	\$231.48	\$504.72	\$3,060.63	\$1,581.13	51.66%	-14.6%	-21.0%	-19.5%	-19.5%	-18.6%	-19.2%	566	23,340
ESSEX POWERLINES CORPORATION	28,640	\$235.64	\$406.15	\$2,401.82	\$1,545.55	64.35%	-17.0%	-17.1%	-12.6%	-17.2%	-12.7%	-14.2%	524	32,562
BRANTFORD POWER INC.	38,789	\$235.71	\$445.98	\$2,625.12	\$1,631.01	62.13%	3.8%	-2.5%	4.7%	0.7%	-3.6%	0.6%	503	39,047
KINGSTON HYDRO CORPORATION	27,356	\$236.44	\$468.79	\$2,385.37	\$1,461.64	61.27%	0.1%	2.2%	2.4%	3.7%	-3.6%	0.8%	501	38,384
PETERBOROUGH DISTRIBUTION INCORPORATED	36,058	\$241.81	\$430.11	\$2,828.61	\$1,605.72	56.77%	14.0%	15.6%	13.2%	14.5%	14.5%	14.1%	585	37,415
MILTON HYDRO DISTRIBUTION INC.	35,111	\$243.34	\$460.29	\$3,776.17	\$2,058.51	54.51%	-4.1%	-3.0%	-37.6%	-4.5%	-4.0%	-15.4%	679	23,629
HALTON HILLS HYDRO INC.	21,534	\$246.30	\$475.89	\$2,682.71	\$2,424.87	90.39%	-27.2%	-24.9%	-27.5%	-35.7%	-31.3%	-31.5%	701	9,886
WHITBY HYDRO ELECTRIC CORPORATION	41,488	\$255.33	\$542.70	\$3,694.88	\$1,707.55	46.21%	0.4%	-3.0%	-7.0%	-0.9%	-6.8%	-6.5%	628	24,275
WATERLOO NORTH HYDRO INC.	54,674	\$259.20	\$626.65	\$5,866.41	\$3,415.97	58.23%	-3.1%	6.4%	4.3%	10.6%	11.0%	8.6%	760	26,299
GUELPH HYDRO ELECTRIC SYSTEMS INC.	52,963	\$271.51	\$552.15	\$2,872.28	\$2,374.91	82.68%	12.4%	14.7%	-2.0%	0.8%	-4.8%	-2.0%	601	28,683
THUNDER BAY HYDRO	50,482	\$273.13	\$404.65	\$3,843.00	\$1,805.57	46.98%	9.6%	8.0%	-2.8%	8.2%	7.4%	4.2%	606	26,864
NORTH BAY HYDRO DISTRIBUTION INC.	23,975	\$273.36	\$598.12	\$4,542.57	\$2,197.31	48.37%	3.6%	5.5%	5.8%	5.4%	8.2%	6.5%	659	27,926
CAMBRIDGE and NORTH DUMFRIES HYDRO INC.	52,684	\$274.29	\$525.45	\$4,067.29	\$2,090.55	51.40%	-10.1%	-7.8%	-3.3%	0.5%	-1.9%	-1.6%	634	29,241
WELLAND HYDRO-ELECTRIC SYSTEM CORP.	22,470	\$277.20	\$412.69	\$2,485.05	\$1,209.00	48.65%	-19.6%	-16.2%	-10.4%	-15.2%	-17.3%	-14.3%	483	23,278
FESTIVAL HYDRO INC.	20,362	\$322.01	\$558.73	\$3,818.56	\$1,914.97	50.15%	20.5%	18.0%	20.2%	19.6%	16.6%	18.8%	634	50,028
GREATER SUDBURY HYDRO INC.	47,187	\$328.46	\$505.18	\$4,129.28	\$1,650.06	39.96%	-2.4%	14.1%	16.7%	4.8%	14.9%	12.2%	648	30,698
NIAGARA PENINSULA ENERGY INC.	51,824	\$329.23	\$624.45	\$4,653.17	\$2,319.69	49.85%	5.4%	5.2%	10.2%	1.1%	7.7%	6.4%	742	19,458
CANADIAN NIAGARA POWER	28,627	\$329.51	\$653.78	\$4,829.35	\$2,944.46	60.97%	16.4%	15.6%	10.0%	13.8%	12.9%	12.2%	749	21,202
PUC DISTRIBUTION INC.	33,487	\$329.60	\$557.07	\$4,269.92	\$2,525.27	59.14%	-8.5%	-5.2%	13.4%	22.7%	14.6%	16.9%	664	29,886
BLUEWATER POWER DISTRIBUTION CORPORATION	36,115	\$336.47	\$596.97	\$2,715.63	\$1,441.75	53.09%	-3.2%	1.7%	6.4%	5.9%	0.3%	4.2%	637	29,216
HALDIMAND COUNTRY HYDRO INC.	21,323	\$352.62	\$620.61	\$3,737.07	\$2,238.68	59.90%	-27.6%	-24.1%	-18.7%	-23.7%	-23.6%	-22.0%	711	8,762
<b>Averages of 24 Distributors</b>	<b>36,587</b>	<b>\$272.86</b>	<b>\$511.03</b>	<b>\$3,517.99</b>	<b>\$1,968.62</b>	<b>55.96%</b>	<b>-3.7%</b>	<b>-2.1%</b>	<b>-2.5%</b>	<b>-1.3%</b>	<b>-2.5%</b>	<b>-2.2%</b>	<b>617</b>	<b>27,349</b>



**1-SEC-2**

**[Ex. 1, p. 19, 61]**

Please provide a comparison of the Applicant's use of technology, and innovation, in customer communications, with the use of technology, and innovation, by other Ontario LDCs. Please describe the extent, if any, that Milton Hydro seeks to be a leader in this area. If it does, please describe the customer preferences or other factors that make it appropriate to focus on leadership in this area.

**Response:**

Communication is an area identified in the customer engagement that customers would like to see Milton Hydro improve in, particularly in providing customer education, during power outages and assistance with conservation. Milton Hydro recognizes this need which has prompted the focus on Proactive Communication as set out in Milton Hydro's Strategic Areas of Focus.

Milton Hydro intends to hire a Communications Specialist with the responsibility to deliver corporate communication strategies and assist with CDM initiatives designed to enhance the image and reputation of Milton Hydro. Milton Hydro is aware that other distributors have communications staff dedicated to updating customers on Twitter and Facebook with links to programs and other educational websites. Some distributors are very sophisticated in their customer communications. Multiple communication strategies and channels will be employed to enlighten all stakeholders; to proactively address and mitigate issues. The position will also be used in CDM related activities which was also addressed during the customer engagement.

Operationally, Milton Hydro has invested in a new GIS system, communication infrastructure (WiMAX) and an Outage Management System (OMS) which will enhance Milton Hydro's operational capabilities including the ability to communicate outage information more effectively to customers. In combination with Milton Hydro's new power outage hotline, 1-844-NOHYDRO, and the OMS (which includes an outage web page and Twitter updates), Milton Hydro will deliver enhanced outage information through multiple communication channels.

Milton Hydro has (or is in the process of deploying) communication related capabilities in response to customers' expectations surrounding communication efforts, particularly in outage situations. Milton Hydro's customer satisfaction survey indicated customers believe Milton Hydro can improve its communication efforts. Milton Hydro's current communication efforts are



intended to meet customer's communication needs. Milton Hydro has not formally surveyed the LDC community in Ontario and cannot provide a detailed analysis of customer focussed communication capabilities by LDC; however Milton Hydro does believe that its communication efforts are expected by customers and reflect industry leading practices. Milton Hydro will continue to monitor its communication efforts, emerging communication technologies and evolving customer communication expectations to ensure Milton Hydro continues to deliver leading communication practices.



**1-SEC-3**

**[Ex. 1, p. 32]**

Please provide all studies, reports, memoranda and other documents, other than those already included in the Application, analysing the appropriateness of the investment in the new office and warehouse facilities. Please include all analyses dealing with:

- Cost per square foot of office space;
- Cost per square foot of warehouse or other space;
- Required space for current employees, and required space for future growth, including any comparisons to square feet per employee at other LDCs, or square foot per employee standards;
- Layout of the buildings, including space optimization;
- Relative costs of different locations within the Milton Hydro service territory.

**Response:**

In addition to the response below please see the OEB Staff interrogatory 4.0 – Staff 62.

- The office is two storey's with engineering, IT, front lobby and the lunch room on the first floor, and billing & collection, finance and the boardroom on the second floor. Offices for metering, lines, lockers and washrooms are on the first floor under the mezzanine in the warehouse along with stores. The building is capable of accommodating future growth with minimal changes and costs to the office area except for furniture.
- Please see the attachments provided in response to 1-SEC-14 – RELOCATION COMMITTEE DOCUMENTS.



**1-SEC-4**

**[Ex. 1, p. 35]**

Given the capital investments forecast in the Distribution System Plan, please explain why the Applicant elected to use 4<sup>th</sup> Generation IRM rather than Custom IR for this Application. Please advise if the Applicant currently expects to seek an Incremental Capital Module during its IRM period.

**Response:**

Milton Hydro has smoothed its investment out over the 2016 to 2020 time frame such that with the OEB approval of this Application, Milton Hydro expects be able to meet its Strategic Areas of Focus through the IRM period without continually going back for increases in rates exceeding the GDPIPI. Milton Hydro does not expect to seek an Incremental Capital Module during its IRM period.



**1-SEC-5**

**[Ex. 1, p. 54]**

Prior to the RRFE, what were the primary methods used by the Applicant to get feedback from its customers, and to learn their preferences? Please advise what changes in customer engagement strategy were implemented as a result of RRFE, the cost of those changes, and the incremental knowledge of customer preferences, concerns, and input that have arisen as a result of those changes. Please provide a list of customer preferences and feedback that the Applicant heard in the customer engagement relating to this Application, and were not previously known to the Applicant.

**Response:**

Please refer to OEB Staff interrogatory 1.0 – Staff 4.

Please refer to VECC interrogatories 1.0-VECC-2 and 1.0-VECC-3

Milton Hydro has provided two key customer preferences and feedback that was heard in the customer engagement relating to this Application, and was not previously known to Milton Hydro. Milton Hydro has addressed both customer preferences in its Application.

1. Proactive customer communication.
2. Replace aging infrastructure before failure.



**1-SEC-6**

**[Ex. 1, p. 59]**

Please provide a summary of the areas of service quality in which the Applicant believes it has the most room for improvement, together with the Applicant's current strategy for achieving that improvement.

**Response:**

Milton Hydro has provided a summary of the areas of service quality that have room for improvement together with the current strategy for achieving the improvement as follows:

Telephone Accessibility:

Milton Hydro staff continually monitors its telephone answering performance to ensure that it exceeds the OEB minimum standard. At the time of hiring, customer service staff are advised of the importance of answering customer calls within 30 seconds. All customer service staff keep the telephone stat log open on their screens to know the number of calls in the queue. The Customer Service Supervisor regularly reminds Customer Service Representatives of the importance of answering calls in a timely manner. Milton Hydro management monitors the index and use this as one of the factors in deciding the timing of new staff. There is a balance to ensure that Milton Hydro is not overstaffed to meet the standard 100% of the time so Milton Hydro's aim is to have calls answered within 30 seconds at least 75-85% of the time. Milton Hydro will hire a Customer Service/Billing Clerk in 2016.

Telephone Call Abandon Rate:

Milton Hydro strives to ensure that it has adequate staff to ensure calls are answered in a timely manner. There are times when the volume of calls exceeds the customer service staff e.g. unplanned power outages, unscheduled sickness, etc. Milton Hydro recently signed a contract with Northern Communications, its after-hours answering service, for a 24/7 power outage call service. The 1-844-NOHYDRO phone line will be manned 24/7 by agents who will deal directly with Milton Hydro Operations group. The addition of this new service should positively impact Milton Hydro's Telephone Call Abandon Rate.



Outage Communication:

Milton Hydro is implementing processes and deploying technologies that will deliver effective outage communication to customers. Utilizing its Outage Management System (OMS) as the technological centre of its customer communication efforts, Milton Hydro will deliver outage updates through an automated outage map and Twitter. The online outage communication efforts should allow customers to access outage information without needing to call Milton Hydro. Those customers that do prefer to contact Milton Hydro through the phone will be able to obtain outage statuses from customer service representatives who will have direct access to the latest OMS information.

Tree Contact:

Reliable customer service starts with keeping overhead lines clear of vegetation, and in 2014, Milton Hydro introduced a new tree trimming specification which will help reduce forestry-related service interruptions.



**1-SEC-7**

**[Ex. 1, p. 65, 71]**

Please advise how many of the school boards served by the Applicant were included in the general service and mid-market focus groups and telephone surveys.

**Response:**

Milton Hydro invited the Halton District School Board, the Halton District Separate School Board and the Milton Christian School to attend the mid-market General Service >50 kW survey. No school boards attended. The telephone survey for the General Service <50 kW class was administered by the consultants and the customers were randomly selected, therefore Milton Hydro does not know how many school boards were contacted.



**1-SEC-8**

**[Ex. 1, p. 67]**

Please provide details of all steps taken by the Applicant to ensure that those who completed the Online Workbook were not employees of, or otherwise connected with, Milton Hydro.

**Response:**

Milton Hydro did not restrict Milton Hydro employees or others connected to Milton Hydro from completing the Online Workbook. One of the primary reasons for conducting the Online Workbook was to ensure that all Milton Hydro customers had an option to provide their input into the rate application process. As such, we did not prevent Milton Hydro employees or any other customer groups from completing the online workbook

Overall, 624 residential and 18 business customers completed the workbook.



**1-SEC-9**

**[Ex. 1, p. 83]**

Please provide a copy of the Crisis Communication Manual.

**Response:**

Milton Hydro has provided a copy of its Crisis Communication Manual as ATTACHMENT 1-SEC-9. The document will continue to be updated as Milton Hydro's GIS and Outage Management System are implemented.



**1-SEC-10**

**[Ex. 1, Tale 1-23]**

Please explain where, in this table of RRFE outcomes and objectives, Milton Hydro is targeting its customers' number one goal, lower rates.

**Response:**

Milton Hydro's table of RRFE outcomes and objectives targets the customer's total bill through Public Policy Responsiveness and Conservation of Energy. While Milton Hydro's customers cited the reduction of rates as an improvement that Milton Hydro could make, they were referring to total cost of their bills. Once customers realized that Milton Hydro's charges on the bill were only 19% or less of the total bill, the majority of residential and general service customers supported Milton Hydro's proposed rate increase. Customer's agreed that the increase is needed for maintaining and upgrading the equipment and infrastructure. Milton Hydro is not able to reduce its distribution rates given the customer growth and required infrastructure to support the growth, Milton Hydro does have a social responsibility to ensure that rates are just and reasonable.



**1-SEC-11**

**Interrogatory:**

[Ex. 1, p. 87-88] For each of the cost savings described on these two pages, please provide estimates of costs to implement, and cost savings, for each of the years 2015 through 2020.

**Response:**

Please see below.

1. Proactive maintenance and replacement of plant will reduce reactive maintenance costs and improve service to the customer that will result in fewer and shorter duration outages that will have a beneficial impact on the cost of outages to customers.

Milton Hydro plans to utilize asset age, asset condition, asset performance history and investment timing to select the appropriate year to replace aging assets. The System Renewal investment category captures Milton Hydro's expenditure proposal through to 2020. Below is the proposed System Renewal expenditure proposal. Milton Hydro has not calculated the financial impact to customers resulting from an outage.

	2015	2016	2017	2018	2019	2020
System Renewal Expenditure	\$2,087,300	\$2,473,400	\$1,821,400	\$1,790,000	\$1,800,000	\$1,725,000

2. The use of software (e.g. SpidaCalc software to be purchased in 2015) to optimize plant designs will reduce overdesign and ensure that current CSA standards for non-linear design of pole loading and structural stability are adhered to. CYME software is already in use to optimize distribution system configuration and loading.

The anticipated cost to implement SpidaCalc is listed below. There are no anticipated savings. The software is required to satisfy new Canadian Standards Association (CSA) design requirements.



	2015	2016	2017	2018	2019	2020
SpidaCalc Expenditure	\$8,740	\$8,700	\$0	\$0	\$0	\$0

3. Improved use of the GIS to capture/access plant attribute data (e.g. nameplate data, condition, inspection/maintenance histories, etc.) will aid in cost control through optimization of the asset's lifecycle.

The anticipated GIS implementation cost is listed below. The data captured through the GIS will support all asset related reviews and queries. Specifically this data will support all the System Renewal process and expenditure proposals as quantified in a). Milton Hydro expects the GIS system will enable detailed geospatial asset analysis which will help to optimize the System Renewal process and asset lifecycle management. Milton Hydro believes the savings associated with implementing the GIS system will be realized through efficiencies, improved geospatial records and improved decision making capabilities resulting from the enhanced information delivered by the GIS.

	2015	2016	2017	2018	2019	2020
GIS Expenditure	\$55,630	\$45,110	\$0	\$0	\$0	\$0

4. Prudent investment in distribution automation (e.g. remotely operated switches), as part of Milton Hydro's Smart Grid development, will improve day to day switching operations and have a positive impact on improving outage restoration times thereby mitigating customer outage costs.

The proposed investment in automation, by Milton Hydro, is listed below.

	2015	2016	2017	2018	2019	2020
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Automation Expenditure	\$689,552	\$914,000	\$425,000	\$250,000	\$250,000	\$250,000
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An automated distribution system will enable the distribution system to be remotely reconfigured during normal operations and in response to outage situations. In some instances, such as normal system switching, this will eliminate some truck rolls. In other situations (such as a system fault) automated switches will enable immediate initial switching to isolate the faulted section of the system and restore customers outside the faulted section of the distribution system. Milton Hydro believes the savings associated with investing in distribution automation will be realized as increased efficiencies and minimized outage times for customers.

- Mobile equipment (i.e. laptops) are in use that provide paperless and timely access to Milton Hydro GIS maps and service orders for work crews. During the period of the DSP it is intended to add GIS information, inspection programs, report forms to the mobile devices to facilitate electronic transmission of information versus paper processes.

Milton Hydro has not yet reviewed the technology, processes, costs or savings associated with migrating to electronic transmission of information versus paper processes.

- In 2015, Milton Hydro introduced new operational solutions which included an Outage Management System (OMS) and Supervisory Control and Data Acquisition system (SCADA). These additional applications will help improve productivity, provide better customer information and help make back office information more accessible to field staff. These new products will primarily support asset management, system reliability and regulatory initiatives.

The cost to implement the OMS and SCADA systems is listed below.

	2015	2016	2017	2018	2019	2020
SCADA, OMS	\$105,250	\$50,000	\$0	\$0	\$0	\$0



The SCADA and OMS systems are an integral part of Milton Hydro's automation efforts. The investment in SCADA and OMS technologies support the efforts previously discussed in 4). Additionally the OMS provides customer communication support in the form of automatic outage maps and automatic Tweet generation in response to confirmed outages. Milton Hydro believes the savings associated with investing in distribution automation will be realized as increased efficiencies and minimized outage times and enhanced communications for customers.

7. Elimination of MS#4 in 2015 through conversion to 27.6kV supply. This will eliminate incremental losses of substation transformation losses and will allow for redistribution of maintenance resources to other system needs. Contract work associated with the substation will also be eliminated. Environmental risk due to potential transformer oil spill/fire will also be eliminated.

The cost to convert customers currently supplied by MS#4 is listed below.

	2015	2016	2017	2018	2019	2020
MS#4	\$100,000	\$200,000	\$0	\$0	\$0	\$0

Milton Hydro will eliminate the monthly inspection costs associated with substation inspections and the costs associated with contractor inspection and testing on an annual basis. Milton Hydro expects to save approximately \$7,000 annually on inspections and testing. MS#4 is nearing the end of its useful life, Milton Hydro anticipates avoiding an expenditure of approximately \$500,000 in rebuilding/placement costs by converting the area to 27.6kV.

8. Optimized distribution feeder costs through the agreement to use feeder positions and station capacity at Oakville's Glenorchy MTS.

There are no implementation costs associated with the Glenorchy MTS feeders during the 2015 to 2020 period. The savings associated with the Glenorchy MTS feeders during the 2015 to 2020 period are efficiency savings associated with utilizing one Transformer Station



to supply Milton Hydro and Oakville Hydro load versus having sourced Transformation capacity (in 2013) from a different source.

9. Ongoing conversion of CableCAD data to the ESRI GIS has been contracted out to Guelph Hydro.

This is part of the GIS project described in 3) above. All costs and anticipated efficiencies described in 3) are equally applicable to this discussion. Specific to this discussion the costs attributable to Guelph Hydro for implementing the GIS are listed below.

	2015	2016	2017	2018	2019	2020
Guelph Hydro	\$51,895	\$0	\$0	\$0	\$0	\$0

10. Control room functions have been contracted out to Guelph Hydro beginning in November 2014. This is expected to save Milton Hydro building, equipping and staffing a control room. Milton Hydro's head office will be moving to a new location in 2015 due to lease expiry and availability of existing facilities. The new location is an existing building being renovated to meet Milton Hydro's needs.

Please refer to OEB Staff interrogatory 2.0 – Staff 22

11. Milton Hydro uses single bucket material handling trouble trucks. These trucks can perform multiple functions with one truck allowing the operator to Jib live conductor, replace an overhead transformer and/or change out an underground pad-mounted transformer carried on the truck to the job site. The most common material used to restore power can be carried directly on this vehicle to the site. This results in a reduced need to call in additional staff or equipment to help with the process such as stores keepers, truck drivers, digger trucks etc. The benefit to the customer is increased productivity, reduced outage times and lower costs.

The investment/savings for single bucket material handling trouble trucks will be:

	2015	2016	2017	2018	2019	2020
<b>Cost</b>	\$250,000	\$325,000	\$0	\$0	\$325,000	\$350,000



<b>Savings</b>	\$0	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
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12. Milton Hydro with support from the Lines group introduced paid lunch (eating on the fly).

This initiative is expected to increase efficiency as staff will reduce set-up and tear-down time (i.e. for cranes, bucket trucks, digger trucks, traffic control, etc.). This change will also decrease costs through an expected reduction in overtime pay.

The investment/savings for eating on the fly initiative will be:

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Cost</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Savings</b>	\$0	\$28,000	\$28,000	\$28,000	\$28,000	\$28,000

13. Previously, Milton Hydro line staffs were performing meter reconnections after normal business hours. After considering the costs associated with having line staff perform meter reconnects after hours, Milton Hydro no longer performs reconnects after normal business hours. This productivity initiative will reduce costs as overtime will not be required.

The investment/savings for not performing after hour reconnects will be:

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Cost</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Savings</b>	\$10,800	\$10,800	\$10,800	\$10,800	\$10,800	\$10,800



**1-SEC-12**

**[Ex. 1, p. 95]**

Please confirm that, although the Applicant is proposing a weighted average rate increase of 6.1% (deficiency of \$990,647 from the Revenue Requirement Work Form) that includes an offset of \$2,050,703 from the CGAAP to IFRS change. Please confirm that, compared on an “apples to apples” basis to previous rates, the proposed weighted average rate increase is \$3,041,350 or 18.8%.

**Response:**

Milton Hydro confirms that, in its Application, it is proposing an increase of 6.1% over the distribution revenue at existing rates (\$990,647/\$16,216,720) that includes an reduction of \$2,050,703 from CGAAP to IFRS. Milton Hydro confirms that when compared on an “apples to apples” basis without the IFRS adjustment that that Milton Hydro’s base revenue requirement would approximate \$3,041,350 or 18.8%. Milton Hydro has not rerun the models to verify the amount.

The adjustment for IFRS has reduced Milton Hydro’s base revenue requirement by \$2,050,703 which has resulted in savings in rates for Milton Hydro’s customers.

Please refer to Milton Hydro’s updated RRWF for its revised Revenue Deficiency.



**1-SEC-13**

**[Ex. 1, p. 104]**

Please provide the budget presentation given to the Board of Directors on November 10, 2015, and any budget or rate application presentation given to the Board of Directors on November 23, 2015.

**Response:**

Milton Hydro has provided the budget presentation to the Board of Directors on November 23, 2015 (the November 10, 2015 meeting was cancelled). The budget was approved at the November 23<sup>rd</sup>, meeting. ATTACHMENT 1-SEC-13.



**1-SEC-14**

**[Ex. 1, p. 107]**

Please provide all presentations, reports, memoranda and other documents provided to the Relocation Committee.

**Response:**

Milton Hydro has provided the information provided to the Relocation Committee as ATTACHMENT 1-SEC-14.



**1-SEC-15**

**[Ex. 1, Attach. 1-1 and 1-2]**

Please advise which of these documents is the current Strategic Plan of the Applicant. If neither is the Strategic Plan, please file the current Strategic Plan.

**Response:**

EXHIBIT 1, Attachment 1-2, "Board Strategic Planning Session" dated October 23, 2014 is Milton Hydro's most current Strategic Plan. EXHIBIT 1, Attachment 1-1, "Milton Hydro Strategic Plan & Priorities" dated September 12, 2014 was developed by Senior Management in advance of the Board of Directors Strategic Planning Session as a starting point for their planning session. Senior Management identified its Strategic Priorities for 2015 onwards identifying Key Strategic Initiatives and specific milestones and action plans.



**1-SEC-16**

**[Ex. 1, Attach. 1-1, pp. 8-9]**

Please explain why page 8 lists the third area of focus as “Shareholder Engagement”, while page 9 lists it as “Stakeholder Engagement”.

**Response:**

Milton Hydro would advise that page 8 should read “Stakeholder Engagement”, page 9 is correct.



**1-SEC-17**

**[Ex. 1, Attach. 1-1, pp. 12-15]**

Please confirm that this table is intended to be a prioritized version of the list on page 11. Please advise whether the prioritization in this table is based on order of importance, or chronological order of either initiation or delivery target. If neither, what is the basis of the prioritization?

**Response:**

Milton Hydro confirms that page 11 highlights the priority initiatives identified through a brainstorming exercise conducted during the Strategic Planning process. Pages 12-15 are the Key Strategic Priority Initiatives for Milton Hydro but are not necessarily prioritized in terms of importance. Apart from the Cost of Service being seen as the most important item in the short term on the list due to the time and resource commitment being required, the balance of the initiatives are in the order that Milton Hydro would like to achieve the initiative recognizing that other issues may arise that impacts the timeline.



**1-SEC-18**

**[Ex. 1, Attach. 1-2]**

Please advise whether the Board of Directors Strategic Planning session was intended to be a new look, from scratch, at vision, values and success factors, or was instead a review of those areas as already proposed by management after their previous session.

**Response:**

Both the Senior Management and Board of Directors Strategic Planning sessions afforded each group an opportunity at a new look, from scratch, at vision, values and success factors. The Strategic Planning facilitator took both groups through the same planning process. Once the Board of Directors had identified their Vision, Values and Success Factors, it was compared to the Senior Management teams plan. The Board of Directors and the Senior Management team then jointly finalized Milton Hydro's vision, values and success factors.



**1-SEC-19**

**[Ex. 1, Attach. 1-2, p. 13]**

Please advise the Applicant's current consolidation strategy. Please advise whether the question "What does the shareholder want" has been asked and answered, and if so provide details. Please provide full details of all actions planned for the Test Year to pursue the Applicant's consolidation strategy.

**Response:**

Milton Hydro does not have a current consolidation strategy.

Based on third party information and shareholder discussions, Milton Hydro believes that the existing and proposed growth will add significant value to the utility. It is unlikely that an investor would be willing to compensate today for potential future growth and value.

As such the current consolidation strategy is to continue to grow the value of Milton Hydro while being aware and reviewing any purchase or sell options on an individual basis, if and when they occur.

No actions are therefore being planned.



**1-SEC-20**

**[Ex. 1]**

Please provide a copy of the most recent Shareholder Declaration or Shareholders Agreement for each of the Applicant and its holding company.

**Response:**

Milton Hydro included the Shareholder's Direction as Attachment 1-13 to its Application.



**1-SEC-21**

**Interrogatory:**

[Ex. 1] Please provide full calculations of the Applicant's regulatory ROE for each of 2014 actual, and 2015 forecast.

**Response:**

Milton Hydro has provided its Regulatory ROE calculations for 2014 Actual and 2015 Bridge Year Forecast below:



Calculation of ROE on a Deemed Basis				
UTILITY NAME: Milton Hydro Distribution Inc.				
YEAR END DATE: December 31, 2014				
Please input based on your utility in the grey cells.				
Regulatory Net Income Calculation:		2014 Data	Staff Comments	
Regulated net income, as per RRR 2.1.13 reconciliation		\$ 2,941,700 A	Must match regulated net income amount from 2.1.13 template. Input net surplus as positive number and net deficit as a negative number.	
Remove:				
Future/deferred taxes		\$ (387,138) B	Must match account 6115. Input deferred tax expense as a negative number and deferred tax income as a positive number.	
Non rate regulated items		\$ 0 C	As an example, non rate regulated items may include income/expenses associated with generation or CDM	
Adjustment to interest expense - for deemed debt		\$ 159,984 D (=W)		
Adjusted regulated net income		\$ 3,168,853 E = A-B-C-D		
Deemed Equity Calculation:			Staff Comments	
Rate Base:				
Cost of power		\$ 90,675,253 F	Must match sum of accounts 4705 to 4751 inclusive. Input as positive number.	
Operating expenses		\$ 8,543,899 G	Must approximate sum of accounts 4505-4640, 4805-5695, 6105, 6205-6225, 6310-6415. Input as positive number.	
Total		\$ 99,219,151 H = F + G		
Working capital allowance %		15%	Must match percentage allowance in last approved CoS rate proceeding	
Total working capital allowance		\$ 14,882,873 J		
Fixed Assets				
Opening balance - regulated fixed assets (NBV)		\$ 58,229,945	Please make the necessary adjustments to bring the fixed assets reported in the Audited Financial Statements to reflect the regulated rate base.	
Closing balance - regulated fixed assets (NBV)		\$ 65,994,854	NBV = Net Book Value	
Average regulated fixed assets		\$ 62,112,400	\$ 62,112,400 K	
Total rate base		\$ 76,995,272 L = J + K		
Regulated deemed short-term debt		4.00%	\$ 3,079,811 M	
Regulated deemed long-term debt		56.00%	\$ 43,117,352 N	
Regulated deemed equity		40.00%	\$ 30,798,109 P	
			\$ 76,995,272	
Regulated Rate of Return on Deemed Equity			10.29% Q = E / P	Staff Comments
ROE% from most recent cost of service application last approved EDR			9.58% R	Must match approved ROE from last CoS rate proceeding
Difference - maximum deadband 3%			0.71% S = Q - R	
Interest adjustment on deemed debt:				Staff Comments
Regulated deemed short-term debt - as above		\$ 3,079,811	6.67%	
Regulated deemed long-term debt - as above		\$ 43,117,352	93.33%	
		\$ 46,197,163	100.00%	
Short-term debt rate		2.46%	0.16%	Interest rate on short-term debt from last approved CoS rate proceeding
Long-term debt rate		4.85%	4.53%	Interest rate on long-term debt from last approved CoS rate proceeding
Average debt rate			4.69%	
Regulated deemed debt - as above		\$ 46,197,163		
Weighted average interest rate		4.69%		
Deemed interest		\$ 2,166,955 T		
Interest expense as per the OEB trial balance		\$ 1,954,915 U		Must match sum of accounts 6005-6045
Difference		\$ 212,040 V = T - U		
Utility tax rate		24.55%		Distributor's Board-approved tax rate from the distributor's last rate application (IRM or CoS).
Tax effect on interest expense		\$ (52,056)		
Interest adjustment on deemed debt:		\$ 159,984 W		
<p>Note: 2013 Regulated Fixed Assets should have been reduced by \$1,109,265 for USoA 1905 Land as per 2011 Settlement Agreement. The Land purchased in 2009 was reduce by 50% to reflect that only 50% was being used for storage (used and useful). Accordingly the 2014 Regulated Fixed Assets have been reduced by the same amount. This has resulted in an increase in the Regulated Rate of Return on Deemed Equity of 0.2% from what would have been 7.6% to 7.8% as above.</p>				



Calculation of ROE on a Deemed Basis					
UTILITY NAME: Milton Hydro Distribution Inc.					
YEAR END DATE: 2015 Bridge Year					
Please input based on your utility in the grey cells.					
Regulatory Net Income Calculation:		2015 Bridge Year		Staff Comments	
Regulated net income, as per RRR 2.1.13 reconciliation		\$ 1,204,155	A	Must match regulated net income amount from 2.1.13 template. Input net surplus as positive number and net deficit as a negative number.	
Remove:					
Future/deferred taxes			B	Must match account 6115. Input deferred tax expense as a negative number and deferred tax income as a positive number.	
Non rate regulated items		\$ 0	C	As an example, non rate regulated items may include income/expenses associated with generation or CDM	
Adjustment to interest expense - for deemed debt		\$ 44,905	D (=W)		
Adjusted regulated net income		\$ 1,159,250	E = A-B-C-D		
Deemed Equity Calculation:				Staff Comments	
Rate Base:					
Cost of power		\$ 105,690,373	F	Must match sum of accounts 4705 to 4751 inclusive. Input as positive number.	
Operating expenses		\$ 10,053,141	G	Must approximate sum of accounts 4505-4640, 4805-5695, 6105, 6205-6225, 6310-6415. Input as positive number.	
Total		\$ 115,743,514	H = F + G		
Working capital allowance %		15.0%		Must match percentage allowance in last approved CoS rate proceeding	
Total working capital allowance		\$ 17,361,527	J		
Fixed Assets					
Opening balance - regulated fixed assets (NBV)	\$ 65,994,852			Please make the necessary adjustments to bring the fixed assets reported in the Audited Financial Statements to reflect the regulated rate base.	
Closing balance - regulated fixed assets (NBV)	\$ 80,801,054			NBV = Net Book Value	
Average regulated fixed assets	\$ 73,397,953	\$ 73,397,953	K		
Total rate base		\$ 90,759,480	L = J + K		
Regulated deemed short-term debt	4.00%	\$ 3,630,379	M		
Regulated deemed long-term debt	56.00%	\$ 50,825,309	N		
Regulated deemed equity	40.00%	\$ 36,303,792	P		
		\$ 90,759,480			
Regulated Rate of Return on Deemed Equity		3.19%		Q = E / P	
ROE% from most recent cost of service application last approved EDR		9.58%		R	
Difference - maximum deadband 3%		-6.39%		S = Q - R	
Interest adjustment on deemed debt:				Staff Comments	
Regulated deemed short-term debt - as above	\$ 3,630,379	6.67%			
Regulated deemed long-term debt - as above	\$ 50,825,309	93.33%			
	\$ 54,455,688	100.00%			
Short-term debt rate	2.46%	0.16%		Interest rate on short-term debt from last approved CoS rate proceeding	
Long-term debt rate	4.85%	4.53%		Interest rate on long-term debt from last approved CoS rate proceeding	
Average debt rate		4.69%			
Regulated deemed debt - as above	\$ 54,455,688				
Weighted average interest rate	4.69%				
Deemed interest	\$ 2,554,335	T			
Interest expense as per the OEB trial balance	\$ 2,494,819	U		Must match sum of accounts 6005-6045	
Difference	\$ 59,516	V = T - U			
Utility tax rate	24.55%			Distributor's Board-approved tax rate from the distributor's last rate application (IRM or CoS).	
Tax effect on interest expense	\$ (14,611)				
Interest adjustment on deemed debt:	\$ 44,905	W			



## 1.0-VECC-1

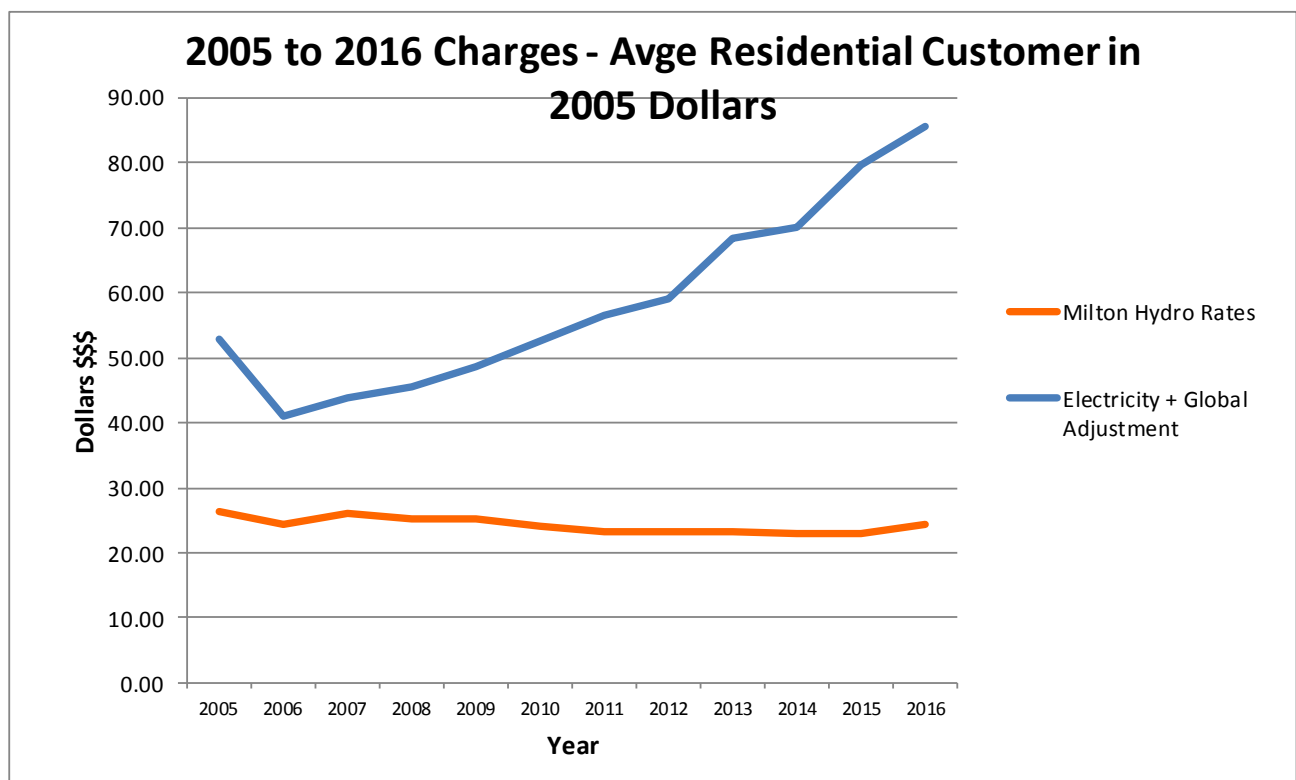
**Reference:** E1/pg.30

- a) Please provide an amended Graph 1-2 in constant (2005) dollars.
- b) Please provide the data used to create Graph1-2.

### Response:

- a) Milton Hydro has provided an amended Graph 1-2 in constant (2005) dollars below. Milton Hydro has added 2016 values to the graph. The 2015 Ontario CPI is as at October 2015 and the 2016 Ontario CPI is calculated using the Geomean of 2005 to 2015.

In 2005 dollars, Milton Hydro's distribution charges, including its proposed 2016 distribution charges, are lower than in 2005 while the electricity charges are significantly higher.





b) Milton Hydro has provided the data used to create the Graph 1-2 in a) above in the following Table:

Average Residential Customer 800 kWh	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Milton Hydro												
Monthly Service Charge	14.88	14.07	16.13	16.02	16.05	15.87	13.42	14.93	15.11	15.32	15.51	19.91
Distribution Volumetric Rate	0.0141	0.0131	0.0133	0.0133	0.0133	0.0128	0.0138	0.0139	0.0140	0.0142	0.0144	0.0118
Standard Supply Service Charge	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Distribution Chareges	26.41	24.80	27.02	26.91	26.94	26.36	24.71	26.30	26.56	26.93	27.28	29.6
Distribution Charges in 2005 Constant Dollars	26.41	24.32	25.93	25.24	25.20	24.21	23.12	23.14	23.14	23.02	22.82	24.33
Electricity / MW + Global Adjust.	52.74	40.87	43.91	45.61	48.54	52.65	56.59	59.19	68.26	69.99	79.73	85.60
Electricity / MW + Global Adjust. in Constant 2005 Dollars	52.74	40.09	42.13	42.77	45.40	48.35	50.50	52.04	59.48	59.81	66.70	70.35



## 1.0-VECC-2

**Reference:** E1/pg. 63

- a) Please provide the cost of the Utility Pulse Survey.
- b) Was the survey undertaken to meet the filing requirements of the OEB?
- c) Did the survey provide any insights to Milton that it had not already acquired through its interactions with customers?
- d) Does Milton believe there is sufficient value in the information provided by the survey to justify a similar poll in the future?

**Response:**

- a) The Utility Pulse Survey cost Milton Hydro \$22,500.
- b) The survey was undertaken to meet the filing requirements of the OEB.
- c) The survey provided insights into customer's level of satisfaction with Milton Hydro as well as customer issues. Generally customers are satisfied or very satisfied with Milton Hydro. The common concern is the cost of electricity which most customers do not understand is beyond Milton Hydro's control as is evident in Milton Hydro's response to the interrogatory above.

Please refer EXHIBIT 1, beginning at Page 59 and to the OEB Staff interrogatory 2.0-Staff 5 for further details.

- d) While Milton Hydro values feedback from customers, the substantial cost associated with retaining a specialist to conduct the telephone survey, focus groups, and online survey where there was minimal participation, may outweigh the benefit. Accordingly, Milton Hydro recommends that if it is determined to continue the survey that a generic survey be prepared to address the OEB's concerns.



### 1.0-VECC-3

**Reference:** E1/

- a) Please provide the cost of the Innovative Research Group survey?
- b) Was the survey undertaken to meet the filing requirements of the OEB?
- c) Did the survey provide any insights to Milton that it had not already acquired through its interactions with customers?
- d) Does Milton believe there is sufficient value in the information provided by the survey to justify a similar poll in the future?

**Response:**

- a) The Innovative Research Group survey cost Milton Hydro \$55,000.
- b) The survey was undertaken to meet the filing requirements of the OEB.
- c) The survey provided insights into customer's level of satisfaction with Milton Hydro as well as customer issues. Generally customers are satisfied or very satisfied with Milton Hydro. The common concern is the cost of electricity which most customers do not understand is beyond Milton Hydro's control as is evident in Milton Hydro's response to the interrogatory above.

In addition, the survey indicated that an area of improvement for Milton Hydro is in customer communications, which is addressed in this Application. The survey also indicated that customers were satisfied with Milton Hydro's planning as well as ensuring that distribution plant was replaced before failure.

Please refer to EXHIBIT 1, beginning at Page 59 and the OEB Staff interrogatory 2.0-Staff 5 for further details.

- d) While Milton Hydro values feedback from customers, the substantial cost associated with retaining a specialist to conduct the telephone survey, focus groups, and online survey where there was minimal participation, may outweigh the benefit. Accordingly, Milton Hydro recommends that if it is determined to continue the survey that a generic



survey be prepared to address the OEB's concerns.



## **1.0-VECC-4**

**Reference:** **E1/pg.65**

- a) Milton undertook two customer surveys one by Utility Pulse and the other by Innovative Research Group. Please explain how the objectives of these two surveys differ and why two surveys were undertaken.
- b) What, if any, differences were found in the results of the two surveys?

**Response:**

- a) Milton Hydro undertook two surveys, the Utility Pulse survey was a customer satisfaction survey and the Innovative Research Group survey address Milton Hydro's 2016 Cost of Service Application.
- b) Both confirmed a high level of customer satisfaction with Milton Hydro while the Innovative Research Group address more specific details on Milton Hydro's Application and did confirm that while customers may not like a rate increase, customers did understand the need for Milton Hydro to continue to plan for the future and reliability.



## **EXHIBIT 2 – RATE BASE**

### **2.0 – Staff 12**

#### **Interrogatory:**

**Ref: Exhibit 2, p. 6**

Please update the Working Capital Cost of Power calculation for 2016 using the OEB's October 2015 Price Report as issued on October 15, 2015.

#### **Response:**

Milton Hydro has updated the Working Capital Cost of Power calculation for 2016 using the OEB's October 2015 Price Report as issued on October 15, 2015. Adjustments were made to the following:

- RPP Rate – \$107.28/MW
- Non RPP Rate – \$ 107.28/MW
- Revised Loss Factor – Secondary Metered <5,000 kW – 1.0375
- Revised Loss Factor – Secondary Metered >5,000 kW – 1.0154

The revised Working Capital Cost of Power for 2016 is \$113,007,734



Electricity - Commodity	2016 RPP Forecasted Metered kWhs	2016 Loss Factor	2016		
Class per Load Forecast			kWh/kW	Rate	\$\$\$
Residential	294,162,107	1.0375	305,193,186	\$0.10728	\$32,741,125
GS<50kW	78,153,771	1.0375	81,084,537	\$0.10728	\$8,698,749
GS>50-999kW	16,490,875	1.0375	17,109,282	\$0.10728	\$1,835,484
GS>1000-4999	17,187,350	1.0375	17,831,876	\$0.10728	\$1,913,004
Large Users	0	1.0154	0	\$0.10728	\$0
Sentinel Lighting	145,711	1.0375	151,175	\$0.10728	\$16,218
Street Lighting	0	1.0375	0	\$0.10728	\$0
Unmetered Scattered Load	0	1.0375	0	\$0.10728	\$0
<b>TOTAL</b>	<b>406,139,813</b>		<b>421,370,056</b>		<b>\$45,204,580</b>
Electricity - Commodity	2016 Non-RPP Forecasted Metered kWhs	2016 Loss Factor	2016		
Class per Load Forecast					
Residential	15,468,698	1.0375	16,048,774	\$0.10728	\$1,721,713
GS<50kW	12,470,480	1.0375	12,938,123	\$0.10728	\$1,388,002
GS>50-999kW	186,837,702	1.0375	193,844,116	\$0.10728	\$20,795,597
GS>1000-4999	99,204,018	1.0375	102,924,168	\$0.10728	\$11,041,705
Large Users	135,740,770	1.0154	137,828,463	\$0.10728	\$14,786,238
Sentinel Lighting	0	1.0375	0	\$0.10728	\$0
Street Lighting	8,298,679	1.0375	8,609,879	\$0.10728	\$923,668
Unmetered Scattered Load	1,096,423	1.0375	1,137,539	\$0.10728	\$122,035
<b>TOTAL</b>	<b>459,116,769</b>		<b>473,331,062</b>		<b>\$50,778,956</b>
Transmission - Network		Volume Metric	2016		
Class per Load Forecast					
Residential		kWh	321,241,960	\$0.00752	\$2,414,550
GS<50kW		kWh	94,022,660	\$0.00695	\$653,029
GS>50-999kW		kW	511,697	\$3.11489	\$1,593,879
GS>1000-4999		kW	230,486	\$3.06351	\$706,097
Large Users		kW	188,668	\$3.31735	\$625,877
Sentinel Lighting		kW	465	\$2.12045	\$986
Street Lighting		kW	17,810	\$2.10961	\$37,571
Unmetered Scattered Load		kWh	1,137,539	\$0.00695	\$7,901
<b>TOTAL</b>					<b>\$6,039,889</b>
Transmission - Connection		Volume Metric	2016		
Class per Load Forecast					
Residential		kWh	321,241,960	\$0.00593	\$1,904,391
GS<50kW		kWh	94,022,660	\$0.00524	\$492,358
GS>50-999kW		kW	511,697	\$2.43324	\$1,245,080
GS>1000-4999		kW	230,486	\$2.39352	\$551,673
Large Users		kW	188,668	\$2.67679	\$505,023
Sentinel Lighting		kW	465	\$1.67117	\$777
Street Lighting		kW	17,810	\$1.63678	\$29,150
Unmetered Scattered Load		kWh	1,137,539	\$0.00524	\$5,957
<b>TOTAL</b>					<b>\$4,734,409</b>
Wholesale Market Service			2016		
Class per Load Forecast					
Residential			321,241,960	\$0.0047	\$1,509,837
GS<50kW			94,022,660	\$0.00470	\$441,907
GS>50-999kW			210,953,398	\$0.00470	\$991,481
GS>1000-4999			120,756,044	\$0.00470	\$567,553
Large Users			137,828,463	\$0.00470	\$647,794
Sentinel Lighting			151,175	\$0.00470	\$711
Street Lighting			8,609,879	\$0.00470	\$40,466
Unmetered Scattered Load			1,137,539	\$0.00470	\$5,346
<b>TOTAL</b>					<b>\$4,205,095</b>
Rural Rate Assistance			2016		
Class per Load Forecast					
Residential			321,241,960	\$0.0013	\$417,615
GS<50kW			94,022,660	\$0.0013	\$122,229
GS>50-999kW			210,953,398	\$0.0013	\$274,239
GS>1000-4999			120,756,044	\$0.0013	\$156,983
Large Users			137,828,463	\$0.0013	\$179,177
Sentinel Lighting			151,175	\$0.0013	\$197
Street Lighting			8,609,879	\$0.0013	\$11,193
Unmetered Scattered Load			1,137,539	\$0.0013	\$1,479
<b>TOTAL</b>					<b>\$1,163,111</b>
Smart Metering Entity Charge			2016		
Class per Load Forecast					
Residential		34,018		\$0.7880	\$321,674
GS<50		2,646		\$0.7880	\$25,018
<b>TOTAL</b>					<b>\$346,693</b>
Low Voltage Service Rate		Volume Metric	2016		
Class per Load Forecast					
Hydro One		kWh			\$235,000
Oakville Hydro					\$300,000
<b>TOTAL</b>					<b>\$535,000</b>
<b>Total Cost of Power</b>					<b>\$113,007,734</b>
Cost of Power Summary	2016				
Cost of Power Account	\$\$\$				
4705-Power Purchased	95,983,536				
4708-Charges-WMS	4,205,095				
4714-Charges-NW	6,039,889				
4716-Charges-CN	4,734,409				
4730-Rural Rate Assistance	1,163,111				
4750-Low Voltage	535,000				
SMDR	346,693				
<b>TOTAL</b>	<b>113,007,734</b>				



## **2.00 – Staff 13**

**Ref: Exhibit 2, p. 50 and p. 55 Table 2-27**

Has any information come forward, since the application was submitted, to indicate that 2015 or 2016 capital expenditure forecasts require amendment? If so please provide an update with any rationales for changes. Are all of the projects and related capital expenditures that are listed in Table 2-27 expected to be placed in- service in 2016 and to be added to the 2016 Rate Base?

If some of the projects that are listed in Table 2-27 are not expected to be in-service in 2016 and as a result will not be added to the 2016 Rate Base, please identify all such projects, the associated capital expenditure and the expected in-service date.

### **Response:**

Below is a revised version of Table 2-27 incorporating revised projections for 2015 and 2016. All the capital projects are expected to be in-service in 2016.

In 2015 two System Access projects were deferred in response to revisions to the Region of Halton project schedule.

In 2015 one System Renewal project, Derry Road from Appleby Line to Guelph Line was deferred to 2016 due to financing delays with Infrastructure Ontario.

In 2015 five System Access projects were delayed due to financing delays with Infrastructure Ontario. One project, WiMAX 100 Meter Points, was under budget due to delays in the deploying the WiMAX infrastructure and technological changes leading to a reduced number of required WiMAX access points.

For 2016 two System Access projects have been deferred in response to revisions to the Region of Halton project schedule.



**Table 2-27 (2015 and 2016 columns only)**

**Revised Capital Projections for 2015 and 2016**

Projects	2015	2015	2016	2016
		Projected		Projected
<b>Reporting Basis</b>	<b>MIFRS Bridge</b>	<b>MIFRS Bridge</b>	<b>TEST</b>	<b>TEST</b>
<b>System Access</b>	<b>5,551,740</b>	<b>4,355,528</b>	<b>7,906,513</b>	<b>7,067,613</b>
<b>3rd party infrastructure requirements</b>				
ROH: Campbellville Rd & Dublin	175,300	175,300		
ROH: James Snow, extension to Campbellville (new Tremaine Rd)	104,640	104,640		
ROH: Guelph Line Reconstruction (1 km north of Derry to Conservation)	197,600			197,600
ROH: Derry Rd - 2 lane Reconstruction from Millborough townline to McNiven	51,100			
MTO: Hwy 25 & 401 Bridge Widening	296,000	287,700		
Town: Main St from Bronte to Whitmer		204,973		
Framgard Temp Pole Line Britan		100,000		
ROH: Steeles Ave. Grade Separation CN Crossing west of Bronte St.			90,600	90,600
ROH: Steeles Ave Widening from Industrial Dr. to Martin St 2-4 lanes			284,500	284,500
ROH: Britannia Rd. from RR 25 to JSP 2-4 lanes (carried from 2014)			1,004,800	1,004,800
129 town LSL from yates Dr. to RR25			32,700	32,700
136 Town Garden lane, 400m total, 100m of which is 3 phase			133,000	133,000
131 Town 5th Line from LSL to Derry Rd. 1.5 km			415,200	
132 Town 5th Line from LSL to Britannia. 1.5km			397,000	
ROH: Britannia Rd. from Tremaine to RR25 (1.8km)			403,300	179,000
TOM: Bronte St from Britannia to LSL			389,900	389,900
<b>Miscellaneous under Threshold</b>		267,660		
<b>Road Projects Sub-Total</b>	<b>824,640</b>	<b>1,140,273</b>	<b>3,151,000</b>	<b>2,312,100</b>
<b>System Expansion - Development</b>				
Subdivisions	3,780,000	2,268,000	3,780,000	3,780,000
<b>System Expansion Sub-Total</b>	<b>3,780,000</b>	<b>2,268,000</b>	<b>3,780,000</b>	<b>3,780,000</b>
<b>New Customer Connections</b>				
Miscellaneous under Threshold	661,735	661,890	681,587	681,587
<b>New Connections/Upgrades Sub-Total</b>	<b>661,735</b>	<b>661,890</b>	<b>681,587</b>	<b>681,587</b>
<b>Meters</b>				
Miscellaneous under Threshold	285,365	285,365	293,926	293,926
<b>Meters Sub-Total</b>	<b>285,365</b>	<b>285,365</b>	<b>293,926</b>	<b>293,926</b>



<b>System Renewal</b>	<b>2,087,300</b>	<b>1,182,889</b>	<b>1,863,400</b>	<b>2,473,400</b>
<b>O/H Rebuilds</b>				
<i>O/H Rebuild: Guelph Line N 25 Side Road</i>	377,000	317,986		
<i>Derry Road: Tremaine to Applby Line</i>	204,300	200,000		
<i>Derry Road: Appleby Line to Guelph Line</i>	276,000			280,000
<i>Derry Rd: Trafalgar to 8th Line</i>			155,000	155,000
<i>Sixth Line Nass Sputh of 25 Side Rd.</i>			322,000	322,000
<i>Mill St Conversion</i>		127,000		
<i>Sixth Line Nass Sputh of 20 Side Rd.</i>			321,400	321,400
<i>Miscellaneous Under Threshold</i>	375,000	102,903	350,000	350,000
<b>O/H Rebuilds Sub-Total</b>	<b>1,232,300</b>	<b>747,889</b>	<b>1,148,400</b>	<b>1,428,400</b>
<b>Rebuild Underground Distribution System</b>				
<i>Highside Drive &amp; Ridge Drive</i>	240,000			240,000
<i>Bronte Meadows Conversion - Arena Transformers</i>	90,000			90,000
<i>Main and Commercial</i>			65,000	65,000
<b>U/G Rebuilds Sub-Total</b>	<b>330,000</b>	<b>-</b>	<b>65,000</b>	<b>395,000</b>
<b>Pole Replacement</b>				
<i>Pole Replacements</i>	375,000	300,000	500,000.00	500,000.00
<b>Pole Replacement Sub-Total</b>	<b>375,000</b>	<b>300,000</b>	<b>500,000</b>	<b>500,000</b>
<b>Porcelain to Polymer Replacement</b>				
<i>Pole Reinsulation - from Porcelain to Polymer</i>	150,000	135,000	150,000.00	150,000.00
<b>Porcelain to Polymer Replacement Sub-Total</b>	<b>150,000</b>	<b>135,000</b>	<b>150,000</b>	<b>150,000</b>

<b>System Service</b>	<b>2,170,900</b>	<b>689,552</b>	<b>1,139,000</b>	<b>1,519,900</b>
<b>27.6kV Additions</b>				
<i>Automated three phase switches: Cambelleville &amp; Guelph Line area</i>	250,000	189,280		
<i>WiMax - Automated Switches</i>	120,000	120,000	120,000	120,000
<i>WiMax 100 Meter Points</i>	650,000	180,000	650,000	425,000
<i>SCADA-Mates, Install Virelec Controller-20 locations</i>	270,000	100,000		0
<i>Install Fault Indicators with WIMAX</i>	175,000		175,000	175,000
<i>Install Automated Switches with WIMAX</i>			194,000	194,000
<i>Fibre Connection to New Building</i>	200,000	272		200,000
<i>JSP, extend to Campbellville (new Tremaine Rd)</i>	205,900			205,900
<i>MS#4 Conversion-rabbit</i>	300,000	100,000		200,000
<b>27.6 Additions Sub-Total</b>	<b>2,170,900</b>	<b>689,552</b>	<b>1,139,000</b>	<b>1,519,900</b>
<b>Substations</b>				
<b>Substations Sub-Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



<b>General Plant</b>	<b>11,910,532</b>	<b>11,804,618</b>	<b>720,500</b>	<b>896,180</b>
<i>Computer Software</i>	174,000	291,170	50,000	80,000
<i>Computer Hardware</i>	80,000	106,393	83,000	98,000
<i>Stores Equipment</i>	117,032		68,000	43,680
<i>Office Furniture and Equipment</i>	500,000	400,000		
<i>Transportation Equipment</i>	530,000	440,677	510,000	645,000
<i>Major Tools</i>		28,232		29,500
<i>Building</i>	10,500,000	10,460,000		
<i>Miscellaneous Under Threshold</i>	9,500	78,146	9,500	
<b>General Plant - Sub-Total</b>	<b>11,910,532</b>	<b>11,804,618</b>	<b>720,500</b>	<b>896,180</b>
<b>Capital Contributions</b>	<b>-2,773,720</b>	<b>-1,179,035</b>	<b>-3,280,000</b>	<b>-3,808,361</b>
<i>Capital Contributions Paid</i>	-2,773,720	-1,179,035	-3,280,000	-3,808,361
<b>Sub-Total</b>	<b>-2,773,720</b>	<b>-1,179,035</b>	<b>-3,280,000</b>	<b>-3,808,361</b>
<b>Total (excluding WIP)</b>	<b>18,946,752</b>	<b>16,853,552</b>	<b>8,349,413</b>	<b>8,148,732</b>
<b>Less Renewable Generation Facility Assets and Other Non Rate-Regulated Utility Assets (input as negative)</b>				
<b>Total</b>	<b>18,946,752</b>	<b>16,853,552</b>	<b>8,349,413</b>	<b>8,148,732</b>



## **2.0 – Staff 14**

**Ref: Exhibit 2, p. 6**

Milton Hydro's forecasted 2016 rate base has increased by 54% from 2011 Board Approved.

- a) In its annual capital planning and implementation for the years 2011 to 2016 did Milton Hydro take into account the cumulative impact its capital expenditures would have on rate base and rates in 2016?
- b) How did this inform the pacing of investments identified in the DSP for 2016 forward?

**Response:**

- a) Milton Hydro takes into account the cumulative impact its capital expenditures would have on rate base and rates in 2016. Milton Hydro purchase of a building in 2014 which is being renovated in 2015 for a future Service Centre and Administration Building for a total capital expenditure of \$15,000,000 and this is reflected in the Net Book Value variance. This is discussed further in EXHIBIT 4 interrogatories. When the building capital is removed from rate base the increase over 2011 Board Approved is 30%.
- b) The increase in rate base is the result on the purchase of the building which did not inform the pacing of investments in the DSP for 2016 and forward. Milton Hydro has always attempted to pace its capital investments as provided in EXHIBIT 2, Table 2-17 both historically and for 2016 to 2020.



**2.00 – Staff 15**

**Ref: Attachment 2-1 – DSP Introduction, p. 9**

**Distribution System Plan**

Did Milton Hydro have any external assistance in preparing the Distribution System Plan? If so, please indicate who and the extent of their involvement.

Did Milton Hydro have an external party review the Distribution System Plan? If so, please provide a copy of their comments.

**Response:**

Milton Hydro engaged Acumen Engineered Solutions Inc. (AESI) to provide assistance during the initial phase of preparing the Distribution System Plan (DSP). AESI provided a document template and an initial draft of the DSP, Milton Hydro then assumed responsibility for completing the DSP.

The DSP was reviewed by our lawyers, Borden Ladner Gervais LLP. Any communications from our lawyers in this regard were for the purpose of providing legal advice to Milton Hydro and are protected by solicitor-client privilege. They will not be produced in any form.



**2.00 – Staff 16**

**Ref: Attachment 2-1 – DSP Introduction, p. 10.**

*“MHDI’s DSP demonstrates prudence in the pacing and prioritizing of non- discretionary investments, specifically those related to system renewal (e.g. planned pole replacement) system service (e.g. smart grid development) and general plant (e.g. fleet and information technology).”*

- a) Please confirm that the above paragraph refers to discretionary, rather than non-discretionary investments.
- b) If the sentence is correct, please provide examples of non-discretionary investments whose implementation is paced

**Response:**

- a) Milton Hydro confirms that the above paragraph refers to discretionary investments and should read “prioritizing of discretionary investments”.
- b) Please refer to a) above.



## 2.0 – Staff 17 (2.1)

**Ref: Attachment 2-1 – DSP Section 5.2.1 (a): Key elements of the Distribution System Plan that affect its rates, Pole Replacements, p. 21.**

*“Milton Hydro inspects 1/3 of its pole population on an annual basis and based on those results either:*

- *Replaces the pole immediately*
- *Schedules poles for replacement during the next budget year*
- *Rates the pole and inspects the pole during future inspection cycles*

*In 2016 Milton Hydro proposes to spend \$500,000 on Pole Replacements. This represents approximately 26.8% of the System Renewal budget and 4.3% of the total capital spend for 2016.”*

- a) Please provide a detailed description of the selection process Milton Hydro uses to determine if a pole must be replaced immediately, or if replacement can be deferred to the next year.
- b) Is the replacement selection process primarily based upon the measurement of quantifiable parameters, or is it primarily based upon the judgment of the person doing the in-field condition assessment?
- c) If a pole must be replaced immediately based upon the results of the condition assessment, does Milton Hydro consider that to be a non-discretionary investment?
- d) Please provide the number of poles replaced each year and the total cost of the pole replacement program for each of the DSP historical years. Has Milton Hydro factored in efficiency improvements in pole replacement?
- e) Does the 2016 to 2020 pole replacement budget follow the historical trend in respect of the number of poles replaced and the annual spending levels?
- f) If no to e), please explain the reasons for the departure from the trend.
- g) How does Milton Hydro assess and measure asset ‘end of life’?



**Response:**

- a) Milton Hydro engages a pole inspection contractor yearly to inspect 1/3 of the pole population. The contractor inspects individual poles including physically testing the poles using the 'hammer test' and drilling the pole to determine the quality of remaining wood. Based on the inspection results, poles are graded and scheduled for replacement or future testing.
- b) The replacement selection is based primarily on the judgement of the person doing the in-field condition assessment; however onsite testing delivers pole specific condition information that is used to augment the visual inspection. In addition to the visual inspected inspectors employ the hammer test to establish the condition of all poles, and poles aged 25 years or greater are drilled to confirm the condition of the wood.
- c) If the pole must be replaced immediately Milton Hydro considers that to be a non-discretionary investment.
- d) The number of poles replaced on a historical basis and the associated costs are shown below.

Year	2011	2012	2013	2014	2015 projected
Poles	28	41	36	57	35
Total Cost	\$305,694	\$170,976	\$350,230	\$304,333	\$243,430

Milton Hydro incorporates two primary efficiency driving mechanisms into its Pole Replacement program. 1) Milton Hydro uses a contractor to excavate all new pole holes prior to Milton Hydro's crew or contractor arriving on site. This minimizes the amount of time Milton Hydro's crew is required on site. 2) Where possible Milton Hydro will replace poles by incorporating them into larger projects thereby realizing increased efficiencies.

- e) The proposed 2016 to 2020 pole replacement budget is greater than the historical trend in respect of the number of poles replaced and the annual expenditure.



- f) The proposed 2016 to 2020 pole replacement budget is greater than the historical trend in response to the changing age distribution of poles in Milton Hydro's distribution plant. Based on age alone 2,364 wood poles have less than 10% of useful life remaining.
- g) Milton Hydro assesses and measure asset 'end of life' through its inspection and pole testing program. As part of the inspection process poles inspectors utilize their experience and knowledge along with onsite testing to determine the state of the wood pole, including asset end of life.



## 2.00 – Staff 18

Ref: Attachment 2-1 – DSP Section 5.2.1 (a): Key elements of the Distribution System Plan that affect its rates, Underground Line Rebuilds, p. 21.

*“Underground Line Rebuilds are the replacement of entire sections of underground primary distribution circuits. These projects are driven by end of useful life factors in conjunction with pacing of capital investments to ensure reliability, safety and a sustainable investment schedule. In 2016 Milton Hydro is not proposing any material Underground Line Rebuild projects. In 2017 Milton Hydro is proposing 1 Underground Line Rebuild totalling \$350,000. This represents 19.2% of the 2017 System Renewal budget or 3.0% of the total 2017 capital expenditure.”*

- a) Please provide a detailed description of the selection process Milton Hydro uses to determine the appropriate year to rebuild an underground line, including any quantifiable parameters used in the decision-making process.
- b) Are underground cable replacements typically driven by asset age, or are other assessment approaches used, e.g.: non-destructive underground cable testing?
- c) With specific reference to the 2017 Underground Line Rebuild, does Milton Hydro typically rebuild entire underground lines within the same budget year, or are longer line rebuilds sometimes staged over multiple years?
- d) How are underground line rebuild projects integrated into longer-term System Service requirements?
- e) What proportion of Milton Hydro underground circuit length is direct buried vs. conduit?
- f) What basis does Milton Hydro use to determine if a new circuit will be built as direct buried or in conduit?
- g) Please provide the total length of underground lines rebuilt each year and the total cost of the underground line rebuild program for each of the DSP historical years.
- h) Does the 2016 to 2020 underground line rebuild budget follow the historical trend from 2011 to 2015?



- i) If no to h), please explain the reason for the departure from the trend.

**Response:**

- a) Milton Hydro uses asset age, asset performance history and investment timing to select the appropriate year to rebuild an underground line. Cable age and the type of cable installed provide typical life expectations and actual performance history provides reliability input. The population profile provides additional input into the possible pacing of underground rebuilds.
- b) Underground cable replacements are typically driven by age, reliability performance and investment timing considerations.
- c) Milton Hydro will stage longer line rebuild over multiple years. In 2017 the MacArthur Dr. rebuild encompasses a scope of work that can be accommodated in one budget year.
- d) Underground rebuilds are typically approached from a System Renewal perspective as described in a). The System Service component is addressed through the System Renewal focus which delivers renewed reliability expectations including continuity of service. If an additional specific System Service consideration were highlighted as a driver of the underground rebuild it would be identified and incorporated into the project scope.
- e) Approximately 1% of Milton Hydro's circuit length is direct buried, 99% is installed in conduit.
- f) All new underground circuits in Milton are installed in conduit.
- g) Below is the total length of underground lines rebuilt each year and the total cost of the underground line rebuild program for each of the DSP historical years.

Year	2011	2012	2013	2014	2015
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Length Line	2,889	0	9,552	5,164	0
Total Cost	\$670,834	0	\$1,294,446	\$1,225,403	0

- h) The 2016 to 2020 underground line rebuild budget does not follow the historical trend from 2011 to 2015.
- i) The investment proposal reflects the Milton Hydro selection process which incorporates cable age, asset performance history and investment timing. Most of the underground cable in Milton was installed after the year 2000 as part of the residential growth experienced by the Town of Milton. The average age of underground cable in Milton is 11 years. This is reflected in the proposed spend for 2016 to 2020.



## 2.00 – Staff 19

**Ref: Attachment 2-1 – DSP Section 5.2.1 (a): Key elements of the Distribution System Plan that affect its rates, Overhead Line Rebuilds, p. 21.** *“Overhead Line Rebuilds are the replacement of entire sections of overhead pole lines. These projects are driven by end of useful life factors in conjunction with pacing of capital investments to ensure reliability, safety and a sustainable investment schedule. In 2016 Milton Hydro is proposing 3 Overhead Line Rebuilds totalling \$798,400 or 42.8% of the System Renewal budget.”*

- a) Please provide a detailed description of the selection process Milton Hydro uses to determine the appropriate year to rebuild an overhead line, including any quantifiable parameters used in the decision-making process.
- b) Does Milton Hydro typically rebuild entire lines within the same budget year, or are some longer line rebuilds staged over multiple years?
- c) Why is Milton Hydro rebuilding all three Overhead Lines identified above in 2016? Would it be possible to stage these projects over a three-year period?
- d) Please provide the total line length rebuilt each year and the total cost of the line rebuild program for each of the DSP historical years 2011 - 2015.
- e) Does the 2016 to 2020 line rebuild budget follow the 2011 – 2015 historical trend for total line rebuild length and capital cost?
- f) If no to e), please explain the reasons for the departure from the trend.
- g) Please describe any differences in the process to determine if rebuilds are necessary for overhead and underground lines.

### Response:

- a) Milton Hydro uses asset age, asset condition, asset performance history and investment timing to select the appropriate year to rebuild an overhead line. In addition to the line age and investment timing considerations, Milton Hydro utilizes data from its pole inspection program to help determine when overhead lines will be rebuilt. The age distribution of overhead lines (the entire population) in conjunction with the actual line condition is used to determine rebuild schedule of specific lines and manage the



required investment in any given year.

- b) Milton Hydro will stage longer line rebuilds over multiple years if the pace of the investment satisfies the renewal needs associated with the asset population.
- c) Milton Hydro is rebuilding all three lines in 2016 due to asset condition and investment timing considerations. The average age of Milton Hydro's wood pole population is 27 years of age. Approximately 27% of the wood pole population has less than 10% life remaining based on a 45 year lifespan. Based on these factors Milton Hydro believes it is appropriate to proceed with the projects as scheduled.
- d) Below is the total line length rebuilt each year and the total cost of the line rebuild program for each of the DSP historical years 2011 - 2015.

Year	2011	2012	2013	2014	2015 (projected)
Line Length (metres)	1,348	1,467	8,109	4,010	4,161
Total Cost	\$366,643	\$384,913	\$870,799	\$561,647	\$517,986

- e) The 2016 to 2020 line rebuild trend is increasing compared to the 2011 – 2015 historical trend for total line rebuild length and capital cost.
- f) The proposed 2016 to 2020 line rebuild budget is greater than the historical trend in response to the changing age distribution of poles in Milton Hydro's distribution plant. As the age and condition of overhead lines change Milton Hydro looks to reflect those changes in its Distribution System Plan.
- g) The process to determine if rebuilds are necessary for overhead or underground liners is the same. Both use asset age, asset condition, asset performance history and investment timing to select the appropriate year to rebuild the overhead or underground line.



## 2.1 – Staff 20

Ref: Attachment 2-1 – DSP Section 5.2.1 (a): Key elements of the Distribution System Plan that affect its rates, WiMAX Communication Investments, p. 22.

*“WiMAX Communication Investments refer to the deployment of a WiMAX based communication infrastructure utilizing the 1.8 GHz band allocated by Industry Canada for utility operations. Milton Hydro will utilize this communication infrastructure as the primary means of remotely accessing:*

- *Automated distribution switches*
- *Smart fault Indicators*
- *Metering points*

*In 2016 Milton Hydro plans to invest \$770,000 in WiMAX Communication infrastructure. This represents 67.6% of the System Access budget or 6.6% of the proposed total 2016 capital investment.”*

- a) Please provide the total WiMAX investments for each of the DSP historical years 2011 – 2015.
- b) Please provide the plan, schedule and budget for WiMAX implementation through the DSP forecast period.
- c) Please provide the business case for the WiMAX project.
- d) What savings/productivity or other benefits are expected from this project? Based on expected savings, what is the internal rate of return on the project investment?
- e) Will WiMAX implementation be largely completed within the 5 year forecast period, or are material levels of WiMAX capital expenditure expected to continue beyond the forecast period?
- f) Are there expected to be material long-term costs associated with operating and maintaining the WiMAX assets beyond the forecast period?



**Response:**

- a) The total WiMAX investment for each of the historical years, 2011 – 2015 is listed below.

Year	2011	2012	2013	2014	2015 (Projected)
WiMAX Investment	0	0	\$27,084	\$10,299	\$375,000

- b) The planned WiMAX investments schedule for 2016 – 2020 is listed below.

Year	2016	2017	2018	2019	2020
WiMAX Investment	\$555,000	\$23,300	\$23,300	\$12,500	\$12,500

The WiMAX expenditures listed above do not include amounts that may allocated to the WiMAX deployment as part of the Provision for System Service projects amount incorporated into the 2017 – 2020 budget. The complete plan for the WiMAX deployment will be completed in 2016.

- c) Milton Hydro is deploying the WiMAX communication infrastructure in support of operational requirements surrounding meter reading requirements and SCADA communications (which includes system telemetry and the associated remote monitoring and switching capabilities). The WiMAX band was reserved for utilities. Due to the above operational requirements and the cost effectiveness of the reserved band, Milton Hydro did not pursue a formal business plan.
- d) No material dollar savings are expected from this project. This projected is expected to support the automation and smart grid efforts expected of Ontario utilities. Specifically the communication infrastructure will enable;
- Increased operational efficiencies and reliability improvements in outage



situations by enabling an initial response that will minimize outage times for customers that may be restored by reconfiguring the system, however crews will still need to respond to areas within the fault zone.

- Enable communications efforts with customers by enabling faster information transfer (outage information will be collected and assed conveyed to customers quicker)
  - System monitoring will enable Milton Hydro to initate a quicker response to system fault.
  - The communications infrastructure will enable Milton Hydro's wireless meter data collection process.
- e) The WiMAX implementation project will be largely completed within the 5 year forecast period. No material levels of WiMAX capital expenditures are expected to continue beyond the forecast period for implementing the WiMAX system.
- f) Milton Hydro does not believe there will be additional material long term costs associated with operating the WiMAX asset beyond the 2016 to 2020 period.



## 2.0 – Staff 21

Ref: Attachment 2-1 – DSP Section 5.2.1 (a): Key elements of the Distribution System Plan that affect its rates, Automated Equipment Investments, p. 22.

*“Automated Equipment Investments refers to the deployment of automated switches and smart fault indicators throughout Milton Hydro’s service territory. The ability to remotely operate and monitor the distribution system will help to maintain and improve reliability and safety measures associated with the distribution system and improve operational system efficiencies. In 2016 Milton Hydro proposes to invest \$369,000 in automated equipment. This represents 32.4% of the System Service budget or 3.2% of the proposed 2016 capital budget.”*

- a) Please provide the total investment in Automated Equipment by type for each of the DSP historical years 2011 – 2015.
- b) Please provide the plan, schedule and budget for Automated Equipment investments through the DSP forecast period, by type.
- c) Are material levels of capital expenditure on Automated Equipment expected to continue beyond the forecast period?

### Response:

- a) The total investment in Automated Equipment by Milton Hydro by type for each of the DSP historical years 2011 – 2015 is listed below.

Year	2011	2012	2013	2014	2015
Pole Mounted Switches	\$271,350	\$82,536	\$412,680	\$82,512	\$189,280
Substation Reclosers	\$0	\$0	\$120,442	\$132,039	\$0



Fault Indicators	\$0	\$0	\$0	\$27,973	\$0
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- b) Milton Hydro current plan for deploying automated switches in the 2016 – 2020 forecast period is listed below. Note that this plan does not include installations to be identified and installed as part of the Provision for System Service Projects, System Access and System Renewal projects.

Year	2016	2017	2018	2019	2020
Pole Mounted Switches	\$194,000	\$250,000	\$250,000	\$250,000	\$250,000
Fault Indicators	\$175,000	\$175,000	\$0	\$0	\$0

- c) Milton Hydro expects that material levels of capital expenditure on Automated Equipment will continue beyond the forecast period.



## 2.0 – Staff 22

**Ref: Attachment 2-1 – DSP Section 5.2.1 (e): MHDI asset management process, p. 24.**

*“In 2014, MHDI contracted out its control room operations to Guelph Hydro to fully realize the benefits associated with a smart infrastructure and to address the operational/switching intricacies associated with MHDI’s growing, dynamic distribution system.”*

- a) Please explain Milton Hydro’s reasoning for transferring the control centre operations to Guelph Hydro.
- b) How is Guelph Hydro expected to be more responsive than Milton Hydro (i.e. during a systemic outage for example)?
- c) In the absence of contracting out control room operations to Guelph Hydro, would Milton Hydro have been required to make additional capital and O&M investments?
- d) If yes to c), did Milton Hydro estimate these capital and O&M costs?
- e) Did Milton Hydro incur any capital costs in 2014 or 2015 to outsource control room functionality to Guelph Hydro?
- f) Will Milton Hydro incur any capital costs over the DSP forecast period due to outsourcing control room functionality to Guelph Hydro?
- g) What is the all-in annual cost for outsourcing control room functionality to Guelph Hydro, and does the contract include any automatic cost escalation terms?
- h) Does Milton Hydro have the capability to resume control room functionality in-house should the arrangements with Guelph Hydro terminate for any reason?
- i) If yes to h), would this involve capital investments and incremental O&M costs?
- j) If no to h), does Milton Hydro have a backup plan?
- k) What measures has Milton Hydro taken to ensure reliability standards do not suffer as a result of transferring the control centre operations to Guelph Hydro?



**Response:**

- a) Milton Hydro transferred the control centre operations to Guelph Hydro in an effort to realize a savings in the operating costs associated with a control centre thereby minimizing the potential operating costs increase associated with the control centre function.
- b) Milton Hydro did not have a staffed control centre prior to transferring the function to Guelph Hydro. As a result Milton Hydro expects that the control centre will be able deliver a number of benefits associated with a control centre including:
  - Managing and coordinate all daily switching and operating activities throughout the distribution system thereby resulting in increased safety and process efficiencies.
  - Monitor the distribution system and provide direction and feedback when outages occur thereby improving communications, response and restoration times.
- c) In the absence of contracting out control room operations to Guelph Hydro, Milton Hydro would have been required to make additional investments in capital and O&M. Instead of utilizing the existing facilities at Guelph Hydro Milton Hydro would have been required to install control centre facilities in support of the control centre function. Additionally Milton Hydro would have been required to incur the O&M costs associated with maintaining a dedicated control centre.
- d) Milton Hydro did not estimate the avoided capital investment. Milton Hydro did not estimate the O&M savings associated with transferring the control centre to Guelph Hydro.
- e) Milton Hydro did not incur any material capital costs in 2014 or 2015 associated with outsourcing the control room functionality to Guelph Hydro.
- f) Milton Hydro is not expecting to incur any capital costs over the DSP forecast period due to outsourcing control room functionality to Guelph Hydro.
- g) The initial annual cost to Milton Hydro is \$50,000. This cost is for extended business hours coverage, not live 24/7 control centre coverage. Once the control centre starts operating on a staffed 24/7 basis Milton Hydro is expecting the cost to increase to



\$150,000 per year.

- h) Milton Hydro did not have a staffed control room prior to entering into the arrangement with Guelph Hydro; as such with its current staffing levels Milton Hydro does not have the capability to assume the complete control room functionality.
- i) n/a
- j) There are other LDCs that have expressed an interest in supplying control room services, Milton Hydro's backup plan would be to negotiate with those LDCs for control room services.
- k) Milton Hydro monitors the control room response by obtaining feedback from supervisory and front line staff directly involved with the distribution system operation and the control room. Management from both Milton Hydro and Guelph Hydro meet on an as required basis to review the control room arrangement and identify any issues that may need to be addressed.



## 2.0 – Staff 23

Ref: Attachment 2-1 – DSP Section 5.2.1 (f): Contingent activities/events affecting the Distribution System Plan, Long Term Load Transfers, p. 25. *“As of December 2014, MHDl had 91 load transfer customers where Milton Hydro is the physical distributor and the surrounding utilities are the geographic distributors. Any LDC activity, during the period of the DSP, to become the physical distributor would result in minor removal of MHDl plant.*

*Milton Hydro is also the geographic distributor to 159 LTLT customers supplied by other LDCs.*

*MHDl is aware of the OEB’s proposed amendments to the Distribution System Code (DSC) outlined in the OEB letter dated February 20, 2015 (EB-2015-0006) and intended to facilitate the elimination of remaining LTLT arrangements between LDCs. **MHDl’s DSP as filed does not include any work for MHDl to become the physical distributor for any of the LTLT customers.** MHDl will eliminate LTLT arrangements as prescribed by any amendments to the DSC.” [Bold added for emphasis]*

- a) Although the DSP as filed does not include any work for Milton Hydro to become the physical distributor for any of the LTLT customers, does Milton Hydro have an order of magnitude estimate for making the changes?
- b) If no to a), could Milton Hydro provide an indication of the range of likely costs?

### Response:

- a) Milton Hydro does not have an order of magnitude estimate for making the changes required under the OEB’s proposed amendments to the Distribution System Code.
- b) Milton Hydro cannot provide a range of the likely costs at the present time. Milton Hydro does believe that the costs for Milton Hydro to become the physical distributor for all customers within its geographical distribution area would be greater than its materiality threshold.



## 2.0 – Staff 24

Ref: Attachment 2-1 – DSP Section 5.2.2 (b): Final Deliverables of the Regional Planning Process, Northwest Sub-Region, p. 40

*“The completed Integrated Regional Resource Plan (IRRP) dated April 28, 2015 considers all options to address electricity supply needs in the GTA West – Northwest Sub-Region over the next 20 years. A link to the Northwest GTA sub- region Integrated Regional Resource Plan (IRRP) has been included in Appendix A*

*– Document Links. A copy of the Hydro One planning status letter has been included in Appendix G – Regional Planning Status Letter.*

***The IRRP findings include a need for new transformation facilities to service MHDI load growth by 2020.” [Bold added for emphasis]***

- a) Please confirm that the DSP Capital Expenditure Plan as filed does not include any costs for the new transformation facilities identified in the Regional Plan.
- b) Does Milton Hydro have an order of magnitude estimate for the cost of the new assets?
- c) If no to b), could Milton Hydro provide an indication of the range of likely costs?
- d) If an estimate is not available, does Milton Hydro anticipate that the capital cost of the new transformation facilities will materially increase Milton Hydro customer rates? Please explain
- e) Would the costs borne by Milton Hydro ratepayers be affected by the actual ownership of the new transformation facilities? For clarity, would the costs to Milton Hydro's ratepayers be different if the assets are owned directly Milton Hydro rather than by Hydro One or another owner?
- f) Does the IRRP indicate if either Milton Hydro or Hydro One Networks Inc. (HONI) should own the new transformation facilities?
- g) If HONI becomes owner of the new transformation facilities, will Milton Hydro be required to make a capital contribution towards their cost, and if so, please provide



the contribution formula?

- h) The IRRP (see Appendix G, page 203) also identified the potential need to undertake work on the T38B/T39B circuits. Do Milton Hydro capital expenditure plans anticipate any costs associated with work on T38B/T39B?

**Response:**

- a) The DSP Capital Expenditure Plan as filed does not include any costs for the new transformation facilities identified in the Regional Plan.
- b) Milton Hydro does not have a detailed cost analysis however a typical range would be \$20M to \$30M for new transformation facilities identified in the Regional Plan.
- c) See 2.0 Staff-24 b) above.
- d) Milton Hydro cannot provide an estimate of the impact of the new transformation facilities on customer rates until an estimate is obtained for the new transformation facilities identified in the Regional Plan and until it is determined who would build and own the transformation facilities.
- e) The costs to Milton Hydro's ratepayers would be different if the assets are owned directly by Milton Hydro rather than by Hydro One or another owner.
- f) The IRRP does not indicate if either Milton Hydro or Hydro One Networks Inc. (HONI) should own the new transformation facilities.
- g) If HONI becomes owner of the new transformation facilities, Milton Hydro may be required to make a capital contribution towards their cost depending on the loading of the transformation facilities. The formula to calculate a capital contribution resides with HONI.
- h) Milton Hydro does not have any cost responsibility associated with the T38B/T39B circuits.



## 2.0 – Staff 25

**Ref: Attachment 2-1 – DSP Section 5.2.3 (a): Metrics used to monitor distribution system planning performance, Cost Efficiency and Effectiveness – Planning Quality, p. 48.**

*“At a corporate capital and operating expenditures regularly to ensure they are on budget and on schedule. Expenditure summary records are provided to the MHDl Board on a periodic basis.”*

- a) Are these records available? If yes, please provide materials.
- b) What actions are taken when corporate capital and operating expenditures are not on budget?

**Response:**

- a) Attached below are the capital budget and operating budget submissions presented to Milton Hydro’s Board on a periodic basis.
- b) When corporate capital and operating expenditures are not on budget senior management will review the expenditures, make the necessary budgetary or program adjustments and present the revised plan to the Board of Directors.



## Capital Expenditures

- Net Capital expenditures to Q3 2015 is \$5.169 million which is slightly less than this time last year.

### New Investment Categories:

**System Access:** New customer connections, modifications, expansions, metering

**System Renewal:** Programs to refurbish/replace assets or asset systems

**System Service:** Capacity upgrades, new/upgrades to Automation, SCADA, line extension

**General Plant:** System capital investment: equipment, tools, HW, SW, rolling stock, structures, intangibles

### -Computer Hardware

- Scanner -\$8,600,
- Optiplex 3020 \$ 8,000
- Laptops \$ 15,000
- Server/Cabinet \$42,780

### -Computer Software

- Outage Mgmt System \$ 105,250
- Licenses \$12,600

### -Rolling Stock

- Disposal of Truck (\$ 148,653) with a NBV = 0, Gain on sale- \$15K
- Purchase of Cab & chassis \$99,900
- Single Bucket deposit \$118,000

Capital Expenditures as at September 30, 2015		Actual		Budget (Full Year)	
		Costs	Capital Contribution	Costs	Capital Contribution
<b>System Access</b>					
	Subdivision Capital Projects	\$ 1,393,854	\$ 1,210,124	\$ 3,780,000	\$ 3,493,700
	Rebates to Developers		\$ (494,840)		\$ (1,500,000)
	UG Services/Upgrades	\$ 401,031	\$ 153,447	\$ 661,735	\$ 475,180
	OH Services/Upgrades	\$ 53,698	\$ 28,496		
	Meters	\$ 95,772	\$ (2,712)	\$ 285,365	\$ 29,740
	MHDI Asset Management/Municipal/Regional	\$ 699,242		\$ 824,640	\$ 275,100
	<b>Total System Access:</b>	<b>\$ 2,643,596</b>	<b>\$ 894,515</b>	<b>\$ 5,551,740</b>	<b>\$ 2,773,720</b>
<b>System Renewal</b>					
	MHDI Asset Management/Municipal/Regional	\$ 765,190			
	Pole Replacement			\$ 375,000	
	Porcelain Polymer Replacement			\$ 150,000	
	OH Services/Upgrades	\$ 21,922		\$ 1,232,300	
	UG Services/Upgrades	\$ 3,356		\$ 330,000	
	<b>Total System Renewal:</b>	<b>\$ 790,468</b>	<b>\$ -</b>	<b>\$ 2,087,300</b>	<b>\$ -</b>
<b>System Service</b>					
	MESH Equipment Installation	\$ 22,555			
	Meter Communication Upgrade	\$ 5,141			
	Poles/Wire Installations	\$ (236)			
	System Supervisory / SCADA	\$ 7,371		\$ 270,000	
	Fault Indicators			\$ 175,000	
	Communication Infrastructure	\$ 210,547		\$ 1,100,000	
	27.6 Auto Switches/WIMAX/Vipers	\$ 191,203		\$ 120,000	
	27.6 Additions /Relocation(Poles/OH Cables)	\$ 90,239		\$ 505,900	
	<b>Total System Service:</b>	<b>\$ 526,819</b>	<b>\$ -</b>	<b>\$ 2,170,900</b>	<b>\$ -</b>
<b>General Plant</b>					
	Building	\$ 1,786,604		\$ 7,500,000	
	Land			\$ (2,251,317)	
	Office Equipment			\$ 500,000	
	Other Tangible Property				
	Stores Equipment	\$ 1,278		\$ 117,032	
	Computer Hardware	\$ 86,283		\$ 80,000	
	Computer Software	\$ 136,127		\$ 174,000	
	Rolling Stock	\$ 217,997		\$ 530,000	
	Disposal of Rolling Stock	\$ (148,653)			
	Major Tools	\$ 23,232		\$ 9,500	
	Measurement Equipment				
	Miscellaneous Equipment				
	<b>Total General Plant:</b>	<b>\$ 2,102,867</b>	<b>\$ -</b>	<b>\$ 6,659,215</b>	<b>\$ -</b>
	<b>SubTotal</b>	<b>\$ 6,063,751</b>	<b>\$ 894,515</b>	<b>\$16,469,155</b>	<b>\$ 2,773,720</b>
<b>Net Capital Expenditures:</b>		<b>\$ 5,169,236</b>		<b>\$13,695,435</b>	



## Operations Summary

Overall Operations is lower than budget by \$79,706 (-2.9%) at this time but expected to be slightly higher than budget by the end of the year.

- Control Room Services is under budget (\$60,767) due to timing of control room increasing its hours to 24/7. Not expected to change before end of year.

-Maintenance of Overhead Lines, Line Transformers & Underground Conductors is higher than budget (\$120,572) due mainly to higher Pole Mtce and Viper Recall.

-Underground locates for 9 months ended Sept 30, 2015 are higher (\$36,051) than budget, mainly due to more locates done during summer months.

-Meter Maintenance is lower than budget by (\$181,263) mainly due to the timing of the WiMax (capital) program; meter maintenance has been scheduled to take place in Q4 2015.

-Tree Trimming is lower than budget (\$46,091) mainly due to timing and is expected to be on target by the end of year.

### Milton Hydro Distribution Inc. for the 9 months ended September 30, 2015 Operations Summary

	Actual Sept 30, 2015	Budgeted Sept 30, 2015	\$ Variance Actual vs Budget	% Variance Actual vs Budget	Actual Sept 30, 2014	\$ Variance Sept 2015 vs Sept 2014
Transformer SubStations	\$ 83,464	\$ 56,081	\$ 27,382	49%	\$ 34,642	\$ 48,822
Engineering & Operations Administration (new 2013)	\$ 673,309	\$ 628,087	\$ 45,222	7%	\$ 615,297	\$ 58,012
Stores Administration (new 2013)	\$ 174,935	\$ 174,678	\$ 257	0%	\$ 151,043	\$ 23,892
Control Room Contract Services	\$ 56,609	\$ 117,376	\$ (60,767)	-52%	\$ -	\$ 56,609
U/G Locates	\$ 285,801	\$ 249,750	\$ 36,051	14%	\$ 230,768	\$ 55,033
Meter Maintenance	\$ 162,237	\$ 343,500	\$ (181,263)	-53%	\$ 319,330	\$ (157,093)
Customer Premises	\$ 194,554	\$ 211,499	\$ (16,945)	-8%	\$ 207,454	\$ (12,900)
Maintenance Overhead Lines	\$ 344,395	\$ 330,539	\$ 13,856	4%	\$ 485,477	\$ (141,082)
Maintenance of Line Transformers UG/OH	\$ 214,925	\$ 162,741	\$ 52,184	32%	\$ 208,592	\$ 6,333
Bell & cable TV hits	\$ 3,051	\$ 7,177	\$ (4,125)	-57%	\$ 6,462	\$ (3,411)
Tree Trimming	\$ 369,547	\$ 415,638	\$ (46,091)	-11%	\$ 270,405	\$ 99,142
Maintenance U/G Conductors	\$ 83,790	\$ 29,258	\$ 54,532	186%	\$ 34,221	\$ 49,569
Total Operation & Maintenance	\$ 2,646,617	\$ 2,726,324	\$ (79,706)	-2.9%	\$ 2,563,691	\$ 82,925
Subtotal of Maintenance	\$ 643,110	\$ 522,538	\$ 120,572	23%	\$ 728,290	\$ (85,180)



## 2.0 – Staff 26

Ref: Attachment 2-1 – DSP Section 5.2.3 (b): Summary of historical performance – **Customer Oriented Performance – Service Reliability**, pp. 51- 54.

On pages 51-54 of the DSP, Milton Hydro discusses system reliability, historical interruptions and scheduled outages.

- a) Does Milton Hydro map the outages to their GIS system?
- b) Are there patterns to equipment outages in the older parts of the system, for example, that catalyze changes to Milton Hydro O&M patterns?

### Response:

- a) Milton Hydro does not currently map outages on the GIS system.
- b) Milton Hydro has not detected any equipment issues/outages by geographical location that has resulted in a change to the O&M pattern.



## 2.0 – Staff 27

**Ref: Attachment 2-1 – DSP Section 5.2.3 (b): Summary of historical performance – Customer Oriented Performance – Service Reliability, p. 54.** *“In 2014 MHDl proactively replaced porcelain switches. A 2010 ESA serious incident report study identified porcelain as a “know equipment weakness” and contributor to hazards affecting public safety. For the scheduled outages in 2014, 94 outages were due to porcelain switch replacements. There were less than 5 scheduled outages for this in previous years.”*

- a) Were porcelain switch failures tracked separately prior to the replacement program in 2014? If so, please provide the average annual failure count.
- b) Has Milton Hydro observed and/or does Milton Hydro anticipate observing a material improvement in its reliability statistics specifically related to equipment failures and planned outages as a result of the porcelain switch replacements that were implemented in 2014?
- c) Does Milton Hydro have any remaining porcelain switches in its system?
- d) If yes to b), does Milton Hydro intend to replace all remaining porcelain switches?
- e) If so, what is the anticipated cost and schedule of the remaining program?

### **Response:**

- a) Porcelain switch failures were not tracked separately prior to the replacement program.
- b) Milton Hydro has not observed a material improvement in its reliability statistics specifically related to equipment failures as a result of the switch replacement. Milton Hydro does not expect to see a material improvement in its reliability statistic as a result of the porcelain switch replacement program.
- c) Milton has approximately 513 remaining porcelain switches in its system.
- d) Milton Hydro does plan to replace the remaining porcelain switches in the system.



- e) The projected cost to complete the program is \$505,490. Milton Hydro plans to invest \$150,000 annually until the work is complete. Milton Hydro expects the switch porcelain replacement program to be completed in 2019.



## 2.0 – Staff 28

Ref: Attachment 2-1 – DSP Section 5.2.3 (b): Summary of historical performance, Asset/System Operations Performance – Reg. 22/04, Table 14, p. 56.

*“During the 2010 – 2014 historical period, MHDl has achieved compliance in this portion of the audit. Issues noted as “Needs Improvement” are addressed to ensure that they are “In Compliance” for the following year audit. Exceptions to “In Compliance” audit findings are shown in Table 14...”*

**Table 14 – ESA Audit Results**

Audit Year	Not in Compliance	Needs Improvement
2010	0	3
2011	0	2
2012	0	1
2013	0	1
2014	0	1

- a) Provide details of the items identified as “Needs Improvement” in Table 14.
- b) Identify the corrective actions that were taken to address these issues and estimate the capital and O&M cost impacts of these actions.

### Response:

- a) Below is the Needs Improvement list by year.

2010

Three opportunities for improvement were identified:

1. Substation inspections were missed in July, August and September due to retirement of a staff member. Inspections should meet the minimum OEB scheduling requirements.
2. Some Equipment Approval sheets lack the approver’s signature and in some cases, approval dates.
3. For an underground subdivision rebuild, it was planned that a certificate of inspection would be completed at the end of the project. Since the submersible transformers are to be energized one at a time, a certificate should be provided for each transformer energization.



2011

Two opportunities for improvement are identified:

1. The operating procedure for approval of equipment for re-use has been revised and implemented. The procedure should yet again be revised to include the LOC's exact method of recording approval (Stores Issue form) and the method of approving equipment returned after refurbishment and testing (review of test reports by engineering).
2. A design standard is needed for temporary power.

2012

One opportunity for improvement is identified:

1. The LOC's CVP requires that partial certificates of inspection be provided for progressive energization of lines and equipment. The procedure is not consistently followed for circuits and equipment energized in stages in underground subdivisions. The process should be reviewed.

2013

One opportunity for improvement is identified:

1. Pre-regulation equipment not presently listed in approved inventory should be listed and approved under Good Utility Practice

2014

One opportunity for improvement is identified:

1. Plans for upgrading Substation #9 included new reclosers and relay settings. The plans needed to display a certificate of approval, since new or revised relay settings are considered to be design work.

b) The corrective actions taken to address the Needs Improvement issues are listed below.

2010

Three opportunities for improvement were identified:

1. All substation inspections are now performed so that the minimum OEB scheduling requirements are satisfied. Milton Hydro documents all inspections to ensure compliance.
2. All Equipment Approval sheets now include the approver's signature and approval dates.



3. A certificate of approval is now provided for all energization steps.

2011

Two opportunities for improvement are identified:

1. The operating procedure for approval of equipment for re-use has been revised to include the method of recording approvals and the method of approving equipment returned after refurbishment and testing.
2. A design standard for temporary power has been developed and issued.

2012

One opportunity for improvement is identified:

1. The certificate process for progressive energization in underground subdivisions has been reviewed and revised to ensure all energization steps are documented.

2013

One opportunity for improvement is identified:

1. All pre-regulation equipment not previously listed in approved inventory has been listed and approved under Good Utility Practice

2014

One opportunity for improvement is identified:

1. Plans for modifying substation recloser relay settings now include a certificate of approval for any new relay settings.

All of the actions corrective actions taken in response to the Needs Improvement findings were process or administrative in nature with no impact on the capital budget. Milton Hydro did not track the O&M costs associated with the corrective actions listed above.



**2.0 – Staff 29**

**Ref: Attachment 2-1 – DSP Section 5.2.3 (b): Summary of historical performance, Asset/System Operations Performance – System Losses, Table 15, p. 56.**

**Table 15 – MHDI System Losses**

2010	2011	2012	2013	2014
3.21%	3.36%	3.60%	2.00%	3.87%

- a) Confirm that Milton Hydro system losses dropped to 2% in 2013 as shown in Table 15.
- b) If confirmed, please explain how this significant reduction in system losses was achieved.
- c) Would it be possible to continue operating the system in a manner that would maintain this loss reduction?

**Response:**

- a) Milton Hydro's 2013 system loss is not correct in Table 15. In January 2013 the new Tremaine TS came online, however Milton Hydro missed picking up the wholesale quantities for January and part of February 2013. The wholesale quantities for the Tremaine TS have been corrected and the Supply Facilities Loss Factor should be 1.01013 which then corrects Milton Hydro's five year average for its Total Loss Factor to 1.0375. The following Tables have been revised to reflect the above change.
- b) N/A
- c) N/A



### Total Loss Factor Calculation (Revised)

		Historical Years					5-Year Average
		2010	2011	2012	2013	2014	
	<b>Losses Within Distributor's System</b>						
<b>A(1)</b>	"Wholesale" kWh delivered to distributor (higher value)						-
<b>A(2)</b>	"Wholesale" kWh delivered to distributor (lower value)	750,296,733	781,246,076	806,378,609	839,775,135	865,028,075	808,544,926
<b>B</b>	Portion of "Wholesale" kWh delivered to distributor for its Large Use Customer(s)	78,217,321	82,338,184	88,611,561	118,739,866	136,770,136	100,935,413
<b>C</b>	Net "Wholesale" kWh delivered to distributor = <b>A(2) - B</b>	672,079,412	698,907,892	717,767,048	721,035,269	728,257,939	707,609,512
<b>D</b>	"Retail" kWh delivered by	728,497,481	757,336,720	785,971,317	816,662,708	839,618,256	785,617,296
<b>E</b>	Portion of "Retail" kWh delivered by distributor to its Large Use Customer(s)	77,442,892	81,522,954	87,734,219	117,564,224	135,415,976	99,936,053
<b>F</b>	Net "Retail" kWh delivered by distributor = <b>D - E</b>	651,054,589	675,813,766	698,237,098	699,098,484	704,202,280	685,681,243
<b>G</b>	Loss Factor in Distributor's system = <b>C / F</b>	1.0323	1.0342	1.0280	1.0314	1.0342	1.0320
	<b>Losses Upstream of Distributor's System</b>						
<b>H</b>	Supply Facilities Loss Factor	1.00262	1.00264	1.00327	1.01013	1.00764	1.00538
	<b>Total Losses</b>						
<b>I</b>	Total Loss Factor = <b>G x H</b>	1.0350	1.0369	1.0313	1.0418	1.0421	1.0375

Note: Milton Hydro has used the default large use Distribution Loss Factor ("DLF") of 1% as the loss factor for Large Use customers. Milton Hydro's Large Use customers are primary metered and the default loss for primary metered customers with demands >5000 kW is 1.0000 excluding supply facility losses.



## Supply Facilities Loss Factor (Revised)

Transformer Station	Delivery Point	kWh	2010	2011	2012	2013	2014	Total
Halton TS	Raw		639,688,921	682,803,503	690,482,773	616,571,820	593,047,254	3,222,594,271
	Uplifted		640,769,539	683,965,781	691,170,061	621,288,806	597,401,822	3,234,596,009
	Loss (kWh)		1,080,618	1,162,278	687,288	4,716,986	4,354,568	12,001,738
	Loss Factor		1.001689	1.001702	1.000995	1.007650	1.007343	1.003724
Tremaine TS	Raw					114,601,657	144,204,865	258,806,522
	Uplifted					115,626,582	144,849,639	260,476,221
	Loss (kWh)		-	-	-	1,024,925	644,774	1,669,699
	Loss Factor					1.008943	1.004471	1.006452
<b>Totals Direct TS</b>	<b>Raw</b>		<b>639,688,921</b>	<b>682,803,503</b>	<b>690,482,773</b>	<b>731,173,477</b>	<b>737,252,119</b>	<b>3,481,400,793</b>
	<b>Uplifted</b>		<b>640,769,539</b>	<b>683,965,781</b>	<b>691,170,061</b>	<b>736,915,388</b>	<b>742,251,461</b>	<b>3,495,072,230</b>
	<b>Loss (kWh)</b>		<b>1,080,618</b>	<b>1,162,278</b>	<b>687,288</b>	<b>5,741,911</b>	<b>4,999,342</b>	<b>13,671,437</b>
	<b>Loss Factor</b>		<b>1.001689</b>	<b>1.001702</b>	<b>1.000995</b>	<b>1.007853</b>	<b>1.006781</b>	<b>1.003927</b>
	<b>Embedded Delivery Point</b>							
Fergus TS	Raw		13,573,972	13,451,834	13,886,401	13,855,917	14,144,123	68,912,247
	Uplifted		13,991,329	13,909,332	14,358,964	14,434,224	14,648,438	71,342,287
	Loss (kWh)		417,357	457,498	472,563	578,307	504,316	2,430,040
	Loss Factor		1.0307	1.0340	1.0340	1.0417	1.0357	1.0353
Palermo TS	Raw		84,753,451	73,340,973	96,754,084	63,752,552	66,033,872	384,634,932
	Uplifted		85,188,860	73,750,563	98,210,973	65,556,700	66,560,703	389,267,799
	Loss (kWh)		435,409	409,590	1,456,889	1,804,148	526,831	4,632,867
	Loss Factor		1.005137	1.005585	1.015058	1.028299	1.007978	1.012045
Glenorchy	Raw					17,153,685	33,558,722	50,712,407
	Uplifted					17,393,836	34,028,544	51,422,381
	Loss (kWh)		-	-	-	240,152	469,822	709,974
	Loss Factor		n/a	n/a	n/a	1.014000	1.014000	1.014000
<b>Total Embed TS</b>	<b>Raw</b>		<b>98,327,422</b>	<b>86,792,807</b>	<b>110,640,485</b>	<b>94,762,154</b>	<b>113,736,717</b>	<b>504,259,586</b>
	<b>Uplifted</b>		<b>99,180,189</b>	<b>87,659,895</b>	<b>112,569,937</b>	<b>97,384,760</b>	<b>115,237,685</b>	<b>512,032,467</b>
	<b>Loss (kWh)</b>		<b>852,767</b>	<b>867,088</b>	<b>1,929,452</b>	<b>2,622,606</b>	<b>1,500,968</b>	<b>7,772,881</b>
	<b>Loss Factor</b>		<b>1.00867</b>	<b>1.00999</b>	<b>1.01744</b>	<b>1.02768</b>	<b>1.01320</b>	<b>1.01541</b>
<b>Total ALL TS</b>	<b>Raw</b>		<b>738,016,343</b>	<b>769,596,310</b>	<b>801,123,258</b>	<b>825,935,631</b>	<b>850,988,836</b>	<b>3,985,660,378</b>
	<b>Uplifted</b>		<b>739,949,728</b>	<b>771,625,676</b>	<b>803,739,998</b>	<b>834,300,148</b>	<b>857,489,146</b>	<b>4,007,104,697</b>
	<b>Loss (kWh)</b>		<b>1,933,385</b>	<b>2,029,366</b>	<b>2,616,740</b>	<b>8,364,517</b>	<b>6,500,311</b>	<b>21,444,318</b>
	<b>Loss Factor</b>		<b>1.00262</b>	<b>1.00264</b>	<b>1.00327</b>	<b>1.01013</b>	<b>1.00764</b>	<b>1.00538</b>



## 2.0 – Staff 30

Ref: Attachment 2-1 – DSP Section 5.3: Asset Management Process, p. 60.  
Appendix J “Milton Hydro Distribution Inc. Asset Management Plan 2016 – 2020”, PDF  
page 378.

*“MHDI has developed an Asset Management Plan which outlines the capital and operating expenditures necessary to ensure that Milton Hydro continues to provide high standards for the safe, reliable supply of electricity at the lowest cost.”*

- a) Does Milton Hydro consider that its Asset Management approach is fully developed?
- b) Has Milton Hydro prepared a consolidated Asset Condition Assessment report to support the Asset Management Plan? If so, please provide a copy.
- c) Does Milton Hydro utilize an explicit methodology that combines asset condition assessment information with asset criticality rankings in developing and prioritizing its capital expenditure plans, or does the Capital Expenditure process depend primarily upon the application of judgment by experienced staff?

### Response:

- a) Milton Hydro believes its Asset Management approach delivers the needed information to effectively manage the distribution assets within Milton Hydro's service area. Milton Hydro also believes that its Asset Management approach will continue to evolve as industry practices and expectations evolve. Within that context Milton Hydro believes its asset management plan continues to develop.
- b) Milton Hydro does not have a consolidated Asset Condition Assessment report.
- c) Milton Hydro uses asset age, asset condition, asset performance history, investment timing and judgement by experienced staff to develop its capital expenditure plans.



## 2.0 – Staff 31

Ref: Attachment 2-1 – DSP Section 5.3.1 (b): Asset Management Process Components, Asset Register, pp. 65 – 66.

*“The asset management process has at its foundation an asset register where asset information is held. For MHDl, the asset register is not a single information source but is composed of the GIS, electronic files and paper files.”*

*“The MHDl GIS is a new system and the long term plan is to have the GIS linked to databases containing all distribution plant information.”*

- a) Has Milton Hydro developed a schedule and cost estimate for the process of linking the GIS to the other databases that contain all distribution plant information?
- b) Does Milton Hydro intend in the longer term to migrate its paper asset register files into electronic records that would be accessible via the GIS?
- c) If so, has the cost of this migration been estimated?

### Response:

- a) The transition to Milton Hydro’s new GIS system has not been fully completed and a schedule and cost estimate for linking the GIS to other databases that contain distribution plant information has not been developed.
- b) Milton Hydro’s intent is to migrate its asset records to an electronic format that would be accessible via the GIS system.
- c) Milton Hydro has not estimated the cost associated with migrating its asset records to an electronic format that would be accessible via the GIS system.



## **2.0 – Staff 32**

**Ref: Attachment 2-1 – DSP Section 5.3.2 (b): System Configuration, Figure 15 – 8.32 kV Distribution System, p. 77.**

Milton Hydro has an extensive rural 8.32 kV system, primarily in the north part of the service area.

- a) Does Milton Hydro have any longer term plans to upgrade this part of the system to a higher voltage?
- b) Would a future voltage upgrade in this area be deferred until facility replacement is driven by load growth or asset condition?

### **Response:**

- a) Currently, Milton Hydro's does not have any longer term plans to upgrade the northern rural area from 8.32 KV to a higher voltage.
- b) **Ref: Attachment 2-1 – DSP Section 5.2.1 (a): Figure 2 to Figure 5, p. 15 to p. 17.**  
The Region of Halton does not project any growth in Milton's northern rural area to 2031. Milton Hydro does not have plans to upgrade the northern rural area from 8.32 KV to a higher voltage.



## 2.0 – Staff 33

**Ref: Attachment 2-1 – DSP Section 5.3.2 (c): Information by Asset Type, p. 78.**

*“Proactive replacement strategies have been adopted for poles, pole lines, underground primary cable, and areas serviced by underground primary supplies. Reactive replacement strategies have been adopted for the remainder.”*

- a) How does Milton Hydro ensure that pole life is maximized under the proactive replacement strategy? Are proactive pole replacements prioritized for criticality or are all pole replacements considered to be equally critical, depending solely upon asset condition?

**Response:**

- a) A key component of Milton Hydro’s pole replacement strategy is that all poles are inspected and/or tested every three years. This provides timely data on pole status including end of useful life. In addition to capturing various predefined pole attributes a ‘Repair Priority’ is assigned to poles that require a near term replacement. The possible near term repair priorities are as follows:
- Emergency – Immediate repair
  - Urgent – repair within 2 weeks
  - Schedule for repair
  - No follow up required.

‘Schedule for repair’ means the pole should be replaced within the next calendar year. ‘No follow up required’ means the pole will be inspected again during the next inspection cycle. Near term Pole replacements are prioritized based on criticality.

The longer term investment strategy incorporates asset condition, asset population demographics, typical useful life expectations and associated dollar impacts to formulate a proposed capital expenditure plan that balances asset life expectations with the timing of the System Renewal investment.



## 2.0 – Staff 34

**Ref: Attachment 2-1 – DSP Section 5.3.2 (d): Assessment of Existing System Capacity, MS Station Capacity, p. 79.**

*“MHDI’s long term plan is to convert the 13.8kV area to 27.6kV supply. Load growth in MS supplied areas will be accommodated through existing MS capacity or through planned MS area conversion to 27.6kV supply.”*

- a) Has Milton Hydro created an overall schedule and estimated the cost to implement the planned 13.8 kV to 27.6 kV conversion?
- b) Is the planned MS4 salvage contingent upon this conversion?
- c) Have the capital costs of the conversion and MS4 salvage been included in the capital expenditure plan in this filing?

### **Response:**

- a) The conversion from 13.8 kV to 27.6 kV is expected to be completed by the end of 2016. The estimated cost to complete the conversion is \$570,000.
- b) The salvage of MS4 is contingent upon the voltage conversion
- c) The capital costs of the conversion have been included in the capital expenditure plan filed as part of the DSP. Milton Hydro does not believe it can capitalize the cost of decommissioning MS4. The cost to decommission MS4 has not been included in the capital expenditure plan.



## 2.1 – Staff 35

**Ref: Attachment 2-1 – DSP Section 5.3.3 (b): Lifecycle Risk Management, p. 85.**

*“As part of the prioritization process Milton Hydro considers:*

- 1. The current state of the assets*
- 2. Assets critical to performance*
- 3. MHDI's desired level of service and mandated deliverables*
- 4. MHDI's design and operating philosophies*

*Within this context projects are prioritized based on:*

- Discretionary*
- Non-Discretionary*

*Non-discretionary projects, typically System Access projects, are automatically included in response to third party needs.”*

- a) Has Milton Hydro's ability to address its backlog of discretionary projects been materially impacted by the recent historically high level of System Access/Non-Discretionary projects?
- b) Is the 13.8 kV to 27.6 kV conversion project considered to be Discretionary?

### **Response:**

- a) Milton Hydro's ability to address discretionary projects has not been materially impacted by the high level of System Access/Non-Discretionary projects.
- b) The 13.8 kV to 27.6 kV conversion project can be considered to be Discretionary.



## 2.0 – Staff 36

**Ref: Attachment 2-1 – DSP Section 5.4.1 (c): Effect of asset management and capital investment process outputs on capital expenditures, System Renewal, p. 88.**

*“System Renewal –A long term proactive investment program is required for pole assets. This need has been reflected in the increase of spending in this category over the period of the DSP. Other spending in this category will be for discrete projects and will be determined on the basis of ongoing system asset performance. Future funds ranging from \$400k to \$1,100k have been reserved in this category for renewal needs due to unanticipated asset failure.”*

- a) Is the \$400k to \$1,100k figure based upon historic norm?
- b) If the answer to a) if no, please provide the basis of this figure.
- c) How does Milton Hydro justify holding a variable reserve fund that ranges from \$400K to \$1,100K to augment a pole replacement program that should be relatively stable and predictable from year to year over the forecast period?
- d) Does Milton Hydro anticipate fully utilizing this level of reserve fund each year while still prudently maximizing asset life?
- e) Why is a long term proactive investment program required for pole replacements?
- f) What level of productivity improvement is anticipated in future pole replacements?

### **Response:**

- a) The \$400K to \$1,100K refers to provisions for System Renewal projects not yet identified explicitly in the corresponding budget year. It is not the total amount committed to System Renewal in the given year. The proposed System Renewal expenditure for 2016 – 2020 is approximately \$1.8 million per year. During the historic period Milton Hydro did not budget using the System Renewal category, however Milton Hydro believes the forecast period average annual expenditure of \$1.8 million is indicative of the costs that will be incurred for System Renewal projects.



- b) See 2.0 Staff-36 a) above
- c) The \$400K - \$1,100K dollar amount is the estimated value for System Renewal projects not yet identified explicitly. Specifically, the \$1,100K amount identified above is the 2020 'Provision for System Renewal Projects', it is not a reserve fund. The \$1,100K along with the proposed \$625K for the 2020 Pole Replacement Program represents the total proposed System Renewal budget of \$1,725K for 2020. The same is true for the other budget years.
- d) Please see answer c), Milton Hydro does not have a reserve fund for asset failures.
- e) Milton Hydro uses asset age, asset condition, asset performance history and investment timing to select the appropriate year to replace overhead lines. In addition to the pole age, Milton Hydro utilizes data from its pole inspection program to help determine when poles must be replaced. Individual poles replaced as part of the pole replacement program have been identified as being at the end of life.
- f) Milton Hydro incorporates two primary efficiency driving mechanisms into its Pole Replacement program. 1) Milton Hydro uses a contractor to excavate all new pole holes prior to Milton Hydro's crew or contractor arriving on site. This minimizes the amount of time Milton Hydro's crew is required on site. 2) Where possible Milton Hydro will replace poles by incorporating them into larger projects thereby realizing increased efficiencies.



## 2.0 – Staff 37

Ref: Attachment 2-1 – DSP Section 5.4.4: Capital Expenditure Summary,  
Table 44 Capital Expenditures Forecast, p. 111.

Attachment 2-1 – DSP Section 5.4.4: Capital Expenditure Summary - Table 45

– OEB Chapter 5 Table 2 Capital Expenditure Summary, p. 112.

### Capital Expenditure Summary

Table 43 Capital Expenditures Actual (\$' 000)					Table 44 Capital Expenditures Forecast ( \$'000)					
Category	2011 (CGAAP)	2012 (CGAAP)	2013 (MIFRS)	2014 (MIFRS)	2015 (MIFRS)	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Actual	Plan	Plan	Plan	Plan	Plan	Plan
System Access	5,571	7,631	4,658	7,190	5,551	7,906	8,092	6,212	6,411	6,878
System Renewal	2,753	1,198	2,517	2,647	2,087	1,863	1,821	1,790	1,800	1,725
System Service	428	2,387	638	513	2,170	1,139	1,225	1,350	1,350	1,500
General Plant	500	343	880	4,896	6,659	720	701	711	676	696
Total	9,252	11,559	8,693	15,246	16,467	11,628	11,839	10,063	10,237	10,799

Table 45 – OEB Chapter 5 Table 2 Capital Expenditure Summary

Appendix 2-AB

Table 2 - Capital Expenditure Summary from Chapter 5 Consolidated

First year of Forecast Period: 2016

CATEGORY	Historical Period (previous plan <sup>1</sup> & actual)															Forecast Period (planned)				
	2011			2012			2013			2014			2015		2016	2017	2018	2019	2020	
	Plan	Actual	Var	Plan	Actual	Var	Plan	Actual	Var	Plan	Actual	Var	Plan	Actual <sup>2</sup>						Var
	\$ '000		%	\$ '000		%	\$ '000		%	\$ '000		%	\$ '000							%
System Access	5,571	—	—	7,631	—	—	4,658	—	—	7,190	—	—	5,552	—	—	7,906	8,092	6,212	6,411	6,878
System Renewal	2,753	—	—	1,198	—	—	2,517	—	—	2,647	—	—	2,087	—	—	1,863	1,821	1,790	1,800	1,725
System Service	428	—	—	2,387	—	—	638	—	—	513	—	—	2,171	—	—	1,139	1,225	1,350	1,350	1,500
General Plant	500	—	—	343	—	—	880	—	—	4,896	—	—	11,911	—	—	720	701	711	676	696
TOTAL EXPENDITURE	9,253	—	—	11,560	—	—	8,693	—	—	15,246	—	—	21,721	—	—	11,628	11,839	10,063	10,237	10,799
System O&M	2,055	—	—	2,210	—	—	3,551	—	—	3,002	—	—	3,601	—	—	3,735	—	—	—	—

Notes to the Table:

1. Historical "previous plan" data is not required unless a plan has previously been filed

2. Indicate the number of months of "actual" data included in the last year of the Historical Period (normally a "bridge" year): 0

a) Please explain the discrepancy between the following:

- \$6.659 million capital expenditure forecast for the 2015 General Plant expenditures (as highlighted in Table 44 above), and
- \$11,911 million actual General Plant expenditures for 2015 (as highlighted in Table 45 above)



- b) The 2011 – 2015 historical expenditures, by category and by nominal amount, varied significantly from year to year.
  - i. Please provide the reasons for this ‘lumpiness’ in the expenditure trends.
  - ii. Does Milton Hydro have any ability to manage the inter-annual ‘lumpiness’ of these capital expenditures?
  - iii. If yes, why did Milton Hydro not spread out the capital expenditures in a manner that minimized year over year changes in nominal spending?
- c) What has changed to allow Milton Hydro to be more consistent with the year to year forecast expenditures?
- d) Please confirm that the capital expenditure figures for the 2016 test year, and for the 2017-2020 forecast period, have been adjusted to take into account all customer contributions. In other words, please confirm that the contributions from the road authority have resulted in a lower total capital expenditure budget, as depicted in Table 45 above versus the figures listed in Table 32 – Material Capital Expenditures 2016, on page 89.

**Response:**

- a) The discrepancy is an error. The General Plant amount quoted in Table 44 is not correct, it should have been \$11,911 million as listed in Table 45.
- b) The 2011 – 2015 budget lumpiness is discussed below.
  - i. The variation in the System Access expenditure over the historical period is a direct result of customer driven work such as road projects or new subdivisions. Milton Hydro does not have the ability to smooth out these costs. The remaining variability can be primarily attributed to the 2012 System Service expenditure and the 2014 and 2015 General Plant expenditure.  
The 2012 System Service expenditure was a result of installing additional system capacity at the Transformer Station level in response to the growth within the Town of Milton. This involved obtaining Transformer Station capacity from Hydro One



and Oakville Hydro and the associated feeder egress work. The investments associated with installing Transformer Station level capacity are lumpy by nature since costs are incurred when the additional capacity is installed.

The 2014 and 2015 General Plant lumpiness is the result of Milton Hydro purchasing and renovating a new building to meet its office and service centre needs.

- ii. The lumpiness discussed above (excluding the System Access lumpiness) is a result of unusual or infrequent lumpy investments. On a go forward basis Milton Hydro proposes a smooth expenditure pattern.
  - iii. The historical lumpiness was primarily a result of unusual or infrequent lumpy investments that cannot be smoothed out. Milton Hydro proposes to maintain consistent expenditure levels unless required to make a specific lumpy investment such as a new Transformer Station.
- c) As detailed in b) the historical lumpiness is a result of required investments that are lumpy by nature – such as obtaining additional Transformer Station capacity or non-discretionary System Access investments. Milton Hydro does not plan on making any lumpy investments until the next Transformer Station is required in 2020.
- d) The System Access expenditures listed above in Table 45 and in Table 32 are both gross amounts. Capital contributions for road projects will result in a lower net expenditure than the amounts listed in Table 45 and Table 32.



## 2.0 – Staff 38

Ref: Attachment 2-1 – DSP Section 5.4.5.1 (a): Comparative expenditures by category 2010 – 2015 - System Access, p. 114.

*“Over the forecast period subdivision costs to remain consistent at approximately*

*\$3.8 million per year and total System Access costs to remain fairly consist with an average spend of \$7.1 million over the forecast period.”*

- a) Is the \$3.8 million a placeholder value, or is this figure based upon explicit customer plans/requests? If yes, please provide supporting information.
- b) Does Milton Hydro have similar supporting information for any of the other forecast years? If yes, please provide the supporting information.
- c) A substantial proportion of the System Access project costs in Year 2016 relate to relocating Milton Hydro infrastructure due to roadwork being undertaken by the road authority. Is the 2016 budget year a good proxy for the expected expenditures for roadwork during the 2017-2020 period? Please explain why or why not.
- d) Has Milton Hydro estimated the number of kilometers of Milton Hydro infrastructure required to be relocated in each of the forecast period years? If yes, please provide the details of the estimates.

### Response:

- a) Milton Hydro does not have explicit customer plans/requests detailing the number of new residential subdivision connections in 2016 or the remainder of the forecast period. The \$3.8 Million figure based on Milton Hydro's estimate of 1,500 residential connections per year in new subdivisions. This number is derived by considering the historical subdivision activity in Milton, the Region of Halton Best Planning Estimates for the Town of Milton and informal feedback from the development community.
- b) Please see a)
- c) Road projects are driven by the road authority. Milton Hydro's projections are based on



the information listed in **DSP Appendix B – Road Works P. 183 to p. 195**. Due to the historical variation in the timing of road projects Milton Hydro can only forecast based on the authority's proposed roadwork expenditures over the forecast period as provided on page 194.

- d) Milton Hydro has not completed detailed estimates for the proposed roadworks. These will be developed once the road authority scope of work is prepared and presented to Milton Hydro. Milton Hydro has prepared budgetary costs which are listed below. All figures associated with the proposed roadworks including scope, gross cost and any capital contribution are budgetary figures only which will change once the project details are finalized by the road authority.

#### 2016 - Revised

<b>Project</b>	<b>Gross Cost</b>	<b>Capital Contribution</b>	<b>Net Cost</b>
ROH Steeles Av Grade Separation at CN Crossing west of Bronte St	\$90,600	\$44,400	\$46,200
ROH Steeles Av widening from Industrial Dr. to Martin St 2 to 4 lanes	\$284,500	\$60,000	\$224,500
ROH: Britannia Rd from RR 25 to JSP 2 to 4 lanes(3.5km)	\$1,004,800	\$241,600	\$763,200
Town LSL from Yates Dr to RR25	\$32,700	\$10,800	\$21,900
Town Garden Lane, 400m total, 100m of which is 3 phase	\$133,000	\$34,700	\$98,300
Town 5th Line from LSL to Derry Rd.	\$0	\$0	\$0
Town 5th Line from LSL to Britannia	\$0	\$0	\$0
ROH: Britannia from Tremaine to RR25 (0.8Km)	\$179,000	\$98,300	\$80,700
Town: Bronte St From Britannia to LSL	\$389,900	\$85,200	\$304,700
ROH: Guelph Line Reconstruction (1km North of Derry to Conservation)	\$197,600	\$65,700	\$131,900

#### 2017 - Revised

<b>Project</b>	<b>Gross Cost</b>	<b>Capital Contribution</b>	<b>Net Cost</b>
ROH: Britannia Rd from JSP to Trafalgar 2 to 4 lanes (3.5km)	\$1,016,000	\$240,000	\$776,000
ROH: Britannia Rd from Trafalgar to 407, 2 to 4 lanes (1.5km)	\$366,300	\$184,300	\$182,000



Town Lower Base Line (5th Ln to 4th Ln) 11 poles 550m	\$94,200	\$22,000	\$72,200
Town, 1st Line – Nassagaweya from Britannia to Lower Base 3km	\$732,200	\$174,700	\$557,500
Town Thompson Rd From Britannia to LSL 1.55	\$400,000	\$87,500	\$312,500
Town LSL Yates to Thompson Rd (provisions in place)	\$32,700	\$10,800	\$21,900
Town, LSL from JSP to 5th Line 750m	\$191,000	\$49,100	\$141,900
Town Main St from JSP to 5th Line, 1.5km	\$474,500	\$98,600	\$375,900
Town 5th Line from LSL to Derry Rd, 1.5km	\$415,200	\$111,700	\$303,500
Town 5th Line from LSL to Britannia, 1.5km	\$397,000	\$103,500	\$293,500

## 2018

<b>Project</b>	<b>Gross Cost</b>	<b>Capital Contribution</b>	<b>Net Cost</b>
Campbellville Rd - 2 lane reconstruction from Milborough Line to Guelph Line	\$239,300	\$59,400	\$179,900
Town 6th Line from 401 to Derry Rd, 2.5km	\$463,200	\$108,900	\$354,300
Town 6th Line from Derry Rd to Britannia, 3.15km	\$695,000	\$172,400	\$522,600

## 2019

<b>Project</b>	<b>Gross Cost</b>	<b>Capital Contribution</b>	<b>Net Cost</b>
Town LSL 4th Line to Thompson Rd	\$32,700	\$10,800	\$21,900
Town LSL, 4th Line to JSP	\$32,700	\$10,800	\$21,900

## 2020

No specific projects identified



## **2-Energy Probe-3**

**Ref: Exhibit 2, Tables 2-1, 2-2, 2-3 and 2-16**

Please update Tables 2-1, 2-2, 2-3 and 2-16 to reflect the October 2015 Regulated Price Plan Price Report and any updated rates (such as network and connection charges) that are now available.

### **Response:**

Please refer the OEB Staff 2.0 – Staff 12.

The impact on working capital will flow through the updated RRWF, which will provide the information for the 2016 Tables above.



## **2-Energy Probe-4**

### **Interrogatory:**

Ref: Exhibit 2, Tables 2-9 & 2-10

- a) Please update Table 2-9 to reflect actual year-to-date expenditures closed to rate base in 2015, along with the forecast for the remainder of the year of the expenditures forecast to be closed to rate base.
- b) Based on the response to part (a), please provide an updated Table 2-10 to reflect any changes in capital additions forecast for the test year as the result of changes in 2015.

### **Response:**

- a) Milton Hydro has updated Exhibit 2, Table 2-9. This reflects our 2015 actual and projected expenditures to the remainder of the year.

2015 Projected additions - \$ 16,853,552

2015 Projected depreciation - \$2,801,987

- a) Milton Hydro has updated Exhibit 2, Table 2-10 to reflect the changes in capital additions forecast for the test year as the result of changes in 2015.

2016 Budget additions - \$ 11,957,093

2016 Budget depreciation - \$ 3,187,971



### Table 2-9 (2015 Projected)

				Accounting Standard		MIFRS									
				Year		2015									
				Cost						Accumulated Depreciation					
CCA Class 2	OEB Account 3	Description 3	Opening Balance	Additions 4	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value				
47	1609	Capital Contributions Paid	\$ 122,349			\$ 122,349	-\$ 4,583	-\$ 3,059		-\$ 7,642	\$ 114,707				
12	1611	Computer Software (Formally known as Account 1925)	\$ 1,022,976	\$ 291,170		\$ 1,314,146	-\$ 638,768	-\$ 140,718		-\$ 767,769	\$ 429,207				
CEC	1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -	\$ -			\$ -	\$ -				
N/A	1805	Land	\$ 69,883			\$ 69,883	\$ -			\$ -	\$ 69,883				
47	1808	Buildings	\$ -			\$ -	\$ -			\$ -	\$ -				
13	1810	Leasehold Improvements	\$ -			\$ -	\$ -			\$ -	\$ -				
47	1815	Transformer Station Equipment >50 kV	\$ -			\$ -	\$ -			\$ -	\$ -				
47	1820	Distribution Station Equipment <50 kV	\$ 1,516,192			\$ 1,516,192	-\$ 1,449,764	-\$ 23,011		-\$ 1,472,775	\$ 43,417				
47	1825	Storage Battery Equipment	\$ -			\$ -	\$ -			\$ -	\$ -				
47	1830	Poles, Towers & Fixtures	\$ 31,199,868	\$ 1,092,972		\$ 32,292,840	-\$ 10,568,966	-\$ 455,398		-\$ 11,031,702	\$ 21,921,521				
47	1835	Overhead Conductors & Devices	\$ 22,998,751	\$ 913,178		\$ 23,911,929	-\$ 12,616,426	-\$ 380,485		-\$ 13,003,042	\$ 11,460,638				
47	1840	Underground Conduit	\$ 26,162,539	\$ 1,245,285		\$ 27,407,824	-\$ 8,339,453	-\$ 567,106		-\$ 8,912,780	\$ 18,992,759				
47	1845	Underground Conductors & Devices	\$ 18,700,819	\$ 811,878		\$ 19,512,697	-\$ 7,494,710	-\$ 369,731		-\$ 7,868,497	\$ 11,968,690				
47	1850	Line Transformers	\$ 37,877,784	\$ 890,846		\$ 38,768,630	-\$ 18,040,731	-\$ 712,642		-\$ 18,755,333	\$ 20,170,096				
47	1855	Services (Overhead & Underground)	\$ 14,797,250	\$ 628,445		\$ 15,425,695	-\$ 3,958,473	-\$ 243,666		-\$ 4,206,899	\$ 11,599,629				
47	1860	Meters	\$ -			\$ -	\$ -			\$ -	\$ -				
47	1860	Meters (Smart Meters)	\$ 11,625,856	\$ 285,365		\$ 11,911,221	-\$ 5,460,909	-\$ 722,424		-\$ 6,183,333	\$ 5,727,888				
N/A	1905	Land	\$ 5,182,052		-\$ 1,109,265	\$ 4,072,787	\$ -			\$ -	\$ 4,072,787				
47	1908	Buildings & Fixtures	\$ -	\$ 10,460,000		\$ 10,460,000	\$ -	-\$ 104,600		-\$ 105,000	\$ 10,395,000				
13	1910	Leasehold Improvements	\$ 377,009			\$ 377,009	-\$ 377,009			-\$ 377,009	\$ -				
8	1915	Office Furniture & Equipment (10 years)	\$ 714,887	\$ 400,000		\$ 1,114,887	-\$ 637,675	-\$ 20,000		-\$ 678,065	\$ 536,822				
8	1915	Office Furniture & Equipment (5 years)	\$ -			\$ -	\$ -			\$ -	\$ -				
10	1920	Computer Equipment - Hardware	\$ 1,892,372	\$ 106,393		\$ 1,998,765	-\$ 1,624,526	-\$ 87,558		-\$ 1,709,445	\$ 262,927				
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -			\$ -	\$ -			\$ -	\$ -				
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ -			\$ -	\$ -			\$ -	\$ -				
10	1930	Transportation Equipment	\$ 2,661,180	\$ 440,677		\$ 3,101,857	-\$ 1,479,598	-\$ 157,469		-\$ 1,640,906	\$ 1,550,274				
8	1935	Stores Equipment	\$ 281,519	\$ 78,146		\$ 359,665	-\$ 184,363	-\$ 9,324		-\$ 196,609	\$ 201,942				
8	1940	Tools, Shop & Garage Equipment	\$ 420,812	\$ 28,232		\$ 449,044	-\$ 391,177	-\$ 6,715		-\$ 398,971	\$ 31,341				
8	1945	Measurement & Testing Equipment	\$ 126,481			\$ 126,481	-\$ 52,515	-\$ 9,476		-\$ 61,991	\$ 64,490				
8	1950	Power Operated Equipment	\$ -			\$ -	\$ -			\$ -	\$ -				
8	1955	Communications Equipment	\$ 269,021	\$ 360,000		\$ 629,021	-\$ 200,060	-\$ 45,247		-\$ 266,917	\$ 1,102,104				
8	1955	Communication Equipment (Smart Meters)	\$ -			\$ -	\$ -			\$ -	\$ -				
8	1960	Miscellaneous Equipment	\$ -			\$ -	\$ -			\$ -	\$ -				
47	1970	Load Management Controls Customer Premises	\$ -			\$ -	\$ -			\$ -	\$ -				
47	1975	Load Management Controls Utility Premises	\$ -			\$ -	\$ -			\$ -	\$ -				
47	1980	System Supervisor Equipment	\$ 122,172			\$ 122,172	-\$ 47,743	-\$ 5,375		-\$ 62,118	\$ 330,054				
47	1985	Miscellaneous Fixed Assets	\$ -			\$ -	\$ -			\$ -	\$ -				
47	1990	Other Tangible Property	\$ 133,004			\$ 133,004	-\$ 47,006	-\$ 13,301		-\$ 60,307	\$ 72,697				
47	1995	Contributions & Grants	\$ -			\$ -				\$ -	\$ -				
47	2440	Deferred Revenue5	-\$ 51,971,243	-\$ 1,179,035		-\$ 53,150,278	\$ 13,305,772	\$ 1,101,657		\$ 14,427,143	-\$ 40,317,820				
			\$ -			\$ -	\$ -			\$ -	\$ -				
		Sub-Total	\$ 126,303,534	\$ 16,853,552	-\$ 1,109,265	\$ 142,047,821	-\$ 60,308,683	-\$ 2,975,647	\$ -	-\$ 63,339,967	\$ 80,801,054				
		Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$ -	\$ -				
		Less Other Non Rate-Regulated Utility Assets (input as negative)				\$ -				\$ -	\$ -				
		Total PP&E	\$ 126,303,534	\$ 16,853,552	-\$ 1,109,265	\$ 142,047,821	-\$ 60,308,683	-\$ 2,975,647	\$ -	-\$ 63,339,967	\$ 80,801,054				
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable6													
		Total						-\$ 2,975,647							
10		Transportation													
8		Stores Equipment													
8		Tools, Shop & Garage Equipment													
8		Measurement & Testing Equipment													
							</								



Fixed Asset Continuity Schedule											
Table 2-10 (2016 Test)											
			Accounting Standard		MFRS						
			Year		2016						
			Cost				Accumulated Depreciation				
CCA Class 2	OEB Account 3	Description 3	Opening Balance	Additions 4	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
47	1609	Capital Contributions Paid	\$ 122,349			\$ 122,349	-\$ 7,642	-\$ 3,059		-\$ 10,701	\$ 111,648
12	1611	Computer Software (Formally known as Account 1925)	\$ 1,314,146	\$ 80,000		\$ 1,394,146	-\$ 779,486	-\$ 177,835		-\$ 957,320	\$ 436,826
CEC	1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -	\$ -			\$ -	\$ -
N/A	1805	Land	\$ 69,883			\$ 69,883	\$ -			\$ -	\$ 69,883
47	1808	Buildings	\$ -			\$ -	\$ -			\$ -	\$ -
13	1810	Leasehold Improvements	\$ -			\$ -	\$ -			\$ -	\$ -
47	1815	Transformer Station Equipment >50 kV	\$ -			\$ -	\$ -			\$ -	\$ -
47	1820	Distribution Station Equipment <50 kV	\$ 1,516,192			\$ 1,516,192	-\$ 1,472,775	-\$ 23,011		-\$ 1,495,786	\$ 20,406
47	1825	Storage Battery Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1830	Poles, Towers & Fixtures	\$ 32,292,840	\$ 2,879,184		\$ 35,172,024	-\$ 11,024,364	-\$ 418,360		-\$ 11,442,724	\$ 23,729,300
47	1835	Overhead Conductors & Devices	\$ 23,911,929	\$ 1,926,976		\$ 25,838,905	-\$ 12,996,911	-\$ 493,216		-\$ 13,490,127	\$ 12,348,778
47	1840	Underground Conduit	\$ 27,407,824	\$ 1,792,153		\$ 29,199,978	-\$ 8,906,559	-\$ 530,729		-\$ 9,437,288	\$ 19,762,690
47	1845	Underground Conductors & Devices	\$ 19,512,697	\$ 1,152,391		\$ 20,665,087	-\$ 7,864,441	-\$ 468,630		-\$ 8,333,072	\$ 12,332,016
47	1850	Line Transformers	\$ 38,768,630	\$ 1,130,764		\$ 39,899,394	-\$ 18,753,373	-\$ 737,912		-\$ 19,491,284	\$ 20,408,110
47	1855	Services (Overhead & Underground)	\$ 15,425,695	\$ 1,080,520		\$ 16,506,215	-\$ 4,202,139	-\$ 265,028		-\$ 4,467,166	\$ 12,039,049
47	1860	Meters	\$ -			\$ -	\$ -			\$ -	\$ -
47	1860	Meters (Smart Meters)	\$ 11,911,221	\$ 293,926		\$ 12,205,147	-\$ 6,183,333	-\$ 741,734		-\$ 6,925,067	\$ 5,280,079
N/A	1905	Land	\$ 4,072,787			\$ 4,072,787	\$ -			\$ -	\$ 4,072,787
47	1908	Buildings & Fixtures	\$ 10,460,000			\$ 10,460,000	-\$ 104,600	-\$ 209,200		-\$ 313,800	\$ 10,146,200
13	1910	Leasehold Improvements	\$ 377,009			\$ 377,009	-\$ 377,009			-\$ 377,009	\$ -
8	1915	Office Furniture & Equipment (10 years)	\$ 1,114,887			\$ 1,114,887	-\$ 657,675	-\$ 40,000		-\$ 697,675	\$ 417,212
8	1915	Office Furniture & Equipment (5 years)	\$ -			\$ -	\$ -			\$ -	\$ -
10	1920	Computer Equipment - Hardware	\$ 1,998,765	\$ 98,000		\$ 2,096,765	-\$ 1,712,084	-\$ 107,997		-\$ 1,820,081	\$ 276,684
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -			\$ -	\$ -			\$ -	\$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ -			\$ -	\$ -			\$ -	\$ -
10	1930	Transportation Equipment	\$ 3,101,857	\$ 645,000		\$ 3,746,857	-\$ 1,637,067	-\$ 208,004		-\$ 1,845,071	\$ 1,901,786
8	1935	Stores Equipment	\$ 359,665	\$ 43,680		\$ 403,345	-\$ 193,687	-\$ 12,369		-\$ 206,056	\$ 197,289
8	1940	Tools, Shop & Garage Equipment	\$ 449,044	\$ 29,500		\$ 478,544	-\$ 397,892	-\$ 8,639		-\$ 406,532	\$ 72,013
8	1945	Measurement & Testing Equipment	\$ 126,481			\$ 126,481	-\$ 61,991	-\$ 9,476		-\$ 71,467	\$ 55,014
8	1950	Power Operated Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1955	Communications Equipment	\$ 629,021	\$ 805,000		\$ 1,434,021	-\$ 245,307	-\$ 103,497		-\$ 348,804	\$ 1,085,217
8	1955	Communication Equipment (Smart Meters)	\$ -			\$ -	\$ -			\$ -	\$ -
8	1960	Miscellaneous Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1970	Load Management Controls Customer Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1975	Load Management Controls Utility Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1980	System Supervisor Equipment	\$ 122,172			\$ 122,172	-\$ 53,118	-\$ 5,375		-\$ 58,493	\$ 63,679
47	1985	Miscellaneous Fixed Assets	\$ -			\$ -	\$ -			\$ -	\$ -
47	1990	Other Tangible Property	\$ 133,004			\$ 133,004	-\$ 60,307	-\$ 13,301		-\$ 73,608	\$ 59,396
47	1995	Contributions & Grants	\$ -			\$ -	\$ -			\$ -	\$ -
47	2440	Deferred Revenue5	-\$ 53,150,278	-\$ 3,808,361		-\$ 56,958,639	\$ 14,407,429	\$ 1,163,311		\$ 15,570,740	-\$ 41,387,899
		Sub-Total	\$ 142,047,821	\$ 8,148,733	\$ -	\$ 150,196,554	-\$ 63,284,330	-\$ 3,414,061	\$ -	-\$ 66,698,391	\$ 83,498,163
		Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$ -	\$ -
		Less Other Non Rate-Regulated Utility Assets (input as negative)				\$ -				\$ -	\$ -
		Total PP&E	\$ 142,047,821	\$ 8,148,733	\$ -	\$ 150,196,554	-\$ 63,284,330	-\$ 3,414,061	\$ -	-\$ 66,698,391	\$ 83,498,163
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable6									
		Total					\$ 3,414,061				
10		Transportation					Less: Fully Allocated Depreciation			-\$ 208,004	
8		Stores Equipment					Transportation				
8		Tools, Shop & Garage Equipment					Stores Equipment			-\$ 8,639	
8		Measurement & Testing Equipment					Tools			-\$ 9,476	
							Measurement			-\$ 3,187,941	
							Net Depreciation				



## **2-Energy Probe-5**

### **Interrogatory:**

Ref: Exhibit 2, Table 2-10

Table 2-10 shows a fully allocated depreciation expense of \$224,216. Please split this amount into the amount capitalized and the amount included in OM&A.

### **Response:**

The fully allocated depreciation expense of \$224,216 from Exhibit 2, Table 2-10 is split as follows: \$143,498 to Capital and \$ 80,718 to OM&A.



## **2-Energy Probe-6**

Ref: Exhibit 2, Table 2-11

### **Interrogatory:**

Milton Hydro has always had significant amounts of work in progress at the end of the year, as illustrated in Table 2-11.

- a) How much of the work in progress at the end of 2014 was related to the new service centre and administration building?
- b) Please explain what has changed so that Milton Hydro is not forecasting any work in progress at the end of 2015 and 2016.

### **Response:**

- a) Work in Progress at the end of 2014 related to the new service centre and administration building was \$3,726,825
- b) Milton Hydro is not forecasting any working in progress as Milton Hydro has included only those capital projects that are to be in service in the 2016 Test Year.



## 2-Energy Probe-7

### Interrogatory:

Ref: Exhibit 2, Table 2-17

Please provide a version of Table 2-17 that shows for 2011 through 2015, actual expenditures in the categories shown along with the budgeted amounts for each year. If budgeted amounts are not available in the same level of detail as shown in Table 2-17, please provide the total budgeted amount for each of the years requested.

### Response:

Milton Hydro did not budget in the same level of detail for the years 2011 – 2014 therefore the total budgeted amount for these years is shown. Milton Hydro has updated 2015 and 2016 for projected totals based on OEB Staff interrogatory 2.0-Staff 13.

Appendix 2-AB																		
Table 2 - Capital Expenditure Summary from Chapter 5 Consolidated																		
First year of Forecast Period: 2016																		
CATEGORY	Historical Period (previous plan <sup>1</sup> & actual)												Forecast Period (planned)					
	2011			2012			2013			2014			2015			2016	2017	2018
	Plan	Actual	Var	Plan	Actual	Var	Plan	Actual	Var	Plan	Actual	Var	Projected	Bridge	Var	2019	2020	2020
	\$ '000		%	\$ '000		%	\$ '000		%	\$ '000		%	\$ '000		%	\$ '000		
System Access	5,571	--		7,631	--		4,658	--		7,190	--		4,356	5,552	27.5%	7,906	8,092	6,212
System Renewal	2,753	--		1,198	--		2,517	--		2,647	--		1,183	2,087	76.4%	1,863	1,821	1,790
System Service	428	--		2,387	--		638	--		513	--		689	2,171	215.1%	1,139	1,225	1,350
General Plant	500	--		343	--		880	--		4,896	--		11,805	11,911	0.9%	720	701	711
TOTAL EXPENDITURE	13,113	9,253	-29.4%	13,009	11,560	-11.1%	19,798	8,693	-56.1%	14,403	15,246	5.9%	18,033	21,721	20.5%	11,628	11,839	10,063
System O&M	\$ 2,055	--		\$ 2,210	--		\$ 3,551	--		\$ 3,002	--		\$ 3,601	--		\$ 3,735	--	



## **2-Energy Probe-8**

### **Interrogatory:**

Ref: Exhibit 2, page 40 & Table 2-27

- a) Please confirm that contributions received in 2011 through 2014 and forecast for 2015 and 2016 are related to new subdivisions or plant relocation. If this cannot be confirmed, please explain what other capital expenditures are partially offset by contributions.
- b) Please provide a table that shows, for each of new subdivisions, plant relocations and any additional areas identified in part (a) above, the gross capital expenditures, contributions and net capital expenditures for each of 2011 through 2016.

### **Response:**

- a) Milton Hydro confirms that the majority of the contributions received in 2011 through 2014 and forecast for 2015 and 2016 are related to new subdivisions and plant relocations. Other miscellaneous contributions relate to meters, customer connections and upgrades.
- b) Milton Hydro has provided the following table that shows the areas in which it collects capital contributions for the years 2011 through 2016. Milton Hydro is not able to provide the information as specifically requested as settlement of capital contributions is done over a five year period, which also results in timing and recording of receipt of contributions.



	2011 Gross Expenditures	2011 Capital Contributions	2011 Net Expenditures
Subdivisions - various	3,076,785	399,712	2,677,073
System Expansion - Developer	514,364	514,364	-
Road Relocations (Municipal/Regional)	804,869	369,150	435,719
Meters	96,003	40,667	55,336
Customer Rebuilds	316,383	277,908	38,475
Customer Service Connections	568,796	325,839	242,957
<b>Total</b>		<b>1,927,640</b>	

	2012 Gross Expenditures	2012 Capital Contributions	2012 Net Expenditures
Subdivisions - various	4,184,616	2,915,200	1,269,416
Road Relocations (Municipal/Regional)	2,077,446	660,538	1,416,908
Meters	576,884	66,450	510,434
Service Upgrades	100,870	100,723	
Customer Service Connections	222,843	114,241	108,602
<b>Total</b>		<b>3,857,151</b>	

	2013 Gross Expenditures	2013 Capital Contributions	2013 Net Expenditures
Subdivisions - various	2,290,454	1,240,501	1,049,953
Road Relocations (Municipal/Regional)	583,243	1,238,159	(654,916)
Meters	574,015	109,133	464,882
Customer Service Connections	460,025	442,351	17,674
Service Upgrades	231,540	125,221	106,319
<b>Total</b>		<b>3,155,365</b>	

	2014 Gross Expenditures	2014 Capital Contributions	2014 Net Expenditures
Subdivisions - various	4,160,552	2,862,437	1,298,115
Road Relocations (Municipal/Regional)	1,871,423	1,238,052	633,371
Meters	433,060	112,303	320,757
Customer Service Connections	545,453	511,487	33,966
Service Upgrades	201,107	131,296	69,811
<b>Total</b>		<b>4,855,575</b>	

	2015 Bridge Gross Expenditures	2015 Bridge Capital Contributions	2015 Bridge Net Expenditures
Subdivisions - various	3,780,000	1,993,700	1,786,300
Road Relocations (Municipal/Regional)	824,640	275,100	549,540
Meters	285,365	29,740	255,625
Customer Service Connections	534,655	475,180	59,475
<b>Total</b>		<b>2,773,720</b>	

	2016 Test Gross Expenditures	2016 Test Capital Contributions	2016 Test Net Expenditures
Subdivisions - various	3,780,000	1,928,320	1,851,680
Road Relocations (Municipal/Regional)	2,312,100	640,700	1,671,400
Meters	293,926	29,393	264,533
Customer Service Connections	681,587	681,587	-
<b>Total</b>		<b>3,280,000</b>	



## 2-Energy Probe-9

**Ref: Exhibit 2, Tables 2-17 & 2-26**

- a) Please explain the different figures shown for 2014 and 2015 between Tables 2-17 and 2-26 in the general plant category.
- b) If the response to part (a) is related to the new service centre and administration building, please explain why the differences only add up to \$6.788 million rather than the \$15.0 million total cost of the project.
- c) If necessary, please provide a revised version of Table 2-26 that excludes all capital expenditures related to the new service centre and administration building.

### Response:

- a) The difference in the general plant category for 2014 and 2015 between Tables 2-17 and 2-26 is the result of a typing error and the land and building for the new service centre and administration building. Please see c) below for the corrected tables.
- b) Please see the revised Table 2-26 below, the total building and land should be \$15,500,000 and furniture is \$500,000 for the total of \$11,000,000 reflected in the Chapter 2 Appendices Tabs 2-AA and 2-AB
- c) Revised Table 2-26

Description	2011	2012	2013	2014	2015	2016
System Access	5,571	7,631	4,658	7,190	5,552	7,907
System Renewal	2,753	1,198	2,517	2,647	2,087	1,863
System Service	428	2,386	638	513	2,171	1,139
General Plant	500	343	880	856	911	721
Distribution Capital	9,252	11,559	8,693	11,206	10,720	11,629
New Building 200 Chisholm Drive				4,040	11,000	
Total Capital Expenditure	9,252	11,559	8,693	15,246	21,720	11,629



Revised Table 2-17

CATEGORY	Historical Period (previous plan <sup>1</sup> & actual)														
	2011			2012			2013			2014			2015		
	Plan	Actual	Var	Plan	Actual	Var	Plan	Actual	Var	Plan	Actual	Var	Plan	Actual <sup>2</sup>	Var
	\$ '000		%	\$ '000		%	\$ '000		%	\$ '000		%	\$ '000		%
System Access		5,571	--		7,631	--		4,658	--		7,190	--		5,552	--
System Renewal		2,753	--		1,198	--		2,517	--		2,647	--		2,087	--
System Service		428	--		2,387	--		638	--		513	--		2,171	--
General Plant		500	--		343	--		880	--		4,896	--		11,911	--
TOTAL EXPENDITURE	-	9,253	--	-	11,560	--	-	8,693	--	-	15,246	--	-	21,721	--



## **2-Energy Probe-10**

**Ref: Exhibit 2, Table 2-27**

- a) For each of the projects listed for 2015, please show the most recent year-to-date capital expenditures, the forecast for the remainder of the year and, for each discrete project, the current forecast of when the project will go into service.
- b) Please provide the most recent year-to-date capital contributions received and the forecast for the remainder of the year.

**Response:**

- a) Please refer to OEB Staff interrogatory 2.0-Staff 13. All projects will be in service before the end of 2015.
- b) Milton Hydro has received \$952,078 to date – October 31, 2015 and forecast \$2,773,720 for the remainder of the year. Milton Hydro reconciles work orders at the end of the year to true up and bill capital contributions.



## **2-Energy Probe-11**

### **Interrogatory:**

Ref: Exhibit 2, Tables 2-9, 2-17 & 2-27

- a) Table 2-9 shows net additions to rate base in 2015 of \$18,946,752, while Table 2-27 shows an amount of \$15,946,752. This difference of \$3 million appears to be related to the building (\$10.5 million in Table 2-9 and \$7.5 million in Table 2-27). Please reconcile and provide any corrected tables.
- b) Table 2-17 shows gross capital expenditures of \$16.469 million for 2015 and with contributions of \$2.774 million would result in new additions of \$13.695 million which does not match the figures in either Table 2-9 or 2-27. Please provide a reconciliation that shows the figure in Table 2-17 in relation to the correct net additions to rate base in 2015, taking into account contributions, work in progress at the end of 2014 and any other adjustment required.

### **Response:**

- a) Milton Hydro's net addition to rate base in 2015 in the amount of \$18,946,752 is correct as shown in Table 2-9. Milton Hydro has corrected Table 2-27 below.



**Table 2-27- revised**  
**Summary of Capital Projects – Appendix 2-AA**

Projects	2011 OEB Approved	2011	2012	2013	2014	2015 Bridge Year	2016 Test Year
Reporting Basis	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS
<b>System Access</b>							
<b>Road Projects: 3rd party infrastructure requirments</b>							
RR 25 Derry to Britannia 27.6 kV pole relocation - Road Project		5,024	5,058				
RR 25 JSP to 5 Sideroad - Road Project	112,600	163,285	9,820				
Tremaine Rd Derry to Main - Road Project		3,653					
Britannia at 4th Line Relocation - Watermain		37,419					
Derry to Walkers Intersection Improvements							
Bronte south of Derry to Louis St. Laurent - Road Project	412,200	538,344					
Main St. Grade Separation - East of RR 25	146,000	196,489	16,648				
20 Sideroad east of Townline Relocate 8.32 kV - Road Project	99,800	104,697					
Lower Base Line at 16 Mile Creek - Road Project	133,700	87,202	39,038	38,079			
Main St. Scott to Tremaine - Road Project	381,700	98,587	189,840	30,860			
James Snow Pkwy - Holgate to Boston Church - Road project	200,000	84,393	385,342	168,998	233,445		
RR 25 Britannia Rd to 407 - Road Project	1,159,900		1,432,178	7,407			
Nineth Line Pole Extension	480,000						
Main St. Bronte to Scott, 27.6 kV relocation for ROH	220,000						
Steeles Ave at JSP - Recoverable			102,572				
Derry Rd CN Underpass - Recoverable			241,012	73,293			
Target Warehouse Automated			116,679				
TOM: Main St, Bronte to Scott					251,269		
ROH: Campbellville Rd & Dublin						175,300	
ROH: Tremaine, Britannia to Derry					290,643		
ROH: New Tremaine Rd, 14th Side Road to Steeles					654,320		
ROH: James Snow, extension to Campbellville (new Tremaine Rd)					176	104,640	
ROH: RR 25 S Derry at 16 Mile Creek bridge					145,843		
ROH: Guelph Line Reconstruction (1 km north of Derry to Conservation)						197,600	
ROH: Derry Rd - 2 lane Reconstruction form Millborough townline to McNiven						51,100	
MTO: Hwy 25 & 401 Bridge Widening						296,000	
MTO: JSP & 401 - replace cables					295,903		
ROH: Steeles Ave. Grade Separation at CN Crossing west of Bronte St.							90,600
ROH: Steeles Ave Widening from Industrial Dr. to Martin St 2-4 lanes							284,500
ROH: Britannia Rd. from RR 25 to JSP 2-4 lanes (carried fwd from 2014)							1,004,800
129 town LSL from yates Dr. to RR25							32,700
136 Town Garden lane, 400m total, 100m of which is 3 phase							133,000
131 Town 5th Line from LSL to Derry Rd. 1.5 km							415,200
132 Town 5th Line form LSL to Britannia. 1.5km							397,000
ROH: Britannia Rd. from Tremaine to RR25 (1.8km)							403,300
TOM: Bronte St from Britannia to LSL							389,900
FIT Projects	50,000						
Miscellaneous under Threshold		1,054	222,370	407,885	179,702		
<b>Road Projects Sub-Total</b>	<b>3,395,900</b>	<b>1,320,147</b>	<b>2,760,557</b>	<b>726,522</b>	<b>2,051,301</b>	<b>824,640</b>	<b>3,151,000</b>



<b>System Expansion - Development</b>							
<i>Subdivisions</i>	4,064,574	3,076,785	4,184,616	2,290,454	4,160,552	3,780,000	3,780,000
<i>Louis St. Laurent Bridge Crossing - New Development</i>							
<i>Louis St. Laurent from Bridge to Bronte St - New Development</i>	582,100	514,364	7,609				
<i>Tremaine and Louis St Laurent - Development</i>			52,616	295,466			
<i>200 Chisholm Drive</i>					69,417		
<i>Miscellaneous under Threshold</i>		-5,660					
<b>System Expansion Development -Sub-Total</b>	<b>4,646,674</b>	<b>3,585,489</b>	<b>4,244,841</b>	<b>2,585,920</b>	<b>4,229,969</b>	<b>3,780,000</b>	<b>3,780,000</b>
<b>New Customer Connections</b>							
<i>Lowes DC (James Snow Pkwy) commercial U/G</i>				113,108			
<i>Milton #1 High School (Bronte &amp; Louis) commercial UG</i>				58,305			
<i>NE LSL &amp; Bronte St Fieldgate Commercial</i>					61,921		
<i>Costigan Road Bldg 2 &amp; 3</i>				91,434	5,233		
<i>Conservation Road - 3 phase for FIT Customer</i>	77,200		99,119				
<i>Miscellaneous under Threshold</i>		568,796		288,612	408,882	661,735	681,587
<b>New Customer Connections -Sub-Total</b>	<b>77,200</b>	<b>568,796</b>	<b>99,119</b>	<b>551,459</b>	<b>476,036</b>	<b>661,735</b>	<b>681,587</b>
<b>Meters</b>							
<i>Smart Meters from Reg Assets</i>				220,314			
<i>Miscellaneous under Threshold</i>	289,170	96,003	526,610	574,015	433,062	285,365	293,926
<b>Meters -Sub-Total</b>	<b>289,170</b>	<b>96,003</b>	<b>526,610</b>	<b>794,329</b>	<b>433,062</b>	<b>285,365</b>	<b>293,926</b>
<b>System Access Total</b>	<b>8,408,944</b>	<b>5,570,435</b>	<b>7,631,127</b>	<b>4,658,230</b>	<b>7,190,368</b>	<b>5,551,740</b>	<b>7,906,513</b>
<b>System Renewal</b>							
<b>O/H Rebuilds</b>							
<i>Derry - Twiss to McNiven rebuild &amp; conversion to 27.6kV</i>		51,455					
<i>2nd Line 20 -25 Sideroad Rebuild</i>		37,127					
<i>20 Sideroad east of 2nd Line Rebuild</i>	160,000	111,428	14,528				
<i>Steeles Ave Ontario to Martin St 27.6kV Rebuild</i>	287,000	326,597	113,443	25,412			
<i>Maiden Lane Rebuild and Conversion to 27.6kV</i>	75,000	111,502					
<i>Laurier Ave Rebuild and Conversion from 13.8kV to 27.6kV</i>	131,000	138,649					
<i>Pearl St - Commercial St area Transformer Replacement</i>	42,500	76,374					
<i>Conservation Road West of Twiss Rd Line Rebuild</i>	98,500		243,827				
<i>McNiven Road Phase 2 rebuild to 27.6kV</i>				199,486			
<i>Twiss north of Derry Rd, Rebuild to 27.6 kV</i>				176,407			
<i>Tremaine Rd, 14 Sideroad (Main St) to Steeles, Rebuild and 13.8 - 27.6 kV conversion</i>				169,250			
<i>Given Lane 27.6kV Rebuild - from Main St to Tremaine Rd</i>				117,984			
<i>Steeles at Bronte - CN Crossing</i>			51,541	85,458			
<i>Twiss Rd to KOA 27.6 loop</i>					253,621		
<i>Esquesing Nassagaweya Townline Rebuild</i>				83,360			
<i>Heatshrink Removals</i>	25,000	46,866					
<i>Derry Road West of Guelph Line 27.6 Conversion</i>	82,500						
<i>12 Sideroad East of Walkers Line Rebuild 8kV line</i>	48,000						
<i>U/G Conversion: Bronte Meadows Ph-3</i>					518,682		
<i>U/G Rebuild: Glenda Jane &amp; Jessie Ave</i>					318,491		
<i>O/H Conversion: McNiven Rd Phase 3</i>					158,804		
<i>O/H Rebuild: Guelph Line N 25 Side Road</i>					7,238	377,000	
<i>O/H Conversion: No 1 Side Road W Tremaine</i>					66,762		
<i>O/H Conversion: No 2 Side Road W Tremaine</i>					70,798		
<i>U/G Rebuild: Morobel Drive</i>				4,249	306,358		
<i>O/H Conversion: Mill Street</i>					57,838		
<i>Derry Road: Tremaine to Applby Line</i>						204,300	
<i>Derry Road: Appleby Line to Guelph Line</i>						276,000	
<i>Derry Rd: Trafalgar to 8th Line</i>							155,000
<i>Sixth Line Nass South of 25 Side Rd.</i>							322,000
<i>Sixth Line Nass South of 20 Side Rd.</i>							321,400
<i>Miscellaneous Under Threshold</i>		247,997				375,000	350,000
<b>O/H Rebuilds -Sub-Total</b>	<b>949,500</b>	<b>1,147,995</b>	<b>423,339</b>	<b>861,606</b>	<b>1,758,592</b>	<b>1,232,300</b>	<b>1,148,400</b>



<b>U/G Rebuilds</b>							
Parkhill Drive - New Service Supply	106,570	106,570					
Lawson Rd Service	209,813	209,813					
Timberlea Area UG Rebuild		40,718					
Bronte Meadows Primary Rebuild - Phase 1	417,000	404,365					
Dorset Park Primary Rebuild	149,400	120,854	67,857				
300 Bronte - convert to 27.6 kV	17,500						
497 Laurier - convert to 27.6k V	25,500						
Dorset Park & Timberlee Conversion			244,019	157,992			
Parkhill Drive - Switch Installation			85,383				
Bronte Meadows Primary Rebuild - Phase 2				933,139			
Amos and Blacklock UG Rebuild				172,950	155,315		
SC41 - Replace Elastimold					74,549		
Highside Drive & Ridge Drive						240,000	
Bronte Meadows Conversion - Arena Transformers						90,000	
Main and Commercial							65,000
<b>U/H Rebuilds -Sub-Total</b>	<b>925,783</b>	<b>882,320</b>	<b>397,260</b>	<b>1,264,081</b>	<b>229,864</b>	<b>330,000</b>	<b>65,000</b>
<b>Pole Replacements</b>							
Pole Replacements	124,000	306,783	171,529	211,296	303,464	375,000	500,000
<b>Pole Replacements -Sub-Total</b>	<b>124,000</b>	<b>306,783</b>	<b>171,529</b>	<b>211,296</b>	<b>303,464</b>	<b>375,000</b>	<b>500,000</b>
<b>Porcelain to Polymer Replacement</b>							
Pole Reinsulation - from Porcelain to Polymer	0	416,091	206,036	180,040	355,197	150,000	150,000
<b>Poreclain to Polymer Replacement -Sub-Total</b>	<b>0</b>	<b>416,091</b>	<b>206,036</b>	<b>180,040</b>	<b>355,197</b>	<b>150,000</b>	<b>150,000</b>
<b>System Renewal Total</b>	<b>1,999,283</b>	<b>2,753,189</b>	<b>1,198,163</b>	<b>2,517,023</b>	<b>2,647,117</b>	<b>2,087,300</b>	<b>1,863,400</b>
<b>System Service</b>							
<b>27.6 kV Additions</b>							
Automated three phase switches install: Cambelleville & Guelph Line area	255,000	337,770			20,899	250,000	
WiMax - Automated Switches						120,000	120,000
WiMax 100 Meter Points						650,000	650,000
SCADA-Mates, Install Virelec Controller-20 locations						270,000	
Communications Infrastructure					27,228		
Install Fault Indicators with WIMAX						175,000	175,000
Install Automated Switches with WIMAX							194,000
Halton TS Relocate inline switches	19,500						
Fuse Primary Runoffs	36,000						
New Tremaine TS -Feeder Egress to Tremaine Rd			198,191				
Sixth Line Pole Line Rebuild - Glenorchy TS Egress			495,280	72,984			
Stringing on JSP and lower portion of Sixth Line - Glenorchy TS Egress			307,657	109,655			
Tremaine Road from TS to Lower Baseline to Henderson Road			1,369,813	39,573			
Fibre Connection to New Building						200,000	
JSP, extend to Campbellville (new Tremaine Rd)						205,900	
MS#4 Conversion-rabbit						300,000	
Miscellaneous under Threshold	49,677	90,220		231,540	201,107		
<b>27.6 kV -Sub-Total</b>	<b>360,177</b>	<b>427,990</b>	<b>2,370,942</b>	<b>453,752</b>	<b>249,233</b>	<b>2,170,900</b>	<b>1,139,000</b>
<b>Substations</b>							
MS9 Recloser Replacement & Rebuild	65,500		15,480	184,235			
MS6 Recloser Replacement & Rebuild					263,696		
<b>Substation -Sub-Total</b>	<b>65,500</b>	<b>0</b>	<b>15,480</b>	<b>184,235</b>	<b>263,696</b>	<b>0</b>	<b>0</b>
<b>System Service Total</b>	<b>425,677</b>	<b>427,990</b>	<b>2,386,422</b>	<b>637,987</b>	<b>512,930</b>	<b>2,170,900</b>	<b>1,139,000</b>
<b>General Plant</b>							
SCADA							
GIS				61,300			
Computer Software	210,000	107,668		121,951	142,392	174,000	50,000
Computer Hardware	201,000		56,629	137,423	98,237	80,000	83,000
Communication Equipment	200,000		194,604		28,833		
Major Tools		58,011					
Stores Equipment	10,000			56,545		117,032	68,000
Office Furniture and Equipment	5,000					500,000	
Transportation Equipment	210,000	131,195		380,175	540,373	530,000	510,000
Land Purchaes - Main & 5th							
Land Purchase - 200 Chisholm					4,040,000		
Building						10,500,000	
System Supervisory Equipment					27,973		
Other Tangible Property/Equipment		75,755	64,229				
Capital Contribution paid toward Hydro One TS				122,349			
Miscellaneous Under Threshold	2,500	127,293	27,512		18,243	9,500	9,500
<b>General Plant- Total</b>	<b>838,500</b>	<b>499,922</b>	<b>342,974</b>	<b>879,743</b>	<b>4,896,051</b>	<b>11,910,532</b>	<b>720,500</b>
<b>Capital Contributions</b>							
Capital Contributions Paid	-3,794,938	-1,927,637	-3,857,151	-3,155,364	-4,855,575	-2,773,720	-3,280,000
<b>Capital Contributions- Total</b>	<b>-3,794,938</b>	<b>-1,927,637</b>	<b>-3,857,151</b>	<b>-3,155,364</b>	<b>-4,855,575</b>	<b>-2,773,720</b>	<b>-3,280,000</b>
<b>Miscellaneous</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>7,877,466</b>	<b>7,323,898</b>	<b>7,701,535</b>	<b>5,537,618</b>	<b>10,390,891</b>	<b>18,946,752</b>	<b>8,349,413</b>
<b>Less Renewable Generation Facility Assets and Other Non Rate-Regulated Utility Assets (input as negative)</b>							
<b>Total</b>	<b>7,877,466</b>	<b>7,323,898</b>	<b>7,701,535</b>	<b>5,537,618</b>	<b>10,390,891</b>	<b>18,946,752</b>	<b>8,349,413</b>



- b) Milton Hydro has revised Table 2-17 showing the Gross Capital Expenditures in 2015 to be \$21.721 million from the originally reported \$16.469 million. Difference is the additional cost of the building \$3.0 million and the incorrect inclusion of the sale of land \$2.252 million. Milton Hydro has also included the Capital Contributions and Net Capital Expenditures as requested.

**Table 2-17 revised**  
**Capital Expenditure Summary – Appendix 2-AB**

CATEGORY	Historical Period (previous plan <sup>1</sup> & actual)												Forecast Period (planned)
	2011			2012			2013			2014			2016
	Plan	Actual	Var	Plan	Actual	Var	Plan	Actual	Var	Plan	Actual	Var	
	\$ '000		%	\$ '000		%	\$ '000		%	\$ '000		%	
System Access		5,571	--		7,631	--		4,658	--		7,190	--	7,906
System Renewal		2,753	--		1,198	--		2,517	--		2,647	--	1,863
System Service		428	--		2,387	--		638	--		513	--	1,139
General Plant		500	--		343	--		880	--		4,896	--	720
GROSS TOTAL EXPENDITURE		9,253	--		11,560	--		8,693	--		15,246	--	11,628
Capital Contributions		- 1,928			- 3,857			- 3,155			- 4,856		- 3,280
NET CAPITAL EXPENDITURE		7,325			7,703			5,538			10,390		8,348
Work in Progress											5,172		

As stated in 2-Energy Probe-6, \$3,726,825 of the Work in Progress at the end of 2014 was related to the new service centre and administration building. Milton Hydro is not forecasting any work in progress as Milton Hydro has included only those projects that are to be in service in the 2016 Test Year.



## **2-Energy Probe-12**

### **Interrogatory:**

Ref: Exhibit 2, Attachment 2-1

Please explain the difference in 2015 General Plant shown in Table 44 (\$6,659) and the amount shown in Table 45 (\$11,911).

### **Response:**

Please refer to OEB Staff interrogatory 2.0 – Staff 37



## 2-Energy Probe-13

**Ref: Exhibit 2, Table 2-9**

- a) What is the current status of the new service centre and administration building? Is occupancy still expected to be fully accomplished by the end of 2015?
- b) Please provide the actual capital expenditures incurred to date for this project.

**Response:**

- a) The new service centre and administration building is near completion with the furniture being installed the week of December 7<sup>th</sup> and the move in dates are December 11<sup>th</sup> to the 13<sup>th</sup>.
- b) The actual capital expenditures incurred to date for new service centre and administration building is:

Land (2014)	\$4,040,000
Building and renovations	\$6,466,058
Furniture PO issued	\$305,380



**2-Energy Probe-14**

**Ref: Exhibit 2, page 59**

Please provide the capitalized borrowing costs for 2014 and 2015 (lines 1-2) and confirm that of each of these figures is related to the new service centre and administration building.

**Response:**

Milton Hydro's capitalized borrowing costs for 2014 is \$37,741 and for 2015 is \$224,900.

Milton Hydro confirms that of each of these figures is related to the new service centre and administration building.



## **2-Energy Probe-15**

### **Interrogatory:**

Ref: Exhibit 2, pages 59-65

- a) Are there any impacts outside of those recorded in account 1576 that result from changes in the capitalization policy since the last rebasing application in 2011? If so, please explain and quantify.
- b) The evidence indicates that Milton Hydro has used the half year rule for the calculation of depreciation on capital assets in the year that the asset is first deemed to be in service for both financial statement and rate setting purposes. Please confirm that Milton Hydro used the half year rule in its last rebasing application. If this cannot be confirmed, please explain the methodology used in the last cost of service application.

### **Response:**

- a) Milton Hydro has not recorded any impacts outside of those recorded in account 1576 that result from changes in the capitalization policy since the last rebasing application in 2011.
- b) Milton Hydro confirms that it used the half year rule in its last rebasing application.



## **2.0 – VECC - 5**

### **Reference: E2/pg.10**

- a) Please provide the 2015 amount expended to-date on New Customer Connections under the category “Miscellaneous under Threshold.”
- b) Please explain how the amounts for 2015 and 2016 under the category “Miscellaneous under Threshold” are forecast.

### **Response:**

- a) Milton Hydro has expended \$553,220 to-date on New Customer Connections under the category “Miscellaneous under Threshold.”
- b) The amounts for 2015 and 2016 under the category “Miscellaneous under Threshold” are forecasted by Milton Hydro based on expected customer growth and historical experience.



## **2.0 – VECC - 6**

**Reference:**               **E2/pg.10**

- a) Please provide an update of the 2015 costs spent to-date on the new Service Centre and Administration Building renovations (forecast \$10,500,000). Please provide separately the costs do-date for furniture (forecast \$500,000).

**Response:**

- a) Please refer to Energy Probe interrogatory 2-Energy Probe-13



## **2.0-VECC –7**

### **Reference: E2/Table 2-27 (Appendix 2-AA)**

- a) Please provide the business case for the WiMax project which shows the total capital expenditures for the project in each of 2014 through 2020.
- b) Please provide the outcome metrics which Milton is using to assess the project.

### **Response:**

- a) Please refer to the OEB Staff interrogatory 2.0 – Staff 20.
- b) Please refer to the OEB Staff interrogatory 2.0 – Staff 20



## 2.0-VECC -8

### Ref: E2/Table 2-27 (Appendix 2-AA)

- a) Please explain why there were no transportation purchases in 2012.
- b) Please explain Milton's policy for purchase/replacement of vehicles.
- c) Please explain why the average purchase in this category for 2011 through 2013 is significantly lower than 2014 through 2016
- d) Please provide the transportation purchases in 2009 and 2010.

### Response:

- a) There were no vehicles due for replacement in 2012, however we did refurbish our older Digger Derrick which cost \$18,000.
- b) Fleet vehicles must be operated and maintained at an adequate level to comply with various regulations (e.g. *Highway Traffic Act*, *CVOR Regulations*, etc.). Any delay in fleet spending would lead to lower-than-required fleet levels, increased maintenance costs and having to source and use more expensive rental units. Present replacement criteria are based on manufacturers' recommendations and repair history. The replacement criteria are set out below:
  - i. Passenger Vehicles 8 years / 160,000 km
  - ii. Pickups/Cargo Vans 8 years / 160,000 km
  - iii. Digger Derricks 10 years / 10,000 hours / 200,000 km
  - iv. All Aerial Devices 10 years / 10,000 hours / 200,000 km
  - v. Pole Trailers/Cargo Trailers 15 years / 300,000 km
- c) Between 2011 and 2013, the only significant purchase was a new Digger Derrick in 2013, and except for a few replacements in Passenger/Pickup vehicles no other replacements were due at that time. Between 2014 and 2016, there are significant purchases in the form of replacements and new addition which include a new 83' double



bucket truck (bought in 2014), 2 new 46' single bucket trucks (Q4 of 2015 and Q2 of 2016)), a new squirt boom (2016), 4 pickup trucks, 2 cargo vans, and 2 underground vans.

d) Milton Hydro's transportation purchases in 2009 and 2010 were as follows:

2009	68 ft. Double Bucket	\$342,202
2010	42 ft Single Bucket	\$261,221
	Utility Trailer	\$7,119
	Pole Trailer	\$38,720



## 2.0-VECC –9

### Reference: E2/pg.44/Table 2-17 (Appendix 2-AB)

- Please provide an amended Appendix 2-AB which shows the capital contributions attributable to each of the categories.
- Please explain how the capital contributions for 2015 and 2016 were forecast.
- Please provide 2015 capital contributions to-date.

### Response:

- Milton Hydro has amended Appendix 2-AB which shows the capital contributions attributable to system access.

**Table 2-17  
Appendix 2-AB**

Appendix 2-AB

CATEGORY	Historical Period (previous plan <sup>1</sup> & actual)															Forecast Period (planned)	
	2011			2012			2013			2014			2015				2016
	Plan	Actual	Var	Plan	Actual	Var	Plan	Actual	Var	Plan	Actual	Var	Projected	Bridge	Var		
	\$ '000		%	\$ '000		%	\$ '000		%	\$ '000		%	\$ '000		%		
System Access		5,571	--		7,631	--		4,658	--		7,190	--		5,552	--	7,906	
System Renewal		2,753	--		1,198	--		2,517	--		2,647	--		2,087	--	1,863	
System Service		428	--		2,387	--		638	--		513	--		2,171	--	1,139	
General Plant		500	--		343	--		880	--		4,896	--		11,911	--	720	
GROSS TOTAL EXPENDITURE		9,253	--		11,560	--		8,693	--		15,246	--		-	21,721	--	11,628
Capital Contributions		- 1,928			- 3,857			- 3,155			- 4,856			- 2,774		- 3,280	
NET CAPITAL EXPENDITURE		7,325			7,703			5,538			10,390			18,947		8,348	
Work in Progress											5,172						

- The capital contributions for 2015 and 2016 were forecast by estimating the proposed project costs and applying the appropriate cost sharing allocation. For road projects the road authority is responsible for a minimum of 50% of labour and labour saving devices (equipment). For subdivisions Milton Hydro typically collects 53.7% in capital contributions based on the Economic Analysis (EA) model for subdivisions. For GS 50 kW and above customers that lie along, Milton Hydro recovers 100% of the costs incurred to provide a service. The timing of the capital contribution may vary dependent on project progress. Capital contributions expected in 2015 may not be realized until 2016 depending on project timing.
- Milton Hydro's capital contributions received to October 31, 2015 total \$ 952,078



## **2.0-VECC –10**

### **Reference: E2/Attachment 2-1 DSP/pgs. 44-55**

- a) The DSP includes a discussion and data for outages by cause code. What cause code related target/outcomes measures does Milton intend to use to understand the effectiveness of its DSP?
- b) Has Milton done an analysis of outages due to defective equipment? If so please provide that analysis. What programs in the DSP are targeted to reducing outages due to defective equipment?

### **Response:**

- a) Milton Hydro monitors all outages on an ongoing basis and looks for trends that may indicate an ongoing reliability issue; however Milton Hydro has not established formal cause code related targets. Milton Hydro will look at SAIDI and SAIFI performance as one indicator of the effectiveness of its DSP.
- b) Milton Hydro has not prepared a formal analysis of outages due to defective equipment. Within the DSP, System Renewal investments will reduce outages due to defective equipment by replacing equipment based asset age, asset condition, asset performance history and investment timing to select the appropriate year to replace the asset. Within the System Service category investments in Milton Hydro's WiMAX communications infrastructure and system automation initiatives, such as automated switches and automated fault indicators, will enable Milton Hydro to minimize the length of outages resulting from defective equipment.



## 2.0-VECC –11

### Reference: E2/Attachment 2-1 DSP/pg. 53

a) Please provide a table showing duration of outage by cause code for 2010 through 2014.

### Response:

a) Milton Hydro has provided the table below showing the duration of outages by cause code from 2010 through to 2014.

	Outage durations in customer hours per year (cust-hrs/year)				
CAUSE	2010	2011	2012	2013	2014
Adverse Environment	0	0	0	2	15
Adverse Weather	9,033	13,443	17,171	247,784	19,306
Defective Equipment	1,103	16,019	4,030	8,989	21,090
Foreign Interference	1,921	491	2,611	2,088	1,807
Human Element	59	900	106	523	108
Lightning	47	814	882	20	140
Loss of Supply	3,612	2,059	2,224	15,875	246
Scheduled Outage	473	2,506	1,433	5,675	778
Tree Contacts	3,324	1,429	88	302	200
Unknown/Other	1,234	4,049	915	2,774	1,303



**2.0-VECC –12**

**Reference: E2/Attachment 2-1 DSP/pg. 59**

- a) Please provide the RRFE Performance Scorecard for 2014

**Response:**

- a) Please refer to OEB Staff interrogatory 1.0 – Staff 6



## **2.0 – VECC - 13**

**Reference:**           **E2/Attachment 2-1**

- a) Was the Milton Distribution System Plan prepared internally? If yes, was a third-party review undertaken of the plan?

**Response:**

- a) Please refer to OEB Staff interrogatory 2.0 – Staff 15



## **EXHIBIT 3 – OPERATING REVENUE**

### **3.0 – Staff 39**

**Ref: Exhibit 3, p. 4**

Milton Hydro indicates that it has updated its analysis for actual power consumed by each customer class up to May 2015. Please update the load forecast to include the most recent data and indicate how the load and customer forecast for 2015 and 2016 may be affected.

**Response:**

Milton Hydro has updated its load forecast to include the most recent data up to October 2015 which includes customer numbers, kWh, kW and HDD & CDD. The following Table sets out the revised customer counts, kWh and kW by customer class.



Description	2015 Bridge Year Weather Normal	2015 Bridge Year Weather Normal Updated to October	2016 Test Year Weather Normal	2016 Test Year Weather Normal Updated to October
<b>Billed kWh</b>	849,532,503	855,174,692	857,666,193	865,256,583
<b>By Class</b>				
<b>Residential</b>				
Customers	33,268	33,268	34,768	34,768
kWh	303,419,115	304,956,831	309,752,959	309,630,805
<b>General Service &lt; 50 kW</b>				
Customers	2,611	2,565	2,680	2,633
kWh	90,435,059	89,888,540	92,617,956	90,624,251
<b>General Service 50 to 999 kW</b>				
Customers	293	290	302	299
kWh	203,733,680	202,144,550	205,340,394	203,328,577
kW	547,100	542,832	551,414	546,012
<b>General Service 1000 to 4999 kW</b>				
Customers	12	13	12	13
kWh	110,264,909	113,120,916	109,869,211	116,391,368
kW	232,512	238,535	231,678	245,431
<b>Large User</b>				
Customers	3	3	3	3
kWh	133,319,331	135,925,895	133,210,761	135,740,770
kW	255,233	260,223	255,025	259,869
<b>Streetlights</b>				
Connections	3,165	3,165	3,234	3,234
kWh	6,973,701	7,751,251	5,632,779	8,298,679
kW	19,572	21,754	15,809	23,291
<b>Sentinel Lights</b>				
Connections	247	247	242	242
kWh	148,333	148,333	145,711	145,711
kW	411	411	404	404
<b>Unmetered Loads</b>				
Connections	204	178	226	178
kWh	1,238,376	1,238,376	1,096,423	1,096,423



### 3.0 – Staff 40

**Ref: Exhibit 3, p. 5**

Milton Hydro indicates that it has used the same load forecast methodology as was used in its last Cost of Service application in 2011.

- a) How did Milton Hydro determine that the 2011 model was still appropriate for use in this application?
- b) Has Milton Hydro tested the forecast results against actuals over the past years since 2011? If yes, what were the results? If not, why not?

**Response:**

- a) Milton Hydro determined that the 2011 load forecast model was still appropriate for use in this its 2016 Cost of Service Application as the 2011 load forecast model was tested by intervenors through re-running the model by adding the Unemployment Rate as a variable, then by adding the Gross Domestic Product as a variable and then by changing the kw to kWh ratios for demand customers to a historic value rather than the average ratio. The end result was the acceptance of Milton Hydro's load forecast with arbitrary adjustments unrelated to the load forecast model. Milton Hydro determined that there is no reason to change a load forecast that works.
- b) Milton Hydro has not tested the forecast results against actuals



### **3.0 – Staff 41**

**Ref: Exhibit 3, p.6 Table 3-2**

Milton Hydro's residential customer base grows by 3.1% in 2015 and residential kWh consumption increases by 4.4% in the same year. This is inconsistent with past years where consumption grows at a much lower pace than customer additions. Please provide a rationale for this anomaly.

**Response:**

Milton Hydro's residential customer base grew by 3.1% in 2015 while kWh consumption increased by 4.4% in the same year as a result of the forecasted cooling degree days ("CDD") for 2015. The CDD in 2015 are based on the 10 year average while the CDD in 2014 are actual days. In 2015 there were 391.2 CDD compared to 264.2 CDD in 2014. This pattern is consistent with previous years where there is a significant difference in CDD. For example: the customer base grew by 11.7% in 2005 over 2004 however, the kWh increased by 14%. During these years there was 536.2 CDD in 2005 and only 228.9 CDD in 2004.

This pattern does not occur when the difference in CDD is marginal. In the forecast for 2016 the increase in kWh is lower than the forecast growth in the number of customers and the difference in the forecast for CDD is only 11.9 CDD.



### 3.0 – Staff 42

**Ref: Exhibit 3, p.7**

Milton Hydro states that its customer count forecasts for the Residential class is based on the expected growth determined through discussions with developers and their subdivision plans submitted to Milton Hydro.

- a) What is the past track record of these discussions in terms of accuracy?
- b) Does Milton Hydro adjust the forecasts provided or does Milton Hydro just accept the forecasts?

**Response:**

Milton Hydro forecasts its customer count by considering the historical subdivision activity in Milton, the Region of Halton Best Planning Estimates for the Town of Milton and informal feedback from the development community. Within this context Milton Hydro will ask the development community to provide an estimate for the level of activity for the forecast year. The projection is informal and subject to change.

- a) Milton Hydro's estimated and actual count for new residential connections over the historical period is listed below. Over the five year period Milton Hydro estimated 6,500 residential connections compared to the actual residential connections of 6,527.

Year	Estimated Subdivision Connection	Actual Subdivision Connections
2015 (projected)	1000	900
2014	1000	968
2013	1500	1581
2012	1500	1792



2011	1500	1286
------	------	------

- b) The development community does not provide a forecast of the number of new residential electrical customers for the forecast year. The development community will provide information on the construction plans associated with new subdivision developments. Milton Hydro will consider the status of subdivisions in progress at year end and the proposed timing of development in the forecast year in an effort to estimate the number of new residential subdivision connections within the forecast year. Material swings in the actual number of new subdivision connections can occur if any large subdivision is delayed such that the estimated numbers of customer connections do not take place in the forecast year.



### **3.0 – Staff 43**

**Ref: Exhibit 3, p.27 Table 3-14a**

Milton Hydro's residential customer base grows by 4.5% in 2016, significantly higher than the 3.1% growth rate for 2014 and 2015. What are the reasons for this forecast growth in the test years for both classes?

**Response:**

The residential customer base grows by 4.5% in 2016, significantly higher than the 3.1% growth rate for 2014 and 2015 as a result of a controversy over proposed development charges from the Town of Milton. Developers held back on building pending resolution of the proposed development charges, which was resolved in 2015. The forecast residential customer count for the 2016 Test Year reflects a full year of sub division construction.



### **3.0 – Staff 44**

**Ref: Exhibit 3, p.28a**

Milton Hydro indicates that it the Residential weather normalized consumption reduces each year from 2010 to the test year due to smaller and more town house style homes being built.

- a) What is the percentage of new homes in Milton Hydro's service area that are electrically heated?
- b) Are the majority gas heated and if so, what are the other factors for this reduction in usage?

**Response:**

- a) Milton Hydro has connected two new homes in the last five years that are electrically heated or 0.003% of new homes.
- b) The majority of new homes are gas heated with the exception of any new homes in the rural area where gas may not be available. Apart from smaller and more town house style homes being built there are also individually metered condominiums; improved building codes for insulation and windows; more efficient appliances; CFL and LED lighting; and conservation programs.



### 3.0-Staff-45

**Ref: Exhibit 3, p. 7 and p. 6, Table 3-2**

**Ref: Report of the Board Review of the Board's Cost Allocation Policy for Unmetered Loads EB-2012-0383, November 19, 2013**

Milton Hydro states that it contacted all 20 of its unmetered scattered load customers and received replies from 6 customers. Table 3-2 shows a reduction in load per connection for 2015 and 2016. There is a similar result in the street lighting class. OEB staff is aware that there is a trend in communities to install more efficient street lighting. OEB staff is also aware of a similar trend for other unmetered loads.

In the second reference, the Board commented on communications between distributors and unmetered load customers:

*"The Board believes that there should be ongoing communication between distributors and unmetered load customers. This will enable the municipalities and other unmetered load customers to bring to the attention of their distributor any technological changes that impact the electricity consumption or the load profiles of their unmetered loads. Unmetered load customers should be able to determine, and distributors should be able to validate, what the appropriate consumption levels and load profiles are for particular devices that will reflect the technology used in street lights and other unmetered loads."*<sup>1</sup>

OEB staff is interested in determining the level of customer engagement Milton Hydro has undertaken in preparing this application.

- a) Please state if the survey of USL customers resulted in new knowledge related to technology for new and replacement devices that would affect electricity loads. Please describe how the load reduction was developed.
- b) Has Milton Hydro discussed with street lighting providers plans related to technology for new and replacement devices that would affect electricity loads in the municipality that it serves.



- c) If it did not, please describe how the reduction was developed.
- d) If Milton Hydro did not meaningfully engage its customers to assist in setting a forecast of electricity demand, please, on a best efforts basis, consult with them and review the forecast in light of the discussion.

**Response:**

- a) The survey of all 20 USL customers (192 USL connections) did not result in new knowledge related to technology for new and replacement devices that would affect electricity loads. The load reduction was the result of customers confirming that USL devices had been removed or the kWh for devices was re-calculated and supported by an engineer sing-off. In addition, Milton Hydro audited 100% of the USL connections.
- b) Milton Hydro has discussed the upgrade of street lights to LED with the Town of Milton. This would be partially funded through a CDM program. To date the Town has not acted on this program and is not expected to do so until the latter part of 2016 for implementation possibly in 2017.
- c) The reduction in kWh for street lights was the result Milton Hydro adjusting the street light kWh for anticipated conservation savings of 777,550 kWh in 2015 and 2,665,900 kWh in 2016 based on Milton Hydro's 2015 to 2020 CDM plan. As the Town of Milton has not implemented any changes to its street lighting system these CDM savings were removed when Milton Hydro updated the load forecast as set out in 3.0 – Staff 39 IR response
- d) Milton Hydro contacted all USL customers, including the Town of Milton and the Region of Halton, in writing providing the kWh load from its records and requested customers to confirm or correct the USL kWh.



### **3-Energy Probe-16**

**Ref: Exhibit 3, page 21**

The evidence states that Milton Hydro has performed the regression analysis for 2015 and 2016 based on the average of ten years for HDD and CDD. Please confirm that Milton Hydro used the actual HDD and CDD figures for the period over which the regression analysis was performed and used the ten year average to forecast HDD and CDD used in the regression equation to forecast 2015 and 2016.

**Response:**

Milton Hydro confirms that it has used the actual HDD and CDD figures for the period over which the regression analysis was performed and used the ten year average to forecast HDD and CDD used in the regression equation to forecast 2015 and 2016.



### 3-Energy Probe-17

**Ref: Exhibit 3, page 9**

Please provide a table that shows the actual number of customers in each month of 2014 through to the most recent actual information available in 2015 for each rate class.

**Response:**

Milton Hydro has provided the following table that shows the actual number of customers in each month of 2014 through to the most recent actual information available in 2015 for each rate class.

Year	Residential	GS<50	GS>50	GS>1000	LU	Streetlight	Sentinel	USL
<b>2015</b>								
Oct	32,908	2,557	290	13	3	3,134	248	178
Sept	32,876	2,544	290	13	3	3,134	246	178
August	32,817	2,537	290	13	3	3,130	249	179
July	32,779	2,538	290	13	3	3,126	251	179
June	32,729	2,547	289	13	3	3,114	249	180
May	32,646	2,546	289	12	3	3,068	247	183
April	32,605	2,549	288	12	3	3,114	250	182
March	32,524	2,553	285	12	3	3,110	251	189
Feb	32,433	2,555	285	12	3	3,110	248	189
Jan	32,346	2,548	284	12	3	3,108	251	189
<b>2014</b>								
Dec	32,268	2,544	284	12	3	3,097	251	189
Nov	32,208	2,539	284	12	3	3,091	248	189
Oct	32,106	2,530	282	12	3	3,083	251	189
Sept	31,970	2,528	283	12	3	3,078	246	190
August	31,837	2,521	283	12	3	3,078	251	190
July	31,756	2,512	282	12	3	3,062	249	190
June	31,553	2,502	279	12	3	3,062	248	190
May	31,435	2,495	278	11	3	3,052	250	190
April	31,349	2,491	276	11	3	3,055	249	191
March	31,333	2,489	275	11	3	3,047	255	192
Feb	31,341	2,488	274	11	3	3,047	248	192
Jan	31,327	2,482	274	11	3	3,047	250	192



### **3-Energy Probe-18**

**Ref: Exhibit 3, page 26**

- a) For each of the rate classes that are billed on a kW basis, please estimate regression equations where the dependent variable is the ratio of the kW to kWh for the period 2001 through 2014 and the explanatory variable is a trend variable (i.e. 2001 through 2014).
- b) For each of the equations estimated above where the trend variable has a t-statistic of 2.0 or higher, please provide the result kW forecast that results from the equation using the forecasted kW to kWh ratio for 2016.

**Response:**

- a) Milton Hydro ran a regression equation for the General Service 50 – 999 kW class only. A regression analysis was not run for the following customer classes: General Service 1000 – 4999 kW; Large Users; Streetlights and Sentinel Lights. The regression equations are based on the ratio of the kW to kWh for the period 2001 through 2014 on the Rate Class Load Model Tab.
- b) When only the trend variables with a t-statistic of 2.0 or higher were used the forecasted kW to kWh ratio for 2016 for the General Service 50 – 999 kW class is 551,647 kW.



### 3-Energy Probe-19

**Ref: Exhibit 3, page 26**

For each of the rate classes that are billed on a kW basis, please provide the monthly kW figures for each month for which actual data is available for 2015, along with the corresponding figures for the same months in 2014.

**Response:**

Milton Hydro has provided the following table that shows the actual kW demand in each month of 2014 through to the most recent actual information available in 2015 for each rate class.

Year	GS>50	GS>1000	LU	Streetlight	Sentinel
<b>2015</b>	<b>kW Demand</b>				
Oct	43,152	19,836	21,181	1,800	35
Sept	50,693	22,350	21,729	1,791	35
August	47,842	22,622	21,289	1,791	35
July	47,382	22,558	19,698	1,787	35
June	47,182	20,555	20,980	1,778	34
May	48,646	20,741	21,530	1,764	34
April	44,791	19,513	21,233	1,764	35
March	44,964	20,434	21,009	1,764	35
Feb	45,888	19,372	21,072	1,761	35
Jan	45,310	22,313	20,793	1,761	35
<b>2014</b>					
Dec	44,177	22,190	20,686	1,755	35
Nov	43,859	21,055	20,392	1,694	35
Oct	43,673	20,373	20,555	1,691	35
Sept	47,536	22,183	20,506	1,683	34
August	45,343	20,927	21,132	1,678	35
July	44,555	20,684	21,117	1,678	35
June	46,644	20,104	21,358	1,669	35
May	45,885	20,176	21,683	1,669	35
April	43,404	18,342	21,687	1,663	35
March	44,121	18,359	21,333	1,680	37
Feb	44,164	18,364	21,765	1,658	35
Jan	43,654	19,744	21,387	1,658	35



### 3-Energy Probe-20

Ref: Exhibit 3, Table 3-16

- a) Please provide a version of Table 3-16 that:
  - i) excludes revenue and expenses associated with CDM programs,
  - ii) includes SSS administration income for all years (i.e. includes account 4080 in 2011 through 2015), and
  - iii) removes interest revenues and costs associated with deferral, variance and regulatory assets in account 4405.

Please provide the requested information in the same level of detail as the variance tables shown on pages 39 through 43.

- b) Based on the same level of detail as found in the table requested in part (a) above, please provide the most recent year-to-date actual revenues for 2015, along with the figures for the corresponding period in 2014.
- c) Where are revenues from microFIT customers shown in Table 3-16?
- d) Please provide a table that shows microFIT revenues for each of 2011 through 2014 and the forecast for 2015 and 2016.

#### Response:

- a) Milton Hydro has revised Table 3-16 as follows and provided the same level of detail as shown in the variance tables on pages 39 through 43:
  - i) Excluded revenue and expenses associated with CDM Programs included in accounts 4375 and 4380
  - ii) Included SSS Administration income for all years 2011-2015 in account 4215 (this income is normally included in USoA account 4080)
  - iii) Removed interest revenues and costs associated with deferral, variance and regulatory assets in account 4405.



**Table 3-16**

**Other Operating Revenue – Revised per Section A requests**

USoA #	USoA Description	Last Rebasing Year	2011 Actual	2012 Actual	2013 Actual <sup>2</sup>	Actual Year <sup>2</sup>	Actual Year <sup>2</sup>	Bridge Year <sup>2</sup>	Test Year
		2011 Approved	2011	2012	2013	2013	2014	2015	2016
	<i>Reporting Basis</i>	<i>CGAAP</i>	<i>CGAAP</i>	<i>CGAAP</i>	<i>CGAAP</i>	<i>MIFRS</i>	<i>MIFRS</i>	<i>MIFRS</i>	<i>MIFRS</i>
4235	Specific Service Charges	\$ 403,492	\$ 520,106	\$ 490,084	\$ 651,385	\$ 651,385	\$ 640,410	\$ 625,319	\$ 677,992
4225	Late Payment Charges	\$ 156,670	\$ 161,220	\$ 170,412	\$ 197,390	\$ 197,390	\$ 174,673	\$ 182,084	\$ 191,188
4082/4084	Retail Services Revenues	\$ 36,869	\$ 31,276	\$ 26,548	\$ 23,215	\$ 23,215	\$ 21,892	\$ 23,121	\$ 24,277
4210	Rent from Electric Property	\$ 135,213	\$ 150,186	\$ 150,408	\$ 151,415	\$ 151,415	\$ 150,119	\$ 154,966	\$ 156,515
4215	Other Operating Income	\$ 75,804	\$ 90,011	\$ 94,766	\$ 100,146	\$ 100,146	\$ 104,343	\$ 107,514	\$ 111,495
4355	Disposal of Fixed Assets	\$ 6,250	\$ 1,593	\$ 2,012	\$ 25,000	\$ 25,000	\$ 1,200	\$ -	
4390	Misc. Non-Operating Income	\$ 600,101	\$ 598,637	\$ 539,016	\$ 554,153	\$ 554,153	\$ 613,864	\$ 613,901	\$ 652,655
4375	Revenues from Non Utility Operations	\$ -						\$ -	\$ -
4380	Expenses from Non Utility Operations	\$ -						\$ -	\$ -
4405	Interest and Dividend Income	\$ 45,000	\$ 51,168	\$ 61,538	\$ 54,256	\$ 54,256	\$ 79,639	\$ 78,033	\$ 78,033
<b>Specific Service Charges</b>		\$ 403,492	\$ 520,106	\$ 490,084	\$ 651,385	\$ 651,385	\$ 640,410	\$ 625,319	\$ 677,992
<b>Late Payment Charges</b>		\$ 156,670	\$ 161,220	\$ 170,412	\$ 197,390	\$ 197,390	\$ 174,673	\$ 182,084	\$ 191,188
<b>Other Operating Revenues</b>		\$ 247,886	\$ 271,473	\$ 271,722	\$ 274,776	\$ 274,776	\$ 276,354	\$ 285,601	\$ 292,287
<b>Other Income or Deductions</b>		\$ 651,351	\$ 651,398	\$ 602,566	\$ 633,409	\$ 633,409	\$ 694,703	\$ 691,934	\$ 730,688
<b>Total</b>		\$ 1,459,399	\$ 1,604,197	\$ 1,534,783	\$ 1,756,960	\$ 1,756,960	\$ 1,786,140	\$ 1,784,938	\$ 1,892,155



Account 4082/4084 - Revenue from Services - Distribution			2011 Actual	2012 Actual	2013 Actual <sup>2</sup>	Actual Year <sup>2</sup>	Actual Year <sup>2</sup>	Bridge Year <sup>2</sup>	Test Year
			2011	2012	2013	2013	2014	2015	2016
Reporting Basis			CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS
Retailer - LDC Consolidated Billing			\$ 10,299	\$ 8,477	\$ 7,228	\$ 7,228	\$ 6,715	\$ 7,098	\$ 7,453
Retailer - Monthly Fixed Charge			\$ 3,120	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,400	\$ 3,556	\$ 3,734
Retailer - Monthly Variable Charge			\$ 17,178	\$ 14,165	\$ 12,098	\$ 12,098	\$ 11,255	\$ 11,895	\$ 12,490
Retailer - STR Request Fee			\$ 244	\$ 219	\$ 220	\$ 220	\$ 188	\$ 204	\$ 214
Retailer - STR Processing Fee			\$ 435	\$ 387	\$ 369	\$ 369	\$ 335	\$ 368	\$ 386
Total			\$ 31,276	\$ 26,548	\$ 23,215	\$ 23,215	\$ 21,893	\$ 23,121	\$ 24,277
Account 4210 - Rent from Electric Property			2011 Actual	2012 Actual	2013 Actual <sup>2</sup>	Actual Year <sup>2</sup>	Actual Year <sup>2</sup>	Bridge Year <sup>2</sup>	Test Year
			2011	2012	2013	2013	2014	2015	2016
Reporting Basis			CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS
Pole Rental - Bell/Rogers/Cogeco/Blink			\$ 150,186	\$ 150,408	\$ 151,415	\$ 151,415	\$ 150,119	\$ 154,966	\$ 156,515
etc. <sup>1</sup>									
Total			\$ 150,186	\$ 150,408	\$ 151,415	\$ 151,415	\$ 150,119	\$ 154,966	\$ 156,515
Account 4215 - Other Operating Income			2011 Actual	2012 Actual	2013 Actual <sup>2</sup>	Actual Year <sup>2</sup>	Actual Year <sup>2</sup>	Bridge Year <sup>2</sup>	Test Year
			2011	2012	2013	2013	2014	2015	2016
Reporting Basis			CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS
SSS Administration Income			\$ 90,011	\$ 94,766	\$ 100,146	\$ 100,146	\$ 104,343	\$ 107,514	\$ 111,495
(for 2011-2015 SSS included in a/c 4080)									
etc. <sup>1</sup>									
Total			\$ 90,011	\$ 94,766	\$ 100,146	\$ 100,146	\$ 104,343	\$ 107,514	\$ 111,495
Account 4225 - Late Payment Charges			2011 Actual	2012 Actual	2013 Actual <sup>2</sup>	Actual Year <sup>2</sup>	Actual Year <sup>2</sup>	Bridge Year <sup>2</sup>	Test Year
			2011	2012	2013	2013	2014	2015	2016
Reporting Basis			CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS
Customer late payment charges			\$ 161,220	\$ 170,412	\$ 197,390	\$ 197,390	\$ 174,673	\$ 182,084	\$ 191,188
etc. <sup>1</sup>									
Total			\$ 161,220	\$ 170,412	\$ 197,390	\$ 197,390	\$ 174,673	\$ 182,084	\$ 191,188
Account 4235 - Miscellaneous Service Revenues from Non-Utility Operations			2011 Actual	2012 Actual	2013 Actual <sup>2</sup>	Actual Year <sup>2</sup>	Actual Year <sup>2</sup>	Bridge Year <sup>2</sup>	Test Year
			2011	2012	2013	2013	2014	2015	2016
Reporting Basis			CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS
Collection Charges			\$ 285,319	\$ 222,267	\$ 315,446	\$ 315,446	\$ 355,770	\$ 348,744	\$ 363,995
Reconnection Charges			\$ 6,425	\$ 6,472	\$ 12,385	\$ 12,385	\$ 17,310	\$ 17,875	\$ 18,525
Occupancy Charges			\$ 198,510	\$ 232,110	\$ 256,470	\$ 256,470	\$ 197,070	\$ 195,450	\$ 232,223
Lawyer's Certificates			\$ 872	\$ 705	\$ 544	\$ 544	\$ 750	\$ 750	\$ 750
Off Cycle Meter Reads			\$ 1,740	\$ 1,170	\$ 2,100	\$ 2,100	\$ 2,730	\$ 2,500	\$ 2,500
Interval Meter Reads			\$ 27,240	\$ 27,360	\$ 64,440	\$ 64,440	\$ 66,780	\$ 60,000	\$ 60,000
Total			\$ 520,106	\$ 490,084	\$ 651,385	\$ 651,385	\$ 640,410	\$ 625,319	\$ 677,993
Account 4335 - Gain on Disposition of Utility or Other Property			2011 Actual	2012 Actual	2013 Actual <sup>2</sup>	Actual Year <sup>2</sup>	Actual Year <sup>2</sup>	Bridge Year <sup>2</sup>	Test Year
			2011	2012	2013	2013	2014	2015	2016
Reporting Basis			CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS
Truck #8									
Truck # 30									
Trailer									
Miscellaneous							\$ 1,200	\$ -	\$ -
Truck # 29			\$ 1,151						
Mail Machine			\$ 442						
Truck # 33				\$ 2,012					
Truck # 26					\$ 25,000	\$ 25,000			
etc. <sup>1</sup>									
Total			\$ 1,593	\$ 2,012	\$ 25,000	\$ 25,000	\$ 1,200	\$ -	\$ -
Account 4375/4380 - Revenue/Expenses from Non-Rate Regulated Activities			2011 Actual	2012 Actual	2013 Actual <sup>2</sup>	Actual Year <sup>2</sup>	Actual Year <sup>2</sup>	Bridge Year <sup>2</sup>	Test Year
			2011	2012	2013	2013	2014	2015	2016
Reporting Basis			CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS
OPA Programs - Revenue									
OPA Programs - Expenses									
etc. <sup>1</sup>									
Total			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Account 4390 - Miscellaneous Non Operating Income			2011 Actual	2012 Actual	2013 Actual <sup>2</sup>	Actual Year <sup>2</sup>	Actual Year <sup>2</sup>	Bridge Year <sup>2</sup>	Test Year
			2011	2012	2013	2013	2014	2015	2016
Reporting Basis			CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS
Region Water & Sewage Fees			\$ 517,574	\$ 477,035	\$ 519,884	\$ 519,884	\$ 552,475	\$ 588,075	\$ 626,579
Sale of Scrap Metal			\$ 69,174	\$ 51,148	\$ 24,659	\$ 24,659	\$ 48,466	\$ 15,000	\$ 15,000
Statement of Account			\$ 90				\$ 45	\$ -	\$ -
NSF Charges			\$ 5,730	\$ 5,250	\$ 4,200	\$ 4,200	\$ 4,680	\$ 4,998	\$ 5,248
Miscellaneous			\$ 6,069	\$ 5,583	\$ 5,410	\$ 5,410	\$ 8,198	\$ 5,828	\$ 5,828
Total			\$ 598,637	\$ 539,016	\$ 554,153	\$ 554,153	\$ 613,864	\$ 613,901	\$ 652,655
Account 4405 - Interest and Dividend Income			2011 Actual	2012 Actual	2013 Actual <sup>2</sup>	Actual Year <sup>2</sup>	Actual Year <sup>2</sup>	Bridge Year <sup>2</sup>	Test Year
			2011	2012	2013	2013	2014	2015	2016
Reporting Basis			CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS
Interest Income			\$ 51,168	\$ 61,538	\$ 54,256	\$ 54,256	\$ 79,639	\$ 78,033	\$ 78,033
Interest Earned on deferral & variance accts.									
etc. <sup>1</sup>									
Total			\$ 51,168	\$ 61,538	\$ 54,256	\$ 54,256	\$ 79,639	\$ 78,033	\$ 78,033



Other Revenues and Variances				
		2011 Approved	2011 Actual	2011 Actual vs 2011 Approved
<b>USoA</b>	<b>Other Revenue</b>			
4082/4084	Retail Services Revenue	36,869	31,276	- 5,593
4210	Rent from Electric Property - Poles	135,213	150,186	14,973
4215	SSS Administrations	75,804	90,011	14,207
4225	Late Payment Charges	156,670	161,220	4,550
4235	Specific Service Charges	403,492	520,106	116,614
4355	Gain on Disposal of Property	6,250	1,593	- 4,657
4375	Revenues from Non-Utility Operations			-
4380	Expenses of Non-Utility Operations			-
4390	Miscellaneous Non-Operating Income	600,101	598,637	- 1,464
4405	Interest & Dividend Income	45,000	51,168	6,168
	<b>Total</b>	<b>1,459,399</b>	<b>1,604,197</b>	<b>144,798</b>

Other Revenues and Variances				
		2011 Actual	2012 Actual	2012 Actual vs 2011 Actual
<b>USoA</b>	<b>Other Revenue</b>			
4082/4084	Retail Services Revenue	31,276	26,548	- 4,728
4210	Rent from Electric Property - Poles	150,186	150,408	222
4215	SSS Administrations	90,011	94,766	4,755
4225	Late Payment Charges	161,220	170,412	9,192
4235	Specific Service Charges	520,106	490,084	- 30,022
4355	Gain on Disposal of Property	1,593	2,012	419
4375	Revenues from Non-Utility Operations	-		-
4380	Expenses of Non-Utility Operations	-		-
4390	Miscellaneous Non-Operating Income	598,637	539,016	- 59,621
4405	Interest & Dividend Income	51,168	61,537	10,369
	<b>Total</b>	<b>1,604,197</b>	<b>1,534,783</b>	<b>- 69,414</b>



Other Revenues and Variances				
		2012 Actual	2013 Actual	2013 Actual vs 2012 Actual
USoA	Other Revenue			
4082/4084	Retail Services Revenue	26,548	23,215	- 3,333
4210	Rent from Electric Property - Poles	150,408	151,415	1,007
4215	SSS Administrations	94,766	100,146	5,380
4225	Late Payment Charges	170,412	197,390	26,978
4235	Specific Service Charges	490,084	651,385	161,301
4355	Gain on Disposal of Property	2,012	25,000	22,988
4375	Revenues from Non-Utility Operations	-		-
4380	Expenses of Non-Utility Operations	-		-
4390	Miscellaneous Non-Operating Income	539,016	554,153	15,137
4405	Interest & Dividend Income	61,537	54,256	- 7,281
	<b>Total</b>	<b>1,534,783</b>	<b>1,756,960</b>	<b>222,177</b>

Other Revenues and Variances				
		2013 Actual	2014 Actual	2014 Actual vs 2013 Actual
USoA	Other Revenue			
4082/4084	Retail Services Revenue	23,215	21,892	- 1,323
4210	Rent from Electric Property - Poles	151,415	150,119	- 1,296
4215	SSS Administrations	100,146	104,343	4,197
4225	Late Payment Charges	197,390	174,673	- 22,717
4235	Specific Service Charges	651,385	640,410	- 10,975
4355	Gain on Disposal of Property	25,000	1,200	- 23,800
4375	Revenues from Non-Utility Operations	-		-
4380	Expenses of Non-Utility Operations	-		-
4390	Miscellaneous Non-Operating Income	554,153	613,864	59,711
4405	Interest & Dividend Income	54,256	79,639	25,383
	<b>Total</b>	<b>1,756,960</b>	<b>1,786,140</b>	<b>29,180</b>



Other Revenues and Variances				
		2014 Actual	2015 Bridge Year	2015 Bridge Year vs 2014 Actual
USoA	Other Revenue			
4082/4084	Retail Services Revenue	21,892	23,121	1,229
4210	Rent from Electric Property - Poles	150,119	154,966	4,847
4215	SSS Administrations	104,343	107,514	3,171
4225	Late Payment Charges	174,673	182,084	7,411
4235	Specific Service Charges	640,410	625,319	- 15,091
4355	Gain on Disposal of Property	1,200	-	- 1,200
4375	Revenues from Non-Utility Operations	-	-	-
4380	Expenses of Non-Utility Operations	-	-	-
4390	Miscellaneous Non-Operating Income	613,864	613,901	37
4405	Interest & Dividend Income	79,639	78,033	- 1,606
	<b>Total</b>	<b>1,786,140</b>	<b>1,702,423</b>	<b>- 1,203</b>

Other Revenues and Variances				
		2015 Bridge Year	2016 Test Year	2016 Test Year vs 2015 Bridge Year
USoA	Other Revenue			
4082/4084	Retail Services Revenue	23,121	24,277	1,156
4210	Rent from Electric Property - Poles	154,966	156,515	1,550
4215	SSS Administrations	107,514	111,495	3,981
4225	Late Payment Charges	182,084	191,188	9,104
4235	Specific Service Charges	625,319	677,992	52,673
4390	Miscellaneous Non-Operating Income	613,901	652,655	38,754
4405	Interest & Dividend Income	78,033	78,033	-
	<b>Total</b>	<b>1,702,423</b>	<b>1,902,155</b>	<b>107,218</b>

- b) Milton Hydro has completed Table 3-16 based on the same level of detail found in part a) to include its most recent 2015 year to date actual revenues up to October 31, 2015 with comparative figures for the corresponding period in 2014.



**Table 3-16**

**Other Operating Revenue – Comparative 2014 to 2015**

USoA #	USoA Description	Act to Oct	Act to date (Oct)
		2014	2015
	<i>Reporting Basis</i>	MIFRS	MIFRS
<b>4235</b>	<b>Specific Service Charges</b>	\$ 550,315	\$ 530,012
<b>4225</b>	<b>Late Payment Charges</b>	\$ 148,203	\$ 146,941
<b>4082/4084</b>	<b>Retail Services Revenues</b>	\$ 18,307	\$ 17,692
4210	Rent from Electric Property	\$ 100,211	\$ 100,480
4215	Other Operating Income	\$ 86,953	\$ 88,383
4355	Disposal of Fixed Assets	\$ 1,200	\$ 15,000
4390	Misc. Non-Operating Income	\$ 511,967	\$ 507,639
4375	Revenues from Non Utility Operations		
4380	Expenses from Non Utility Operations		
4405	Interest and Dividend Income	\$ 64,271	\$ 56,111
	<b>Specific Service Charges</b>	\$ 550,315	\$ 530,012
	<b>Late Payment Charges</b>	\$ 148,203	\$ 146,941
	<b>Other Operating Revenues</b>	\$ 205,471	\$ 206,554
	<b>Other Income or Deductions</b>	\$ 577,438	\$ 578,750
<b>Total</b>		\$ 1,481,427	\$ 1,462,257



Account 4082/4084 - Revenue from Services - Distribution				
			Act to Oct	Actual (to Oct)
			2014	2015
Reporting Basis			MIFRS	MIFRS
Retailer - LDC Consolidated Billing			\$ 5,619	\$ 5,342
Retailer - Monthly Fixed Charge			\$ 2,820	\$ 3,100
Retailer - Monthly Variable Charge			\$ 9,418	\$ 8,932
Retailer - STR Request Fee			\$ 162	\$ 113
Retailer - STR Processing Fee			\$ 288	\$ 207
<b>Total</b>			<b>\$ 18,307</b>	<b>\$ 17,692</b>
Account 4210 - Rent from Electric Property				
			Act to Oct	Actual (to Oct)
			2014	2015
Reporting Basis			MIFRS	MIFRS
Pole Rental - Bell/Rogers/Cogeco/Blink			\$ 100,211	\$ 100,480
etc. <sup>1</sup>				
<b>Total</b>			<b>\$ 100,211</b>	<b>\$ 100,480</b>
Account 4215 - Other Operating Income				
			Act to Oct	Actual (to Oct)
			2014	2015
Reporting Basis			MIFRS	MIFRS
SSS Administration Income			\$ 86,953	\$ 88,383
(for 2011-2015 SSS included in a/c 4080)				
etc. <sup>1</sup>				
<b>Total</b>			<b>\$ 86,953</b>	<b>\$ 88,383</b>
Account 4225 - Late Payment Charges				
			Act to Oct	Actual (to Oct)
			2014	2015
Reporting Basis			MIFRS	MIFRS
Customer late payment charges			\$ 148,203	\$ 146,941
etc. <sup>1</sup>				
<b>Total</b>			<b>\$ 148,203</b>	<b>\$ 146,941</b>
Account 4235 - Miscellaneous Service Revenues from Non-Utility Operations				
			Act to Oct	Actual (to Oct)
			2014	2015
Reporting Basis			MIFRS	MIFRS
Collection Charges			\$ 317,130	\$ 288,390
Reconnection Charges			\$ 14,650	\$ 10,080
Occupancy Charges			\$ 161,550	\$ 162,690
Lawyer's Certificates			\$ 615	\$ 782
Off Cycle Meter Reads			\$ 2,370	\$ 1,380
Interval Meter Reads			\$ 54,000	\$ 66,690
<b>Total</b>			<b>\$ 550,315</b>	<b>\$ 530,012</b>
Account 4335 - Gain on Disposition of Utility or Other Property				
			Act to Oct	Actual (to Oct)
			2014	2015
Reporting Basis			MIFRS	MIFRS
Truck #8				
Truck # 30				
Trailer				
Miscellaneous			\$ 1,200	
Sale of Truck				\$ 15,000
Truck # 29				
Mail Machine				
Truck # 33				
Truck # 26				
etc. <sup>1</sup>				
<b>Total</b>			<b>\$ 1,200</b>	<b>\$ 15,000</b>



Account 4375/4380 - Revenue/Expenses from Non-Rate Regulated Activities				
			Act to Oct	Actual (to Oct)
			2014	2015
Reporting Basis			MIFRS	MIFRS
OPA Programs - Revenue				
OPA Programs - Expenses				
etc. <sup>1</sup>				
Total			\$ -	
Account 4390 - Miscellaneous Non Operating Income				
			Act to Oct	Actual (to Oct)
			2014	2015
Reporting Basis			MIFRS	MIFRS
Region Water & Sewage Fees			\$ 458,431	\$ 483,554
Sale of Scrap Metal			\$ 46,035	\$ 15,205
Statement of Account			\$ 45	\$ 83
NSF Charges			\$ 4,110	\$ 3,690
Miscellaneous			\$ 3,346	\$ 5,108
Total			\$ 511,967	\$ 507,639
Account 4405 - Interest and Dividend Income				
			Act to Oct	Actual (to Oct)
			2014	2015
Reporting Basis			MIFRS	MIFRS
Interest Income			\$ 64,271	\$ 56,111
Interest Earned on deferral & variance accts.				
etc. <sup>1</sup>				
Total			\$ 64,271	\$ 56,111



Other Revenues and Variances				
		2014 Actual to Oct	2015 Actual to Oct	2015 Actual to date (Oct) vs 2014 Actual to Oct
USoA	Other Revenue			
4082/4084	Retail Services Revenue	18,307	17,692	- 615
4210	Rent from Electric Property - Poles	100,211	100,480	269
4215	SSS Administrations	86,953	88,383	1,430
4225	Late Payment Charges	148,203	146,941	- 1,262
4235	Specific Service Charges	550,315	530,012	- 20,303
4355	Gain on Disposal of Property	1,200	15,000	13,800
4375	Revenues from Non-Utility Operations	-	-	-
4380	Expenses of Non-Utility Operations	-	-	-
4390	Miscellaneous Non-Operating Income	511,967	507,639	- 4,328
4405	Interest & Dividend Income	64,271	56,111	- 8,160
	<b>Total</b>	<b>1,481,427</b>	<b>1,702,423</b>	<b>- 19,170</b>

- c) MicroFit customer revenue is included in USoA account 4080.
- d) Milton Hydro has included the requested table below showing the MicroFit Revenue for each of 2011 through 2014 and the forecast 2015 and 2016.

	2011	2012	2013	2014	2015 Forecast	2016 Forecast
Microfit Revenue	3,989	9,665	15,545	20,676	24,775	27,279



**3.0 –VECC -14**

**Reference: E3/page 5**

- a) Please confirm that the period noted at line 17 should read “June 2015 to December 2016”.

**Response:**

- a) Milton Hydro confirms that the period noted at line 17 should read “June 2015 to December 2016”.



### **3.0 –VECC -15**

**Reference: E3/pages 7-8 and 27**

- a) Please provide a schedule that sets out, by customer class, the customer/connection count as of May 31, 2015.
- b) How was the connection forecast for Street Lights developed? There is no discussion on pages 7-8 as to how this was done.

**Response:**

- a) Please refer to the Energy Probe interrogatory 3-Energy Probe-17. This information is also available in Milton Hydro's load forecast model.
- b) Milton Hydro forecasted the connections for Street Lights in its load forecast model using the geomean for the years 2000 to 2014. Please refer to Tab "Rate Class Customer Model"



### 3.0 –VECC -16

**Reference:** E3/pages 8 and 21

#### **OEB Filing Guidelines, Chapter 2, page 30**

- a) For purposes of preparing the forecast based on 20 years of HDD and CDD data, did Milton use the 20 year average or the 20 year trend?
- b) If the forecast was done using the 20 year average, please provide a revised forecast based on the 20-year trend, as required by the Filing Guidelines.

**Response:**

- a) Milton Hydro use the 20 year average HDD and CDD.
- b) Milton Hydro has revised Table 3-10 for the 20-year trend for HDD and CDD as follows:

Customer Class		2015 Bridge Year		2016 Test Year	
		10 Year HDD & CDD	20 Year Trend HDD & CDD	10 Year HDD & CDD	20 Year Trend HDD & CDD
Residential	kWh	303,419,115	303,240,753	309,752,959	309,953,091
General Service <50 kW	kWh	90,435,059	90,370,768	92,617,956	92,652,152
General Service >50 kW	kWh	203,458,769	203,401,503	205,048,876	205,098,816



### **3.0 –VECC -17**

**Reference: E3/pages 9-10**

- a) Please explain why for the Large Use class a two year average of the kW to kWh ratio was used to develop the demand forecast, whereas for all other classes the average for the years 2001 to 2014 was used.

**Response:**

- a) Milton Hydro used a two year average of the kW to kWh ratio for the Large Use class as the customer count increased from two to three in 2013, therefore basing the ratio on an average of two customers for twelve of the fourteen years of kWh and kW is not appropriate for a customer class with only three customers. The addition of one Large User impacts the ratio significantly.



### 3.0 –VECC -18

**Reference: E3/pages 10 and 14**

- a) Please confirm that the regression analyses done by Milton used actual data up to May 2015 (per page 4).
- b) If part (a) is confirmed, doesn't this mean that the customer class forecasts for 2016 already incorporate the savings from CDM programs implemented in the first five months of 2015 and the manual adjustment should be reduced accordingly (as opposed to manually adjusting for 100% of anticipated 2015 program impacts)?
- c) If part (a) is confirmed, doesn't this mean that the actual data used to estimate the model includes more than 50% of the savings from 2014 CDM programs (e.g., the months January to May 2015 will include the full impact of the 2014 CDM programs) and the manual adjustment for 2016 should be reduced accordingly?
- d) If part (a) is confirmed, please provide estimates of the 2014 and 2015 CDM programs savings already captured by the regression models and explain the methodology used in doing so.

**Response:**

- a) Milton Hydro confirms that the regression analyses used actual data up to May 2015.
- b) Milton Hydro agrees and realized this when updating its load forecast for actual data for OEB Staff interrogatory 3.0 – Staff 39 and corrected the CDM adjustment accordingly.
- c) Milton Hydro agrees, see part b)
- d) Milton Hydro calculated the CDM program savings monthly by accumulating the savings based on 1/78<sup>th</sup> of the savings taking into consideration the 50% of the savings going into the following year. The following table provides the estimated program savings initially used in the load forecast model for January to October



2015 and subsequently removed in the response to the OEB Staff interrogatory 3.0

– Staff 39 as indicated above.

<b>Class</b>	<b>2014 &amp; 2015 CDM savings to Oct. 2015</b>
Residential	1,893,117
General Service <50 kW	289,924
General Service 50 - 999 kW	991,093
General Service 1000-4999	111,698
Large Users	76,556
Street Lights	3,443,450



### **3.0 –VECC -19**

**Reference: E3/pages 10-11**

- a) With respect to Table 3-3, for those classes that are demand billed, please provide the kW savings reported by the IESO (OPA) from 2014 programs.
- b) Please provide a copy of the IESO Preliminary Result Report for 2011- 2014.
- c) Please provide a copy of Milton's 2015-2020 CDM Plan that was accepted by the IESO.

**Response:**

- a) and b) Milton Hydro has received its Final 2014 Results for its 2011 to 2014 and has attached this Report as the preliminary report is no longer valid for this Application. The Final 2014 Results provides the information requested in parts a) and b) to this interrogatory. ATTACHMENT 3.0-VECC -19 a) & b).
- c) Milton Hydro has attached a copy of its 2015-2020 CDM Plan that was accepted by the IESO as ATTACHMENT 3.0-VECC -19 c).



### **3.0 –VECC -20**

**Reference: E3/page 13-15**

- a) Please confirm that Table 3-6 sets out the 2016 forecast adjustments by customer class for each of the program years shown.
- b) Please provide a revised version of Table 3-6 2 which also includes: i) another row showing the total for each year and ii) another column showing the total 2016 adjustment by customer class.
- c) Please explain why, in Table 3-6, the total value for 2016 doesn't equal 50% of the planned savings from 2016 CDM programs per Table 3-4.
- d) With respect to Table 3-7, please provide a revised version that includes and Total row at the bottom which presents the Total for each year (2014- 2016).
- e) Are any of the columns in Table 3-7 meant to represent the manual adjustment made to each customer class for each year? If so, which one?
- f) With respect to Table 3-7, please explain why the 2016 "Change Year over Year" doesn't just equal 50% of the Planned Savings from 2016 Programs.

**Response:**

- a) Milton Hydro confirms that Table 3-6 sets out the total CDM plan summary and agrees to Table 3-4 for the 2015 Bridge Year and the 2016 Test Year (missing is 214.5 MW for large users in 2016).
- b) Please refer to Table 3-4 which includes totals by year and identifies the customer class.
- c) Milton Hydro labelled the 2016 Test Year column incorrectly, as this table is a summary of Table 3-4 it should not read "50%".
- d) Milton Hydro has provided a revised Table 3-7 with the total for each year at the bottom as follows:



Customer Weather Sensitive Class ("WS") / Non-Weather Sensitive ("NWS")	WS or NWS	OPA kWh Net Savings Persistence	OPA kWh Annual Net Savings	50% of Annual Net Savings	OPA kWh Net Savings With First Year 50%	Change Year Over Year	Monthly Increment (Year/78)
<b>Residential</b>	<b>WS</b>						
2014		0	3,887,795	1,943,898	1,943,898	1,943,898	24,922
2015		1,943,898	774,900	387,450	2,331,348	387,450	4,967
2016		2,718,798	858,100	429,050	3,147,848	488,658	6,265
<b>General Service &lt;50 kW</b>	<b>WS</b>						
2014		0	367,503	183,752	183,752	183,752	2,356
2015		183,752	388,008	194,004	377,756	194,004	2,487
2016		571,760	379,639	189,819	761,579	219,666	2,816
<b>General Service 50 - 999 kW</b>	<b>WS</b>						
2014		0	1,122,853	561,426	561,426	561,426	7,198
2015		561,426	742,045	742,045	1,303,472	742,045	9,513
2016		2,045,517	734,909	734,909	2,780,426	849,070	10,886
<b>General service 1000 - 4999 kW</b>	<b>NWS</b>						
2014		-	133,399	66,700	66,700	66,700	855
2015		66,700	159,162	79,581	146,280	79,581	1,020
2016		225,861	632,234	316,117	541,978	328,360	4,210
<b>Large Users</b>	<b>NWS</b>						
2014		-	-	-	-	-	-
2015		-	217,139	108,570	108,570	108,570	1,392
2016		217,139	-	-	217,139	16,703	214
<b>Street Lights</b>	<b>NWS</b>						
2014		0	0	0	0	0	0
2015		0	1,555,100	777,550	777,550	777,550	9,969
2016		1,555,100	2,221,600	1,110,800	2,665,900	1,230,423	15,775
<b>Total</b>							
2014		-	5,511,550	2,755,775	2,755,775	2,755,775	35,330
2015		2,755,775	3,836,355	2,289,200	5,044,975	2,289,200	29,349
2016		7,334,175	4,826,482	2,780,695	10,114,870	3,132,880	40,165

- e) The last column in Table 3-7 is used to calculate the manual adjustment made to each customer class for each year.
- f) The change year over year is a calculated value based on previous year's persistence plus 50% of 2016 CDM savings less the annual savings accounted for in 2015. The balance is divided by the sum of the months (78) to calculate the monthly incremental savings.



### **3.0 –VECC -21**

**Reference: E3/page 16**

- a) With respect to Table 3-8, for each of the Residential, GS<50 and GS>50 classes please add another column that shows the annual totals for 2015 and 2016 (similar to what was done for the other customer classes).
- b) Please reconcile the 2016 annual totals shown in Table 3-8 (including those added per part (a)) with the values by class set out in Table 3-6.
- c) Please provide a schedule that sets out for each customer class: i) the 2016 forecast per the regression analysis model, ii) the manual CDM adjustment related to 2014 CDM programs, iii) the manual CDM adjustment related to 2015 CDM programs, iv) the manual adjustment related to 2016 CDM programs and v) the net result (which should reconcile with Table 3-14 a)).

**Response:**

- a) Milton Hydro has added the annual totals in Table 3-8 for the Residential, GS<50 and GS>50 classes.



Residential			General Service <50 kW			General Service 50 - 999 kW		
Month	CDM Reduction for 2015 - 2020 Programs	Annual	Month	CDM Reduction for 2015 - 2020 Programs	Annual	Month	CDM Reduction for 2015 - 2020 Programs	Annual
Dec-14	299,061		Dec-14	28,269		Dec-14	86,373	
Jan-15	166,959		Jan-15	17,800		Jan-15	56,299	
Feb-15	171,926		Feb-15	20,287		Feb-15	65,812	
Mar-15	176,893		Mar-15	22,774		Mar-15	75,326	
Apr-15	181,861		Apr-15	25,262		Apr-15	84,839	
May-15	186,828		May-15	27,749		May-15	94,353	
Jun-15	191,795		Jun-15	30,236		Jun-15	103,866	
Jul-15	196,763		Jul-15	32,723		Jul-15	113,379	
Aug-15	201,730		Aug-15	35,210		Aug-15	122,893	
Sep-15	206,697		Sep-15	37,698		Sep-15	132,406	
Oct-15	211,665		Oct-15	40,185		Oct-15	141,920	
Nov-15	216,632		Nov-15	42,672		Nov-15	151,433	
Dec-15	221,599	<b>2,331,348</b>	Dec-15	45,159	<b>377,756</b>	Dec-15	160,946	<b>1,303,472</b>
Jan-16	227,864		Jan-16	47,976		Jan-16	171,832	
Feb-16	234,129		Feb-16	50,792		Feb-16	182,717	
Mar-16	240,394		Mar-16	53,608		Mar-16	193,603	
Apr-16	246,659		Apr-16	56,424		Apr-16	204,488	
May-16	252,923		May-16	59,241		May-16	215,374	
Jun-16	259,188		Jun-16	62,057		Jun-16	226,259	
Jul-16	265,453		Jul-16	64,873		Jul-16	237,145	
Aug-16	271,718		Aug-16	67,689		Aug-16	248,030	
Sep-16	277,983		Sep-16	70,506		Sep-16	258,916	
Oct-16	284,248		Oct-16	73,322		Oct-16	269,801	
Nov-16	290,512		Nov-16	76,138		Nov-16	280,687	
Dec-16	296,777	<b>3,147,848</b>	Dec-16	78,954	<b>761,579</b>	Dec-16	291,572	<b>2,780,426</b>
	5,479,195			1,139,335			4,083,898	

- b) The 2016 annual totals shown in Table 3-8 will not agree with the values by class in Table 3-6. They will, however, reconcile with the values in Table 3-7 in the column labeled "OPA kWh Net Savings With First Year 50%".
- c) The load forecast provides the details for the predicted kWh, the manual CDM adjustment and the resulting CDM adjusted kWh forecast on each Tab for the weather sensitive customer classes being the Residential, General Service <50 kW and the General Service 50-999 kW. The table below sets out the CDM adjustment by year for the General Service 1000-4999 kW, the Large Users and the Street Light customer classes.



Description	General Service 1000-4999 kW		Large User		Streetlights	
	2015	2016	2015	2016	2015	2016
Load Forecast	110,411,189	110,411,189	133,427,900	133,427,900	7,751,251	8,298,679
Less CDM Program Savings	(146,280)	(541,978)	(108,570)	(217,139)	(777,550)	(2,665,900)
Load Forecast for Rate Setting	110,264,909	109,869,211	133,319,331	133,210,761	6,973,701	5,632,779



### **3.0 –VECC -22**

**Reference: E3/pages 18-20 (Appendix 2-I)**

- a) Please explain why (per page 18) the 2014 CDM program results do not reconcile with the total for all classes set out in Table 3-3.
- b) Please explain why (per page 19) the 2015 and 2016 CDM program results do not reconcile with Table 3-4.
- c) What is Milton's proposed 2016 LRAMVA quantity (kWh) for purposes of any future LRAM application? Please reconcile the value proposed with that set out on page 20.
- d) Please provide a breakdown of the total 2016 LRAMVA quantity by customer class and explain how it was done.

**Response:**

- a) Milton Hydro has determined that the Table 3-3 and the 2014 CDM program results on page 18 may have been prepared from different IESO/OPA preliminary reports. Milton Hydro has updated its preliminary results to the IESO/OPA final results for the 2011-2014 period and re-calculated its LRAM. Please refer to OEB Staff interrogatory 9.0 – Staff 74 for the LRAMVA by customer class and year for the CDM savings.
- b) Milton Hydro's Table 3-4 has been prepared on a program basis determined from its 2015-2020 CDM Plan whereas the table on page 19 is based on 16.67% of Milton Hydro's total target for 2015-2020.
- c) Milton Hydro's estimated 2016 kWh is found in Table 3-4 and is based on programs from its 2015-2020 CDM Plan whereas the table on page 20 is based on 16.67% of Milton Hydro's total target for 2015-2020.
- d) Milton Hydro has provided the applicable customer classes and total kWh per customer class by program for 2016 in Table 3-4.



## EXHIBIT 4 – OPERATING EXPENSES

### 4.0-Staff-46

#### Interrogatory:

Ref: Exhibit 4, p. 4 (Table 4-1) and p. 13 (Table from Appendix 2-JA)

On page 4 in Table 4-1, Milton Hydro shows a 2013 amount for Administration and General Expense of \$2,960,750. However, on page 13, showing the table from appendix 2-JA, the same expense category is shown as \$2,779,927. Please reconcile or correct the amounts.

#### Response:

Exhibit 4, p.4 Table 4-1 for 2013 Administration and General Expense of \$2,960.750 is correct. Exhibit 4, p. 13 Appendix 2-JA for 2013 Administration and General Expense has been corrected.

**Table 4-1**

#### **Summary of OM&A Increases – 2011 OEB Approved to 2016 Test Tear**

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



## Appendix 2-JA

[illegible]



#### **4.0-Staff-47**

**Ref: Exhibit 4, p. 8**

Milton Hydro states that an inflation rate of 2% was used on non-labour items and that this is within the range of rates set out in Toronto Dominion Bank's September 25, 2014 quarterly economic forecast. Milton Hydro also includes Table 4-4 that shows inflation forecast for Canada.

- a) Why did Milton Hydro not use a more recent forecast of inflation as a reference for this parameter?
- b) Why did Milton Hydro not use an Ontario-specific inflation forecast such as a forecast from the Ontario Ministry of Finance?
- c) Why did Milton Hydro not use the latest IPI factor of 1.6% as issued by the OEB on October 30<sup>th</sup>, 2014?

**Response:**

- a) Milton Hydro did not use a more recent forecast of inflation as a reference for this parameter as Milton Hydro begins preparing budgets in the fall of each year. The September 2014 inflation rate of 2% was the most recent forecast available to use in preparing 2015 budgets.
- b) Milton Hydro did not use an Ontario-specific inflation forecast as the Canadian inflation factor is representative of inflation factors across the country. For reference purposes in response to this interrogatory Milton Hydro has provided three Ontario specific inflation factors from three different sources which support Milton Hydro's decision to use 2% for budget purposed. As can be seen no single source will agree on the same inflation factor however they are very close and all supporting a 2% inflation factor.



Economic Outlook for Ontario					
(PerCent)	2013	2014	2015	2016	2017
Real GDP Growth	1.3	1.9	2.4	2.4	2.4
Nominal GDP Growth	2.4	3.5	4.4	4.4	4.4
Employment Growth	1.4	0.8	1.3	1.4	1.4
CPI Inflation	1.0	2.1	2.0	2.0	2.0

Source: Ontario's Economic Outlook and Fiscal Review, 2014.

TABLE 2.5 Ontario Economic Outlook (Per Cent)							
	2012	2013	2014	2015p	2016p	2017p	2018p
<b>Real GDP Growth</b>	1.7	1.3	2.2	2.7	2.4	2.2	2.1
<b>Nominal GDP Growth</b>	3.2	2.4	3.6	4.2	4.2	4.2	4.1
<b>Employment Growth</b>	0.7	1.8	0.8	1.1	1.3	1.4	1.3
<b>CPI Inflation</b>	1.4	1.0	2.4	1.2	2.0	2.0	2.0

p = Ontario Ministry of Finance planning projection.

Sources: Statistics Canada and Ontario Ministry of Finance – 2015 Ontario Budget

ONTARIO - TD ECONOMICS' FORECASTS					
Annual average per cent change unless noted					
	2013	2014E	2015F	2016F	2017F
Real GDP	1.3	2.2	2.0	2.4	2.0
Nominal GDP	2.4	3.6	3.5	4.4	4.0
Employment	1.8	0.8	0.8	1.0	0.8
Unemployment rate (%)	7.6	7.3	6.7	6.7	6.6
Consumer Price Index	1.1	2.3	1.3	1.9	2.1
Retail trade	2.3	5.0	4.8	3.7	3.0
Housing starts	-21.4	-4.3	9.0	-7.9	-18.5
Existing home sales	0.3	3.7	9.8	-1.4	-9.0
Avg. existing home price	5.1	7.0	7.5	1.9	-1.0

E, F: Estimate, Forecast by TD Economics as of October 2015.

Source: Statistics Canada / Haver Analytics

- c) Milton Hydro did not use the latest IPI factor of 1.6% as issued by the OEB on October 30<sup>th</sup>, 2014 as this inflation factor is set for the year 2015 and Milton Hydro is filing a Cost of Service Application for 2016. The Tables above support a 2% inflation factor for 2016 and based on known expenses for 2016 (example – CIS software support – 6% increase), the 2% is more reflective of actual expense increases.



#### 4.0-Staff-48

**Ref: Exhibit 4, Tab 2, Schedule 2**

- a) Please identify what improvements in services and outcomes the Applicant's customers will experience in 2016 and during the subsequent term for **the custom IR as** a result of increasing the provision for OM&A in 2016.
- b) How has the Applicant communicated these benefits and the associated costs to its customers, and how did customers respond? Please provide some examples, including a synopsis of any customer feedback. If no communications took place, please explain why not.

**Response:**

- a) Before the impact of MIFRS Milton Hydro's 2016 OM&A has increased over the 2011 Actual OM&A by a compounded interest of 5.7%. This marginal increase over five years will continue to ensure that customers receive the safe, reliable delivery of electricity; continued improvement in proactive communications and customer service excellence; plant maintenance to prevent asset failure or identify assets nearing end of life; and a professional, high performance and accountable distribution company. Milton Hydro will continue to meet its Strategic Areas of Focus as set out at page 20 of EXHIBIT 1.
- b) Milton Hydro communicated these benefits and the associated costs to its customers during its customer engagement using the workbook developed for this purpose. Generally customers understood the workbook and the increase in cost in areas of better communication, tree trimming and maintenance. Examples of comments are provided in EXHIBIT 1 – ATTACHMENT 1-8.

Milton Hydro's provides the following customer summary of its Capital and OM&A Plans:

***Social Acceptance of Plan:***

After reviewing the plan as presented in the workbook, participants from both groups are comfortable that Milton Hydro is planning for the future. With only one exception, all participants who offered an opinion felt that Milton Hydro is planning at least *somewhat well*. Furthermore, social acceptance is high in both groups. Only one participant in each group found



the rate increase to be unreasonable; and while the majority of participants do not like the idea of an increase, they acknowledge its necessity for Milton Hydro to continue providing the level of service they are accustomed to.



#### 4.0-Staff-49

#### Interrogatory:

Ref: Exhibit 4, p. 13 (Table from Appendix 2-JA)

This table shows OM&A expenses by major category from 2011 to the 2016 test year, including a change in accounting standards which took place in 2013. Please provide a similar table that shows the 2013 transition year under CGAAP to enable comparisons from 2012 and to isolate the OM&A impact of the MIFRS accounting change for 2013.

#### Response:

Exhibit 4, p.13 Appendix 2-JA has been updated to include the 2013 transition year under CGAAP to enable comparisons from 2012 CGAAP.

Appendix 2-JA

Summary of Recoverable OM&A Expenses

Revised to Include 2013 CGAAP (for Comparison to 2012 CGAAP)

	Last Rebasement Year (2011 Board- Approved)	Last Rebasement Year (2011 Actuals)	2012 Actuals	2013 Actuals	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS
Operations	\$ 876,809	\$ 794,422	\$ 972,346	\$ 1,189,167	\$ 1,853,447	\$ 2,040,211	\$ 2,351,977	\$ 2,456,704
Maintenance	\$ 1,019,951	\$ 1,260,827	\$ 1,237,774	\$ 1,894,261	\$ 1,697,522	\$ 961,416	\$ 1,249,121	\$ 1,278,108
SubTotal	\$ 1,896,760	\$ 2,055,249	\$ 2,210,120	\$ 3,083,428	\$ 3,550,969	\$ 3,001,627	\$ 3,601,098	\$ 3,734,812
%Change (year over year)			10.5%	39.5%	60.7%	-15.5%	20.0%	3.7%
%Change (Test Year vs Last Rebasement Year - Actual)								81.7%
Billing and Collecting	\$ 1,818,688	\$ 1,660,292	\$ 1,805,605	\$ 1,912,502	\$ 1,912,502	\$ 2,071,191	\$ 2,288,854	\$ 2,194,699
Community Relations	\$ 10,679	\$ 5,020	\$ 3,260	\$ 11,752	\$ 11,752	\$ 19,679	\$ 19,755	\$ 20,071
Administrative and General	\$ 2,573,873	\$ 2,676,202	\$ 2,743,007	\$ 2,960,750	\$ 2,960,750	\$ 3,451,400	\$ 4,143,434	\$ 3,953,806
SubTotal	\$ 4,403,240	\$ 4,341,514	\$ 4,551,872	\$ 4,885,004	\$ 4,885,004	\$ 5,542,270	\$ 6,452,043	\$ 6,168,575
%Change (year over year)			3.4%	7.3%	7.3%	13.5%	16.4%	-4.4%
%Change (Test Year vs Last Rebasement Year - Actual)								42.1%
Total	\$ 6,300,000	\$ 6,396,763	\$ 6,761,992	\$ 7,968,432	\$ 8,435,973	\$ 8,543,897	\$ 10,053,141	\$ 9,903,388
%Change (year over year)			7.3%	17.8%	24.8%	1.3%	17.7%	-1.5%

	Last Rebasement Year (2011 Board- Approved)	Last Rebasement Year (2011 Actuals)	2012 Actuals	2013 Actual (CGAAP)	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
Operations	\$ 876,809	\$ 794,422	\$ 972,346	\$ 1,189,167	\$ 1,853,447	\$ 2,040,211	\$ 2,351,977	\$ 2,456,704
Maintenance	\$ 1,019,951	\$ 1,260,827	\$ 1,237,774	\$ 1,894,261	\$ 1,697,522	\$ 961,416	\$ 1,249,121	\$ 1,278,108
Billing and Collecting	\$ 1,818,688	\$ 1,660,292	\$ 1,805,605	\$ 1,912,502	\$ 1,912,502	\$ 2,071,191	\$ 2,288,854	\$ 2,194,699
Community Relations	\$ 10,679	\$ 5,020	\$ 3,260	\$ 11,752	\$ 11,752	\$ 19,679	\$ 19,755	\$ 20,071
Administrative and General	\$ 2,573,873	\$ 2,676,202	\$ 2,743,007	\$ 2,960,750	\$ 2,960,750	\$ 3,451,400	\$ 4,143,434	\$ 3,953,806
Total	\$ 6,300,000	\$ 6,396,763	\$ 6,761,992	\$ 7,968,432	\$ 8,435,973	\$ 8,543,897	\$ 10,053,141	\$ 9,903,388
%Change (year over year)			7.3%	17.8%	24.8%	1.3%	17.7%	-1.5%

	Last Rebasement Year (2011 Board- Approved)	Last Rebasement Year (2011 Actuals)	Variance 2011 BA - 2011 Actuals	2012 Actuals	Variance 2012 Actuals to 2011 Actuals	2013 Actual (CGAAP)	Variance 2013 Actuals (CGAAP) to 2012 Actuals	2013 Actuals	Variance 2013 Actuals to 2012 Actuals	2014 Actuals	Variance 2014 Actuals vs. 2013 Actuals	2015 Bridge Year	Variance 2015 Bridge vs. 2014 Actuals	2016 Test Year	Variance 2016 Test vs. 2015 Bridge
Operations	\$ 876,809	\$ 794,422	\$ 82,387	\$ 972,346	\$ 177,924	\$ 1,189,167	\$ 216,821	\$ 1,853,447	\$ 661,101	\$ 2,040,211	\$ 186,764	\$ 2,351,977	\$ 311,796	\$ 2,456,704	\$104,727
Maintenance	\$ 1,019,951	\$ 1,260,827	\$ 240,876	\$ 1,237,774	\$ 23,053	\$ 1,894,261	\$ 656,487	\$ 1,697,522	\$ 458,748	\$ 961,416	\$ 736,106	\$ 1,249,121	\$ 287,705	\$ 1,278,108	\$ 28,987
Billing and Collecting	\$ 1,818,688	\$ 1,660,292	\$ 158,396	\$ 1,805,605	\$ 145,313	\$ 1,912,502	\$ 106,897	\$ 1,912,502	\$ 106,897	\$ 2,071,191	\$ 158,689	\$ 2,288,854	\$ 217,664	\$ 2,194,699	\$ 94,156
Community Relations	\$ 10,679	\$ 5,020	\$ 5,659	\$ 3,260	\$ 1,790	\$ 11,752	\$ 8,492	\$ 11,752	\$ 8,492	\$ 19,679	\$ 7,927	\$ 19,755	\$ 76	\$ 20,071	\$ 316
Administrative and General	\$ 2,573,873	\$ 2,676,202	\$ 102,329	\$ 2,743,007	\$ 96,805	\$ 2,960,750	\$ 217,743	\$ 2,960,750	\$ 217,743	\$ 3,451,400	\$ 490,650	\$ 4,143,434	\$ 692,034	\$ 3,953,806	\$189,628
Total OM&A Expenses	\$ 6,300,000	\$ 6,396,763	\$ 96,763	\$ 6,761,992	\$ 365,229	\$ 7,968,432	\$ 1,206,440	\$ 8,435,973	\$ 1,673,981	\$ 8,543,897	\$ 107,924	\$ 10,053,141	\$ 1,509,244	\$ 9,903,388	\$149,753
Adjustments for Total non- recoverable items from Appendices 2-JA and 2-JB															
Total Recoverable OM&A Expenses	\$ 6,300,000	\$ 6,396,763	\$ 96,763	\$ 6,761,992	\$ 365,229	\$ 7,968,432	\$ 1,206,440	\$ 8,435,973	\$ 1,673,981	\$ 8,543,897	\$ 107,924	\$ 10,053,141	\$ 1,509,244	\$ 9,903,388	\$149,753
Variance from previous year				\$ 365,229		\$ 1,206,440		\$ 1,673,981		\$ 107,924		\$ 1,617,168		\$ (140,753)	
Percent change (year over year)				6%		10%		25%		1%		19%		-1%	
Percent Change: Test year vs. Most Current Actual										15.91%					
Simple average of % variance for all years								54.82%							9.8%
Compound Annual Growth Rate for all years (2016 Test vs 2011 Actual)															7.6%
Compound Growth Rate (2014 Actuals vs. 2011 Actuals)								7.50%							



#### **4.0-Staff-50**

**Ref: Exhibit 4, p. 4 (Table 4-1)**

Staff notes that OM&A expense per FTE increases by about 3%per year from 2011 to 2016.

- a) Please provide a rationale for this increase.
- b) Why has Milton Hydro not shown better productivity over this time period?

**Response:**

- a) The comparison of 2011 Actual OM&A expense per FTE to 2016 Test Year OM&A per FTE is not an apple to apple comparison of Milton Hydro's costs. Milton Hydro's 2016 OM&A includes the adjustment for the transition to MIFRS. Using Tab App.2-D\_Overhead from the OEB's spreadsheet for Chapter2\_Appendices, Milton Hydro has prepared the 2016 Test Year OM&A for an equivalent percent capitalized of 15% based on 2012 as the proxy for 2016. The following Table provides a comparison of 2011 Actual CGAAP OM&A and 2016 Test Year CGAAP OM&A and the calculation of OM&A per FTE.

Based on a true comparison of comparable costs Milton Hydro's OM&A per FTE increased by only 1.32% over the five year period.



OM&A Before Capitalization	2011	2012	2016	2016
	Actual	Historical Year	Test Year	Test Year Adjusted to CGAAP
Administration/Billing & Collections	\$ 4,341,514	\$ 4,551,872	\$ 6,168,575	\$ 6,168,575
Operation & Maintenance Costs	\$ 2,055,249	\$ 2,041,575	\$ 3,175,727	\$ 3,175,727
Operation - Stores, Fleet		\$ 355,354	\$ 313,560	\$ 313,560
Engineering Costs		\$ 1,000,680	\$ 1,069,032	\$ 1,069,032
<b>Total OM&amp;A Before Capitalization (B)</b>	<b>\$ 6,396,763</b>	<b>\$ 7,949,481</b>	<b>\$ 10,726,894</b>	<b>\$ 10,726,894</b>
Capitalized OM&A		2012	2016	2016
		Historical Year	Test Year	Test Year
Administration		\$ -	\$ -	
Operation Costs		\$ 235,834	\$ 453,545	\$ 453,545
Operation -Fleet		\$ 58,417	\$ 201,636	\$ 201,636
Engineering Costs		\$ 893,238	\$ 168,326	\$ 954,251
<b>Total Capitalized OM&amp;A (A)</b>		<b>\$ 1,187,489</b>	<b>\$ 823,507</b>	<b>\$ 1,609,432</b>
<b>% of Capitalized OM&amp;A (=A/B)</b>		<b>15%</b>	<b>8%</b>	<b>15%</b>
OM&A After Capitalization -	2011		2016	2016
	Actual		Test Year	Test Year
<b>Total OM&amp;A After Capitalization</b>	<b>\$ 6,396,763</b>		<b>\$ 9,903,387</b>	<b>\$ 9,117,462</b>
<b>Number of FTEs <sup>3,4</sup></b>	<b>46</b>		<b>61.5</b>	<b>61.5</b>
<b>OM&amp;A</b>	<b>139,060</b>		<b>161,031</b>	<b>148,251</b>
<b>OM&amp;A per FTE over 5 years</b>				<b>6.6%</b>
<b>OM&amp;A per FTE average per year</b>				<b>1.32%</b>

- b) Based on the comparison above Milton Hydro submits that a five year increase in OM&A per FTE of 1.32% demonstrates Milton Hydro's continued productivity improvement during this period.



#### 4.0-Staff-51

**Ref: Exhibit 4, p. 13 (Table from Appendix 2-JA)**

This table shows Community Relations expenses fluctuating significantly from 2011 approved to 2001 actual, and then falling further to \$3,000 in 2012, up to \$19,700 in 2014 and up to \$20,000 in 2016. Please provide the reasons for the fluctuations in this expense over the 2011 to 2016 period.

#### **Response:**

The majority of the Community Relations expense relates to the school safety program. Milton Hydro contracts with Electricity Safety and Conservation to conduct a school safety program on a cyclical basis at the local schools. As part of the safety program, in 2013, Milton Hydro began to distribute "Conservation Matters Activity Books" to students. While the increase is related to the school safety programs the costs are not material to Milton Hydro's Application.

The cost of the program is dependent on the size of the school:

#### **# of Students**

125 to < 300	½ day
301 to < 600	1 day
601to < 800	1 ½ days
801 to < 1000	2 days

The Town of Milton is significantly growing and new schools have been opened each year. The schedule for the schools is as follows.

#### **Milton Schools**

	<b>Student #</b>	<b>cost</b>	<b>Year</b>
<b>St. Anthony of Padua</b>	<b>515</b>	\$850.00	<b>16/01/2014</b>
<b>Our Lady of Fatima</b>	<b>585</b>	\$850.00	<b>14/04/2014</b>
<b>Chris Hadfield P.S.</b>	<b>1010</b>	\$1,700.00	<b>04/29-30/14</b>
<b>Tiger Jeet Singh</b>	<b>999</b>	\$1,700.00	<b>05/1-2/14</b>
<b>Guardian Angels</b>	<b>900</b>	\$1,700.00	<b>04/1-2/15</b>
<b>ANNE J MACARTHUR</b>	<b>1000</b>	\$1,700.00	<b>11/27-</b>



			28/14
<b>IRMA COULSON</b>	<b>989</b>	\$1,700.00	<b>2014</b>
<b>P.L. Robertson Public</b>	<b>890</b>	\$1,700.00	<b>2014</b>
<b>J.M. Denyes School</b>	<b>300</b>	\$850.00	<b>2015</b>
<b>Brookville School</b>	<b>474</b>	\$850.00	<b>2015</b>
<b>Bruce Trail Public School</b>	<b>980</b>	\$1,700.00	<b>2015</b>
<b>Hawthorne Village</b>	<b>950</b>	\$1,700.00	<b>2015</b>
<b>Sam Sherratt School</b>	<b>470</b>	\$850.00	<b>2015</b>
<b>E.W. Foster School</b>	<b>300</b>	\$850.00	<b>2015</b>
<b>Martin St. School</b>	<b>300</b>	\$850.00	<b>2015</b>
<b>Holy Rosary School</b>	<b>421</b>	\$850.00	<b>2015</b>
<b>École Saint-Nicolas</b>	<b>325</b>	\$850.00	<b>2015</b>
<b>Escarpment View</b>	<b>1112</b>	\$1,700.00	<b>2016</b>
<b>Robert Baldwin School</b>	<b>345</b>	\$850.00	<b>2016</b>
<b>W.I. Dick School</b>	<b>450</b>	\$850.00	<b>2016</b>
<b>Hitherfield School</b>	<b>350</b>	\$850.00	<b>2016</b>
<b>Lumen Christi ES</b>	<b>980</b>	\$1,700.00	<b>2016</b>
<b>Our Lady of Victory School</b>	<b>700</b>	\$850.00	<b>2016</b>
<b>St Peter Elementary</b>	<b>898</b>	\$1,700.00	<b>2016</b>
<b>New School - Catholic</b>		\$1,700.00	<b>2016</b>
<b>New School - Public</b>		\$1,700.00	<b>2016</b>

September 2014 to December 2014	
-	\$5,100.00
January 2015 to June 2015 -	\$5,100.00
September 2015 to December 2015	
-	\$4,250.00
January 2016 to June 2016 -	\$4,250.00
September 2016 to December 2016	\$7,650.00



#### **4.0-Staff-52**

**Ref: Exhibit 4, p. 19 (Table 4-10)**

This table shows Wage Increases by year from 2011 to 2016 for both unionized and Non-Union Staff. Increases in both these areas are in the 2.6% annual range. Ontario CPI as published by the Ontario Ministry of Finance, shows an inflation rate averaging 1.85% over the same time period. Please explain why Milton Hydro's wage increases are so much higher than Ontario inflation over that time period.

**Response:**

In 2012, Milton Hydro negotiated a 4 year contract ending December 31, 2016 with its bargaining unit. In order to remain competitive in the GTA and retain staff, particularly the Journey/Lineman classification, the terms of the negotiated settlement was as follows:

Effective January 1, 2013 - negotiate general wage increase of 2.6%  
ten cents (10 cents) increase to the Journey/Lineman classification

Effective January 1, 2014 - negotiate general wage increase of 1.5%  
Effective July 1, 2014 - negotiate general wage increase of 1.1%  
ten cents (10 cents) increase to the Journey/Lineman classification

Effective January 1, 2015 - negotiate general wage increase of 1.5%  
Effective July 1, 2015 - negotiate general wage increase of 1.2%  
ten cents (10 cents) increase to the Journey/Lineman classification

Effective January 1, 2016 - negotiate general wage increase of 1.5%  
Effective July 1, 2016 - negotiate general wage increase of 1.2%  
ten cents (10 cents) increase to the Journey/Lineman classification

Non-Union staff wages are reviewed against internal and external comparators.



#### **4.0-Staff-53**

**Ref: Exhibit 4, p. 20**

Under Benefit Costs, Milton Hydro refers to an agreement with Green Shield Canada for an Administrative Services only contract and references a surplus of \$23,505 at May 31, 2015. Please explain the reasons for pursuing the Green Shield contract and what savings have been realized and savings expected to realized in the future, compared to previous practices.

**Response:**

In 2011, Milton Hydro went out to market with its benefit plan. At the time, Milton Hydro had a fully insured plan with Great West Life. During the 5 year period, March 1, 2005 to February 28, 2010, Milton Hydro saw continued benefit increases of 25% to 35% while its Loss Ratio averaged 69.1%.

Under Green Shields Canada's Administrative Services Only ("ASO") plan Milton Hydro's cost have been based on actual benefit claims plus an established administration fee (ie. self-insuring) approximating 12% of paid claims. The Budgeted ASO administration rate has been held consistent during the period resulting in a premium savings for Milton Hydro of approximately 17% or \$27,000 which is allocated through the payroll burden across capital and OM&A.

The surplus as at October 15, 2015 is \$9,543 based on the claims activity since May 2015.



#### 4.0-Staff-54

#### Interrogatory:

Ref: Exhibit 4, p. 20

Under Service Locates, Milton Hydro refers to the 2011 actual costs for service locates which were lower than the 2011 OEB approved by \$110,122, and goes on to state that Milton Hydro's 2011 forecast was for 6,790 locates, while the actual number of locates performed was 5,085 accounting for \$90,000 in reduced contract costs.

- a) Please provide a schedule of the number of service locates performed from 2011 to forecast 2016 and the cost associated with those locates.
- b) Why has the number of service locates changed over the 2012 to 2016 period?

#### Response:

- a) Milton Hydro has provided a schedule of the number of service locates performed from 2011 to 2016 Test Year and the average cost per locate.

**Summary of Underground Locate Costs**

Description	2011 Test Year	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge Year	2016 Test Year
Locate Costs	\$ 357,898	\$ 248,976	\$ 260,967	\$ 270,236	\$ 325,163	\$ 333,000	\$ 345,000
# Locates performed	6,790	5,085	5,690	5,878	6,454	6,761	7,069
% increase # Locates and calls	0.0%	-25.1%	11.9%	3.3%	9.8%	4.8%	4.6%
Average Cost per locate	\$ 52.71	\$ 48.96	\$ 45.86	\$ 45.97	\$ 50.38	\$ 49.25	\$ 48.81

- b) Locates are an on demand service provided by Milton Hydro. Milton Hydro estimates the change in the number of locates is a result of the growth being experienced by the Town of Milton including locates related to the development process and road widening projects initiated by the road authority.



#### 4.0-Staff-55

**Ref: Exhibit 4, p. 20**

Under Customer Premise Maintenance costs, Milton Hydro refers to the increase in costs in 2014. Staff notes that these costs increased by approximately 30% from 2001 approved and continue at that level to the test year level of \$258,634.

- a) Please provide a schedule of the number of Customer Premise Maintenance calls received from 2011 to forecast 2016 and the cost associated with these calls.
- b) Why have Customer Premise Maintenance calls changed over the 2012 to 2016 period?
- c) Why did these calls increase to this extent from 2011? Is Milton Hydro taking any steps to address the number of calls they are receiving?

**Response:**

- a) Milton Hydro did not track the number of Customer Premises calls from 2011 to 2015. Milton Hydro did track the cost associated with Customer Premises calls, below is the cost incurred for Customer Premises calls.

2011 CGAAP	2012 CGAAP	2013 CGAAP	2013 MIFRS	2014 MIFRS	2015 MIFRS
\$259,853	\$253,966	\$243,473	194,746	\$286,277	\$281,999

- b) Milton Hydro relates the increase in costs associated with Customer Premise calls to the growth being experienced by the Town of Milton. The increase in Milton's population has resulted in a corresponding increase in Milton Hydro' customer count. Milton Hydro's customer count has increased from 30,485 customers at the end of 2011 to approximately 36,000 customers at the end of October 2015.



- c) Commencing in 2016 Milton Hydro will be tracking Customer Premises calls in greater detail in order to determine the drivers of Customer Premise calls. Once this information is available Milton Hydro will be able to determine if there are any steps Milton Hydro can take to minimize Customer Premises calls.



#### 4.0-Staff-56

**Ref:** Exhibit 4, p. 20, (Table 4-26)

OEB staff notes that Milton Hydro has recovered OPEBs in rates previously.

- a) For each year since the onset of the recovery of OPEBs, please indicate if OPEBs were recovered on a cash or accrual accounting basis.
- b) Please complete the table below to show how much more than the actual cash benefit payments, if any, have been recovered from ratepayers from the year Milton Hydro started recovering amounts for OPEBs.

OPEBs	First year of recovery to 2011	2012	2013	2014	2015	2016	Total
Amounts included in rates							
OM&A							
Capital							
Sub-total							
Paid benefit amounts							
Net excess amount included in rates greater than amounts actually paid							

- c) Please describe what Milton Hydro has done with the recoveries in excess of cash benefit payments, if any.

#### Response:

- a) For each year since the onset of recovery, the OPEBs have been recovered on an accrual accounting basis.
- b) Milton Hydro retains a consultant to perform an Actuarial Valuation of Post Retirement



Non-Pension Benefits at least every 3 years. All employees who retire from the Corporation are eligible for post-retirement life insurance benefits. The Corporation pays 100% of the cost of the insurance benefits. The annual cost approximates \$10,000 to \$11,000; the difference between the actual amount accrued and recovered from rate payers, and the actual cash benefit payments of \$6,800 is not material to Milton Hydro's 2016 Cost of Service Application which has a materiality of \$86,000

c) See part b) above.



#### **4.0-Staff-57**

**Ref: Exhibit 4, p. 21**

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

- a) Please provide an accounting of how the total Meter Reading costs will be affected by these moves to realize this saving.
- b) How will the investment in WiMAX affect the overall meter reading costs?

**Response:**

- a) At the time of submitting its rate application, Milton Hydro envisioned a savings of \$168,860 in Meter Reading costs associated with bringing the AMI function in-house. Milton Hydro's contract with Trilliant, signed in 2007, expires on December 31, 2015. The contract outlined the cost of the AMI software (Servviewcom - \$118,750) and outlined the associated annual cost for support (\$17,813; 15% of the software cost). Milton Hydro submitted its rate application under the terms set in the contract.

Milton Hydro was recently advised by Trilliant that Milton Hydro would require a software and firmware maintenance and support agreement. The explanation for the change is "In recent years, the AMI industry has shifted to place more value on the software that runs in both the head end system and on the devices in the field. Trilliant has followed this trend and now charges for software maintenance for both the head end system as well as the operating software (firmware) on the network field equipment. The current price for full software maintenance and support totals \$108,600 USD per year (CDN \$131,000). This consists of \$28,000 USD per year for the head end system, and \$80,600 USD per year for M&S on the device firmware. This is based on 35k meters, 561 repeaters and 86 collectors."

Accordingly, the \$168,860 savings in meter reading costs is offset by the increase in the



software and firmware maintenance and support agreement. Costs for 2016 are now estimated to be in line with 2015 Projected Costs.

	2015P	2016TEST	2016 Budget
DIRECT LABOUR	\$ 72,800	\$ 132,038	\$ 107,154
OLAMETER - Probing	\$ 22,302	\$ 23,946	\$ 23,946
TRILLIANT - AMI	\$168,277	\$ -	
SOFTWARE MTCE CONTRACT	\$ 28,868	\$ 31,827	\$ 161,562
Subcontract	\$ 3,495	\$ -	
<b>TOTAL METER READING</b>	<b>\$ 295,742</b>	<b>\$ 187,812</b>	<b>\$ 292,662</b>

- b) Once Milton Hydro's investment in WiMAX is completed and the full conversion over to the WiMAX is done it is anticipated that nearly all cell costs will be removed as the backhaul communication will be via the WiMAX network as opposed to the cellular system. Conversion of Milton Hydro's system over to this network should increase customer public relations and reduce field checks for failed calls, defective equipment etc. The savings are approximately \$40,000 once implemented.



#### **4.0 – Staff 58**

**Ref: Exhibit 4, pp. 27**

Under Meter Expense, Milton Hydro shows an increase in this category of Operations cost of 29% from 2014 and 150% from 2011 approved costs. Please provide a detailed explanation for these increases and whether there is a relationship between this expense and Meter Reading expense referred to above.

**Response:**

Expenditures in 2016 are \$269,924 and \$102,142 higher than 2011 approved costs and 2014 Actual costs respectively. This is primarily due to the addition of two (2) metering technicians hired in 2011 and increased meter testing and certification work, as well as higher meter service provider costs.

In 2016, there are 500 meters scheduled for reverification testing, and that number has grown from 2014 levels since that is when many of the residential meters will be due for reverification. Additional meter maintenance costs incurred are associated with maintaining communications with the smart metering system and the metering MV-90 system required for Meter Inside Settlement Timeline (MIST) meters. In some cases, communication systems experience failures or interference that must be investigated in order to resolve the issues. The metering function also incurs additional maintenance costs associated with operating and maintaining wholesale revenue metering. Additional maintenance costs are incurred in troubleshooting and resolving various meter communication issues associated with trouble reports that involve failed meters and in various customer dispute investigations. In addition, Milton Hydro's meter service provider costs have increased since 2011. These costs fluctuate from year-to-year and are dependent on the number of trouble calls experienced.

There is no relationship between the metering cost explained above and Meter Reading expenses.



#### 4.0-Staff-59

**Ref: Exhibit 4, p. 21**

Under Load Dispatching, Milton Hydro discusses its decision to contact with Guelph Hydro for control room services and mentions an increase of \$149,617. Please provide a schedule of the Load Dispatching/Control Room costs from 2011 to 2016. Please provide a full rationale and business case for the decision to contract with Guelph Hydro for these services and the expected savings from this decision.

#### **Response:**

Please refer to the interrogatory 2.0 – Staff 22 above.

Milton Hydro has provided a schedule of the Load Dispatching/Control Room costs for 2014 to 2016 below. Milton Hydro would note that there were no costs incurred prior to 2014.

		2014	2015	2015	2016
		Actual	to date (Oct 2015)	Proposed	Budget
<b>Load Dispatching</b>	Direct Labour	1,405	7,959	7,959	
	Guelph Hydro	5,479	50,000	50,000	150,000
	Communications Tower/shelter space		11,100	15,800	18,600
	<b>Total</b>	<b>6,884</b>	<b>69,059</b>	<b>73,759</b>	<b>168,600</b>



#### **4.0-Staff-60**

**Ref: Exhibit 4, p. 21**

Under Tree Trimming, Milton Hydro discusses its ice storm experience and the increase in tree trimming costs since 2011. Milton Hydro indicates that it also approved a change to its tree trimming specifications in May 2014 in response to the number of outages and concerns expressed by customers.

- a) Please outline how the specifications have change, the rationale for the changes and the cost impact of these changes to the tree trimming budget.
- b) In light of the additional tree trimming performed after the ice storm, why do the tree trimming costs for 2016 increase by 16% from 2014 levels?
- c) Can Milton Hydro provide any statistical evidence that it has achieved productivity gains in tree trimming/vegetation management over the past 5 years?

**Response:**

- a) Included below are copies of Milton Hydro's 2010 Tree Trimming Specification and the 2014 Tree Trimming Specification.

The revised specification includes updated administrative details such as the division of responsibilities between Milton Hydro and the Customer. Specifically the specification clarifies that customers are responsible for all tree trimming requirements associated with privately owned lines. The revised specification also details Milton Hydro's responsibility to manage vegetation in proximity to Milton Hydro owned electrical power lines.

Specific to tree trimming practices, the revised specification delivers additional detail defining:

- 1) Minimum trimming requirements that incorporate tree growth rates and tree trimming cycle times so as to prevent trees from growing into power lines prior to the next trimming cycle



- 2) Clearance requirements that differentiate between branches and tree trunks (with no branches)
- 3) A requirement to remove any diseased or other high risk trees that may fall onto Milton Hydro's power lines (including trees beyond the minimum clearance requirements)

The additional details associated with tree trimming requirements are summarized in Table 1, reproduced below.

**Table 1 - Tree Clearances from Overhead Lines**

<b>TREE GROWTH RATE</b>	<b>PRIMARY DISTRIBUTION LINES</b>			<b>SECONDARY LINES</b>
	<b>Growth below conductor (m)</b>	<b>Growth parallel with conductor (m)</b>	<b>Growth overhang of conductors (m)</b>	<b>Growth from all directions (m)</b>
Extremely Fast	3.0	3.0	6.0	1.0
Fast	2.5	2.5	5.0	1.0
Medium	2.0	2.0	4.0	1.0
Slow	2.0	2.0	3.0	1.0
Minimum clearance from Milton Hydro's power lines to Tree Trunks that are clear of branches shall be 1.0 m – provided all other clearance requirements in Table 1 are satisfied.				
For transformers and drop leads the clearance requirements stipulated above shall apply except that the minimum clearance requirement for all growth rates shall be 3 meters.				

- b) In response to concerns voiced by rural customers resulting from weather related outages Milton Hydro revised its tree trimming specification to include additional requirements specific to individual tree species and to differentiate tree trimming requirements depending on the portion of the tree in proximity to Milton Hydro's distribution lines (there are different requirements for tree branches compared to tree trunks). To ensure the requirements associated with the revised tree trimming specification were effectively delivered within the same timeframe as the previous specification, Milton Hydro increased the tree trimming expenditure to reflect the modifications associated with the revised tree trimming requirements.



- c) Milton Hydro recognizes that tree trimming practices are regulated by both occupational safety requirements associated with working around energized power lines and actual tree trimming standards and requirements as established by professional arboriculture organizations. Within this context Milton Hydro tenders out its tree trimming results and realizes efficiencies through the competitive bid process. Historically Milton Hydro has awarded all tree trimming contracts to the qualified low bidder.



#### **4.0-Staff-61**

**Ref: Exhibit 4, p. 22**

**Interrogatory:**

*Under Rent-Lawson Road, Milton Hydro indicates the reduction in rent costs due to the move to the new building. The rental costs for the 2015 bridge year are \$328,664 which move to zero in 2016. However, building expenses cost are \$406,153 in 2016.*

- a) Please provide the rationale and business case for the decision to purchase/renovate the new building and the additional costs incurred, compared to the previous rental building.
- b) Please provide a summary of any operational savings that the new building will generate.
- c) Please provide a summary of the expenses included in the \$406,153.

**Response:**

- a) Milton Hydro's lease expired November 2014. The landlord extended the lease for one year to November 2015 after which time the landlord required the building back for his own purposes. There was no alternative but to find another location. Also, please see the response to OEB Staff interrogatory 4.0 – Staff 62.
- b) Milton Hydro does not anticipate any operational savings from the new building. Milton Hydro anticipated a savings of \$66,558 at the time of preparation its Application were premature. Milton Hydro expects costs to increase for insurance, property taxes and operational costs such as cleaning, utilities, grounds maintenance, etc.
- c) Milton Hydro has provided a summary of the building expense adjusted for the property taxes due to a change in the property assessment as well as updated 2016 forecasts. Please refer to Energy Probe's interrogatory 4-Energy Probe-31 for the property tax assessment.



2016 Test Year - Building Expenses		
Labour and Materials		41,685
Subcontracting -	Snow Removal	
	Lawn Maintenance	
	Janitorial Services	
	Security System Maintenance	106,000
Taxes		119,949
Hydro, Water, Sewer		200,000
<b>Total Building Expenses - 2016 Test Year</b>		<b>467,634</b>



#### **4.0-Staff 62**

**Ref: Exhibit 4, p. 22 and Exhibit 1, p. 30**

With regard to the new building (200 Chisholm):

- a) What was the square footage in the previous building and what is the square footage of the new building?
- b) How many staff (FTEs) were accommodated in the previous building and what number can be accommodated in the new building?
- c) What percentage of the building is dedicated to administration as opposed to service work/operations?
- d) Please calculate the sq. footage/ FTE number.
- e) Please detail and explain any benchmarks and standards that were adopted in determining space requirements and costs for the facility, including space per employee, cost per sq. ft., number of meeting rooms, operational savings, energy efficiency etc.
- f) Was the new building constructed with future expansion in mind? To what degree?
- g) What was the size of the lot in the previous building and what is the size of the lot in the new building?
- h) What was the cost of the land for the new building?
- i) Were any sites combined and consolidated in the new building? Can Milton Hydro define any efficiency gains due to the combining of sites?
- j) Is the new building certified to a certain construction efficiency standard?
- k) Will Milton Hydro experience lower operating costs as a result of this move to a renovated building? If so, how much?



**Response:**

- a) The square footage of Milton Hydro's Lawson Road premise is 41,000 square feet and the new Administration and Service Centre building is 91,828 square feet.
- b) There are 59 FTEs in Milton Hydro's current building and the new building will accommodate up to 100 FTEs.
- c) The new building has 47.5% of the work space dedicated to administration and office space with 52.5% of the work space dedicated to the service centre/operations.
- d) The new building has 1,493 square feet per FTE or 1,064 square feet per FTE of office/administrative square feet which includes work stations, offices, open space, meeting rooms, lunch room, boardroom and the front lobby.
- e) Milton Hydro visited a number of other buildings with office and warehouse space to assess its own requirements. It was determined that approximately 60,000 square feet would meet Milton Hydro's current needs for up to ten years after which time an expansion would be required based on growth projections. Land and building costs were estimated to be in the range of \$15 million to \$17.5 million depending on site location. Land availability and value were also a consideration as costs ranged from \$250,000 per acre to as high as \$600,000 per acre, however many available parcels were outside the development zone of the Town of Milton. With Milton Hydro's requirement to re-locate being of a short term nature, many of the site options were not feasible. Any land within the Town was held by developers (real estate trusts) and as indicated in the reference to SEC's interrogatory 1-SEC-14 below, there was no interest in severing off a small parcel for Milton Hydro as the construction in Town is mainly warehousing facilities of 400,000 square feet and up. Zoning, severance, deep services and development charges were contributing factors.

Milton Hydro's staff and relocation committee ultimately determined that the property at 200 Chisholm, while larger than initially required, was the best option available as this site would accommodate future growth without requiring additional capital expenditures to construct an expansion to the building. The building was constructed for manufacturing with the quality of construction exceeding any current building standards that Milton Hydro could afford to build today.



The purchase price of \$158 per square foot which includes renovation costs of \$101 per square foot were lower than any costs incurred by other distributors based on a review of previous applications and interrogatory responses. Renovations include a new roof over the warehouse, new energy efficient windows and lighting and a geothermal heating/cooling system, five meeting rooms for staff, auditors, contractors and one boardroom.

Details are provided in the attachment to SEC's interrogatory 1-SEC-14 – RELOCATION COMMITTEE DOCUMENTS.

Description	Head Office & Whse	Milton Office
	Milton	Renov. Only
Capital Cost Land & Building	\$14,500,000	4,421,235
Square footage Bdlg.	91,828	43,618
FTE Employees - 2016 Test Year	61.5	41
Gross sq. ft per employee	1493	1064
Capital Cost / gross sq. ft.	\$158	\$101

- f) By purchasing an existing building and renovating to meet Milton Hydro's needs, the building came in at the same cost as a new smaller building that Milton Hydro would have constructed with expansion capability for the future. Therefore, the building at 200 Chisholm is expansion ready and the cost of adding additional employees is not expected to be a significant impact on Rate Base and therefore the customers.
- g) Milton Hydro's current lease property is 4.02 acres and the new property on Chisholm Drive is 7 acres.
- h) The land for the building has been appraised \$4,040,000 and is included in Milton Hydro 2014 financial statements.
- i) Milton Hydro owned property at the corner of Main Street and Fifth Line which was being used for outside storage. Chisholm Drive has sufficient space to house the outside storage so the property at Main and Fifth was sold. Milton Hydro expects to gain efficiencies for its line crews as all material will be stored at 200 Chisholm thereby saving time in travelling to a second yard.



- j) The existing building was constructed to LEED Silver standards however it was not certified.
- k) Milton Hydro does not expect lower operating costs.



**4.0-Staff 63**

**Ref: Exhibit 1, p. 32**

Milton Hydro indicates that it will sell its Main and Fifth property.

- a) When will this property be put up for sale?
- b) When is a sale anticipated?
- c) When will the revenue offset of the sale be provided to rate payers?

**Response:**

- a) The property at Main and Fifth is sold.
- b) The property sold in December 2015.
- c) The revenue offset of the sale has been included in the updated RRWF as below:

<b>Land - Main St &amp; Fifth Line</b>	
Appraised Value	2,400,000
Cost	2,218,530
Gain on disposition	181,470
Appraisal Cost	4,602
Legal Cost	918
Net Gain	175,950
<b>Ratepayers 50%</b>	<b>87,975</b>



#### **4.0-Staff 64**

**Ref: Exhibit 4, p. 22**

Under Maintenance (Meter, Overhead Lines, Line Transformers, Underground Conductor) 2016 costs are some 27% less than those in 2014. Please provide a rationale for the reduced costs in these four areas.

**Response:**

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

Over the last five (5) years Milton Hydro has undertaken a significant amount of underground conversion projects of its primary underground system to 27.6 kV which has resulted in a reduction in primary cable faults. This system renewal work accounts for the decrease in maintenance costs of (\$90,082) in the 2016 Test Year compared to 2014.



#### **4.0-Staff 65**

**Ref: Exhibit 4, p. 25 (Table 4-13)**

Under Billing and Collections, Milton Hydro shows a 10% increase in 2014, 8% in 2015 and 3.5% in 2016.

- a) Please provide a rationale for the increases in each year.
- b) What is the status of Milton Hydro's transition to monthly billing?
- c) To what extent has Milton Hydro been able to gain efficiencies in its Billing and Collections activities, including the transition to monthly billing and increased e-billing?

**Response:**

- a) The increases are explained as follows:

2014 – the increase of \$159,800 is mainly comprised of the following:

- Direct Labour increase (\$88,000) includes one additional Customer Service/Billing Clerk and hourly rate increases as negotiated in Collective Agreement
- Increased collection agency support to 1.5 agents from 1.0 (\$23,000)
- Credit Insurance premium increase (\$14,000)
- Postage increase in line with growth and rate increase (\$17,000)
- Software increase (\$20,000)

2015 – the increase of \$132,700 is mainly comprised of the following:

- Direct Labour increase (\$70,000) includes one additional Customer Service/Billing Clerk and hourly rate increases as negotiated in Collective Agreement
- Bad Debt increase due to a large customer bankruptcy (\$20,800)
- Credit Insurance premium increase (\$8,100)
- Postage increase in line with growth and rate increase (\$21,000)

2016 – the increase of \$66,100 is mainly comprised of the following:

- Direct Labour increase (\$70,000) includes the full year of the AMI operator and a full year of the Customer Service/Billing Clerk and hourly rate increases as negotiated in Collective Agreement



- No similar Bad Debt as was experienced in 2015(- \$20,800)
- b) Milton Hydro has been monthly billing since before it incorporated in 2000.
- c) Effective November 1, 2014, Milton Hydro transitioned to e-billing for all new customers. New customers are only provided a paper bill on request. As of November 15, 2015, Milton Hydro has 9,400 (25.9%) of its customers on e-billing representing an annual savings of approximately \$80,000 in postage. Milton Hydro continues to encourage its existing customers to transition to e-billing through bill inserts, notice on the website, advertising the benefits on its rate card and running e-billing contests.



#### **4.0-Staff-66**

**Ref: Exhibit 4, p. 32**

The applicant did not show any relevant studies of its proposed increases in compensation/headcount on the basis of compensation benchmarking, or any other external comparators, and appears to have justified its proposed increases solely on the basis of its anticipated needs without any specific reference to any external comparators. Please explain what analyses and data the Applicant has used to derive its proposed compensation per headcount for the bridge and test years.

**Response:**

Milton Hydro participates in and initiates a variety of criteria to benchmark its staff levels.

1. As required, Milton Hydro submits data to the OEB for inclusion in the OEB Yearbook of Electricity Distributors. Milton Hydro compares itself with similar, like-size, and local LDCs for FTE's based on total number of customers. This information is presented to Milton Hydro's Board of Directors as part of the budget approval process.
2. Milton Hydro participates in the MEARIE Compensation Survey on an annual basis.
3. Milton Hydro will also, on an informal basis, email surveys within its Human Resource Group to other LDCs for department structure, staff levels, job descriptions, policies, procedures, as required.
4. The process for increasing staff within Milton Hydro requires an assessment of staffing needs as part of the budget process which then requires multiple approvals, including the President and CEO and Board of Directors.



#### **4.0– Staff 67**

**Ref: Exhibit 4, pp. 33 and pp. 34 (Table 4-16)**

On page 1, Milton Hydro states that staffing levels will increase from 54 FTEs in 2014, to 58 FTE in 2015 and then up to 61.5 FTE in 2016. This is an increase of almost 14% over a two year period. Milton Hydro also shows a corresponding 16% increase in total employee compensation for the test year relative to the 2014 actual levels. Board staff notes that average customer numbers increase 6.9% over the same period.

- a) Please provide a detailed explanation of this increase in FTEs. What objectives has the applicant established for its operations?
- b) Does Milton Hydro have an overall formal staffing strategy?
- c) In particular, why are two new Metering Technician positions required (2011- 2016), considering meter automation.
- d) Why are 3.5 Powerline Technicians needed for succession planning?
- e) Please provide specific information on why the proposed cost increases are necessary for the applicant to achieve the objectives that the applicant has targeted in the capital and operating expenditure sections of its application, and the alternative methods for achieving these objectives that were considered and rejected in favour of the proposed headcount and compensation increases.

**Response:**

- a) Milton Hydro's objectives requiring increases in staffing levels are to ensure that its Strategic Areas of Focus are met as set out in EXHIBIT 1 at page 20. This is accomplished by ensuring the right people are hired and the staffing levels are such that the operations of Milton Hydro are efficient and effective maximizing the number of customers served by its staff while maintaining/meeting the OEB's Service Quality Indices. Milton Hydro's objectives include:
  - System reliability, reduce both number and duration of system outages.
  - Maintain a high level of customer service and meet the OEB SQIs.



- Proactive communications and education for customers.
- Top quartile of customers served per employee.
- Above average OM&A per customer.

Position	Type	Objective
<b>2015</b>		
Communication Specialist	New position	During 2013 ice storm and as supported by the Customer Engagement Survey, Milton Hydro fell short in its communication with customers. The new position is responsible to deliver corporate communication strategies designed to enhance the image and reputation of the company. Multiple communication strategies and channels will be employed to enlighten all stakeholders; to proactively address and mitigate issues. The position will also be used in CDM related activities
AMI Operator	New Positon	Decision to take the AMI function in-house as contract with Trilliant expires December 31, 2015; position will takeover MV90 function being performed by Meter Technicians who are better utilized in field
Network Administrator	New position	Continued growth in the Milton community required adequate IT resources with specialized skill set
Customer Service/Billing Clerk	Additional resource	Continued growth in the Milton community; ensure SQI at least maintained or improved
<b>2016</b>		
SCADA Technician (Engineering)	New position	Requirement for additional skill set as smart grid initiatives are enhanced
Powerline Technician	Additional resource	Continued growth in the Milton community; reduce the level of overtime; succession planning
Human Resource Specialist	New position	Continued growth in the Milton community required adequate human resources; specialized skill set required as staff level increases

b) Milton Hydro's Vision & Values statement identifies one of its Strategic Areas of Focus on People & Culture focusing on retaining, recruiting, and developing the right people in the right roles as a highly skilled workforce. Our aim is delivering safe, reliable and efficient services to its customers at fair and reasonable rates. Our focus is on best practices, innovative solutions, and new technologies which is expected to result in improved operating efficiencies and translate to (i) increased capacity within the organization; (ii) the avoidance of future costs; and (iii) realized cost savings.



Milton Hydro continues to keep its staff level at > 600 customers per employee which remains at one of the highest levels compared to other LDCs of similar customer size. Milton Hydro continues to contract out most of its capital work and where it makes sense, will contract out work such as collections.

As part of Milton Hydro's strategic planning & forecasting, Milton Hydro assesses its manpower requirements by identifying any new positions or skill sets required. During the budget process the decision is made on the timing of any new manpower additions. If the position is determined to be of a short term requirement, Milton Hydro will look at options such as contracting for the work. If the position is determined to be a full time long term requirement, then the position would be a FTE. The longer term improvements with respect to the RRFE outcomes will require higher skilled employees being hired to implement new initiatives and ensures the need for these positions is long-term.

- c) The two new Metering Technicians were hired due to the expected increased activity in metering maintenance (see response from 4.0 – Staff 58) and implementing/maintaining our new WiMax/WiFi communication system and commencing in 2016, taking over the mesh network maintenance from Trilliant.
- d) Table 4-16 indicates that from 2011 to 2016, there will be a net increase in Powerline Technicians of 3.5. The need for additional linemen relates to continued residential growth in the Milton area and for succession planning due to the aging of Milton Hydro's lineman and the length of time it takes to become a full Powerline Technician/Leadhand/Operations Supervisor. In 2015, two Powerline Technicians retired including one Leadhand and one Operations Supervisor. From 2016 to 2018, it is expected that two Operations Supervisors will retire, one Leadhand and one Powerline Technician.
- e) The proposed cost increases are necessary if Milton Hydro is to meet it's objectives of completing it's capital work and maintenance programs. The continued residential growth in the Milton Area combined with more frequent large outages due to severe weather has definitely introduced some challenges with our current headcount. Milton Hydro does use alternate methods in achieving these objectives by utilizing external contractors to complete some of its work program while maintaining workforce flexibility



and controlling costs. Several examples of the types of operations work that Milton Hydro currently contracts out include:

- line construction/maintenance
- forestry,
- insulator washing
- switchgear cleaning
- infrared testing
- wood pole testing
- cable locates
- engineering design
- civil construction
- installation of underground hydro plant equipment
- repair of secondary faults and restoration

Milton Hydro will continue to review its resourcing strategy and utilize opportunities to use external contractors where appropriate.



#### **4.0-Staff-68**

##### **Interrogatory:**

**Ref: Exhibit 4, Attachment 4-4 Income Tax PILs Workform and Chapter 2 Appendix 2-BA for 2016 MIFRS**

Total amortization on the PILs workform for 2016 is \$3,516,702 ((line 104: 3,384,642; line 105: \$132,060). This does not match the depreciation and amortization per Appendix 2-BA for 2016, which is \$3,292,486.

Please explain the discrepancy and update the evidence as applicable.

##### **Response:**

The difference in the 2016 total amortization on the PILS Workform of \$3,516,702 and the depreciation and amortization per Appendix 2-BA of \$3,292,486 is the fully allocated amounts charged to Transportation, Stores and Measurement & Testing Equipment totaling \$224,216. No evidence update is required.



#### 4.0-Staff-69

**Ref: Exhibit 4, p. 10, p. 54, Table 4-32**

Milton Hydro indicates that the one-time costs of this application are \$615,800 which compare to the one-time costs in 2011 of \$224,500, an increase of 174%. Please provide an itemized breakdown of these totals, for 2011 and 2016 with rationales for the increase in each item. And please also define line 10 in Table 4- 32 for both years.

#### **Response:**

Milton Hydro has provided an itemized breakdown of the totals for 2011 and 2016 in the Table below.

Milton Hydro has determined that a more rigorous review of its 2016 Cost of Service Application is required in order to comply with the RRFE and filing guidelines including the Chapter 5 requirements for the Distribution System Plan ("DSP"). In addition Milton Hydro is responsible for the OEB's expert consultant's review of its DSP which was not required in 2011. Milton Hydro has also allowed legal, consulting and intervenor costs which will be required as a result of the detailed "Issues List" that must be addressed either through written or oral hearings.

Line	Description	2011 Cost of Service	2015 Bridge Year	2016 Test Year
4	Expert Witness costs			
5	Legal costs	58,500		202,200
6	Consultants' costs	66,000		173,600
7	Incremental operating expenses associated with staff resources allocated to this application.			
8	Incremental operating expenses associated with other resources allocated to this application. OEB Expert Engineering Consultant -DSP	-		100,000
10	Customer Engagement total and amortized over 2 years			
11	Intervenor costs	100,000		140,000
	Total	224,500		615,800

In 2011 Milton Hydro included newspaper advertng costs for its Application and costs related to



the anticipated preparation of the GEGEA Application and related proceedings in Line 10 of Table 4-32. In 2016 Milton Hydro has included the costs of undertaking the OEB required customer engagement in Line 10 of Table 4-32. As this is a two year requirement Milton Hydro included 50% of the actual costs of conducting the customer engagement as an ongoing cost.



#### 4-Energy Probe-21

**Ref: Exhibit 4, pages 9-10 & Table 4-32 & Table 4-1**

- a) Please indicate what the year to date actual costs incurred are for each of the one-time costs shown in Table 4-32. Please confirm that Milton Hydro has not included any of these costs in the 2015 forecast of OM&A expenses shown in Table 4-1. If this cannot be confirmed, please indicate the amount included in 2015.
- b) What was the OEB's total annual assessment for 2015?

**Response:**

- a) Milton Hydro has provided the following table which includes the year to date costs for each of the one-time costs shown in Table 4-32. Milton Hydro confirms that it has not included any of these one-time costs in the 2015 forecast of OM&A expenses shown in Table 4-1.

Line	Description	2015 Bridge Year	2016 Test Year	2015 Actual to Date	Amortized Over 5 Years
4	Expert Witness costs				
5	Legal costs		202,200	44,927	40,440
6	Consultants' costs		173,600		34,720
7	Incremental operating expenses associated with staff resources allocated to this application.				
8	Incremental operating expenses associated with other resources allocated to this application. OEB Expert Engineering Consultant -DSP		100,000		20,000
10	Customer Engagement total and amortized over 2 years				
11	Intervenor costs		140,000		28,000
	Total		615,800	44,927	123,160

- b) Milton Hydro's total OEB assessment for 2015 was \$86,785.



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



- b) Milton Hydro missed adding the fourth new position of Customer Service Representative (CSR) in Exhibit 4, page 17, lines 3 through 7. The new position of Customer Service Representative was included in Exhibit 4, page 39, lines 10 through 15.



#### **4-Energy Probe-23**

**Ref: Exhibit 4, page 26**

Milton Hydro has included a cost of \$150,000 associated with load dispatching, of which \$100,000 is paid to Guelph Hydro. Please explain the other \$50,000 in relation to overtime, connection costs, etc.

**Response:**

This reference refers to the variance between the 2016 Test Year and the 2011 OEB-Approved balances. In October 2014 Milton Hydro contracted with Guelph Hydro for control room services for \$50,000 for 16 hours per day of coverage and expects to have Guelph Hydro provide 24/7 coverage in 2016 for \$150,000. The amount on lines 29 to 30 on page 26 should be \$150,000.



#### **4-Energy Probe-24**

**Ref: Exhibit 4, page 22 & Table 4-8 & Table 4-13**

- a) Please explain more fully the accounting around the ice storm. In particular, in what year did Milton Hydro include the \$935,000 in related costs in OM&A? If these costs were not included in OM&A, where were they included?
- b) The adjustment shown in Table 4-8 shows an incremental expense of \$500,000 in 2013 and 2015 and a reduction of \$1,000,000 in 2014. Does this mean that the actual OM&A was \$500,000 lower in 2013 and 2015, and \$1,000,000 higher in 2014 than shown?
- c) Please reconcile the adjustment in Table 4-8 with the adjustment shown in Table 4-13 in 2013 and 2014 only.
- d) Please provide a version of Table 4-8 assuming the no provision for non-recovery of the December 2013 ice storm was made.

**Response:**

- a) Milton Hydro did not include the ice storm costs in OM&A. The ice storm costs of \$935,507 plus carrying costs of \$11,460 for a total recovery of \$945,967 was recorded in USoA 1572 – Extraordinary Event Cost.
- b) Milton Hydro filed its Application for recovery of ice storm related restoration costs on April 15, 2014. In discussion with its auditors Milton Hydro recorded a provision of \$500,000 in 2013 to reflect the possible uncertainty of recovering all the ice storm costs. The OEB approved Milton Hydro's Z-Factor Application on October 16, 2014. Milton Hydro reversed the provision of \$500,000 recorded in 2013 as the recovery requested was approved in full. The Table 4-8 is the OM&A cost drivers and therefore included the 2013 cost driver of the provision in the amount of \$500,000; the reversal of the provision in 2014 which impacts the drivers table by \$1,000,000; with the change in drivers reflected in 2015 for the \$500,000 and a total cost driver of \$0.
- c) Table 4-8 is the cost driver table which begins with the OM&A balance from the previous year and builds on the costs that impact the current year balance which then is carried forward to the following year to build on. Table 4-13 is the actual variance year over



year and does not accumulate the totals but rather starts with a zero OM&A balance as the accounts for OM&A are cleared to zero each year end.

- d) Milton Hydro has provided a version of Table 4-8 with no provision for non-recovery of the December 2013 ice storm as requested in the interrogatory. Milton Hydro would note that this is a cost driver table and the net impact of the ice storm cost driver year over year is zero and therefore the 2015 Bridge Year Closing Balance will not change.

OM&A Drivers	(last rebasing year)2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
<b>Opening Balance</b>	6,300,000	6,396,763	6,761,992	7,935,973	9,043,897	10,053,141
Wages, Salaries, Progressions and Benefits	- 43,832	242,907	- 156,525	232,457	467,949	211,865
Employee Future Benefits	47,965	- 3,350	- 20,578	10,906	- 19,836	627
Incentive Plan	- 35,879	23,507	34,392	- 6,918	6,202	16,360
Management Fees	- 14,867	- 23,557	7,799	- 11,283	35,115	5,346
Board of Directors Stipends & Expenses	39,228	38,534	6,004	13,740	6,172	5,999
<b>Customer Focus Drivers</b>						
Service Locates	- 110,122	11,991	9,269	54,926	7,838	12,000
Customer Premise Maintenance	63,466	- 5,887	- 59,220	91,531	- 4,277	
Monthly Billing	- 8,151	- 3,800	- 2,735	- 11,504	11,792	5,530
Postage	- 11,736	23,032	7,653	17,731	6,916	11,720
Training Seminars	- 6,909	- 18,136	31,607	16,397	- 2,145	21,446
Meter Reading - Trilliant/Olameter	- 42,827	- 24,197	43,773	- 5,585	5,001	- 168,860
Bad debts	- 17,876	13,417	34,378	820	- 23,740	22,600
<b>Operational Effectiveness Drivers</b>						
Audit/Legal	5,990	16,264	1,440	46,554	- 17,378	- 20,000
Bank Charges	3,991	146	3,448	3,533	33,648	1,331
Meter Maintenance	27,891	- 722	74,396	- 13,375	15,550	- 32,280
Pole Maintenance	31,638	52,494	10,251	- 11,724	- 78,468	3,876
Transformer Station - operating & maintenance costs	- 23,733	52,358	- 55,643	- 9,291	25,355	33,887
Load Dispatching				6,884	149,617	- 6,501
Tree Trimming	245,862	- 68,565	- 34,198	157,983	47,163	10,538
Ice Storm 2013			-	-	-	
Rent at 8069 Lawson	- 6,139	45,167	4,019	- 32,743	- 30,694	- 328,664
Computer Services/Software Maintenance	- 9,554	125,166	9,279	51,343	- 9,258	12,083
Security Audit		6,000	- 19,000	43,100	- 23,100	-
Consulting -Safety Team "7" - Springboard Services				65,000	3,866	3,556
Consulting -Financial System Upgrade				28,000	150,000	- 150,000
Building maintenance/taxes	43,333	- 18,272	7,734	109,017	160,054	- 19,370
Maintenance of OH & UG conductors	- 41,271	20,653	- 34,186	177,161	- 81,415	29,573
Maintenance of Line Transformers	5,010	- 71,635	- 10,638	61,846	- 47,450	8,984
<b>Public Policy Drivers</b>						
Regulatory costs	- 662	- 52,217	- 5,333	26,913	- 15,607	146,260
Impact of Overhead Capitalization Policy Change on OM&A			1,273,132	- 11,627	- 40,035	234,375
<b>Other Under Materiality</b>	- 44,053	- 16,069	13,463	6,132	270,409	- 179,143
<b>Closing Balance</b>	\$ 6,396,763	\$ 6,761,992	\$ 7,935,973	\$ 9,043,897	\$ 10,053,141	\$ 9,903,387



#### 4-Energy Probe-25

#### Interrogatory:

Ref: Exhibit 4, Tables 4-14 & 4-15

- a) Please expand Table 4-14 to add two lines that show the amount of total compensation included in the OM&A expense and the total compensation that is capitalized each year.
- b) Please add a column to Table 4-15 that shows the most current number of FTE's for the 2015 bridge year.

#### Response:

- a) Milton Hydro has added two lines to Table 4-14 to show the amount of total compensation included in the OM&A expense and the total compensation that is capitalized each year.

**Table 4-14**

#### Employee Costs (FTE's) -Revised

	Last Rebas Year - 2011- Board Approved	Last Rebas Year - 2011- Actual	2012 Actuals	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
<b>Number of Employees (FTEs including Part-Time)<sup>1</sup></b>							
Management (including executive)	18.0	17.0	18.0	19.0	19.0	23.0	23.0
Non-Management (union and non-union)	31.0	29.0	30.0	33.0	33.0	36.0	38.5
Total	49.0	46.0	48.0	52.0	52.0	59.0	61.5
<b>Total Salary and Wages including overtime and incentive pay</b>							
Management (including executive)	\$ 1,965,522	\$ 1,953,244	\$ 2,172,666	\$ 2,333,609	\$ 2,524,891	\$ 2,728,936	\$ 2,835,004
Non-Management (union and non-union)	\$ 1,842,833	\$ 1,959,794	\$ 2,088,708	\$ 2,252,661	\$ 2,548,170	\$ 2,689,210	\$ 2,979,967
Total	\$ 3,808,355	\$ 3,913,038	\$ 4,261,374	\$ 4,586,270	\$ 5,073,061	\$ 5,418,146	\$ 5,814,971
<b>Total Benefits (Current + Accrued)</b>							
Management (including executive)	\$ 379,772	\$ 398,185	\$ 468,402	\$ 513,418	\$ 510,350	\$ 589,216	\$ 584,562
Non-Management (union and non-union)	\$ 408,784	\$ 376,852	\$ 442,227	\$ 470,029	\$ 527,265	\$ 615,852	\$ 676,678
Total	\$ 788,556	\$ 775,037	\$ 910,629	\$ 983,447	\$ 1,037,615	\$ 1,205,068	\$ 1,261,239
<b>Total Compensation (Salary, Wages, &amp; Benefits)</b>							
Management (including executive)	\$ 2,345,294	\$ 2,351,430	\$ 2,641,068	\$ 2,847,028	\$ 3,035,241	\$ 3,318,152	\$ 3,419,566
Non-Management (union and non-union)	\$ 2,251,617	\$ 2,336,645	\$ 2,530,935	\$ 2,722,690	\$ 3,075,434	\$ 3,305,062	\$ 3,656,645
Total	\$ 4,596,911	\$ 4,688,075	\$ 5,172,003	\$ 5,569,717	\$ 6,110,675	\$ 6,623,214	\$ 7,076,210
<b>Total Compensation Incl in OM&amp;A (incl Benefits)</b>							
Total Compensation Incl in OM&A (incl Benefits)	\$ 3,303,187	\$ 3,469,175	\$ 3,775,562	\$ 4,354,531	\$ 5,132,967	\$ 5,379,155	\$ 5,660,676
<b>Total Compensation Incl in Capital</b>							
Total Compensation Incl in Capital	\$ 1,293,724	\$ 1,218,899	\$ 1,396,441	\$ 1,215,186	\$ 977,708	\$ 1,244,059	\$ 1,415,534
Total	\$ 4,596,911	\$ 4,688,075	\$ 5,172,003	\$ 5,569,717	\$ 6,110,675	\$ 6,623,214	\$ 7,076,210



b) Milton Hydro has updated Table 4-15 that shows the most current numbers of FTE's at Nov 30, 2015.

New employees hired to date:

- AMI Operator
- Network Administrator
- Engineering Technician (GIS)

**Table 4-15**

**Full Time Employees by Department at Year End (Revised)**

Department	2011 OEB Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge Year	2015 Actual to Nov 2015	2016 Test Year
Executive	3	3	3	4	5	5	5	5
Financial Services	7	5	6	6	6	7	6	8
Customer Service Representatives	10	11	11	11	11	12	11	12
Engineering/Operations	13	11	11	11	11	11	12	12
Information Technology	2	2	2	3	3	4	4	4
Metering	3	4	4	4	4	5	5	5
Outside Lines People	11	10	12	12	14	14	14	15
<b>Total Employees</b>	<b>49</b>	<b>46</b>	<b>49</b>	<b>51</b>	<b>54</b>	<b>58</b>	<b>57</b>	<b>61</b>



#### **4-Energy Probe-26**

**Ref: Exhibit 4, Table 4-8 & page 22**

Please confirm that the increase in 2015 of \$150,000 for consulting - financial system upgrade and the resulting decrease of \$150,000 in 2016 means that this was a one-time cost. If this cannot be confirmed, please explain.

**Response:**

Milton Hydro confirms that the \$150,000 for consulting – financial system upgrade in 2015 is a one-time cost.



#### 4-Energy Probe-27

**Ref: Exhibit 4, Table 4-1**

Please provide the most recent year-to-date actual expenses for 2015 in the same level of detail as found in Table 4-1. In addition, please provide the figures for the corresponding period in 2014.

**Response:**

Milton Hydro has updated Table 4-1 to the most recent year-to-date actual expenses, being October 2015, and the corresponding expenses for the same period in 2014.

**Table 4-1**

**Summary of OM&A Increases – revised to include 2014 & 2015 Actual to October**

Description	2011 Board Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge Year	2016 Test Year	2014 Actual to Oct 2014	2015 Actual to Oct 2015
OM&A expenses									
Operation	876,809	794,422	972,346	1,853,447	2,040,211	2,374,628	2,477,284	1,702,656	1,795,813
Maintenance	1,019,951	1,260,827	1,237,774	1,697,522	961,416	1,226,470	1,257,528	1,122,645	1,145,308
Billing and Collections	1,818,688	1,660,292	1,805,605	1,912,502	2,071,191	2,288,854	2,194,699	1,644,818	1,744,930
Community Relations	10,679	5,020	3,260	11,752	19,679	19,755	20,071	17,949	17,505
Administrative and General Expenses	2,573,873	2,676,202	2,743,007	2,960,750	3,451,400	4,143,433	3,953,806	2,652,110	3,078,462
<b>Total OM&amp;A Costs</b>	<b>6,300,000</b>	<b>6,396,763</b>	<b>6,761,992</b>	<b>8,435,973</b>	<b>8,543,897</b>	<b>10,053,141</b>	<b>9,903,387</b>	<b>7,140,179</b>	<b>7,782,019</b>



**4-Energy Probe-28**

**Ref: Exhibit 4, page 43**

- a) Please provide a table that shows the amount of OPEBS included in OM&A for 2011 through 2016 based on the accrual basis that is included in the revenue requirement along with the expense actually incurred on a cash basis.
- b) How has Milton Hydro treated the difference between the accrual and cash amounts?

**Response:**

Please refer to OEB Staff interrogatory response 4.0 – Staff 56.



#### 4-Energy Probe-29

**Ref: Exhibit 4, page 46**

- a) Please break down the management fee paid to Holdings into the components noted at lines 24 to 26 on page 46.
- b) What administration, legal, audit and insurance services does Holdings provide to Distribution? Please explain for each of the items listed.
- c) Please provide a table that shows for 2011 through 2016 the costs associated with Milton Hydro Distribution's Board of Directors.

**Response:**

- a) Milton Hydro Distribution pays a management fee to Milton Hydro Holdings based on 98% of Holdings net cost incurred for carrying on Holdings company business which include such costs of Holdings as set out on lines 24 to 26 of page 46. These are costs incurred by Holdings and its financial records are not part of this Application.
- b) Please refer to a) above.
- c) Milton Hydro provides the following table which sets out the cost of associated with its Board of Directors:

2011	2012	2013	2014	2015	2016
78,123	120,884	126,663	143,310	150,333	157,225



#### 4-Energy Probe-30

**Ref: Exhibit 4, page 75**

- a) Please split Table 4-49 into tax credits associated with the Ontario Apprenticeship Training Tax Credit, Apprenticeship Job Creation Credits and the Ontario Co-operative Education Tax Credit.
- b) Please show the number of people that qualified for each of the credits in the years shown for each of the tax credits.
- c) Please confirm that none of the individuals that qualified for Ontario Apprenticeship Training Tax Credit in 2014 will be eligible in 2016. If this cannot be confirmed, please provide details.
- d) Please confirm that Milton Hydro does not plan on hiring any students that would qualify for the Ontario Co-operative Education Tax Credit in 2016. If this cannot be confirmed, please provide details.

#### **Response:**

- a) Milton Hydro has updated Table 4-49 to break out tax credit associated with the Ontario Apprenticeship Training Tax Credit, Apprenticeship Job Creation Job Credit and the Ontario Co-operative Education Tax Credit.
- b) Milton Hydro has included in Table 4-49 the number of people qualified for each of the credits each year.

**Table 4-49**

	Item		2011 Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge year	2016 Test Year
	Tax Credits		59,231	38,145	22,432	25,576	6,826	-	-
A)	Apprenticeship Job Creation Tax Credit		7,000	-	-	-	-		
	Apprenticeship Training Tax Credit		44,167	26,658	22,432	19,014	4,328		
	Ontario Co-operative Education Tax Credit		8,064	11,487	-	6,562	2,498		
			59,231	38,145	22,432	25,576	6,826		
B)	Apprenticeship Job Creation Tax Credit		4	0	0	0	0		
	Apprenticeship Training Tax Credit	# of people qualified	5	2	4	2	3		
	Ontario Co-operative Education Tax Credit	# of people qualified	4	4	0	2	1		



- c) Milton Hydro confirms that none of the individuals that qualified for the Ontario Apprenticeship Training Tax Credit in 2014 will be eligible in 2016.
- d) Milton Hydro confirms that it does not plan to hire any students that would qualify for the Ontario Co-operative Education Tax Credit in 2016.



#### **4-Energy Probe-31**

**Ref: Exhibit 4, Table 4-51**

- a) Please confirm that the property taxes shown in Table 4-51 are included in the OM&A costs shown in Table 4-1.
- b) Please provide the assessment and 2015 property tax bill associated with the new service centre and administration building by year.

**Response:**

- a) Milton Hydro confirms that the property taxes shown in Table 4-51 are included in the OM&A costs shown in Table 4-1. Milton Hydro also notes that it applied to the Town of Milton for a Property Reclassification from Industrial to Commercial in 2015 and was successful. As a result of this reassessment, Milton Hydro's revised 2015 Property tax Assessment was reduced to \$114,569 a difference in the 2015 Bridge amount of \$85,431. Milton Hydro's 2016 Test Year Property tax assessment is expected to be \$120,000, a difference in the 2016 Test amount of \$ \$87,030.
- b) Milton Hydro has included its 2015 property assessment notice and property tax bill associated with the new service centre and administration building following this interrogatory.



#### 4.0 -VECC -23

**Reference:** E4/pg. 17

- a) Please provide the reference to the customer concerns expressed during the customer engagement which led to the hiring of a communications specialist as referred to at the above reference.
- b) Has this position been filled?
- c) Please provide the business case that was made for the hiring of a human resource specialist.

**Response:**

- a) There are many references for improvements in communications when it comes to power outages; educating customers; assistance with conservation. Communication came up multiple times in the Innovative Research Group survey.

For example: Innovative Research Group page 9 – Areas for Improvement: “Residential participants were most concerned with communication and education regarding their electricity consumption. These participants felt they would benefit from accessing real-time data so they can better manage their monthly expenditures.”

Innovative Research Group page 18 – Improving Service of the Local Distribution System: “When asked how service could be improved, participants were focused on communication. What they felt to be lacking was real-time information regarding their consumption. Many participants say they are energy conscious, and do what they can to conserve, but the way the system is currently set up makes it hard for them to understand the impact this has on their bill.”

- b) This position has not been filled as of yet however interviews have taken place.
- c) Please refer to OEB Staff interrogatory 4.0 – Staff 67 for Milton Hydro’s staffing strategy.



#### 4.0 -VECC - 24

##### Reference E4/pg. 22

- a) *"Milton Hydro has increased its tree trimming costs going forward in response to concerns expressed by customers in the rural service area during a Town Hall"* Please provide a summary (including number of customers polled/interviewed) of the customer engagement from which Milton draws the conclusion most customers support the increased tree trimming program.
- b) Please provide the metric/outcomes by which Milton will assess the effectiveness of an increase in tree trimming.
- c) Please provide the amount budgeted for storm damage (or emergency projects) for each of 2011 through 2015 and for 2016.
- d) Please explain how the increase tree trimming is expected to reduce emergency and storm damage costs.

##### Response:

- a) Milton Hydro obtained its customer feedback and support primarily through a Town Hall meeting held April 16, 2014 at the Brookville Community Centre. At the Town Hall, attended by approximately 250 area residents and town councilors, Milton Hydro customers expressed a deep dissatisfaction with outages resulting from trees/tree branches falling on power lines. Customers indicated a preference for reduced power outages resulting from Adverse Weather and/or Tree Contacts. In response Milton Hydro adjusted its tree trimming program to reflect the feedback received from customers.
- b) Milton Hydro will assess the effectiveness of its tree trimming efforts by the change in the number of outages attributable to the Adverse Weather and Tree Contacts categories and by the feedback received from customers regarding Milton Hydro's tree trimming efforts.



- c) Milton Hydro had provided the following table setting out the amount budgeted for storm damage (or emergency projects) for each of 2011 through 2015 and for 2016.

	2011	2012	2013	2014	2015	2016
Budget	269,120	88,290	87,600	109,725	155,428	161,772
Actual	186,963	96,525	134,805	37,129	134,732 (projected)	n/a

- d) Milton Hydro expects the increase in tree trimming will minimize the possibility of tree related outages either as a direct Tree Contacts event or indirectly through the Adverse Weather category. Fewer outage calls resulting from fewer Tree Contacts or Adverse Weather related tree contacts will mean an avoidance of the associated outage costs.



#### **4.0-VECC-25**

**Reference: E4/pg. 53-54/ Regulatory Costs**

- a) Has the OEB notified Milton of any forecast costs it intends to charge as part of this application for the review of the DSP?
- b) If yes please provide the estimate provided and explain whether this cost is included in the forecast of regulatory costs as shown in Appendix 2-M.

**Response:**

- a) The OEB has not notified Milton Hydro of any forecast costs it intends to charge as part of this application for the review of the DSP.
- b) Milton Hydro has not received an estimate, however Milton Hydro has included \$100,000 for the OEB review of its DSP in Appendix 2-M.



#### **4.0-VECC-26**

**Reference:** E4/pg. 33/Table 4-14

- a) Please amend Table 4-14 to include two rows, one showing total compensation capitalized for each year and the other showing total compensation charged to OM&A in each year (i.e. the two new rows should sum to total compensation).

**Response:**

- a) Please refer to 4.0-Energy Probe- 25 for the amended Table 4-14, Appendix 2-K showing the requested changes.



**4.0-VECC-27**

**Reference: E4/pg. 34**

- a) Please identify the number and type of positions that are backfill/in-training as part of succession planning or for anticipated retirements.

**Response:**

- a) Milton Hydro had two Powerline Technicians retire in 2015 including one Leadhand and one Operations Supervisor. From 2016 to 2018, it is expected that two Operations Supervisors will retire, one Leadhand and one Powerline Technician. Milton Hydro will have three Powerline Technicians for succession planning for retirements.



#### 4.0-VECC-28

**Reference:** E4/pg. 33-//Table 4-14

- a) In 2011 the Board approved compensation costs which included 18 management positions. Please provide a list of these positions. For the 5 new positions created since that approval please provide a list of each new management position, the year the position was created and the responsibilities of that position.

**Response:**

- a) The 2011 Board Approved Management Positions are as follows:

1	President/CEO
2	VP Finance
3	Director Regulatory
4	Director Engineering
5	Director Operations
6	Assistant to President
7	Accounting Supervisor
8	Finance/Regulatory
9	Manager IT
10	IT Settlement Specialist
11	Supervisor Billing
12	Supervisor Customer Service
13	Operations supervisor
14	Operations supervisor
15	Project Manager Engineering
16	Manager Metering
17	Project Manager Engineering
18	Engineering Supervisor

Please refer to OEB 4.0 - Staff 67 for responsibilities of the new management positions created in 2015 & 2016.

The 5 new positions created since 2011 Approved Cost of Service are as follows:

- |      |   |
|------|---|
| 2013 | IT Administrator  |
| 2015 | Communications Specialist; AMI Operator (IT); Network Administrator |
| 2016 | HR Specialist   |



**4.0-VECC-29**

**Reference:** E4/pg. 40/

- a) Please provide the business case for the proposal to bring in-house the AMI system. If no business case was produced please explain how it was determined that the project would be more cost effective than the status quo.

**Response:**

- a) Please refer to OEB Staff interrogatory 4.0 – Staff 67



**4.0-VECC-30**

**Reference: E4**

- a) When did Milton complete its smart meter rollout?
- b) Please provide the incremental costs of operating smart meters in the first full year subsequent to the rollout.

**Response:**

- a) Milton Hydro completed its smart meter rollout in 2010.
- b) Milton Hydro did not track the incremental costs of operating smart meters in the first full year subsequent to the rollout.



#### **4.0 – VECC 31**

**Ref: E4**

- a) Does Milton provide manual meter reading services as part of its water billing service?
- b) If yes, please provide the number of electricity meters manually read in each of 2011 through 2016 and separately the number of water meters read in each of those years.

**Response:**

- a) Milton Hydro does not provide any meter reading services as part its water billing service.
- b) Milton Hydro has provided the number of electricity meters manually read from 2011 to November 2015.

2011 – 474 (data was recorded starting July, 2011)

2012 – 783

2013 – 2,083

2014 – 2,174

2015 – 2,538 (up to November)



#### 4.0-VECC-32

**Reference: E4**

- a) Please provide the fees paid to the EDA for each of the years 2011 through (forecast) 2016.
- b) If Milton purchases insurance products from the MEARIE Group please provide these costs for each of 2011 through 2016.

**Response:**

- a) Milton Hydro has provided the fees paid to the EDA for the years 2011 through (forecast) 2016 below.

	2011	2012	2013	2014	2015	2016
	Actual	Actual	Actual	Actual	Projected	Budget
<b>EDA Annual Fees</b>	40,000	42,200	49,300	56,469	62,200	65,222

- b) Milton Hydro purchases Comprehensive Liability and Vehicle Insurance products from the Mearie group shown below. The increase in Comprehensive Insurance in 2013 over 2012 is the additional insurance added for Privacy, Cyber and Network Security.

	2011	2012	2013	2014	2015	2016
<b>MEARIE INSURANCE PRODUCTS</b>	Actual	Actual	Actual	Actual	Projected	Budget
Comprehensive Liability	52,228	70,041	86,232	86,637	88,276	90,862
Vehicle Insurance	19,677	19,677	20,366	20,369	20,369	20,369
<b>Total</b>	<b>71,905</b>	<b>89,718</b>	<b>106,598</b>	<b>107,006</b>	<b>108,645</b>	<b>111,231</b>



#### **4.0-VECC-33**

**Reference: E4/pg. 57/Table 4-33**

a) Please explain the increase in depreciation in 2016 as compared to the average 2011-2014 for:

1. 1908 Building and Fixtures
2. 1930 Transportation Equipment
3. 1955 Communication Equipment

**Response:**

a) Milton Hydro has explained the increase in depreciation in 2016 as compared to the average 2011-2014 as follows:

1. Milton Hydro purchased a new building in 2015 (\$10,500,000) which accounts for the increase in USoA account 1908 and an increase in depreciation.
2. Milton Hydro for the years 2015 Bridge and 2016 Test added (\$1,040,000) in new vehicles which accounts for the increase in USoA account 1930 and an increase in depreciation.
3. Milton Hydro has included in its 2015 Bridge costs (\$1,139,000) for new communication equipment ie: automated switches and WIMAX which accounts for the increase in USoA account 1955 and an increase in depreciation.



#### **4.0 -VECC -34**

**Reference: E4/pages 78-83 and Attachment 4-6**

- a) With respect to Table 4-53, please confirm that for demand billed classes the amounts shown under "Summary of Units Lost" are billing kW and not kWh.
- b) Please provide a Summary of Units Lost that sets out the kWh by customer class and in total for each year.
- c) For demand-billed classes, please set out how the IESO (OPA) reported peak kW reduction was translated into billing kW and reconcile with the IESO (OPA) definition of peak.
- d) Please provide a schedule that sets out how the savings reported by the IESO (OPA) per Attachment 4-6 were assigned to customer classes.
- e) With respect to Table 4-53, please confirm that the volumetric rates shown for each year are a weighted average of the pre-May 1<sup>st</sup> and post-May 1<sup>st</sup> rates for the year.
- f) What is the basis for the "2014 Saved" values? In particular, what is the basis for assuming 100% persistence of savings reported for 2013?
- g) Does Milton plan on carrying the un-refunded Residential amount forward and factoring it into future LRAM claims?

**Response:**

- a) Milton Hydro confirms that for demand billed classes the amounts shown under "Summary of Units Lost" are billing kW and not kWh
- b) Milton Hydro has provided a Summary of Units Lost that sets out the kWh by customer class and in total for each year in the following table:



	2014 OPA Final Verified
	Net Savings
	<b>kWh</b>
<b>Residential</b>	
2011	556,986
2012	334,614
2013	366,668
2014	1,590,600
	<u>2,848,868</u>
<b>GS&lt;50</b>	
2011	242,642
2012	322,057
2013	427,098
2014	540,148
	<u>1,531,945</u>
<b>GS&gt;50</b>	
2011	2,187,089
2012	1,010,471
2013	1,745,780
2014	1,477,153
	<u>6,420,493</u>
<b>GS&gt;1000</b>	
2011	646,581
2012	275,364
2013	182,033
2014	237,702
	<u>1,341,680</u>
<b>GS&gt;5000</b>	
2011	101,708
2012	35,459
2013	356,647
2014	-
	<u>493,814</u>



- c) Milton Hydro has provided the following tables for demand-billed classes which set out how the IESO (OPA) reported peak kW reduction and how Milton Hydro translated the reported peak kW into billing kW. The IESO (OPA) definition of peak is the new peak demand savings from activity within the specified reporting period which is one year. Milton Hydro translates the annual peak into a total of monthly peaks for the year by multiplying by twelve months as the annual peak saved is also saved every month for Milton Hydro.

	kW	kW	kW	kW
GS 50 to 999 kW	513	513	513	513
		165	165	165
			297	297
				292
Billed is X12	513	678	976	1,267
	kW	kW	kW	kW
GS 1000 to 4999 kW	180	180	180	180
		44	44	44
			31	31
				39
Billed is X12	180	224	255	294
	kW	kW	kW	kW
Large Users	16	16	16	16
		3	3	3
			50	50
				-
Billed is X12	16	19	70	70

- d) Please refer to OEB Staff IR 9.0 – Staff 74

- e) Milton Hydro confirms that the volumetric rates shown for each year are a weighted average of the pre-May 1<sup>st</sup> and post-May 1<sup>st</sup> rates for the year.



- f) The “2014 Saved” values are taken from the IESO (OPA) Final Report. The IESO (OPA) Reports on savings over the year therefore if there are savings in 2013 they will persist into 2014.
  
- g) Milton Hydro will be updating its LRAM claim for this Application and based on the update there is \$9,593 of lost revenue due from the Residential class which is not enough to calculate a rate rider when based on over 300M kWh. Milton Hydro had not planned on carrying the Residential amount receivable forward and factoring it into future LRAM claims however it is a good idea to consider.



## **EXHIBIT 5 – COST OF CAPITAL AND CAPITAL STRUCTURE**

### **5.0-Staff-70**

**Ref: Exhibit 5, p. 5**

Milton Hydro indicates that beginning in October 2015, it will finance capital projects through long term debt issued by TD. As the rates on this debt were not available, Milton Hydro used the OEB's long term rate.

- a) Please provide an update on the status of this financial instrument and update Table 5-3.
- b) Please update Table 5-3 with the OEB's latest cost of capital parameters.
- c) Why were Infrastructure Ontario debt instruments not pursued for the debt to be held by TD?

### **Response:**

- a) As at December 1, 2015, Milton Hydro has yet to finalize its financing agreements with Infrastructure Ontario ("IO") or TD. IO and TD have agreed to sign a Pari Passu agreement place future borrowings with either TD or IO at its discretion subject to the Pari Passu agreement.

All documents are being reviewed by Milton Hydro's legal counsel. In addition, Milton Hydro will be required to enter into an ISDA (International Swaps and Derivatives Association, Inc.) Master Agreement (the "Agreement") with TD to allow Milton Hydro the opportunity to take advantage of interest swaps (lower rates, longer amortization period). A resolution is being presented at Milton Hydro's next board meeting on December 7, 2015. It is expected that the \$4.0M draw will be made from TD before year end subject to no further issues arising.

- b) Milton Hydro has updated Table 5-3 to reflect the OEB's latest cost of capital parameters. Milton Hydro has also updated the Promissory Note issued to Infrastructure Ontario on September 1, 2015 to reflect the actual interest rate of 3.31%, fixed for 25



years. Milton Hydro's weighted average interest will be updated and reflected in the RRWF filed upon completion of all interrogatories.

- c) Milton Hydro originally filed a loan application for \$12M with Infrastructure Ontario on May 21, 2014, for a 30 year, fixed rate loan for the new building and land purchase. Originally Milton Hydro was advised that the loan process would take 8 - 12 weeks. As a result of the continued delay, on September 15, 2014, Milton Hydro drew down \$7.8M on its existing Financing Agreement as a construction loan (current interest rate – 1.82%) to ensure funds were available for the purchase of the building (\$7.25M) and any architect/construction costs that were expended in advance of the financing agreement being approved by IO. The construction loan was converted to a promissory note on March 15, 2015 at an interest rate of 3.04% fixed for 25 years.

Infrastructure Ontario confirmed that the continued delay in processing our loan application was due to staff shortages in their credit processing department. On October 24, 2014, Milton Hydro was advised by IO that additional security would be required in the form of a Guarantee by the Town of Milton (the Shareholder) or an Assignment of Shares (of Milton Hydro Holdings Inc. in Milton Hydro). Neither Milton Hydro nor its Shareholder were interested in providing the said additional security and approached its financial institution, TD bank, for options.

During the fall of 2014, Milton Hydro staff had ongoing discussions with both TD and IO regarding the financing for the new building. IO confirmed that it will not allow Milton Hydro to break its loans with IO (the financing agreement says it is at the discretion of IO); however, IO proposed that to allow Milton Hydro more flexibility on the placement of future debt, it recommended a full pari passu arrangement between IO and TD. This would mean that all debt held by either IO or TD, including Lines of Credit and Letters of Credit would rank equal in all respects. After months of negotiations, both IO and TD agreed to the pari passu arrangement allowing Milton Hydro maximum flexibility in selecting either IO or TD for any future loans as opposed to being locked into only one lender.



**Table 5-3 (revised)**

**Debt Instruments**

Year 2011 OEB-Approved											
Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal Debt (\$)	Avg Principal Net of Paymts (\$)	Rate (%) (Note 2)	Interest (\$) (Note 1)	Additional Comments, if any
1		Town of Milton	Affiliated	Fixed Rate	1-Oct-01	on demand	\$ 14,934,210		5.32	\$ 794,500	
2		Infrastructure Ontario	Third-Party	Fixed Rate	1-Apr-10	14 yrs left	\$ 2,741,906		4.49	\$ 123,112	Amortized Semi Annual
3		Infrastructure Ontario	Third-Party	Fixed Rate	1-Apr-10	4 yrs left	\$ 235,000		3.02	\$ 7,097	Amortized Semi Annual
4		Infrastructure Ontario	Third-Party	Fixed Rate	15-Jul-10	24 yrs left	\$ 3,915,012		4.84	\$ 189,487	Amortized Semi Annual
5		Infrastructure Ontario	Third-Party	Fixed Rate	1-Dec-10	24 yrs left	\$ 2,925,000		5.00	\$ 146,250	Amortized Semi Annual
6		Infrastructure Ontario	Third-Party	Fixed Rate	1-Jun-11	25	\$ 3,037,200		5.00	\$ 88,585	
7										\$ -	
8										\$ -	
9										\$ -	
10										\$ -	
11										\$ -	
12										\$ -	
Total							\$ 27,788,328		4.85%	\$ 1,349,031	
Year 2011											
Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)		Rate (%) (Note 2)	Interest (\$) (Note 1)	Additional Comments, if any
1	Promissory Note	Town of Milton	Affiliated	Fixed Rate	1-Oct-01	on demand	\$ 14,934,210		7.25	\$ 1,082,730.23	
2	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	1-Apr-10	14 yrs left	\$ 2,880,057		4.49	\$ 123,093.90	Amortized Semi Annual
3	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	1-Apr-10	4 yrs left	\$ 285,000		3.02	\$ 6,984.19	Amortized Semi Annual
4	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	15-Jul-10	24 yrs left	\$ 4,000,000		4.84	\$ 190,698.61	Amortized Semi Annual
5	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	15-Sep-11	25	\$ 3,487,200		4.33	\$ 44,040.43	Amortized Semi Annual
6										\$ -	
7										\$ -	
8										\$ -	
9										\$ -	
10										\$ -	
11										\$ -	
12										\$ -	
Total							\$ 25,586,467		5.66%	\$ 1,447,547.36	
Year 2012											
Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)		Rate (%) (Note 2)	Interest (\$) (Note 1)	Additional Comments, if any
1	Promissory Note	Town of Milton	Affiliated	Fixed Rate	1-Oct-01	on demand	\$ 14,934,210		7.25	\$ 1,082,730.23	
2	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	1-Apr-10	13 yrs left	\$ 2,880,057		4.49	\$ 116,608.41	Amortized Semi Annual
3	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	1-Apr-10	3 yrs left	\$ 285,000		3.02	\$ 5,314.95	Amortized Semi Annual
4	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	15-Jul-10	23 yrs left	\$ 4,000,000		4.84	\$ 186,442.99	Amortized Semi Annual
5	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	15-Sep-11	24 yrs left	\$ 3,487,200		4.33	\$ 149,138.69	Amortized Semi Annual
6	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	1-Jan-12	25	\$ 2,550,000		3.92	\$ 87,016.81	Amortized Semi Annual
7	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	17-Sep-12	25	\$ 2,550,000		3.87	\$ 28,783.12	Amortized Semi Annual
8										\$ -	
9										\$ -	
10										\$ -	
11										\$ -	
12										\$ -	
Total							\$ 30,686,467		5.40%	\$ 1,656,035.20	

per gl



		Year		2013								
Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)		Rate (%) (Note 2)	Interest (\$)	(Note 1)	Additional Comments, if any
1	Promissory Note	Town of Milton	Affiliated	Fixed Rate	1-Oct-01	on demand	\$ 14,934,210		7.25	\$	1,082,730.23	
2	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	1-Apr-10	12 yrs left	\$ 2,880,057		4.49	\$	109,828.49	Amortized Semi Annual
3	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	1-Apr-10	22 yrs left	\$ 285,000		3.02	\$	3,595.04	Amortized Semi Annual
4	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	15-Jul-10	22 yrs left	\$ 4,000,000		4.84	\$	181,978.97	Amortized Semi Annual
5	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	15-Sep-11	23 yrs left	\$ 3,487,200		4.33	\$	145,611.95	Amortized Semi Annual
6	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	1-Jan-12	24 yrs left	\$ 2,550,000		3.92	\$	97,180.94	Amortized Semi Annual
7	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	17-Sep-12	24 yrs left	\$ 2,550,000		3.87	\$	97,391.11	Amortized Semi Annual
8	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	1-May-13	25	\$ 3,044,000		3.74	\$	75,664.46	Amortized Semi Annual
9										\$	-	
10										\$	-	
11										\$	-	
12										\$	-	
Total							\$ 33,730,467		5.32%	\$	1,793,981.19	
		Year		2014								
Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)		Rate (%) (Note 2)	Interest (\$)	(Note 1)	Additional Comments, if any
1	Promissory Note	Town of Milton	Affiliated	Fixed Rate	1-Oct-01	on demand	\$ 14,934,210		7.25	\$	1,082,730.23	
2	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	1-Apr-10	11 yrs left	\$ 2,880,057		4.49	\$	103,344.54	Amortized Semi Annual
3	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	1-Apr-10	1 yr left	\$ 285,000		3.02	\$	1,972.65	Amortized Semi Annual
4	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	15-Jul-10	21 yrs left	\$ 4,000,000		4.84	\$	177,691.13	Amortized Semi Annual
5	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	15-Sep-11	22 yrs left	\$ 3,487,200		4.33	\$	142,087.26	Amortized Semi Annual
6	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	1-Jan-12	23 yrs left	\$ 2,550,000		3.92	\$	94,091.11	Amortized Semi Annual
7	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	17-Sep-12	23 yrs left	\$ 2,550,000		3.87	\$	94,543.01	Amortized Semi Annual
8	Promissory Note	Infrastructure Ontario	Third-Party	Fixed Rate	1-May-13	24 yrs left	\$ 3,044,000		3.74	\$	110,915.65	Amortized Semi Annual
9	Promissory Note	Infrastructure Ontario	Third-Party	Fixed Rate	15-Jul-14	25	\$ 3,900,000		3.97	\$	70,963.75	Amortized Semi Annual
10	Construction Loan	Infrastructure Ontario	Third-Party	Variable Rate	15-Sep-14		\$ 7,800,000		1.661	\$	5,539.07	Monthly variable construction loan
11	Construction Loan	Infrastructure Ontario	Third-Party	Variable Rate	1-Oct-14		\$ 7,800,000		1.661	\$	10,798.19	Monthly variable construction loan
12	Construction Loan	Infrastructure Ontario	Third-Party	Variable Rate	1-Nov-14		\$ 7,800,000		1.607	\$	10,445.59	Monthly variable construction loan
13	Construction Loan	Infrastructure Ontario	Third-Party	Variable Rate	1-Dec-14		\$ 7,800,000		1.686	\$	10,958.47	Monthly variable construction loan
Total							\$ 45,430,467		4.22%	\$	1,916,080.65	
							check formula - removed the highlighted principal loans					
		Year		2015 Bridge		Per GL		\$ 43,488,850 reasonable considering principle payments made since 2010				
Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)		Rate (%) (Note 2)	Interest (\$)	(Note 1)	Additional Comments, if any
1	Promissory Note	Town of Milton	Affiliated	Fixed Rate	1-Oct-01	on demand	\$ 14,934,210		7.25	\$	1,082,730.23	
2	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	1-Apr-10	10 yrs left	\$ 2,880,057		4.49	\$	95,962.36	Amortized Semi Annual
3	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	1-Apr-10	0	\$ 285,000		3.02	\$	306.63	Amortized Semi Annual
4	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	15-Jul-10	20 yrs left	\$ 4,000,000		4.84	\$	172,798.37	Amortized Semi Annual
5	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	15-Sep-11	21 yrs left	\$ 3,487,200		4.33	\$	138,251.88	Amortized Semi Annual
6	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	1-Jan-12	22 yrs left	\$ 2,550,000		3.92	\$	91,453.79	Amortized Semi Annual
7	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	17-Sep-12	22 yrs left	\$ 2,550,000		3.87	\$	91,990.81	Amortized Semi Annual
8	Promissory Note	Infrastructure Ontario	Third-Party	Fixed Rate	1-May-13	23 yrs left	\$ 3,044,000		3.74	\$	107,997.86	Amortized Semi Annual
9	Promissory Note	Infrastructure Ontario	Third-Party	Fixed Rate	15-Jul-14	24 yrs left	\$ 3,900,000		3.97	\$	154,830.00	Amortized Semi Annual
10	Construction Loan	Infrastructure Ontario	Third-Party	Variable Rate	1-Jan-15		\$ 7,800,000		1.617	\$	10,509.70	Monthly variable construction loan
11	Construction Loan	Infrastructure Ontario	Third-Party	Variable Rate	1-Feb-15		\$ 7,800,000		1.232	\$	8,009.42	Monthly variable construction loan
12	Construction Loan	Infrastructure Ontario	Third-Party	Variable Rate	1-Mar-15		\$ 7,800,000		1.328	\$	4,316.71	Monthly variable construction loan
13	Promissory Note	Infrastructure Ontario	Third-Party	Fixed Rate	15-Mar-15	25	\$ 7,800,000		3.04	\$	187,720.00	Converted construction loan to Promissory Note
14	Promissory Note	Infrastructure Ontario	Third-Party	Fixed Rate	15-Jul-15	25	\$ 4,000,000		3.55	\$	65,083.33	Amortized Semi Annual
15	Promissory Note	Infrastructure Ontario	Third-Party	Fixed Rate	1-Sep-15	25	\$ 1,300,000		3.31	\$	14,343.33	Amortized Semi Annual
16	Term Loan	TD Bank	Third-Party	Fixed Rate	15-Dec-15	25	\$ 4,000,000		4.54	\$	7,566.67	Amortized Semi Annual
Total										\$	-	
							\$ 54,730,467		4.08%	\$	2,233,871.09	
		Year		2016 Test								
Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Avg Principal Net of Paymts (\$)	Rate (%) (Note 2)	Interest (\$)	(Note 1)	Additional Comments, if any
1												
2	Promissory Note	Town of Milton	Affiliated	Fixed Rate	1-Oct-01	on demand	\$ 14,934,210		4.54	\$	678,013.13	
3	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	1-Apr-10	9 yrs left	\$ 2,880,057		4.49	\$	129,314.56	Amortized Semi Annual
4	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	15-Jul-10	19 yrs left	\$ 4,000,000		4.84	\$	193,600.00	Amortized Semi Annual
5	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	15-Sep-11	20 yrs left	\$ 3,487,200		4.33	\$	150,995.76	Amortized Semi Annual
6	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	1-Jan-12	21 yrs left	\$ 2,550,000		3.92	\$	99,960.00	Amortized Semi Annual
7	Debenture	Infrastructure Ontario	Third-Party	Fixed Rate	17-Sep-12	21 yrs left	\$ 2,550,000		3.87	\$	98,685.00	Amortized Semi Annual
8	Promissory Note	Infrastructure Ontario	Third-Party	Fixed Rate	1-May-13	22 yrs left	\$ 3,044,000		3.74	\$	113,845.60	Amortized Semi Annual
9	Promissory Note	Infrastructure Ontario	Third-Party	Fixed Rate	15-Jul-14	23 yrs left	\$ 3,900,000		3.97	\$	154,830.00	Amortized Semi Annual
10	Promissory Note	Infrastructure Ontario	Third-Party	Fixed Rate	15-Mar-15	24 yrs left	\$ 7,800,000		3.04	\$	237,120.00	Amortized Semi Annual
11	Promissory Note	Infrastructure Ontario	Third-Party	Fixed Rate	15-Jul-15	24 yrs left	\$ 4,000,000		3.55	\$	142,000.00	Amortized Semi Annual
12	Promissory Note	Infrastructure Ontario	Third-Party	Fixed Rate	1-Sep-15	24 yrs left	\$ 1,300,000		3.31	\$	43,030.00	Amortized Semi Annual
13	Term Loan	TD Bank	Third-Party	Fixed Rate	15-Dec-15	25	\$ 4,000,000		4.54	\$	181,600.00	Amortized Semi Annual
14	Term Loan	TD Bank	Third-Party	Fixed Rate	15-Jan-16	25	\$ 4,000,000		4.54	\$	174,033.33	Amortized Semi Annual
Total							\$ 58,445,467		4.10%	\$	2,397,027.39	



## **5-Energy Probe-32**

**Ref: Exhibit 5, page 2 & Table 5-3**

- a) What is the current status of the loan from TD Canada Trust shown in Table 5-3 with a start date of October 15, 2015 with a principle amount of \$4 million?
- b) Lending rates from TD Canada Trust are expected to be in line with lending rates from Infrastructure Ontario, please explain why Milton Hydro has used the Board's current deemed interest rate of 4.77% for this loan.
- c) What is the current Infrastructure Ontario rate for an amortized loan with a term of 25 years?

### **Response:**

Please refer to OEB Staff interrogatory response 5.0–Staff 70. The Table 5-3 will be updated for the RRWF as per OEB direction.



### **5-Energy Probe-33**

**Ref: Exhibit 5, page 3 & Table 5-3**

- a) The evidence states that Milton Hydro is forecasting to borrow \$4 million from TD Canada Trust in January, 2016. However, Table 5-3 for 2016 shows a start date of July 1, 2016. Please reconcile.
- b) Please show how the interest amount of \$182,850 for this January or July, 2016 loan has been calculated (line 13 in 2016 table in Table 5-3).
- c) The evidence states that the construction loan of \$7.8 million was converted to a promissory note on March 16, 2015, but Table 5-3 shows a start date of September 1, 2015 in the 2015 and 2016 tables. Please reconcile.

**Response:**

- a) Milton Hydro confirms that July 2016 is the correct date.
- b) Milton Hydro calculated the interest at 4.77% on \$4,000,000 for 11.5 months.
- c) Milton Hydro converted the \$7.8 million construction loan to a promissory note on March 15, 2015.



## **5-Energy Probe-34**

### **Ref: Exhibit 5, Table 5-3 & RRWF**

The deemed long term debt in the RRWF for 2016 is about \$51.5 million (56% of rate base), whereas the forecast long term debt shown in Table 5-3 for 2016 is nearly \$58.5 million, or about 63.6% of rate base. Please explain the need for the additional debt forecast for October 15, 2015 and January/July, 2016 given that the existing debt is already almost equal to the deemed long term debt and the addition of the \$8 million will result in Milton Hydro significantly exceeding the deemed long term debt amount.

### **Response:**

Milton Hydro requires the additional debt forecast for October, which will now be December 15<sup>th</sup>, in order to pay for the renovations to the new Service Centre and Administration building and the draw in July 2016 (not January 2016) in order to finance Milton Hydro's capital expenditures in 2016.



## **5-Energy Probe-35**

**Ref: Exhibit 5, pages 4 & 8**

- a) Please provide a version of Table 5-4 that shows the difference between the deemed and forecasted long term debt for 2016.
- b) Please confirm that Milton Hydro is proposing to update the return on equity, the short term debt rate and the long term debt rate based on the cost of capital parameters to be used for January 1, 2016 rates as issued by the Board on October 15, 2015.
- c) Please update Table 5-3 to reflect any updates for debt issuances and costs as well as the Board's October 15, 2015 letter.

### **Response:**

- a) Milton Hydro has included the Table 5-4 in its Application using the 2016 forecasted long term debt.
- b) Please refer to OEB Staff interrogatory response 5.0 – Staff 70
- c) Please refer to OEB Staff interrogatory response 5.0 – Staff 70



**5-Energy Probe-36**

**Ref: Exhibit 5, Attachment 5-1**

- a) Is Milton Hydro able to pay off some or all of the promissory note to the Town of Milton?  
If yes, what is the penalty for doing so?
- b) If the response to part (a) is yes, has Milton Hydro had any discussions with a third party to replace the affiliate promissory note? If yes, please provide details. If no, please explain why not.

**Response:**

- a) Milton Hydro is not able to pay off some or all of the promissory note to the Town of Milton as the note is a demand note at the Town's discretion.
- b) The Town of Milton is earning interest at the rate of 7.25% and has not called the promissory note.



**5.0-VECC-35**

**Reference:** **E5/pg.5**

- a) Please provide an update on the status of the TD loans.
- b) Please provide the current rate for 25 year debt from TD.
- c) Please provide the rate comparison or due diligence which shows the negotiated agreements are at competitive rates.

**Response:**

- a) , b) and c) Please refer to OEB Staff interrogatory 5.0 – Staff 70



## **6-Energy Probe-37**

**Ref: Exhibit 6, Tab 1, Schedule 1**

Based on any corrections, changes or updates (such as the cost of power and the cost of capital parameter updates issued by the Board on October 15, 2015), please:

- a) Provide updated Tables 6-1 through 6-5,
- b) Provide an updated RRWF that includes the appropriate and necessary entries in the Tracking Form indicating the interrogatory response which is the basis for the change made. Please also provide the RRWF in electronic form.

### **Response:**

- a) Tables 6-1 to 6-5 are derived from the RRWF and therefore all the information will be included in the RRWF model and available once updated after all the interrogatories are responded to.
- b) Please refer to OEB Staff interrogatory 1.0 – Staff 2.



## **EXHIBIT 7 – COST ALLOCATION**

### **7.0-Staff-71**

**Ref: Exhibit 7, p. 11**

Milton Hydro states that for the 2016 test year, it prepared a more detailed breakout of assets into primary and secondary categories and also corrected the kilometers of road with distribution plant.

Milton Hydro also indicated that it had confirmed the impact of these changes by preparing a Cost Allocation Model using the new data and comparing this with the with the previous 2011 model.

- a) Please provide a rationale for why these inputs were not accurate in the model used to set 2011 rates.
- b) Please provide a summary of the results generated when the two model runs were completed. What was the impact on Revenue to Cost ratios?

### **Response:**

- a) Milton Hydro prepared its 2011 Cost Allocation Model based on its 2006 Informational Filing which did not allocate the underground assets into primary and secondary categories. The total underground assets used in 2011 were accurate. The kilometers of road with distribution plant used in the 2011 cost allocation model was consistent with the value used in the 2006 cost allocation model. In preparing the data for the 2016 cost allocation model staff determined that not all roads had overhead lines, in fact many roads had underground lines only, therefore the km of roads that have distribution lines was updated to include the underground lines.
- b) Milton Hydro confirmed the impacts of these changes by updating the 2016 cost allocation model with the 2006/2011 asset breakout and kilometer of road with distribution plant with results similar to the 2011 Cost Allocation Model. The results were tracked on a white board for comparison purposes, however the models were not saved once Milton Hydro understood how the changes flowed through to the current Cost Allocation Model.



## **7.0-Staff-72**

**Ref: Exhibit 7, p. 12 Table 7-9**

In proposing its Revenue to Cost ratios, what were Milton Hydro's reasons for moving the Residential Class to below 100%?

**Response:**

In proposing its Revenue to Cost ratios, Milton Hydro moved the residential class to 99.2% down from the previously approved 104.4% for two reasons: 1) the cost allocation model set the residential class to 96.7% if no changes were made and Milton Hydro believes this should be closer to 100%; and 2) moving the revenue to cost ratio closer to 100% provided the ability to adjust the other customer classes closer to the 100% revenue to cost ratio and maintain the total distribution revenue requirement.



**7-Energy Probe-38**

**Ref: Exhibit 7, page 5**

Please confirm that the reference to street light on line 10 should be unmetered and scattered.

**Response:**

Milton Hydro confirms that there should not be a reference to street light on line 10.



## 7.0 – Energy Probe-39

**Ref: Exhibit 7, Table 7-3 and Cost Allocation Worksheet I7.1**

Please explain why some residential customers have:

- a) smart meters - central metered,
- b) smart meters - network,
- c) demand without IT, and
- d) demand with IT and interval capability.

In providing an answer, please provide a description of each of the above meter types.

**Response:**

- a) Some of the homes that Milton Hydro has are either large estate homes and or heat with electricity. Some of Milton Hydro's services also supply multiple buildings on the property with the energy consumption being measured by one meter. Due to the service size, the only possible way to measure their energy is via a central metered service. This service consists of a meter and a current transformer.
- b) Most of Milton Hydro's condominium services use a network meter. This meter varies from the standard smart meter in that it has an additional point of contact. (Most smart meters have 4 points of contact). This extra connection point is required to ensure that Milton Hydro measures the energy accurately and comply with Measurement Canada regulations.
- c) Milton Hydro has apartments built above strip malls etc. The electricians chose to wire the entire building as a commercial application as opposed to wiring the apartments as residences. On account of this, commercial meters are required as the sockets the meters plug into are wired differently and residential meters would not fit. These Meters typically have 7 stabs to connect to as opposed to the 4 stabs found on residential meters. As these services are below 200 amperes in size, no instrument transformers (IT's) were required. Residential services are not billed demand.



- d) Milton Hydro has some large estate homes. Due to energy usage expectations, the owners chose to request 3 phase power as opposed to single phase. As three phase power is a commercial form of power, a commercial meter is required to measure it's energy correctly. Because the service size is over 200 amperes, current transformers are also required. The meters used here are wired to the instrument transformers (ITs) as opposed to a socket based meter such as above which plugs into the meter base. Residential services are not billed demand.



## **7-Energy Probe-40**

**Ref: Exhibit 7, page 6**

The evidence indicates that each meter reading system requires an employee to operate the meter reading systems and push the data for billing purposes.

- a) Is the reference to each meter reading system the AMI and MV90 systems?
- b) How many customers are read using the AMI system and how many are read using the MV90 system?

**Response:**

- a) The reference is made to each meter reading system, the AMI and MV90.
- b) There are approximately 34,000 meters read through the AMI system and approximately 2,200 meters read through the MV90 system. Note that meters are read through both these systems and not customers.



## 7-Energy Probe-41

### Ref: Exhibit 7, Table 7-9

- a) Please explain why Milton Hydro proposes to reduce the revenue to cost ratios for the GS > 1000 and Large User classes to 106% rather than to the top of the respective policy ranges of 120% and 115%.
- b) Please explain why Milton Hydro proposes to increase the revenue to cost ratios for the street lighting and sentinel lighting classes to the bottom of the policy ranges (80%) rather than to a higher level.
- c) Please explain why Milton Hydro proposes to change the revenue to cost ratios for the GS < 50, GS > 50 and USL classes despite the fact that they are already within the policy ranges.

### Response:

- a) Milton Hydro proposes to reduce the revenue to cost ratios for the GS > 1000 and Large User classes to 106% rather than to the top of the respective policy ranges of 120% and 115% in order to better match the revenues to the costs of servicing these classes.
- b) Milton Hydro proposes to increase the revenue to cost ratios for the street lighting and sentinel lighting classes to the bottom of the policy ranges (80%) rather than to a higher level in order to maintain consistency with the previous approved ranges except that the bottom range was 70% and Milton Hydro is proposing 80%.
- c) Milton Hydro proposes to change the revenue to cost ratios for the GS < 50, GS > 50 and USL classes despite the fact that they are already within the policy ranges in order to better match the revenues to the costs of servicing these classes.



## 7-Energy Probe-42

**Ref: Exhibit 7, Table 7-9**

- a) Please consider the following scenario. The revenue to cost ratios for the GS > 1000 and Large Use classes is reduced from the status quo figures shown to 120% and the GS < 50 ratio is maintained at the status quo ratio of 109.76%.

If the revenue to cost ratios for the remaining rate classes (residential, GS > 50, street lighting, sentinel lighting and USL) were set equal to one another, what would this revenue to cost ratio need to be in order to be revenue neutral?

- b) What is the maximum increase in the revenue to cost ratios for each of the street lighting and sentinel lighting classes so that the total bill impact in 2016 does not exceed 10%?

### **Response:**

- a) Milton Hydro has changed the revenue to cost ratios for the GS > 1000 and Large Use classes to 120% and the GS < 50 ratio is maintained at the status quo ratio of 109.76% resulting in a revenue to cost ratio of 97.6% for the residential, GS > 50, street lighting, sentinel lighting and USL customer classes.
- b) The maximum increase in the revenue to cost ratios for street lighting is 75.2% and sentinel lighting is 38.4% in order that the total bill impact in 2016 does not exceed 10%?



## 7.0 – VECC –36

### Reference: E7/pages 3-7

- a) Is the verification/validation of meter reading data part of the Billing & Collecting activity or part of the Meter Reading activity?
- b) If part of the Meter Reading activity, how do the proposed weighting factors (Table 7-4) account for the fact that for small volume customers the IESO performs the verification/validation activity?
- c) The Cost Allocation model reports the number of connections and the number of devices for Street Lights as both being 3,199 (Tab I6.2). Please confirm that all Street Light devices are individually connected to Milton's secondary system (i.e., there is no "daisy chaining").
- d) Is the break-out of assets as between primary and secondary based on physical allocators (e.g., # of poles, # of km of conductor and #km of conduit associated with primary vs. secondary)? If yes, how was the cost differential between primary vs. secondary facilities factored into the weightings?

### Response:

- a) Part of the verification/validation of meter reading data is done automatically through the MDM/R and the MV90 systems followed up by exception lists as part of the Billing & Collecting activity.
- b) See part a)
- c) Milton Hydro street lights are daisy chained and therefore the number of connections is the number of connections at the transformer or pedestal.
- d) The break-out of assets was based on physical allocators such as the # of poles and the # of km of conductor. The break-out represents the percent of total installed plant percentage and not cost based.



## **7.0 – VECC –37**

### **Reference: E7/page 12 and Appendix 2-P**

- a) What could the R/C ratio for Street Lighting be increased to and still be the bill impact (per Table 8-18) to no more than 10%?
- b) Why is the ratio for GS<50 being reduced to 106% when the status quo value is less than the Board's upper limit of the Board's policy range and the resulting bill impacts are less than those for the Residential class?
- c) What is the revenue shortfall that arises if the R/C ratios for GS>1,000 to 4,999, Large Use, Street Lighting and Sentinel Lighting are all moved to limits of their respective policy ranges?
- d) Why are the R/C ratios for Residential, GS>50 to 999, and USL all being increased to 100% when lower values for each class would offset the shortfall noted in part (c)?

### **Response:**

- a) Please refer to the Energy Probe IR 7.0-Energy Probe-41 and 42.



## **EXHIBIT 8 – RATE DESIGN**

### **8.0 - Staff-73**

**Ref: Exhibit 8, Attachment 8-4**

Milton Hydro shows the rate/bill impact for a customer using 100 kWh per month. How many customers does Milton Hydro have at that consumption level?

**Response:**

Milton Hydro has 23 accounts with annual consumption of 100 kWh or less and of these 18 are vacant houses or businesses.



**8-Energy Probe-43**

**Ref: Exhibit 8, Table 8-6**

Please confirm that the current monthly fixed charge for the GS > 50, GS > 1000 and Large Use classes is already above the ceiling calculated in the cost allocation model.

**Response:**

Milton Hydro confirms that the current monthly fixed charge for the GS > 50, GS > 1000 and Large Use classes is above the ceiling calculated in the cost allocation model.



**8-Energy Probe-44**

**Ref: Exhibit 8, Table 8-13**

Is Milton Hydro aware of anything that resulted in the 2013 loss factor in the distribution system being significantly lower (less than 1%) compared to the 2.8% to 3.4% figures shown for the other years, while at the same time the supply facility loss factor was more than 1.0% in 2013, compared to about 0.2% in the other years?

**Response:**

Please refer to OEB Staff interrogatory 2.0–Staff 29



**8.0 –VECC – 38**

**Reference: E8/pages 15-17**

**Appendix 2-W**

**EB-2015-0294**

- a) Please provide an updated version of Appendix 2-W that reflects the planned elimination of the OCEB credit as well as the Debt Retirement charge for 2016; the new OESP charge to be implemented in 2016 and the reduction in the WMS charge for 2016 per EB-2015-0294.
- b) Based on the response to part (a) please provide a revised version of Table 8-18.

**Response:**

- a) Milton Hydro has revised Appendix 2-W in the Chapter 2 Appendices.
- b) As a result of the changes in part a) and other changes determined through the interrogatory process Milton Hydro has filed an updated Table 8-18 "Total Bill Impacts" with the OEB.



**8.0 –VECC – 39**

**Reference: E8/pages 10-11**

- a) Does the \$524,544 represent the total LV costs paid by Milton for 2014? If not, what was the value?
- b) Please clarify how the \$535,000 forecasted LV expense for 2016 was established.

**Response:**

- a) Milton Hydro confirms that LV costs paid in 2014 were \$524,544.
- b) Milton Hydro forecasted the LV expense for 2016 to be \$535,000 which is a 2% increase in the LV rates charged by Hydro One.



## **EXHIBIT 9 – DEFERRAL AND VARIANCE ACCOUNTS**

### **9.0-Staff-74**

**Ref: Exhibit 9, p. 5 LRAMVA Disposition**

Please provide a table that lists all the appropriate OPA CDM Initiatives that produced net CDM savings which were used in the LRAMVA calculations. For each rate class, please list all relevant CDM initiatives in the applicable year and provide the subsequent net CDM savings for each.

**Response:**

Milton Hydro has provided the following tables, by year that lists all the appropriate OPA CDM Initiatives that produced net CDM savings which were used in the LRAMVA calculations.



<b>2011</b>	<b>Annual</b>	
<b>Residential</b>	<b>Net kWh</b>	<b>Net kW</b>
Appliance Retirement	71,041	
Appliance Exchange	3,453	
HVAC Incentives	144,984	
Conservation Instant Coupon Booklet	157,697	
Bi-Annual Retailer Event	179,811	
Residential New Construction	-	
Home Assistance Program		
<b>Total</b>	556,986	
Volumetric Rate Used	0.0135	
<b>Lost Revenues</b>	7,501	
<b>GS&lt;50 kW</b>	<b>Net kWh</b>	<b>Net kW</b>
Retrofit	216,760	
Direct Install Lighting	25,882	
New Construction	-	
Energy Audit	-	
Small Commercial Demand Response	-	
<b>Total</b>	242,642	
Volumetric Rate Used	0.0164	
<b>Lost Revenues</b>	3,979	
<b>GS&gt;50 kW</b>	<b>Net kWh</b>	<b>Net kW</b>
Retrofit	1,540,509	4,000
New Construction	646,580	2,160
Energy Audit		
<b>Total</b>	2,187,089	6,160
Volumetric Rate Used		2.4361
<b>Lost Revenues</b>		15,005
<b>GS&gt;1000 kW</b>	<b>Net kWh</b>	<b>Net kW</b>
Retrofit		
New Construction	646,581	2,160
<b>Total</b>	646,581	2,160
Volumetric Rate Used		2.9483
<b>Lost Revenues</b>		6,368
<b>Large Use</b>	<b>Net kWh</b>	<b>Net kW</b>
Retrofit	101,708	196
<b>Total</b>	101,708	196
Volumetric Rate Used		2.4087
<b>Lost Revenues</b>		471



<b>2012</b>	<b>Cumulative</b>	
<b>Residential</b>	<b>Net kWh</b>	<b>Net kW</b>
Appliance Retirement	121,985	
Appliance Exchange	7,184	
HVAC Incentives	261,325	
Conservation Instant Coupon Booklet	165,660	
Bi-Annual Retailer Event	332,346	
Residential New Construction	-	
Home Assistance Program	3,100	
<b>Total</b>	891,600	
Volumetric Rate Used	0.0129	
<b>Lost Revenues</b>	11,472	
<b>GS&lt;50 kW</b>	<b>Net kWh</b>	<b>Net kW</b>
Retrofit	537,567	
Direct Install Lighting	27,132	
New Construction	-	
Energy Audit	-	
Small Commercial Demand Response	-	
<b>Total</b>	564,699	
Volumetric Rate Used	0.0167	
<b>Lost Revenues</b>	9,449	
<b>GS&gt;50 kW</b>	<b>Net kWh</b>	<b>Net kW</b>
Retrofit	2,550,980	5,982
New Construction	646,580	2,160
Energy Audit	-	-
<b>Total</b>	3,197,560	8,142
Volumetric Rate Used		2.4232
<b>Lost Revenues</b>		19,729
<b>GS&gt;1000 kW</b>	<b>Net kWh</b>	<b>Net kW</b>
Retrofit	274,740	517
New Construction	647,205	2,172
<b>Total</b>	921,945	2,689
Volumetric Rate Used		2.7577
<b>Lost Revenues</b>		7,416
<b>Large Use</b>	<b>Net kWh</b>	<b>Net kW</b>
Retrofit	137,167	232
<b>Total</b>	137,167	232
Volumetric Rate Used		2.2844
<b>Lost Revenues</b>		531



<b>2013</b>	<b>Cumulative</b>	
<b>Residential</b>	<b>Net kWh</b>	<b>Net kW</b>
Appliance Retirement	157,939	
Appliance Exchange	13,095	
HVAC Incentives	411,539	
Conservation Instant Coupon Booklet	209,692	
Bi-Annual Retailer Event	430,194	
Residential New Construction	-	
Home Assistance Program	35,809	
<b>Total</b>	<b>1,258,268</b>	
Volumetric Rate Used	0.0135	
<b>Lost Revenues</b>	<b>16,945</b>	
<b>GS&lt;50 kW</b>	<b>Net kWh</b>	<b>Net kW</b>
Retrofit	905,970	
Direct Install Lighting	37,344	
New Construction	-	
Energy Audit	48,483	
Small Commercial Demand Response	-	
<b>Total</b>	<b>991,797</b>	
Volumetric Rate Used	0.0169	
<b>Lost Revenues</b>	<b>16,761</b>	
<b>GS&gt;50 kW</b>	<b>Net kWh</b>	<b>Net kW</b>
Retrofit	3,486,729	7,567
New Construction	1,456,610	4,140
Energy Audit	-	-
<b>Total</b>	<b>4,943,339</b>	<b>11,707</b>
Volumetric Rate Used		2.4837
<b>Lost Revenues</b>		<b>29,076</b>
<b>GS&gt;1000 kW</b>	<b>Net kWh</b>	<b>Net kW</b>
Retrofit	291,362	572
New Construction	812,616	2,484
<b>Total</b>	<b>1,103,978</b>	<b>3,056</b>
Volumetric Rate Used		2.7251
<b>Lost Revenues</b>		<b>8,329</b>
<b>Large Use</b>	<b>Net kWh</b>	<b>Net kW</b>
Retrofit	493,814	835
<b>Total</b>	<b>493,814</b>	<b>835</b>
Volumetric Rate Used		2.2030
<b>Lost Revenues</b>		<b>1,839</b>



2014	Cumulative	
<b>Residential</b>	Net kWh	Net kW
Appliance Retirement	180,616	
Appliance Exchange	20,484	
HVAC Incentives	580,137	
Conservation Instant Coupon Booklet	370,060	
Bi-Annual Retailer Event	1,130,186	
Residential New Construction	495,916	
Home Assistance Program	71,469	
<b>Total</b>	2,848,868	
Volumetric Rate Used	0.0141	
<b>Lost Revenues</b>	40,074	
<b>GS&lt;50 kW</b>	Net kWh	Net kW
Retrofit	1,260,344	
Direct Install Lighting	96,123	
New Construction	126,995	
Energy Audit	48,483	
Small Commercial Demand Response	-	
<b>Total</b>	1,531,945	
Volumetric Rate Used	0.0171	
<b>Lost Revenues</b>	26,247	
<b>GS&gt;50 kW</b>	Net kWh	Net kW
Retrofit	4,819,000	10,731
New Construction	1,536,218	4,320
Energy Audit	65,274	156
<b>Total</b>	6,420,492	15,207
Volumetric Rate Used		2.5456
<b>Lost Revenues</b>		38,711
<b>GS&gt;1000 kW</b>	Net kWh	Net kW
Retrofit	449,456	852
New Construction	892,224	2,676
<b>Total</b>	1,341,680	3,528
Volumetric Rate Used		2.7802
<b>Lost Revenues</b>		9,809
<b>Large Use</b>	Net kWh	Net kW
Retrofit	493,814	835
<b>Total</b>	493,814	835
Volumetric Rate Used		2.2026
<b>Lost Revenues</b>		1,839



## 9.0-Staff-75

### Interrogatory:

**Ref: Exhibit 9, p. 13**

Milton Hydro has calculated a balance of zero for Account 1575 as of the changeover date of January 1, 2015. OEB staff notes that Milton Hydro had a credit of approximately \$37.5 million in Account 1995 – Customer Contributions as of the changeover date.

According to APH Article 510, under IFRS, customer contributions received subsequent to the transition date are recognized as deferred revenue. Customer contributions recognized prior to the transition date are not reclassified to deferred revenue as a result of electing the optional exemptions. (Emphasis added).

- a) Please confirm that Milton Hydro has reviewed Article 510 in determining that account 1575 should have a zero balance as of the changeover date of January 1, 2015. If confirmed, please explain why there is a zero balance.
- b) If the balance is to be revised, please provide the calculation.
- c) While OEB staff has not identified any other impacts that should be captured in account 1575, for customer contributions, there may need to be an amount for the difference between Milton Hydro's revised CGAAP based amount for customer contributions as of the changeover date, and the MIFRS based amount for customer contributions as of the same date.

### Response:

- a) Milton Hydro confirms that it has reviewed Article 510. Although Milton Hydro concurs that the changeover date for IFRS is January 1, 2015, it states that "Adjustments for the IFRS transitional accounting changes remain the function of Account 1575 that may arise when the distributor adopts IFRS AND rebases under modified IFRS. Deferral Account 1575 and variance Account 1576 cannot be used interchangeably." Milton Hydro has accounted for any differences arising from accounting policies related to useful life and overhead capitalization in account 1576.
- b) Milton Hydro has not revised the balance of Account 1575 which remains as zero. It is



our understanding that CGAAP/IFRS differences relating to PPE which arise as a result of transition to IFRS on January 1, 2015, the changeover date, are to be included in account 1575. We confirm that we have not identified any additional CGAAP/IFRS differences at the changeover date.

- c) Milton Hydro concurs that Capital Contributions received subsequent to the transition date should be recognized as Deferred Revenue Account 2440 and be amortized to income over the useful lives of the assets to which they relate. Milton Hydro began amortizing Capital Contributions over the useful life of the related asset in 2013. As a result, there is no difference between the CGAAP based amount and the MIFRS based amount for Capital Contributions as of the changeover date.



## 9.0-Staff-76

### Interrogatory:

**Ref: Exhibit 9, pp. 20-21, Table 9-14 and Table 9-15**

OEB staff notes the following discrepancies between Tables 9-14 and 9-15 (Appendix 2-BA - 2015 MIFRS Fixed Asset Continuity Schedule and Appendix 2- EC – Accounting Changes under CGAAP):

	<b>Table 9-14 (App 2-BA 2015)</b>	<b>Table 9-15 (App 2-EC)</b>	<b>Difference</b>
Net Additions 2015 MIFRS	\$17,837,487	\$14,837,487	\$3,000,000
Net Depreciation 2015 MIFRS	3,031,284	3,001,284	30,000
Closing Net PP&E 2015 MIFRS	80,801,054	77,831,064	2,970,000

- a) Please explain the discrepancies.
- b) Please update the evidence as applicable.

### Response:

- a) Table 9-15 inadvertently had the incorrect net addition total of \$17,837,487 which also created a difference in Net Depreciation of \$30,000. Exhibit 9, p.20, Table 9-14 – Fixed Asset Continuity Schedule for 2015 MIFRS is correct.



	<b>Table 9-14 (App 2-BA 2015)</b>	<b>Table 9-15 (App 2-EC)- Revised</b>	<b>Difference</b>
Net Additions 2015 MIFRS	\$17,837,487	\$17,837,487	\$0
Net Depreciation 2015 MIFRS	3,031,284	\$3,031,284	\$0
Closing Net PP&E 2015 MIFRS	80,801,054	\$80,801,054	\$0

- b) Milton Hydro has also corrected Exhibit 9, p 19, Table 9-13 – Fixed Asset Continuity Schedule for 2015 CGAAP which should show additions totaling \$20,168,224 not \$17,168,224, resulting in a difference of \$3,000,000.

Milton Hydro has corrected Exhibit 9, p.21, Table 9-15 Appendix 2-EC. Net Additions for 2015 CGAAP and 2015 MIFRS have both increased by \$3,000,000 which resulted in no change in the Difference in closing net PP&E, former CGAAP vs Revised CGAAP of (\$1,480,290).



Fixed Asset Continuity Schedule 1											
			Accounting Standard		CGAAP						
			Year		2015						
			Cost				Accumulated Depreciation				
CCA Class 2	OEB Account 3	Description 3	Opening Balance	Additions 4	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
47	1609	Capital Contributions Paid	\$ 122,349			\$ 122,349	-\$ 7,341	-\$ 4,894		-\$ 12,235	\$ 110,114
12	1611	Computer Software (Formally known as Account 1925)	\$ 1,022,976	\$ 174,000		\$ 1,196,976	-\$ 686,658	-\$ 114,214		-\$ 800,872	\$ 396,104
CEC	1612	Land Rights (Formally known as Account 1905)	\$ -			\$ -	\$ -			\$ -	\$ -
N/A	1805	Land	\$ 69,883			\$ 69,883	\$ -			\$ -	\$ 69,883
47	1808	Buildings	\$ -			\$ -	\$ -			\$ -	\$ -
13	1810	Leasehold Improvements	\$ -			\$ -	\$ -			\$ -	\$ -
47	1815	Transformer Station Equipment >50 kV	\$ -			\$ -	\$ -			\$ -	\$ -
47	1820	Distribution Station Equipment <50 kV	\$ 1,516,192			\$ 1,516,192	-\$ 1,449,764	-\$ 23,011		-\$ 1,472,775	\$ 43,417
47	1825	Storage Battery Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1830	Poles, Towers & Fixtures	\$ 31,816,741	\$ 2,007,110		\$ 33,823,851	-\$ 11,554,218	-\$ 1,006,925		-\$ 12,561,143	\$ 21,262,708
47	1835	Overhead Conductors & Devices	\$ 23,281,376	\$ 1,676,941		\$ 24,958,317	-\$ 13,531,289	-\$ 841,286		-\$ 14,372,575	\$ 10,585,742
47	1840	Underground Conduit	\$ 26,734,530	\$ 1,995,255		\$ 28,729,785	-\$ 9,213,495	-\$ 1,057,085		-\$ 10,270,580	\$ 18,459,205
47	1845	Underground Conductors & Devices	\$ 18,985,425	\$ 1,300,829		\$ 20,286,254	-\$ 8,178,912	-\$ 689,178		-\$ 8,868,090	\$ 11,418,164
47	1850	Line Transformers	\$ 38,278,683	\$ 1,199,267		\$ 39,477,950	-\$ 19,499,779	-\$ 1,435,823		-\$ 20,935,602	\$ 18,542,348
47	1855	Services (Overhead & Underground)	\$ 15,025,948	\$ 1,155,346		\$ 16,181,294	-\$ 4,269,625	-\$ 412,859		-\$ 4,682,484	\$ 11,498,810
47	1860	Meters	\$ -			\$ -	\$ -			\$ -	\$ -
47	1860	Meters (Smart Meters)	\$ 11,774,801	\$ 326,664		\$ 12,101,465	-\$ 5,343,711	-\$ 684,688		-\$ 6,028,399	\$ 6,073,066
N/A	1905	Land	\$ 5,182,052		-\$ 1,109,285	\$ 4,072,767	\$ -			\$ -	\$ 4,072,767
47	1908	Buildings & Fixtures	\$ -	\$ 10,500,000		\$ 7,500,000	\$ -	105,000		-\$ 75,000	\$ 7,425,000
13	1910	Leasehold Improvements	\$ 377,009			\$ 377,009	\$ -			-\$ 377,009	\$ -
8	1915	Office Furniture & Equipment (10 years)	\$ 714,887	\$ 500,000		\$ 1,214,887	-\$ 639,118	-\$ 40,390		-\$ 679,508	\$ 535,379
8	1915	Office Furniture & Equipment (5 years)	\$ -			\$ -	\$ -			\$ -	\$ -
10	1920	Computer Equipment - Hardware	\$ 1,892,372	\$ 80,000		\$ 1,972,372	-\$ 1,629,939		84,919	-\$ 1,714,858	\$ 257,514
45	1920	Computer Equip. -Hardware(Post Mar. 22/04)	\$ -			\$ -	\$ -			\$ -	\$ -
45.1	1920	Computer Equip. -Hardware(Post Mar. 19/07)	\$ -			\$ -	\$ -			\$ -	\$ -
10	1930	Transportation Equipment	\$ 2,661,180	\$ 530,000		\$ 3,191,180	-\$ 1,638,138	-\$ 240,463		-\$ 1,878,601	\$ 1,312,579
8	1935	Stores Equipment	\$ 281,519	\$ 117,032		\$ 398,551	-\$ 192,400	-\$ 17,476		-\$ 209,876	\$ 188,675
8	1940	Tools, Shop & Garage Equipment	\$ 420,812	\$ 9,500		\$ 430,312	-\$ 410,009	-\$ 7,794		-\$ 417,803	\$ 12,509
8	1945	Measurement & Testing Equipment	\$ 126,481			\$ 126,481	-\$ 33,683	-\$ 9,072		-\$ 42,755	\$ 83,726
8	1950	Power Operated Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
8	1955	Communications Equipment	\$ 269,021	\$ 1,100,000		\$ 1,369,021	-\$ 198,619	-\$ 67,203		-\$ 265,822	\$ 1,103,199
8	1955	Communication Equipment (Smart Meters)	\$ -			\$ -	\$ -			\$ -	\$ -
8	1960	Miscellaneous Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
47	1970	Load Management Controls Customer Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1975	Load Management Controls Utility Premises	\$ -			\$ -	\$ -			\$ -	\$ -
47	1980	System Supervisor Equipment	\$ 122,172	\$ 270,000		\$ 392,172	-\$ 47,741	-\$ 13,442		-\$ 61,183	\$ 330,989
47	1985	Miscellaneous Fixed Assets	\$ -			\$ -	\$ -			\$ -	\$ -
47	1990	Other Tangible Property	\$ 133,004			\$ 133,004	-\$ 43,794	-\$ 13,301		-\$ 57,095	\$ 75,909
47	1995	Contributions & Grants	-\$ 51,971,243	-\$ 2,773,720		-\$ 54,744,963	\$ 15,131,417	\$ 2,106,483		\$ 17,237,900	-\$ 37,507,063
47	2440	Deferred Revenue	\$ -			\$ -	\$ -			\$ -	\$ -
		Sub Total	\$ 128,838,171	\$ 20,168,224	\$ 1,109,265	\$ 144,897,130	\$ 63,813,825	\$ 4,762,540	\$ -	\$ 68,546,365	\$ 76,350,765
		Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$ -	\$ -
		Less Other Non Rate-Regulated Utility Assets (input as negative)				\$ -				\$ -	\$ -
		Total PP&E	\$ 128,838,171	\$ 20,168,224	\$ 1,109,265	\$ 144,897,130	\$ 63,813,825	\$ 4,762,540	\$ -	\$ 68,546,365	\$ 76,350,765
		Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable									
		Total									
		Net Additions	\$	19,058,999							
10		Transportation					Less: Fully Allocated Depreciation				
8		Stores Equipment					Transportation	-\$ 240,463			
8		Tools, Shop & Garage Equipment					Stores Equipment	-\$ 17,476			
8		Measurement & Testing Equipment					Tools	-\$ 7,794			
							Measurement	-\$ 9,072			
							Net Depreciation	-\$ 4,487,735			



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	2011 Rebasin g Year	2012	2013	2014	2015	2016 Rebasing Year
	CGAAP	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS
	Forecast	Actual	Actual	Actual	Forecast	Forecast
PP&E Values under former CGAAP						
Opening net PP&E - Note 1			55,246,448	57,796,168	65,024,347	
Net Additions - Note 4			6,628,697	11,620,435	19,058,959	
Net Depreciation (amounts should be negative) - Note 4			-4,078,977	-4,392,256	-4,732,540	
Closing net PP&E (1)			57,796,168	65,024,347	79,350,766	
PP&E Values under revised CGAAP (Starts from 2012)						
Opening net PP&E - Note 1			55,246,448	58,229,944	65,994,853	
Net Additions - Note 4			5,355,565	10,358,930	17,837,487	
Net Depreciation (amounts should be negative) - Note 4			-2,372,069	-2,594,021	-3,001,284	
Closing net PP&E (2)			58,229,944	65,994,853	80,831,056	
Difference in Closing net PP&E, former CGAAP vs. revised CGAAP			-433,776	-970,506	-1,480,290	



## 9.0-Staff-77

### Interrogatory:

**Ref: Exhibit 9, p. 22 Table 9-16**

Milton Hydro has proposed a volumetric rate rider for Account 1576 – Accounting Changes under CGAAP. According to filing requirements 2.8.2 (page 57) distributors are expected to propose changes to residential rates consistent with the OEB policy: *A New Distribution Rate Design for Residential Electricity Customer*, which states that electricity distributors will transition to a fully fixed monthly distribution service charge for residential customers, to be implemented over a period of four years, beginning in 2016.

In proposing a transition to a fully-fixed monthly service charge, the distributor must follow the approach set out in Appendix 2-PA. Generally speaking, distributors must propose a fully fixed rate design for charges applicable to the residential class provided that those charges are specifically related to the distribution of electricity.

Examples of distribution-specific charges include: Group 2 Deferral and Variance Accounts including balances in accounts 1575/1576, ACM and ICM rate riders.

Table 9-16 shows that Milton Hydro is proposing a volumetric rate rider to dispose of account 1576.

- a) If this was more than just an oversight, please explain why Milton Hydro is proposing a volumetric charge.
- b) Please provide an alternative calculation of the rate rider for Account 1576 as a fixed rate for the residential class.

### Response:

- a) Milton Hydro has corrected this oversight and changed the rate rider for Account 1576 to a fixed rate for the residential class.
- b) Milton Hydro has attached the fixed rate rider for the residential class below and has updated the EDDVAR Model and Bill Impacts filed separately.



## Rate Rider Calculation for Accounts 1575 and 1576

Please indicate the Rate Rider Recovery Period (in years)

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Balance of Accounts 1575 and 1576	Rate Rider for Accounts 1575 and 1576	
RESIDENTIAL	# of Customers	34,768	-\$ 567,498	- 1.3602	per customer per month
GENERAL SERVICE LESS THAN 50 KW	kWh	92,617,956	-\$ 169,685	- 0.0018	\$/kWh
GENERAL SERVICE 50 TO 999 KW	kW	551,414	-\$ 376,204	- 0.6823	\$/kW
GENERAL SERVICE 1,000 TO 4,999 KW	kW	231,678	-\$ 201,291	- 0.8688	\$/kW
LARGE USE	kW	255,025	-\$ 244,055	- 0.9570	\$/kW
UNMETERED AND SCATTERED	kWh	1,096,423	-\$ 2,009	- 0.0018	\$/kWh
SENTINEL	kW	404	-\$ 267	- 0.6608	\$/kW
STREETLIGHTING	kW	15,809	-\$ 10,320	- 0.6528	\$/kW
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
		-	\$ -	-	
<b>Total</b>			<b>-\$ 1,571,328</b>		



MILTON HYDRO DISTRIBUTION INC.			
RATES SCHEDULE (Part 1)			
Schedule of Distribution Rates and Charges			
Effective May 1, 2016			
Customer Class	Item Description	Unit	Rate (\$)
<b>Residential</b>			
	Monthly Service Charge	per month	19.91
	Group 2 Rate Rider	per month	0.97
	Distribution Volumetric Rate	per kWh	0.0118
	Low Voltage Rider	per kWh	0.0006
	Acting Chg Rate Rider	per month	(1.3602)
	Deferral and Variance Account Rider Group 1	per kWh	0.0036
	Deferral and Variance Account Rider Power	per kWh	(0.0032)
	Global Adjustment Rate Rider (non-rpp)	per kWh	0.0072
	LRAM Rate Rider	per kWh	(0.0000)
<b>GS &lt; 50 kW</b>			
	Monthly Service Charge	per month	16.86
	Distribution Volumetric Rate	per kWh	0.0178
	Low Voltage Rider	per kWh	0.0006
	Acting Chg Rate Rider	per kWh	(0.0018)
	Deferral and Variance Account Rider Group 1	per kWh	0.0037
	Deferral and Variance Account Rider Power	per kWh	(0.0032)
	Global Adjustment Rate Rider (non-rpp)	per kWh	0.0072
	Group 2 Rate Rider	per kWh	0.0003
	LRAM Rate Rider	per kWh	0.0002
<b>GS &gt;50 to 999 kW</b>			
	Monthly Service Charge	per month	96.55
	Distribution Volumetric Rate	per kW	3.1935
	Low Voltage Rider	per kW	0.2639
	Acting Chg Rate Rider	per kW	(0.6823)
	Deferral and Variance Account Rider Group 1	per kW	1.3773
	Deferral and Variance Account Rider Power	per kWh	(0.0032)
	Global Adjustment Rate Rider	per kWh	0.0072
	Group 2 Rate Rider	per kW	0.0064
	LRAM Rate Rider	per kW	0.1125
<b>GS &gt;1000 to 4999 kW</b>			
	Monthly Service Charge	per month	546.12
	Distribution Volumetric Rate	per kW	1.9539
	Low Voltage Rider	per kW	0.2596
	Acting Chg Rate Rider	per kW	(0.8688)
	Deferral and Variance Account Rider Group 1	per kW	1.7531
	Deferral and Variance Account Rider Power	per kWh	(0.0032)
	Global Adjustment Rate Rider	per kWh	0.0072
	Group 2 Rate Rider	per kW	0.0006
	LRAM Rate Rider	per kW	0.0772
<b>Large Use</b>			
	Monthly Service Charge	per month	2,488.87
	Distribution Volumetric Rate	per kW	1.4900
	Low Voltage Rider	per kW	0.2903
	Acting Chg Rate Rider	per kW	(0.9570)
	Deferral and Variance Account Rider Group 1	per kW	1.9256
	Deferral and Variance Account Rider Power	per kWh	(0.0032)
	Global Adjustment Rate Rider	per kWh	0.0000
	Group 2 Rate Rider	per kW	0.0001
	LRAM Rate Rider	per kW	(0.0090)
<b>Sentinel Lights</b>			
	Monthly Service Charge	per month	5.48
	Distribution Volumetric Rate	per kW	41.6271
	Low Voltage Rider	per kW	0.1813
	Acting Chg Rate Rider	per kW	(0.6608)
	Deferral and Variance Account Rider Group 1	per kW	1.2397
	Deferral and Variance Account Rider Power	per kWh	(0.0032)
	Global Adjustment Rate Rider	per kWh	0.0000
	Group 2 Rate Rider	per kW	6.9503
	LRAM Rate Rider	per kW	0.0000
<b>Street Lighting</b>			
	Monthly Service Charge	per month	2.36
	Distribution Volumetric Rate	per kW	10.3180
	Low Voltage Rider	per kW	0.1775
	Acting Chg Rate Rider	per kW	(0.6528)
	Deferral and Variance Account Rider Group 1	per kW	1.3182
	Deferral and Variance Account Rider Power	per kWh	(0.0032)
	Global Adjustment Rate Rider	per kWh	0.0072
	Group 2 Rate Rider	per kW	2.3736
	LRAM Rate Rider	per kW	0.0000
<b>Unmetered and Scattered</b>			
	Monthly Service Charge	per month	8.58
	Distribution Volumetric Rate	per kWh	0.0181
	Low Voltage Rider	per kWh	0.0006
	Acting Chg Rate Rider	per kWh	(0.0018)
	Deferral and Variance Account Rider Group 1	per kWh	0.0034
	Deferral and Variance Account Rider Power	per kWh	(0.0032)
	Global Adjustment Rate Rider (non-rpp)	per kWh	0.0000
	Group 2 Rate Rider	per kWh	0.0024
	LRAM Rate Rider	per kWh	0.0000



**9-Energy Probe-45**

**Ref: Exhibit 9, Table 9-5**

Table 9-5 shows a heading "Group 2 Accounts - Discontinue". However, the three accounts listed under that heading has "Continue" in the Continue/Discontinue column. Please confirm whether Milton Hydro proposes to continue or discontinue these 3 accounts (all 1508).

**Response:**

The Table 9-5 shows the heading as "Group 2 Accounts – Continue & Discontinue" and the Table 9-5 is correct.



**9-Energy Probe-46**

**Ref: Exhibit 9, Tables 9-8, 9-14, 9-15 & 2-9**

Please explain why the figures shown in Table 9-14 for 2015 MIFRS do not match the figures shown in Tables 9-8 and 9-15, while at the same time matching the figures in Table 2-9.

In particular, please explain the \$3,000,000 difference in the net additions shown in Tables 9-8 and 9-15 as compared to the net additions shown in Tables 9-14 and 2-9.

**Response:**

Please refer to OEB Staff interrogatory response 9.0 – Staff 76.



## 9.0 –VECC -40

**Reference:** E9/pg.11

- a) Please provide details on the 106k in IFRS training costs incurred in 2009 and 2010.
- b) Please explain what computer hardware was necessary for IFRS conversion.
- c) Please explain why Milton believes it should be able to recover direct labour costs as part of its IFRS conversion.
- d) Please provide the names of the consultants for each year of consulting fees for IFRS transition costs. If these consultants produced documents for this work please describe this work.

**Response:**

- a) At the time of the IFRS transition, it was determined that Milton Hydro's financial system was not able to provide adequate reporting required under IFRS . In order to support IFRS, Milton Hydro was required to upgrade its Financial System to Cayenta Financials through Northstar Utilities Solutions (Division of Harris). Due to the scope of the implementation, Milton Hydro staff required training for Core Financials and Payroll in 2009 and Operations modules in 2010.
- b) Milton Hydro was required to purchase a new Dell server to support the new Cayenta Financial System required for the implementation of IFRS.
- c) Milton Hydro hired a contractor to work directly with the IFRS Consultants (KPMG) on the IFRS Conversion. Over the IFRS Conversion timeline (2009-2012), Milton Hydro charged approximately \$35,600 of the contractor's time to this project..
- d) Milton Hydro used the following consultants for its IFRS implementation: KPMG, Enersource and Cayenta (Harris Computer Systems) from 2009-2012.

2009–2012 KPMG – to assist Milton Hydro staff with IFRS conversion project – Phase 1 including identifying areas where conversion to IFRS may have a significant impact, conducting a gap analysis between Canadian GAAP and IFRS, identifying the scope of technical training needs and to facilitate training.



2009 –Milton Hydro, Enersource, Burlington, Oakville and Halton Hills jointly retained Kinectrics Inc. to conduct a Useful Asset Lives review which matches the OEB review.

2010 – KPMG -to continue to assist Milton Hydro staff with IFRS conversion project – Phase 2

2010 – Cayenta – Financial Upgrade

2011 - KPMG - to continue to assist Milton Hydro staff with IFRS conversion project – Phase 3 and 4

2012 –Cayenta – Financial Upgrade



**9.0 –VECC -41**

**Reference: E9/pg.11**

- a) Has Milton Hydro received the OPA Final Report for 2014?
- b) If yes, please provide the Report and show any changes required to LRAMVA 1568 balances.

**Response:**

- a) Milton Hydro has received its OPA Final Report for 2014
- b) Milton Hydro has attached the OPA Final Report for 2014 in response to VECC interrogatory 3.0-VECC -19. Milton Hydro has attached its revised calculations for recovery of the LRAMVA 1568 balances in the following tables:

Milton Hydro would note that the EDDVAR model calculates the Residential rate rider for the LRAM recovery based on the number of Residential customers which is incorrect. There is an error in the formula. Milton Hydro's calculation below is based on kWhs.



Summary Units Lost	2011 kwh Saved	2012 kwh Saved	2013 kwh Saved	2014 kwh Saved	Total kWh Saved
Residential	556,986	891,600	1,258,268	2,848,868	5,555,722
General Service <50 kW	242,642	564,699	991,797	1,531,945	3,331,083
General Service 50 -999 kW	6,159	8,142	11,707	15,207	41,215
General Service 1000 - 4999	2,160	2,689	3,056	3,528	11,434
Large User	195	232	835	835	2,097
Rate Class Distribution Volumetric Rates	2011	2012	2013	2014	
Residential (kWh)	0.0135	0.0129	0.0135	0.0141	
General Service <50 kW (kWh)	0.0164	0.0167	0.0169	0.0171	
General Service 50 -999 kW (kW)	2.4361	2.4232	2.4837	2.5456	
General Service 1000 - 4999 kW (kW)	2.9483	2.7577	2.7251	2.7802	
Large User (kw)	2.4087	2.2844	2.2030	2.2026	
CDM Lost Revenue - LRAM\$	2011	2012	2013	2014	Total
Residential (kWh)	\$ 7,501	\$ 11,472	\$ 16,945	\$ 40,074	\$ 75,991
General Service <50 kW (kWh)	\$ 3,979	\$ 9,449	\$ 16,761	\$ 26,247	\$ 56,437
General Service 50 -999 kW (kW)	\$ 15,005	\$ 19,729	\$ 29,076	\$ 38,711	\$ 102,521
General Service 1000 - 4999 kW (kW)	\$ 6,368	\$ 7,416	\$ 8,329	\$ 9,809	\$ 31,923
Large User (kw)	\$ 470	\$ 531	\$ 1,839	\$ 1,839	\$ 4,678
CDM in 2011 Forecast	2011	2012	2013	2014	Total
Residential (kWh)	1,227,764	1,227,764	1,227,764	1,227,764	4,911,056
General Service <50 kW (kWh)	363,580	363,580	363,580	363,580	1,454,320
General Service 50 -999 kW (kW)	2,451	2,451	2,451	2,451	9,805
General Service 1000 - 4999 kW (kW)	1,053	1,053	1,053	1,053	4,212
Large User (kw)	750	750	750	750	2,999
CDM in 2011 Forecast\$	2011	2012	2013	2014	Total
Residential (kWh)	\$ 16,534	\$ 15,797	\$ 16,534	\$ 17,271	\$ 66,136
General Service <50 kW (kWh)	\$ 5,963	\$ 6,084	\$ 6,145	\$ 6,229	\$ 24,420
General Service 50 -999 kW (kW)	\$ 5,972	\$ 5,940	\$ 6,088	\$ 6,240	\$ 24,240
General Service 1000 - 4999 kW (kW)	\$ 3,104	\$ 2,904	\$ 2,869	\$ 2,927	\$ 11,805
Large User (kw)	\$ 1,806	\$ 1,713	\$ 1,652	\$ 1,651	\$ 6,822
LRAMVA=LRAM\$-2011 Forecast\$	2011	2012	2013	2014	Total
Residential (kWh)	\$ (9,033)	\$ (4,325)	\$ 411	\$ 22,804	\$ 9,856
General Service <50 kW (kWh)	\$ (1,983)	\$ 3,365	\$ 10,617	\$ 20,018	\$ 32,017
General Service 50 -999 kW (kW)	\$ 9,033	\$ 13,789	\$ 22,988	\$ 32,471	\$ 78,281
General Service 1000 - 4999 kW (kW)	\$ 3,264	\$ 4,512	\$ 5,460	\$ 6,882	\$ 20,118
Large User (kw)	\$ (1,336)	\$ (1,182)	\$ 187	\$ 187	\$ (2,144)
Total	\$ (56)	\$ 16,159	\$ 39,662	\$ 82,362	\$ 138,128



Description	LRAM\$	2011 Forecast\$	Net LRAMVA	Carrying Charges to April 2016	Total LRAMVA Claim	Proposed Billing Determinant	Unit	LRAMVA Rate Rider
Residential (kWh)	\$ 75,991	\$ 66,136	\$ 9,856	\$ (263)	\$ 9,593	309,752,959	kWh	0.0000
General Service <50 kW (kWh)	\$ 56,437	\$ 24,420	\$ 32,017	\$ 1,001	\$ 33,018	92,617,956	kWh	0.0002
General Service 50 -999 kW (kW)	\$ 102,521	\$ 24,240	\$ 78,281	\$ 3,179	\$ 81,461	551,414	kW	0.1125
General Service 1000 - 4999 kW (kW)	\$ 31,923	\$ 11,805	\$ 20,118	\$ 880	\$ 20,998	231,678	kW	0.0772
Large User (kW)	\$ 4,678	\$ 6,822	\$ (2,144)	\$ (147)	\$ (2,290)	255,025	kW	-0.0090
Total	\$ 271,551	\$ 133,423	\$ 138,128	\$ 4,651	\$ 142,779			



## **ATTACHMENTS**



**ATTACHMENT 1.0 – STAFF 6**  
**2014 SCORECARD**



Scorecard - Milton Hydro Distribution Inc.										Milton Hydro Distribution Inc. EB-2015-0089 INTERROGATORY RESPONSES Filed: December 18, 2015 Page 1 of 1		9/28/2015		
Performance Outcomes		Performance Categories		Measures		2010	2011	2012	2013	2014	Trend	Industry	Target	Distributor
Customer Focus  Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential/Small Business Services Connected on Time				99.10%	99.00%	98.60%	98.00%	99.50%	⬇️	90.00%		
		Scheduled Appointments Met On Time				100.00%	100.00%	100.00%	99.70%	99.80%	⬇️	90.00%		
		Telephone Calls Answered On Time				79.00%	76.80%	82.60%	74.50%	77.80%	⬇️	65.00%		
	Customer Satisfaction	First Contact Resolution								84%				
		Billing Accuracy								99.96%	➡️	98.00%		
		Customer Satisfaction Survey Results								91%				
Operational Effectiveness  Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public awareness [measure to be determined]												
		Level of Compliance with Ontario Regulation 22/04				NI	C	NI	C	C	➡️			C
		Serious Electrical Incident Index	Number of General Public Incidents			0	0	0	1	0	➡️			0
			Rate per 10, 100, 1000 km of line			0.000	0.000	0.000	0.102	0.000	➡️			0.014
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted				0.55	1.05	0.81	7.94	1.22	⬆️			at least within 0.55 - 7.94
		Average Number of Times that Power to a Customer is Interrupted				0.40	1.12	1.05	0.99	1.06	⬆️			at least within 0.40 - 1.12
	Asset Management	Distribution System Plan Implementation Progress								on track				
	Cost Control	Efficiency Assessment						3	2	2				
		Total Cost per Customer <sup>1</sup>				\$659	\$676	\$644	\$654	\$679				
		Total Cost per Km of Line <sup>1</sup>				\$20,478	\$21,698	\$21,166	\$22,402	\$23,629				
Public Policy Responsiveness  Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	Conservation & Demand Management	Net Annual Peak Demand Savings (Percent of target achieved) <sup>2</sup>					13.47%	17.56%	23.56%	47.87%	🔴			8.05MW
		Net Cumulative Energy Savings (Percent of target achieved)					48.99%	60.40%	72.86%	92.23%	🔴			33.50GWh
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time					100.00%	100.00%		100.00%				
		New Micro-embedded Generation Facilities Connected On Time							100.00%	100.00%		90.00%		
Financial Performance  Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)				1.64	1.56	1.59	1.68	1.59				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio				0.72	0.79	0.90	0.92	1.17				
		Profitability: Regulatory Return on Equity		Deemed (included in rates)			9.58%	9.58%	9.58%	9.58%				
				Achieved			8.90%	8.15%	10.60%	10.29%				
Notes: 1. These figures were generated by the Board based on the total cost benchmarking analysis conducted by Pacific Economics Group Research, LLC and based on the distributor's annual reported information. 2. The Conservation & Demand Management net annual peak demand savings include any persisting peak demand savings from the previous years.										Legend: ⬆️ up ⬇️ down ➡️ flat 🟢 target met 🔴 target not met				



## **Appendix A – 2014 Scorecard Management Discussion and Analysis (“2014 Scorecard MD&A”)**

The link below provides a document titled “Scorecard - Performance Measure Descriptions” that has the technical definition, plain language description and how the measure may be compared for each of the Scorecard’s measures in the 2014 Scorecard MD&A:

[http://www.ontarioenergyboard.ca/OEB/ Documents/scorecard/Scorecard Performance Measure Descriptions.pdf](http://www.ontarioenergyboard.ca/OEB/Documents/scorecard/Scorecard%20Performance%20Measure%20Descriptions.pdf)

### **Scorecard MD&A - General Overview**

In 2014, Milton Hydro exceeded all performance targets except the Net Annual Peak Demand Savings (47.9% of target achieved) and the Net Cumulative Energy Savings (92.2% of target achieved) measures. Major Storms in 2013 impacted Milton Hydro’s reliability statistics in that year, however as can be seen on the Scorecard for 2014, Milton Hydro’s system reliability is back on track. Unlike most utilities in Ontario, Milton Hydro is the distributor for Ontario’s fastest growing community and is adding to its capital infrastructure at an accelerated pace. Milton Hydro has both Rural and Urban area and has 1,009 km of lines, 422 being Underground and 587 Overhead circuits. Vegetation control, including tree trimming activities are conducted regularly during the year to reduce the vulnerability of the distribution system to bad weather events.

Milton Hydro’s vision, Reliably Powering Our Community, supports the Scorecard requirements for service quality, customer satisfaction, public policy and financial stability. Reliably Powering Our Community focuses not only on the reliable supply of power or electricity but also to empower our community to engage in growth and to participate in conservation and renewable generation. Milton Hydro is committed to be available for questions and answers, to assist our customers as needed. Milton Hydro values include Safety, Innovation and Integrity.

In 2014, Milton Hydro engaged UtilityPULSE to conduct a customer satisfaction survey targeting our Residential and General Service customers. Customer engagement has always been important to the success of Milton Hydro and this was positively identified with an overall “A” rating (91%) in Customer Satisfaction, Company Image and Operational Effectiveness and Reliability. Additional customer engagement was undertaken through Innovative Research Group where customers identified two areas that Milton Hydro could improve on including communication, especially during power interruptions and reliability in the rural distribution area, in particular tree trimming. In 2015, Milton Hydro increased its tree trimming budget to address the rural distribution area and will hire a Communication Specialist in 2015 addressing the communication concern. Customers were also interested to learn that Milton Hydro’s distribution charges required to provide the delivery of safe, reliable electricity to homes and businesses makes up only 18% of a Residential customers bill, the remaining 82% is paid to Provincial agencies.

In 2015, Milton Hydro expects to remain consistent or improve upon its overall scorecard performance result in all areas.



## Service Quality

- **New Residential/Small Business Services Connected on Time**

In 2014, Milton Hydro connected 99.50% of 1,104 eligible low voltage residential and small business customers (those utilizing connections under 750 volts) to its system within the five day timeline prescribed by the Ontario Energy Board ("OEB"). This is an improvement over the previous year and above the OEB mandated threshold of 90%.

- **Scheduled Appointments Met On Time**

Milton Hydro received requests for 439 appointments in 2014 with its customers to complete work requested, meter reads, reconnects and various other requests. Milton Hydro met 99.80% of these appointments on time which exceeds the industry target of 90%

- **Telephone Calls Answered On Time**

In 2014, Milton Hydro received 30,074 incoming calls from its customers which is over 115 calls per working day. Our Customer Service Representatives ("CSR's") answered 77.80% of the calls within 30 seconds or less. This result exceeds the 65% target set out by the OEB. This is a 4.4% improvement over 2013 driven primary by internal process and system improvements.

## Customer Satisfaction

The OEB has instructed all electricity distributors to review and develop measurements in the areas of Customer Satisfaction and begin tracking by July 1, 2014 so that information can be reported in 2015. The OEB plans to review information provided by electricity distributors over the next few years and implement a commonly defined measure for these areas in the future. As a result, each electricity distributor may have different measurements of performance until such time as the OEB provides specific direction regarding a commonly defined measure. As discussed here, Milton Hydro began its Customer Engagement in 2014.

- **First Contact Resolution**

This measure can be defined in a variety of ways and further regulatory guidance is necessary in order to achieve meaningful comparable information across electricity distributors.

Milton Hydro engaged UtilityPULSE to perform a Customer Satisfaction Survey which resulted in comments from customers that Milton Hydro resolved issues with Customers 84% of the time on First Contact with the customer. Milton Hydro will continue to monitor these results and use customer survey results to identify customer services improvements which will increase first contact resolution in the future.



- **Billing Accuracy**

Until July 2014 a specific measurement of billing accuracy had not been previously defined across the industry. After consultation with some electricity distributors, the OEB has prescribed a measurement of billing accuracy which must be used by all electricity distributors effective October 1, 2014.

For the period from October 1, 2014 – December 31, 2014 Milton Hydro issued more than 118,000 bills and achieved a billing accuracy of 99.96%. This compares favourably to the prescribed OEB target of 98%.

Milton Hydro continues to monitor its billing accuracy results and processes to identify opportunities for improvement.

- **Customer Satisfaction Survey Results**

The Ontario Energy Board (OEB) introduced the Customer Satisfaction Survey Results measure beginning in 2013. At a minimum, electricity distributors are required to measure and report a customer satisfaction result at least every other year. At this time the OEB allowing electricity distributors discretion as to how they implement this measure.

Milton Hydro engaged UtilityPULSE in the spring of 2014 to perform an Electric Utility Customer Satisfaction Survey to obtain actionable and measureable feedback from Milton Hydro customers. This was Milton Hydro's first customer satisfaction survey and will be updated every two years as part of Milton Hydro's commitment to proactive communication and customer satisfaction. The UtilityPULSE survey reviewed responses from households and small businesses that pay or look after the electricity bills from Milton Hydro. Milton Hydro achieved an "A" rating (91%) in customer satisfaction.

Milton Hydro and Innovative Research Group collaborated in May and June 2015 on the development of a workbook that would be used in the customer consultations and that would serve as the basis of the online workbook phase of the customer engagement program.

The objective of the workbook was to provide customers with information about the provincial electricity system, Milton Hydro's role within it, and the OEB rate application process. The workbook also included information on cost drivers, and Milton Hydro's response to these drivers, their investment plan for the next five years, and the impact this investment would have on customer rates. Survey questions embedded in the workbook allowed Milton Hydro to identify customer preferences and priorities, seek customer feedback on rate increases, and to inform the subsequent telephone survey phase of the consultation. From the results of the Workbook almost nine-in-ten (88%) of respondents indicate being either *very* (43%) or *somewhat* (46%) satisfied with the service they receive from Milton Hydro. Only one-in-ten are either *somewhat* (7%) or *very* (3%) dissatisfied with their service.

This data is then incorporated into Milton Hydro's planning process and forms the basis of plans to improve customer satisfaction and meet the needs of customers.



## Safety

- **Public Safety**

- **Component A – Public Awareness of Electrical Safety**

n/a – Results for this measure will be reported in 2016 (for 2015). Note, this component of the public safety measure will not have performance data for the 2014 scorecard because the survey result is not available. The year 2016 will be the first year that the data for this component of measure will be shown on the scorecard for the 2015 results.

- **Component B – Compliance with Ontario Regulation 22/04**

For the reporting period April 1, 2013 to March 31, 2014 Milton Hydro was found to be compliant with Ontario Regulation 22/04 (Electrical Distribution Safety). This was achieved by Milton Hydro's strong commitment to safety and adherence to company procedures & policies. Ontario Regulation 22/04 - *Electrical Distribution Safety* establishes objective based electrical safety requirements for the design, construction and maintenance of electrical distribution systems owned by licensed distributors. Specifically, the regulation requires the approval of equipment, plans, specifications and inspection of construction before they are put into service.

- **Component C – Serious Electrical Incident Index**

In 2014 no serious electrical incidents were reported. This resulted in a Serious Incident Index of 0.000. This reflects the efforts of multiple organizations across various sectors to educate both workers and the public on the dangers associated with electricity. Milton Hydro supports the ongoing efforts to educate, inform and raise the general public's and worker's electrical safety awareness.

## System Reliability

- **Average Number of Hours that Power to a Customer is Interrupted**

Milton Hydro experienced an average of 1.22 hours that power to a customer was interrupted during 2014 primarily as a result of planned outages, defective equipment, foreign interference such as animals/ birds and adverse weather.. Although 2013 is high as a comparator, this includes the December 2013 Ice Storm. When the Ice Storm is excluded the average hours of outages in 2013 drops to 1.52 hours. Milton Hydro's 2014 average of 1.22 hours falls within the OEB acceptable range of 0.55 and 1.52 hours of outage, excluding the Ice Storm.



- **Average Number of Times that Power to a Customer is Interrupted**

Milton Hydro's average number of times that power to a Customer is interrupted (i.e. Frequency) is 1.06 times which is within the acceptable target range of 0.4 to 1.12 times per year. The frequency of times has stayed relatively consistent over the years and is mainly caused by the same reasons as stated above.

## **Asset Management**

- **Distribution System Plan Implementation Progress**

Milton Hydro has filed an Application with the OEB for a full review of its rates effective May 1, 2016. As part of this Application, Milton Hydro has filed its Distribution System Plan which provides for a five year plan for new distribution plant and renewal of aging distribution system to ensure the safe and reliable delivery of electricity and balance ratepayer and utility affordability

Milton Hydro will measure its progress of its DSP implementation over the five year period.

## **Cost Control**

- **Efficiency Assessment**

The total costs for Ontario local electricity distribution companies are evaluated by the Pacific Economics Group LLC on behalf of the OEB to produce a single efficiency ranking. The electricity distributors are divided into five groups based on the magnitude of the difference between their respective individual actual and predicted costs. In 2014, Milton Hydro was placed in Group 2, where a Group 2 distributor is defined as having actual costs within +/- 15 percent of predicted costs. Group 2 is considered "above average efficiency" when compared to other distributors in the Province of Ontario. In 2014, 14 distributors were ranked as Group 2 "above average efficiency"; 6 distributors were ranked as "more efficient"; 34 distributors were ranked as average efficiency and 18 distributors were ranked as "least or below average efficiency."

Milton Hydro's forward looking goal is to advance to the "more efficient" group, however, it is management's expectation is that efficiency performance will not decline



- **Total Cost per Customer**

Total cost per customer is calculated as the sum of Milton Hydro's capital and operating costs and dividing this cost figure by the total number of customers that Milton Hydro serves. The cost performance result for 2014 is \$679 per customer which is a 3.8% increase. In 2014 Milton Hydro purchased land and a building for its Service Centre and Administration facilities to be occupied in the fall of 2015. The value of the land in the amount of \$4,040,000 is included in the 2014 total cost of operations. The building valued at \$3,200,000 will be capitalized in 2015 when it becomes used and useful.

- **Total Cost per Km of Line**

This measure uses the same total cost that is used in the Cost per Customer calculation above, The Total cost is divided by the kilometers of line that Milton Hydro operates to serve its customers. Milton Hydro's 2014 cost per Km of line is \$23,629, which is 5.5% higher than 2013. See above for the explanation of the increase.

## Conservation & Demand Management

- **Net Annual Peak Demand Savings (Percent of target achieved)**

In common with other electricity distributors in Ontario, Milton Hydro achieved Peak Demand Savings was low at 47.9% (3,854 MW) of its 8,050 MW target.

- **Net Cumulative Energy Savings (Percent of target achieved)**

Milton Hydro achieved Net Cumulative Energy Savings of 30,897,796 kWh over the four year period 2011 to 2014 equivalent to 92.2% of its target of 33,500,000 kWh.

The fact that Milton is of recent construction limited the scope for some of the conservation programs such as the Appliance Retirement & Exchange, Direct Install Lighting and Retrofit programs.

## Connection of Renewable Generation

- **Renewable Generation Connection Impact Assessments Completed on Time**

Milton Hydro has completed all Renewable Generation Connection Impact Assessments on time 100% of the time



- **New Micro-embedded Generation Facilities Connected On Time**

Milton Hydro has connected new Micro-embedded Generation Facilities on time 100% of the time.

## Financial Ratios

- **Liquidity: Current Ratio (Current Assets/Current Liabilities)**

As an indicator of financial health, a current ratio that is greater than 1 is considered good as it indicates that the company can pay its short term debts and financial obligations. Companies with a ratio of greater than 1 are often referred to as being “liquid”. The higher the number, the more “liquid” and the larger the margin of safety to cover the company’s short-term debts and financial obligations.

Milton Hydro’s current ratio decreased slightly from 1.68 in 2013 to 1.59 in 2014. This is not indicative of a decline in financial performance but rather annual fluctuations in current assets and liabilities. Milton Hydro’s current ratio is expected to be in line with 2014.

- **Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio**

The OEB uses a deemed capital structure of 60% debt, 40% equity for electricity distributors when establishing rates. The deemed capital mix is equal to a debt to equity ratio of 1.5 (60/40). A debt to equity ratio of more than 1.5 indicates that a distributor is more highly levered than the deemed capital structure. A high debt to equity ratio may indicate that an electricity distributor may have difficulty generating sufficient cash flows to make its debt payments. A debt to equity ratio of less than 1.5 indicates that the distributor is less levered than the deemed capital structure. A low debt-to-equity ratio may indicate that an electricity distributor is not taking advantage of the increased profits that financial leverage may bring.

Milton Hydro’s 2014 debt to equity ratio of 1.17 is up from 2013 of .92%. It is expected that this ratio will rise in the 2015 & 2016 due to the financing and renovation of the Service Centre and Administration building. Milton Hydro does not anticipate exceeding the 60/40 debt/equity ratio but it is expected that the total debt will remain near the 60% level. The ratio is a factor in the budget approval process.

- **Profitability: Regulatory Return on Equity – Deemed (included in rates)**

Milton Hydro’s current distribution rates were approved by the OEB and include an expected (deemed) regulatory return on equity of 9.58%. The OEB allows a distributor to earn within +/- 3% of the expected return on equity. When a distributor performs outside of this range, the actual performance may trigger a regulatory review of the distributor’s revenues and costs structure by the OEB.



- **Profitability: Regulatory Return on Equity – Achieved**

Milton Hydro's return achieved in 2014 was 10.29%, which is well within the +/-3% range allowed by the OEB. The average return over the past 4 years was 9.49% which is slightly lower than Milton Hydro's regulated return of 9.58%. Milton Hydro's 2014 return was higher than the deemed rate due to slightly lower operating costs resulting in higher net income.

### Note to Readers of 2014 Scorecard MD&A

The information provided by distributors on their future performance (or what can be construed as forward-looking information) may be subject to a number of risks, uncertainties and other factors that may cause actual events, conditions or results to differ materially from historical results or those contemplated by the distributor regarding their future performance. Some of the factors that could cause such differences include legislative or regulatory developments, financial market conditions, general economic conditions and the weather. For these reasons, the information on future performance is intended to be management's best judgement on the reporting date of the performance scorecard, and could be markedly different in the future.



**ATTACHMENT 1.0 – STAFF 11**  
**BENCHMARKING STUDIES**





# The MEARIE Group

## 2015 Survey on Board of Director Compensation

### ***SURVEY REPORT***

*September 2015*

***SURVEY ADMINISTRATOR: HAY GROUP LIMITED***





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

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# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### I. Introduction

The MEARIE Group is pleased to present this report of the 2015 Board of Directors Survey of Local Distribution Companies (LDCs).

In today's competitive talent market, LDCs are challenged with attracting Board Members that will contribute to the oversight, support and guidance of the leadership team. The MEARIE Group established the **Survey on Board of Director Compensation** to assist LDCs in understanding the competitive landscape and to support your efforts to develop pay practices that attract, motivate and retain high quality, high performing Board Members.

Last offered in 2013, this biennial survey was updated in 2015 through the combined efforts of The MEARIE Group's *HR Information Solutions* team and Hay Group, to ensure that the Survey continues to meet the evolving needs of member LDCs.

The Survey is enhanced through our partnership with Hay Group, a globally renowned compensation consulting firm. Drawing on their expertise and experience in developing and managing corporate director surveys across all sectors of the economy and in numerous countries around the world, the 2015 survey includes:

- Improved analysis by LDC groupings, mirroring the Management Salary
- Improved analysis on Board policies and practices
- Enhanced survey reporting regarding compensation information

The survey for 2015 includes one presentation document and Excel data tables in different formats as follows:

- Survey Report containing a complete analysis of Board policies and practices, overview of survey methodology and participants and a summary of compensation data in PDF format
- LDC Board Survey data tables segmented by all organizations and various other groupings in Excel format for easy data export and analysis

In addition, we would like to thank you for your participation. As a result of the strong response, we are able to provide you with an informative and detailed survey that will help you in support of your organization's Board compensation programs.





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Confidentiality Policy

The MEARIE Group recognizes the importance of maintaining the security of your information and has developed the following policy that applies to all participants (and their delegates) in the Board of Director Compensation Survey (a “Survey”), as well as Hay Group (survey administrators) and The MEARIE Group.

An individual LDC will provide its authorization for the sharing of information identified as being information of that LDC by completing the Survey Data Submission for a Survey. This will result in the LDC’s data being identified by name in the listing of participants. This enables participants to be aware of the names of the other participants in the Survey to determine the relevance of Survey data cuts (e.g. by geography or size).

All of the information obtained through a Survey will be treated with the utmost confidentiality. Data will be reported on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified/attributed. Standards for minimum number of data will be strictly enforced to ensure confidentiality. Neither Hay Group nor MEARIE Group will release or disclose to any other person whatsoever any information pertaining to any individual LDC participant.

Survey results will be reported only to those LDCs who participate in the Survey and provide comprehensive data. Comprehensive participation means that each LDC is expected to match as many of the Survey benchmark positions as they are able, and provide data for all incumbents of matched positions. **All participants must consider this information as strictly confidential.**

The results of a Survey will not be disclosed/sold to or shared with organizations that have not participated in that Survey, whether by The MEARIE Group or Hay Group or Survey participants. **Participants may not share the Survey reports/results with non-participant LDCs or any entity under any circumstances.**

The data collected for a Survey will also be included in the Hay Group's Canadian compensation database. Information in the Hay Group database is maintained with the highest standards of confidentiality; analysis and reporting of data is on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified or attributed. As of Dec 2015, there are over 500 employers represented in the Hay Group database. Should you have any questions or for further information, please contact Paul Wong, Associate Consultant at Hay Group at 416-815-6353 or paul.wong@haygroup.com.

**The obligations of confidentiality set out in this policy are subject to the requirements of applicable law** and LDCs may disclose the results of the Survey to any regulatory body (or other person) if compelled by law to do so. If an LDC is compelled by law to make such a disclosure, it will give The MEARIE Group as much notice in advance as possible of the disclosure and the reasons the disclosure is legally required.

**The MEARIE Group will not be liable for breaches by participating LDCs or Hay Group of this confidentiality policy.**





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

## II. Survey Overview

The Board of Directors survey covers the following key topics:

<b>Organization Profile</b>	A brief overview of the participating organizations
<b>Board Design</b>	<div>Board Metrics<ul style="list-style-type: none"><li>• Number of members</li><li>• Frequency of meetings</li><li>• Number of committees</li></ul></div> <div>Board Terms</div>
<b>Compensation</b>	<div>Board Compensation</div> <div>Annual Retainers</div> <div>Meeting Fees</div> <div>Committee Fees</div> <div>Additional Expenses: Mileage, Hotel, Airfare and Education / Training</div>



# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Participants

All organizations in the LDC sector in Ontario were invited to participate in the Survey on Board of Director Compensation. The following thirty one (31) organizations submitted data:

- Bluewater Power Distribution Corp.
- Cambridge and North Dumfries Hydro Inc.
- Collus PowerStream Corp.
- E.L.K. Energy Inc.
- Entegrus Inc.
- Essex Power Corp.
- Festival Hydro Inc.
- Fort Frances Power Corp.
- Greater Sudbury Utilities
- Grimsby Power Inc.
- Guelph Hydro Electric Systems Inc.
- Halton Hills Hydro Inc.
- InnPower Corp.
- Kenora Hydro Electric Corporation Ltd.
- Kitchener-Wilmot Hydro Inc.
- Lakeland Power Distribution Ltd.
- Midland Power Utility Corp.
- Milton Hydro Distribution Inc.
- Northern Ontario Wires Inc.
- Oakville Hydro
- Orangeville Hydro Ltd.
- Orillia Power Distribution Corp.
- Peterborough Utilities Group
- Renfrew Hydro Inc.
- Sioux Lookout Hydro Inc.
- Thunder Bay Hydro Electricity Distribution Inc.
- Utilities Kingston
- Veridian Corp.
- Waterloo North Hydro Inc.
- Welland Hydro-Electric System Corp.
- Westario Power Inc.

Due to the changes in the participant mix, data values in the report may fluctuate from one year to another. Therefore, participants are reminded of these factors when comparing data of 2015 over 2013.

Additionally, we have adjusted the “Revenue (excluding the cost of power)” groupings from 2013 to 2015 to account for the differing distribution of revenue figures. These groupings are consistent with the revenue groupings in the 2015 Management Salary Survey (“MSS”) compensation data tables.





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Market Statistics

Where possible, statistics have been provided for all information as follows.

Where there is insufficient data to report, this has been indicated with an asterisk (\*) in all data tables.

	Definition	Reporting Requirement (# of Observations Necessary to Report)
<b>P75</b>	75th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 25% of the observations would fall above this value and 75% would fall below	<b>7</b>
<b>P50</b>	50th percentile, also referred to as “median”  If all observations were sorted and listed from highest/largest to lowest/smallest, 50% of the observations would fall above this value and 50% would fall below	<b>4</b>
<b>P25</b>	25th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 75% of the observations would fall above this value and 25% would fall below	<b>7</b>
<b>Average</b>	The arithmetic mean of all values, calculated by adding up all of the values and dividing by the number of observations.	<b>3</b>
<b>Typical</b>	The arithmetic mode of all values; the most common value.	<b>3</b>





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Participant Group Profile

All participants provided information regarding their organizational profile. The statistical summary of the organizations are as follows:

### Organization Metrics

Statistic	P25	P50	P75	Average
Annual Operating Budget (\$ millions – excluding the cost of power)	4.7	8.4	15.0	11.0
Annual Operating Budget (\$ millions – including the cost of power)	29.3	59.0	120.1	88.5
Number of Employees (full time equivalent)	21	45	121	74
Number of Customers	11,711	22,500	48,952	33,513
Gross Revenue (\$ millions – excluding the cost of power)	4.9	12.6	28.0	18.8
Gross Revenue (\$ millions – including the cost of power)	21.8	52.7	128.5	85.6
Regulated Gross Revenue	94%	99%	100%	88%
Unregulated Gross Revenue	0%	1%	2%	4%





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### III. Board of Director Metrics

#### Board Composition & Metrics

All organizations provided information regarding the number of total Board members, as well as the number of independent Board members.

For survey purposes, the following definition was provided as part of the survey package:

- Inside Director - a Board member who is an employee, officer or stakeholder in the organization.
- Independent (Outside) Director - a Board member who is not an employee or stakeholder of the organization and is typically compensated using an annual retainer.

Organizations were also asked to provide the number of Committees. Data is presented below for all organizations, and segments of the data follow.

#### All Organizations: Summary of Board Composition

Statistic	P25	P50	P75	Average	Typical
Total Number of Board Members	5.0	7.0	9.0	7.1	9.0
Number of Independent Board Members	2.0	4.0	5.0	4.0	3.0
Number of Female Board Members <sup>1</sup>	0.0	1.0	1.0	0.9	0.0
Number of Committees	0.5	2.0	4.0	2.3	2.0

<sup>1</sup>No company has a policy on female board representation





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Total Number of Board Members: Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	5.0	5.5	6.8	6.0	5.0
FTE 21 - 50	4.0	6.0	8.0	6.1	6.0
FTE 51 – 100	*	7.0	*	6.8	7.0
FTE 101 - 200	8.5	9.0	9.3	8.8	9.0
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	4.0	5.0	6.0	5.4	6.0
20,001 to 40,000	7.0	8.0	9.0	8.1	9.0
40,001 to 100,000	7.0	9.0	9.0	8.1	9.0
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$5 Million	5.0	6.0	6.0	6.0	6.0
\$5 – \$12 Million	*	5.5	*	5.5	7.0
\$12 - \$20 Million	*	8.0	*	8.2	8.0
\$20 - \$50 Million	6.8	9.0	9.0	8.0	9.0
\$50 Million +	*	*	*	*	*
Region					
1	*	6.0	*	6.3	6.0
2	*	*	*	6.3	N/A <sup>1</sup>
3	*	*	*	*	*
4	5.0	6.0	8.0	6.3	6.0
5	7.5	9.0	9.0	8.1	9.0

<sup>1</sup> No typical size of Board in sample





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Total Number of Independent Board Members: Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	3.0	3.0	4.0	3.4	3.0
FTE 21 - 50	1.0	2.0	5.0	3.3	1.0
FTE 51 – 100	*	3.5	*	3.3	4.0
FTE 101 - 200	4.5	5.5	6.3	5.5	6.0
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	2.0	3.0	4.0	2.8	3.0
20,001 to 40,000	2.8	4.5	5.3	4.5	5.0
40,001 to 100,000	3.8	5.0	6.3	5.3	5.0
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$5 Million	3.0	3.0	4.0	3.4	3.0
\$5 – \$12 Million	*	2.0	*	3.2	2.0
\$12 - \$20 Million	*	3.5	*	3.3	5.0
\$20 - \$50 Million	4.5	5.5	6.3	5.5	6.0
\$50 Million +	*	*	*	*	*
Region					
1	*	4.0	*	4.0	4.0
2	*	*	*	2.3	2.0
3	*	*	*	*	*
4	2.0	3.0	4.0	3.3	1.0
5	4.5	5.0	6.5	5.6	5.0





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Total Number of Committees: Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	0	0	1.3	0.8	0
FTE 21 - 50	1.0	2.0	4.0	2.2	2.0
FTE 51 – 100	*	2.5	*	3.0	2.0
FTE 101 - 200	2.8	3.5	4.0	3.4	4.0
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	0	0	2.0	1.2	0
20,001 to 40,000	2.0	2.5	4.3	3.0	2.0
40,001 to 100,000	2.0	3.0	4.0	3.1	2.0
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$5 Million	0	0	1.0	0.7	0
\$5 – \$12 Million	*	3.0	*	2.7	4.0
\$12 - \$20 Million	*	2.5	*	3.0	2.0
\$20 - \$50 Million	2.0	3.0	4.0	3.1	2.0
\$50 Million +	*	*	*	*	*
Region					
1	*	1.0	*	1.2	0
2	*	*	*	1.3	0
3	*	*	*	*	*
4	2.0	2.0	4.0	2.7	2.0
5	1.5	2.0	3.0	2.1	3.0





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Full Board: Meeting Frequency

The frequency of full Board meetings by various market segments is presented in the table below.

Generally, the larger the organization the more likely they are to have Committees and therefore require less full Board meetings.

### Frequency of Full Board Meetings

	P25	P50	P75	Average	Typical
All Organizations	5.0	8.0	12.0	9.4	5.0





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Frequency of Full Board Meetings: Market Segments

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	10.8	12.0	12.0	10.9	12.0
FTE 21 - 50	6.0	10.0	13.0	9.8	5.0
FTE 51 – 100	*	6.0	*	6.0	6.0
FTE 101 - 200	5.0	5.5	9.8	10.3	5.0
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	10.0	12.0	13.0	11.0	12.0
20,001 to 40,000	5.0	5.5	8.5	7.0	5.0
40,001 to 100,000	5.0	6.0	9.8	10.3	6.0
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$5 Million	11.0	12.0	12.0	11.1	12.0
\$5 – \$12 Million	*	10.0	*	9.7	10.0
\$12 - \$20 Million	*	5.5	*	6.7	5.0
\$20 - \$50 Million	5.0	6.0	9.8	10.4	5.0
\$50 Million +	*	*	*	*	*
Region					
1	*	11.0	*	9.8	6.0
2	*	*	*	7.3	5.0
3	*	*	*	*	*
4	6.0	10.0	13.0	10.5	6.0
5	5.0	5.0	8.5	6.9	5.0





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Number of Committees

The majority of local distribution companies have a full Board and up to two (2) committees (18 of 31, or 58.1%).

The following table details the number of Committees.

### All Organizations: Number of Committees

Number of Committees	Number of Organizations
0	8
1	2
2	8
3	4
4	5
5	4
6	0





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Committees

The most common types of Committee are provided below, in addition to meeting frequency.

There are common blends of Committee type. For example, fourteen (14) organizations have an Audit Committee, three (3) have a Finance committee and seven (7) have a Finance and Audit committee. Similarly, fourteen (14) organizations have a dedicated HR / Compensation Committee, and five (5) organizations have a blend of HR with Governance and Nominating.

### All Organizations: Types of Sub Committee

Sub Committees		Number of Meetings				
Type	Prevalence	P25	P50	P75	Average	Typical
Audit	45 %	2.0	2.0	4.0	2.7	2.0
Human Resources / Compensation	45 %	1.3	2.0	3.8	3.0	2.0
Governance	29 %	2.0	3.0	4.0	2.6	4.0
Audit & Finance	23 %	3.0	4.0	5.0	3.9	4.0
Other	29 %	0.0	3.0	4.0	2.4	0.0
Governance / HR / Compensation / Nominating	16 %	*	2.0	*	2.4	4.0
Finance	10 %	*	*	*	1.7	N/A <sup>1</sup>
Nominations	16 %	*	0	*	1.2	0
Health & Safety / Environment	13 %	*	3.0	*	2.5	4.0

<sup>1</sup> No typical number of Committee meetings in sample





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Term Limits

Organizations were asked if there is a term limit for Directors to serve on the Board. Nineteen (19) of twenty-eight (28), or 68%, did state there is a term limit and three organizations did not provide information.

Organizations were asked for term limits for the Chair, Vice Chair and Director positions. Term limits did not typically vary by position.

Term limits vary from 1 year (where incumbents must apply and be reappointed to the Board if they wish to serve for a longer period of time), up to 10 years. The market statistics are provided below.

Statistic	P25	P50	P75	Average	Typical
Number of Years	3.0	3.0	3.5	3.9	3.0





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### IV. Board Compensation

#### Types of Compensation

Compensation practices vary within Boards, but the most common form of compensation is to pay an annual retainer for the Chair and Directors of the Board, as well as Vice Chair if the position exists. The majority will also pay a meeting fee.

Directors that serve as Committee Chairs receive additional compensation, typically in the form of an additional annual retainer.

One (1) organization does not provide compensation to their Board of Directors.

#### Chair Compensation: Practices

Thirty-one (31) organizations provided information for their Board Chair, and thirty (30) provide compensation.

Nearly all organizations (27 of 30, or 90%) provide an annual retainer and three (3) organizations provide meeting fees only for the Board Chair. Eighteen (18) organizations or 60% provide both an annual retainer and meeting fees.

#### Vice Chair / Lead Director Compensation: Practices

Twenty (20) organizations provided information for their Vice Chair / Lead Directors, and all provided compensation.

The majority of organizations provide an annual retainer (16 of 20, or 80%); only four (4) organizations provide meeting fees only for the Vice Chair / Lead Director. Eleven (11) organizations or 55% provide both an annual retainer as well as meeting fees.

#### Director Compensation: Practices

Thirty-one (31) organizations provided information for their Directors, though only thirty (30) provide compensation.

Nearly all organizations (27 of 30, or 90%) provide an annual retainer and three (3) organizations provide meeting fees only for the Directors. Twenty (20) organizations or 67% provide both an annual retainer as well as meeting fees.





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Board Compensation

The market statistics for Board Compensation in terms of annual retainer, and meeting fees, are provided in the tables below.

For all organizations, the typical amount paid to a Board Chair is \$6,000 (4 organizations), the typical amount paid to a Director is \$4,000 (2 organizations) and the typical amount paid to a Vice Chair or Lead Director is \$8,000 (2 organizations). The typical meeting fees are \$300 (Chair, 4 organizations; Lead Director or Vice Chair, 4 organizations; Director, 3 organizations).

For market segments, there are generally no typical amounts to report and thus the typical market statistic has been excluded from the following tables.

### Full Board Compensation: All Organizations

Board of Directors		Annual Retainer (\$)			
		P25	P50	P75	Average
Chair	(n = 27)	6,000	8,500	10,000	9,573
Lead Director / Vice Chair	(n = 16)	5,143	6,734	8,000	6,402
Director	(n = 27)	4,350	6,147	7,350	6,281

Board of Directors		Meeting Fees (\$)			
		P25	P50	P75	Average
Chair	(n = 22)	250	300	400	360
Lead Director / Vice Chair	(n = 15)	300	325	497	407
Director	(n = 21)	400	300	400	346





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Full Board Compensation: Chair Market Segments

Board of Directors	Annual Retainer - Chair (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	3,250	4,700	5,850	4,811
FTE 21 - 50	7,875	9,000	9,700	8,513
FTE 51 – 100	*	7,610	*	7,555
FTE 101 - 200	9,200	10,485	13,197	12,432
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	4,350	7,194	9,325	6,697
20,001 to 40,000	6,000	8,250	9,291	8,001
40,001 to 100,000	9,075	10,485	12,250	11,959
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	3,250	4,700	5,850	4,811
\$5 – \$12 Million	*	9,000	*	7,767
\$12 - \$20 Million	*	8,860	*	8,953
\$20 - \$50 Million	9,075	10,485	13,197	12,182
\$50 Million +	*	*	*	*
Region				
1	*	5,400	*	4,796
2	*	*	*	6,000
3	*	*	*	*
4	7,791	9,410	10,000	8,440
5	8,750	10,750	12,750	10,465





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

Board of Directors	Meeting Fees - Chair (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	94	155	221	160
FTE 21 - 50	300	300	425	428
FTE 51 – 100	*	372	*	372
FTE 101 - 200	338	370	450	418
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	183	277	313	317
20,001 to 40,000	300	400	497	447
40,001 to 100,000	325	350	370	329
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	100	210	254	317
\$5 – \$12 Million	*	300	*	300
\$12 - \$20 Million	*	447	*	423
\$20 - \$50 Million	331	360	468	421
\$50 Million +	*	*	*	*
Region				
1	*	88	*	88
2	*	*	*	250
3	*	*	*	*
4	300	325	360	381
5	300	500	500	487





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Full Board Compensation: Vice Chair / Lead Director Market Segments

Board of Directors	Annual Retainer – Vice Chair / Lead Director (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	3,450	4,820	5,160	4,133
FTE 21 - 50	5,563	6,734	7,367	6,370
FTE 51 – 100	*	4,324	*	4,324
FTE 101 - 200	8,000	8,535	9,500	8,633
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	4,990	6,000	7,250	5,733
20,001 to 40,000	4,313	5,699	6,762	5,799
40,001 to 100,000	7,800	8,268	8,776	8,309
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	3,450	4,820	5,160	4,133
\$5 – \$12 Million	*	6,734	*	5,867
\$12 - \$20 Million	*	5,699	*	5,849
\$20 - \$50 Million	8,000	8,535	9,500	8,633
\$50 Million +	*	*	*	*
Region				
1	*	3,450	*	3,450
2	*	*	*	*
3	*	*	*	*
4	6,147	7,200	8,000	6,654
5	5,250	6,967	9,500	7,129





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

Board of Directors	Meeting Fees – Vice Chair / Lead Director (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	217	217	217	217
FTE 21 - 50	300	300	450	412
FTE 51 – 100	*	372	*	372
FTE 101 - 200	350	370	500	486
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	279	300	418	397
20,001 to 40,000	300	397	498	454
40,001 to 100,000	344	360	403	386
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	356	495	633	495
\$5 – \$12 Million	*	300	*	288
\$12 - \$20 Million	*	493	*	431
\$20 - \$50 Million	350	370	500	486
\$50 Million +	*	*	*	*
Region				
1	*	*	*	*
2	*	*	*	250
3	*	*	*	*
4	300	325	370	384
5	300	500	500	480





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Full Board Compensation: Director Market Segments

Board of Directors	Annual Retainer – Director (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	2,625	3,910	4,955	3,949
FTE 21 - 50	4,800	6,734	7,275	6,171
FTE 51 – 100	*	4,250	*	4,287
FTE 101 - 200	6,750	7,737	8,509	8,264
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	3,455	5,646	7,025	5,289
20,001 to 40,000	4,150	5,500	6,352	5,386
40,001 to 100,000	5,625	7,100	8,509	7,542
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	2,625	3,910	4,955	3,949
\$5 – \$12 Million	*	6,734	*	5,945
\$12 - \$20 Million	*	5,250	*	5,475
\$20 - \$50 Million	6,750	7,737	8,509	8,014
\$50 Million +	*	*	*	*
Region				
1	*	4,000	*	3,880
2	*	*	*	4,500
3	*	*	*	*
4	5,860	6,750	7,275	6,406
5	4,275	5,734	7,947	6,073





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

Board of Directors	Meeting Fees – Director (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	94	140	188	141
FTE 21 - 50	300	300	425	396
FTE 51 – 100	*	372	*	372
FTE 101 - 200	338	370	450	418
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	161	255	313	286
20,001 to 40,000	275	400	497	439
40,001 to 100,000	325	350	370	329
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	100	181	210	268
\$5 – \$12 Million	*	300	*	290
\$12 - \$20 Million	*	447	*	423
\$20 - \$50 Million	331	360	468	421
\$50 Million +	*	*	*	*
Region				
1	*	88	*	88
2	*	*	*	250
3	*	*	*	*
4	275	325	360	361
5	300	500	500	473



# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Committee Annual Retainer

Individuals that serve on Committees may receive additional compensation.

More than half (17 of 31, or 55%) of the organizations' committee chairs do not receive an additional retainer. In the case that it is given, it is typically reserved for the Chair only and all other members of the Committee receive meeting fees only.

The table below provides the average market statistics for the Committee Chairs annual retainers.

The results of the table below reflect more so the dispersion of data rather than the audit committee receiving a lower retainer than the other committee chairs. We observe that when additional annual retainers are provided, the majority of organizations provide the same amount to all committee chairs.

### All Organizations: Annual Retainer for Committee Chair

Committee	Number of organizations providing annual retainer for Committee Chair	Average Retainer (\$)
Audit	3	1,333
Audit & Finance	3	1,933
Finance	-	-
Governance	4	1,950
Governance / HR / Compensation / Nominating	2	*
Health & Safety / Environment	1	*
HR / Compensation	3	2,267
Nominating	1	*
Other	2	*





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Committee Meeting Fees

The market statistics for Committee meeting fees are provided below. Most organizations provide the same meeting fees to committee chairs and committee members.

#### All Organizations: Meeting Fees for Committee Chair

Committee	Number of organizations providing meeting fees	Average Meeting Fee (\$)
Audit	11	456
Audit & Finance	5	217
Finance	1	*
Governance	7	456
Governance / HR / Compensation / Nominating	3	350
Health & Safety / Environment	2	*
HR / Compensation	10	439
Nominating	4	553
Other	7	562





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### All Organizations: Meeting Fees for Director on a Committee

Committee	Number of organizations providing meeting fees	Average Meeting Fee (\$)
Audit	11	383
Audit & Finance	5	207
Finance	1	*
Governance	7	335
Governance / HR / Compensation / Nominating	3	350
Health & Safety / Environment	2	*
HR / Compensation	10	354
Nominating	4	341
Other	7	457

### Unplanned Meetings

Organizations were asked what types of additional consideration is provided to the Board in the event of unplanned meetings. Nineteen (19) of thirty-one (61%) reporting organizations stated there is a set rate for unplanned meetings.

The following table details the data for unplanned meeting fees. The typical amount is \$250 per meeting (3 organizations).

Unplanned Meeting Fees	Unplanned Meeting Fees (\$)			
	P25	P50	P75	Average
26 organizations	205	300	447	356



# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Mileage

Organizations were asked if mileage is provided to Board members. The majority (81%) of organizations provide mileage reimbursement.

The following table details the data for mileage. The most common amount is \$0.55 per kilometer (6 organizations).

#### All Organizations

Mileage	Mileage (¢)			
	P25	P50	P75	Average
25 organizations	48	52	55	51

### Added Expenses

Organizations were asked what types of additional consideration is provided to the Board, such as hotel, air / travel rates, education and director training. The table below details the market information for additional consideration.

#### All Organizations

Added Expenses		Typical Value
Type	Prevalence	
Hotel	n = 20	No typical values provided – typically reimbursed at cost.
Air Travel	n = 16	No typical values provided – typically reimbursed at cost, some organizations specify economy.
Education	n = 6	No typical value provided; there may be 100% coverage or some maximum dollar amount (either per person or overall).
Training	n = 10	No typical value provided; there may be 100% coverage or some maximum dollar amount (either per person or overall).
Other	n = 6	No typical values provided; the most common additional benefits noted were per diems for meals when travelling.





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Summary Compensation

Organizations provided annual retainer information, the number of meetings and the meeting fee amount. The following tables estimate the annual total compensation to a Chair, Vice Chair and Director role within a Board; excluding additional fees earned from participation in Committees.

#### Full Board Annualized Compensation: All Organizations

Board of Directors		Estimated Annualized Compensation (\$)			
		P25	P50	P75	Average
Chair	(n = 30)	6,000	10,000	12,684	10,758
Lead Director / Vice Chair	(n = 20)	4,615	7,984	10,093	7,692
Director	(n = 30)	4,275	7,500	10,078	7,674





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Full Board Chair Estimated Annualized Compensation: Market Segments

Board of Directors	Estimated Annualized Chair Compensation (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	3,398	5,200	5,700	4,988
FTE 21 - 50	9,000	11,000	11,800	10,747
FTE 51 – 100	*	9,000	*	8,916
FTE 101 - 200	11,575	14,160	18,407	15,293
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	4,838	7,719	11,575	7,887
20,001 to 40,000	8,500	9,500	11,541	10,358
40,001 to 100,000	11,025	12,460	16,381	14,018
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	3,574	5,300	6,860	5,899
\$5 – \$12 Million	*	10,500	*	10,025
\$12 - \$20 Million	*	10,900	*	10,661
\$20 - \$50 Million	11,100	14,160	18,407	14,793
\$50 Million +	*	*	*	*
Region				
1	*	5,400	*	5,066
2	*	*	*	5,483
3	*	*	*	*
4	9,438	11,800	12,820	11,213
5	8,500	11,000	13,750	10,964





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Full Board Vice Chair / Lead Director Estimated Annualized Compensation: Market Segments

Board of Directors	Estimated Annual Vice Chair / Lead Director Compensation (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	2,472	3,712	4,990	3,751
FTE 21 - 50	6,188	7,984	9,575	7,507
FTE 51 – 100	*	7,046	*	7,046
FTE 101 - 200	10,385	12,000	14,341	12,690
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	4,266	6,500	9,575	6,480
20,001 to 40,000	4,625	6,500	9,279	7,378
40,001 to 100,000	10,314	11,193	13,156	12,278
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	2,603	4,820	5,500	5,008
\$5 – \$12 Million	*	7,500	*	6,493
\$12 - \$20 Million	*	8,150	*	7,910
\$20 - \$50 Million	10,385	12,000	14,341	12,690
\$50 Million +	*	*	*	*
Region				
1	*	3,450	*	3,450
2	*	*	*	1,250
3	*	*	*	*
4	6,500	9,800	10,096	8,776
5	5,563	7,484	11,117	8,194





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### Full Board Director Estimated Annualized Compensation: Market Segments

Board of Directors	Estimated Director Compensation (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	2,710	4,200	4,910	4,123
FTE 21 - 50	7,500	8,467	9,800	8,362
FTE 51 – 100	*	4,250	*	5,648
FTE 101 - 200	8,825	10,693	13,164	11,124
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	3,963	6,171	9,575	6,454
20,001 to 40,000	5,925	7,750	8,873	7,681
40,001 to 100,000	6,075	9,743	11,900	9,601
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	2,980	4,510	5,585	4,862
\$5 – \$12 Million	*	7,984	*	8,120
\$12 - \$20 Million	*	7,250	*	7,182
\$20 - \$50 Million	8,475	10,693	13,164	10,624
\$50 Million +	*	*	*	*
Region				
1	*	4,000	*	4,150
2	*	*	*	4,483
3	*	*	*	*
4	7,500	9,500	10,091	9,125
5	4,350	6,500	9,734	7,075





# **The MEARIE Group**

## **2015 Survey on Board of Director Compensation for Local Distribution Companies**

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**HayGroup®**

## **APPENDICES**





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### A. Survey Methodology

A survey package was sent to all confirmed participants that included questions regarding the organization's policies and practices with respect to Board of Director compensation.

Once the completed surveys were returned to Hay Group, participants were contacted for data verification as necessary. Hay Group also initiated a number of follow-up actions to clarify information provided by the participants.





# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### B. Definitions – Compensation Elements

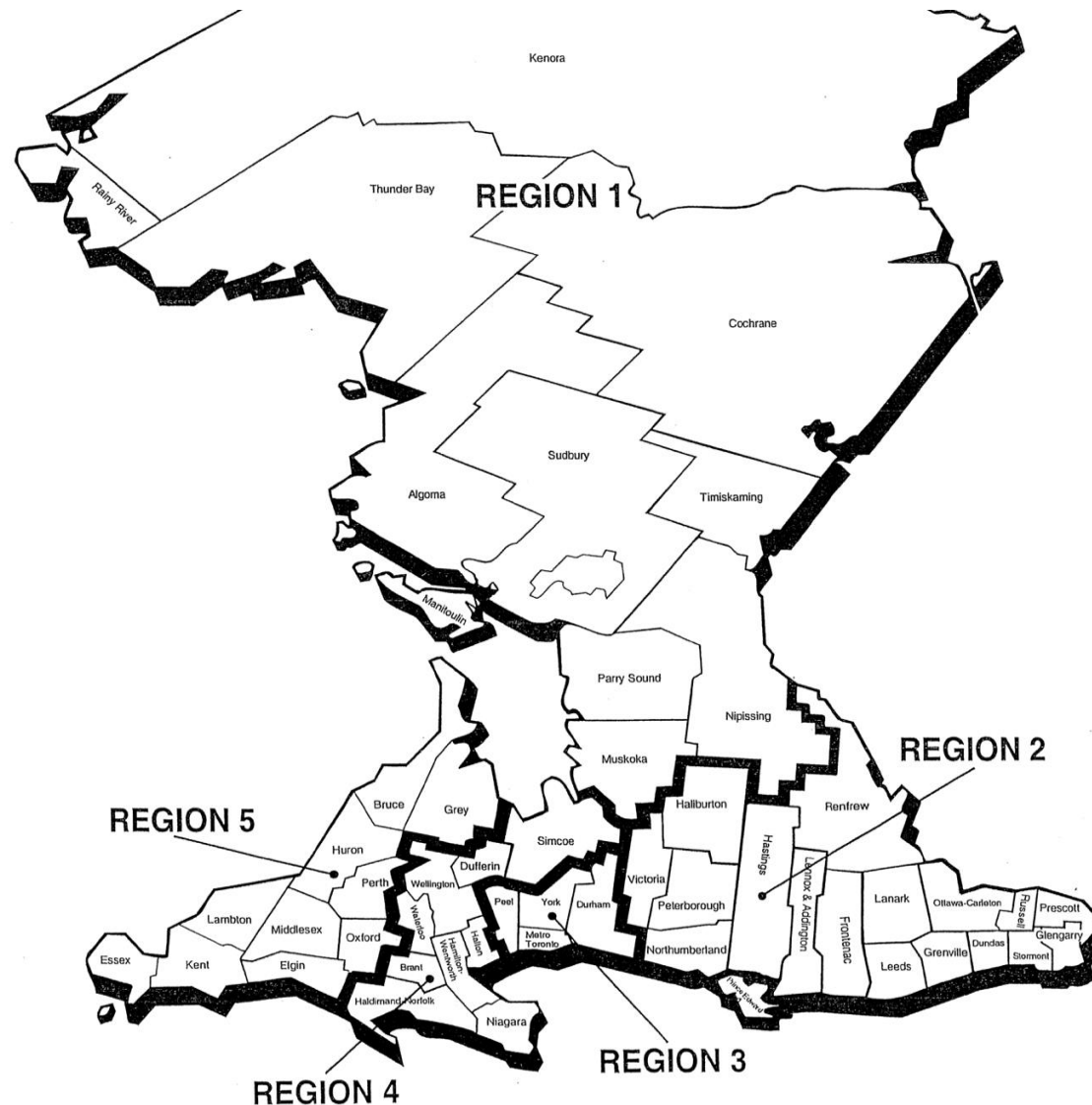
- |                             |  |
|-----------------------------|--|
| <b>Chair</b>                | <ul style="list-style-type: none"><li>• Top position on the Board. Is typically voted into his or her position by a majority vote within the Board of Directors.</li></ul>   |
| <b>Committee Chair</b>      | <ul style="list-style-type: none"><li>• The top position on a Board committee.</li></ul>   |
| <b>Vice Chair</b>           | <ul style="list-style-type: none"><li>• Second to the Chair. Can be more than one and is also typically voted into his or her position by a majority vote within the Board of Directors.</li></ul>   |
| <b>Committee Vice Chair</b> | <ul style="list-style-type: none"><li>• Second to the committee Chair.</li></ul>   |
| <b>Director</b>             | <ul style="list-style-type: none"><li>• A member of the Board. Can be classified as inside or independent (outside).<br/><i>Inside Director</i> - a Board member who is an employee, officer or stakeholder in the organization.<br/><i>Independent (Outside) Director</i> - a Board member who is not an employee or stakeholder of the organization and is typically compensated using an annual retainer.</li></ul> |
| <b>Committee</b>            | <ul style="list-style-type: none"><li>• A subgroup of the Board of Directors responsible for one specific area of governance, i.e., Budget Committee or Audit Committee</li></ul>  |
| <b>Retainer</b>             | <ul style="list-style-type: none"><li>• Annual fee paid to outside directors to sit on the Board of Directors of the organization.</li></ul>   |
| <b>Committee Fee</b>        | <ul style="list-style-type: none"><li>• Additional fee paid to Board members on top of annual retainer to sit on committees of the Board of Directors.</li></ul>   |
| <b>Meeting Fee</b>          | <ul style="list-style-type: none"><li>• Additional fee paid to Board members on top of annual retainer for each meeting attended. Can be for general meetings or for committee meetings.</li></ul>   |



# The MEARIE Group

## 2015 Survey on Board of Director Compensation for Local Distribution Companies

### C. Regions





# The MEARIE Group

## 2015 Survey on Board of Director Compensation

### Board Compensation

#### All Organizations

##### Board Composition

Board Composition	P25	P50	P75	Average	Typical
Total Number of Board Members	5.0	7.0	9.0	7.1	9.0
Number of Independent Board Members	2.0	4.0	5.0	4.0	3.0
Number of Female Board Members <sup>1</sup>	0.0	1.0	1.0	0.9	0.0
Number of Committees	0.5	2.0	4.0	2.3	2.0

(1) No company has a policy on female board representation

#### Market Segmentation

##### Total Number of Board Members

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	5.0	5.5	6.8	6.0	5.0
FTE 21 - 50	4.0	6.0	8.0	6.1	6.0
FTE 51 – 100	*	7.0	*	6.8	7.0
FTE 101 - 200	8.5	9.0	9.3	8.8	9.0
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	4.0	5.0	6.0	5.4	6.0
20,001 to 40,000	7.0	8.0	9.0	8.1	9.0
40,001 to 100,000	7.0	9.0	9.0	8.1	9.0
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$5 Million	5.0	6.0	6.0	6.0	6.0
\$5 – \$12 Million	*	5.5	*	5.5	7.0
\$12 - 20 Million	*	8.0	*	8.2	8.0
\$20 - \$50 Million	6.8	9.0	9.0	8.0	9.0
\$50 Million +	*	*	*	*	*
Region					
1	*	6.0	*	6.3	6.0
2	*	*	*	6.3	N/A <sup>1</sup>
3	*	*	*	*	*
4	5.0	6.0	8.0	6.3	6.0
5	7.5	9.0	9.0	8.1	9.0

<sup>1</sup> No typical size of Board in sample

##### Total Number of Independent Board Members

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	3.0	3.0	4.0	3.4	3.0
FTE 21 - 50	1.0	2.0	5.0	3.3	1.0
FTE 51 – 100	*	3.5	*	3.3	4.0
FTE 101 - 200	4.5	5.5	6.3	5.5	6.0
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	2.0	3.0	4.0	2.8	3.0
20,001 to 40,000	2.8	4.5	5.3	4.5	5.0
40,001 to 100,000	3.8	5.0	6.3	5.3	5.0
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$5 Million	3.0	3.0	4.0	3.4	3.0
\$5 – \$12 Million	*	2.0	*	3.2	2.0
\$12 - 20 Million	*	3.5	*	3.3	5.0
\$20 - \$50 Million	4.5	5.5	6.3	5.5	6.0
\$50 Million +	*	*	*	*	*
Region					
1	*	4.0	*	4.0	4.0
2	*	*	*	2.3	2.0
3	*	*	*	*	*
4	2.0	3.0	4.0	3.3	1.0
5	4.5	5.0	6.5	5.6	5.0

<sup>1</sup> No typical size of Board in sample

##### Total Number of Committees

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	0.0	0.0	1.3	0.8	0.0
FTE 21 - 50	1.0	2.0	4.0	2.2	2.0
FTE 51 – 100	*	2.5	*	3.0	2.0
FTE 101 - 200	2.8	3.5	4.0	3.4	4.0
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	0.0	0.0	2.0	1.2	0.0
20,001 to 40,000	2.0	2.5	4.3	3.0	2.0
40,001 to 100,000	2.0	3.0	4.0	3.1	2.0
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$5 Million	0.0	0.0	1.0	0.7	0.0
\$5 – \$12 Million	*	3.0	*	2.7	4.0
\$12 - 20 Million	*	2.5	*	3.0	2.0
\$20 - \$50 Million	2.0	3.0	4.0	3.1	2.0
\$50 Million +	*	*	*	*	*
Region					
1	*	1.0	*	1.2	0.0
2	*	*	*	1.3	0.0
3	*	*	*	*	*
4	2.0	2.0	4.0	2.7	2.0
5	1.5	2.0	3.0	2.1	3.0

<sup>1</sup> No typical size of Board in sample



# The MEARIE Group

## 2015 Survey on Board of Director Compensation

### Frequency of Meetings

#### All Organizations: Full Board

##### Frequency of Full Board Meetings

Frequency of Full Board Meetings	P25	P50	P75	Average	Typical
	5.0	8.0	12.0	9.4	5.0

#### Market Segmentation

##### Frequency of Full Board Meetings

Statistic	P25	P50	P75	Average	Typical
Number of Employees (FTE Equivalent)					
FTE <21	10.8	12.0	12.0	10.9	12.0
FTE 21 - 50	6.0	10.0	13.0	9.8	5.0
FTE 51 – 100	*	6.0	*	6.0	6.0
FTE 101 - 200	5.0	5.5	9.8	10.3	5.0
FTE 201+	*	*	*	*	*
Number of Customers					
Up to 20,000	10.0	12.0	13.0	11.0	12.0
20,001 to 40,000	5.0	5.5	8.5	7.0	5.0
40,001 to 100,000	5.0	6.0	9.8	10.3	6.0
100,000+	*	*	*	*	*
Revenue (excluding the cost of power)					
Up to \$5 Million	11.0	12.0	12.0	11.1	12.0
\$5 – \$12 Million	*	10.0	*	9.7	10.0
\$12 - 20 Million	*	5.5	*	6.7	5.0
\$20 - \$50 Million	5.0	6.0	9.8	10.4	5.0
\$50 Million +	*	*	*	*	*
Region					
1	*	11.0	*	9.8	6.0
2	*	*	*	7.3	5.0
3	*	*	*	*	*
4	6.0	10.0	13.0	10.5	6.0
5	5.0	5.0	8.5	6.9	5.0

#### All Organizations: Types of Committee

##### All Organizations: Types of Sub Committee

Sub Committees		Number of Meetings				
Type	Prevalence	P25	P50	P75	Average	Typical
Audit	45%	2.0	2.0	4.0	2.7	2.0
HR / Compensation	45%	1.3	2.0	3.8	3.0	2.0
Governance	29%	2.0	3.0	4.0	2.6	4.0
Audit & Finance	23%	3.0	4.0	5.0	3.9	4.0
Other	29%	0.0	3.0	4.0	2.4	0.0
Governance / HR / Compensation / Nominating	16%	*	2.0	*	2.4	4.0
Finance	10%	*	*	*	1.7	N/A <sup>1</sup>
Nominations	16%	*	0.0	*	1.2	0.0
Health & Safety / Environment	13%	*	3.0	*	2.5	4.0

<sup>1</sup> No typical number of Committee meetings in sample

#### Market Segmentation

*Not available - insufficient information on Committees to provide Market Segmentation*



# The MEARIE Group

## 2015 Survey on Board of Director Compensation

### Full Board Compensation

#### All Organizations

##### Full Board Compensation: All Organizations

Board of Directors	Annual Retainer (\$)			
	P25	P50	P75	Average
Chair (N=27)	6,000	8,500	10,000	9,573
Lead Director / Vice Chair (N=16)	5,143	6,734	8,000	6,402
Director (N=27)	4,350	6,147	7,350	6,281

##### Full Board Compensation: All Organizations

Board of Directors	Meeting Fees (\$)			
	P25	P50	P75	Average
Chair (N=22)	250	300	400	360
Lead Director / Vice Chair (N=15)	300	325	497	407
Director (N=21)	400	300	400	346

#### Market Segments: Chair

##### Full Board Compensation: Chair Market Segments

Board of Directors	Annual Retainer (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	3,250	4,700	5,850	4,811
FTE 21 - 50	7,875	9,000	9,700	8,513
FTE 51 – 100	*	7,610	*	7,555
FTE 101 - 200	9,200	10,485	13,197	12,432
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	4,350	7,194	9,325	6,697
20,001 to 40,000	6,000	8,250	9,291	8,001
40,001 to 100,000	9,075	10,485	12,250	11,959
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	3,250	4,700	5,850	4,811
\$5 – \$12 Million	*	9,000	*	7,767
\$12 - 20 Million	*	8,860	*	8,953
\$20 - \$50 Million	9,075	10,485	13,197	12,182
\$50 Million +	*	*	*	*
Region				
1	*	5,400	*	4,796
2	*	*	*	6,000
3	*	*	*	*
4	7,791	9,410	10,000	8,440
5	8,750	10,750	12,750	10,465

##### Full Board Compensation: Chair Market Segments

Board of Directors	Meeting Fees (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	94	155	221	160
FTE 21 - 50	300	300	425	428
FTE 51 – 100	*	372	*	372
FTE 101 - 200	338	370	450	418
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	183	277	313	317
20,001 to 40,000	300	400	497	447
40,001 to 100,000	325	350	370	329
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	100	210	254	317
\$5 – \$12 Million	*	300	*	300
\$12 - 20 Million	*	447	*	423
\$20 - \$50 Million	331	360	468	421
\$50 Million +	*	*	*	*
Region				
1	*	88	*	88
2	*	*	*	250
3	*	*	*	*
4	300	325	360	381
5	300	500	500	487





The MEARIE Group  
2015 Survey on Board of Director Compensation



Full Board Compensation

Market Segments: Vice Chair / Lead Director				
Full Board Compensation: Vice Chair / Lead Director Market Segments				
Board of Directors	Annual Retainer (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	3,450	4,820	5,160	4,133
FTE 21 - 50	5,563	6,734	7,367	6,370
FTE 51 – 100	*	4,324	*	4,324
FTE 101 - 200	8,000	8,535	9,500	8,633
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	4,990	6,000	7,250	5,733
20,001 to 40,000	4,313	5,699	6,762	5,799
40,001 to 100,000	7,800	8,268	8,776	8,309
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	3,450	4,820	5,160	4,133
\$5 – \$12 Million	*	6,734	*	5,867
\$12 - 20 Million	*	5,699	*	5,849
\$20 - \$50 Million	8,000	8,535	9,500	8,633
\$50 Million +	*	*	*	*
Region				
1	*	3,450	*	3,450
2	*	*	*	*
3	*	*	*	*
4	6,147	7,200	8,000	6,654
5	5,250	6,967	9,500	7,129

Full Board Compensation: Vice Chair / Lead Director Market Segments				
Board of Directors	Meeting Fees (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	217	217	217	217
FTE 21 - 50	300	300	450	412
FTE 51 – 100	*	372	*	372
FTE 101 - 200	350	370	500	486
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	279	300	418	397
20,001 to 40,000	300	397	498	454
40,001 to 100,000	344	360	403	386
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	356	495	633	495
\$5 – \$12 Million	*	300	*	288
\$12 - 20 Million	*	493	*	431
\$20 - \$50 Million	350	370	500	486
\$50 Million +	*	*	*	*
Region				
1	*	*	*	*
2	*	*	*	250
3	*	*	*	*
4	300	325	370	384
5	300	500	500	480



# The MEARIE Group

## 2015 Survey on Board of Director Compensation

### Full Board Compensation

#### Market Segments: Director

##### Full Board Compensation: Director Market Segments

Board of Directors	Annual Retainer (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	2,625	3,910	4,955	3,949
FTE 21 - 50	4,800	6,734	7,275	6,171
FTE 51 – 100	*	4,250	*	4,287
FTE 101 - 200	6,750	7,737	8,509	8,264
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	3,455	5,646	7,025	5,289
20,001 to 40,000	4,150	5,500	6,352	5,386
40,001 to 100,000	5,625	7,100	8,509	7,542
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	2,625	3,910	4,955	3,949
\$5 – \$12 Million	*	6,734	*	5,945
\$12 - 20 Million	*	5,250	*	5,475
\$20 - \$50 Million	6,750	7,737	8,509	8,014
\$50 Million +	*	*	*	*
Region				
1	*	4,000	*	3,880
2	*	*	*	4,500
3	*	*	*	*
4	5,860	6,750	7,275	6,406
5	4,275	5,734	7,947	6,073

##### Full Board Compensation: Director Market Segments

Board of Directors	Meeting Fees (\$)			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	94	140	188	141
FTE 21 - 50	300	300	425	396
FTE 51 – 100	*	372	*	372
FTE 101 - 200	338	370	450	418
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	161	255	313	286
20,001 to 40,000	275	400	497	439
40,001 to 100,000	325	350	370	329
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	100	181	210	268
\$5 – \$12 Million	*	300	*	290
\$12 - 20 Million	*	447	*	423
\$20 - \$50 Million	331	360	468	421
\$50 Million +	*	*	*	*
Region				
1	*	88	*	88
2	*	*	*	250
3	*	*	*	*
4	275	325	360	361
5	300	500	500	473





The MEARIE Group  
2015 Survey on Board of Director Compensation  
**Committee Compensation**

**All Organizations**

**All Organizations: Annual Retainer for Committee Chair**

Committee	Number of organizations providing annual retainer for Committee Chair	Average Retainer (\$)
Audit	3	1,333
Audit & Finance	3	1,933
Finance	*	*
Governance	4	1,950
Governance / HR / Compensation / Nominating	2	*
Health & Safety / Environment	1	*
HR / Compensation	3	2,267
Nominating	1	*
Other	2	*

**All Organizations: Meeting Fees for Committee Chair**

Committee	Number of organizations providing meeting fees	Average Meeting Fee (\$)
Audit	11	456
Audit & Finance	5	217
Finance	1	*
Governance	7	456
Governance / HR / Compensation / Nominating	3	350
Health & Safety / Environment	2	*
HR / Compensation	10	439
Nominating	4	533
Other	7	562

**All Organizations: Meeting Fees for Director on a Committee**

Committee	Number of organizations providing meeting fees	Average Meeting Fee (\$)
Audit	11	383
Audit & Finance	5	207
Finance	1	*
Governance	7	335
Governance / HR / Compensation / Nominating	3	350
Health & Safety / Environment	2	*
HR / Compensation	10	354
Nominating	4	341
Other	7	457

**Market Segments**

*Not available - insufficient information on Committees to provide Market Segmentation*



The MEARIE Group  
2015 Survey on Board of Director Compensation

Board Compensation - Annualized

All Organizations

Full Board Annualized Compensation: Chair

Board of Directors	Estimated Annualized Compensation			
	P25	P50	P75	Average
Chair (N=30)	6,000	10,000	12,684	10,758
Lead Director / Vice Chair (N=20)	4,615	7,984	10,093	7,692
Director (N=30)	4,275	7,500	10,078	7,674

Market Segments: Chair

Full Board Compensation: Chair Market Segments

Board of Directors	Estimated Annualized Compensation			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	3,398	5,200	5,700	4,988
FTE 21 - 50	9,000	11,000	11,800	10,747
FTE 51 – 100	*	9,000	*	8,916
FTE 101 - 200	11,575	14,160	18,407	15,293
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	4,838	7,719	11,575	7,887
20,001 to 40,000	8,500	9,500	11,541	10,358
40,001 to 100,000	11,025	12,460	16,381	14,018
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	3,574	5,300	6,860	5,899
\$5 – \$12 Million	*	10,500	*	10,025
\$12 - 20 Million	*	10,900	*	10,661
\$20 - \$50 Million	11,100	14,160	18,407	14,793
\$50 Million +	*	*	*	*
Region				
1	*	5,400	*	5,066
2	*	*	*	5,483
3	*	*	*	*
4	9,438	11,800	12,820	11,213
5	8,500	11,000	13,750	10,964

Market Segments: Vice Chair / Lead Director

Full Board Annualized Compensation: Vice Chair / Lead Director Market Segments

Board of Directors	Estimated Annualized Compensation			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	2,472	3,712	4,990	3,751
FTE 21 - 50	6,188	7,984	9,575	7,507
FTE 51 – 100	*	7,046	*	7,046
FTE 101 - 200	10,385	12,000	14,341	12,690
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	4,266	6,500	9,575	6,480
20,001 to 40,000	4,625	6,500	9,279	7,378
40,001 to 100,000	10,314	11,193	13,156	12,278
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	2,603	4,820	5,500	5,008
\$5 – \$12 Million	*	7,500	*	6,493
\$12 - 20 Million	*	8,150	*	7,910
\$20 - \$50 Million	10,385	12,000	14,341	12,690
\$50 Million +	*	*	*	*
Region				
1	*	3,450	*	3,450
2	*	*	*	1,250
3	*	*	*	*
4	6,500	9,800	10,096	8,776
5	5,563	7,484	11,117	8,194

Market Segments: Director

Full Board Annualized Compensation: Director Market Segments

Board of Directors	Estimated Annualized Compensation			
	P25	P50	P75	Average
Number of Employees (FTE Equivalent)				
FTE <21	2,710	4,200	4,910	4,123
FTE 21 - 50	7,500	8,467	9,800	8,362
FTE 51 – 100	*	4,250	*	5,648
FTE 101 - 200	8,825	10,693	13,164	11,124
FTE 201+	*	*	*	*
Number of Customers				
Up to 20,000	3,963	6,171	9,575	6,454
20,001 to 40,000	5,925	7,750	8,873	7,681
40,001 to 100,000	6,075	9,743	11,900	9,601
100,000+	*	*	*	*
Revenue (excluding the cost of power)				
Up to \$5 Million	2,980	4,510	5,585	4,862
\$5 – \$12 Million	*	7,984	*	8,120
\$12 - 20 Million	*	7,250	*	7,182
\$20 - \$50 Million	8,475	10,693	13,164	10,624
\$50 Million +	*	*	*	*
Region				
1	*	4,000	*	4,150
2	*	*	*	4,483
3	*	*	*	*
4	7,500	9,500	10,091	9,125
5	4,350	6,500	9,734	7,075





# The MEARIE Group

## 2015 Management Salary Survey Of Local Distribution Companies

### ***SURVEY REPORT***

*August 2015*

***SURVEY ADMINISTRATOR: HAY GROUP LIMITED***





# The MEARIE Group

## 2015 Management Salary Survey Of Local Distribution Companies

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# The MEARIE Group

## 2015 Management Salary Survey Of Local Distribution Companies

### 1. Introduction

The MEARIE Group is pleased to present this report of the 2015 Management Salary Survey of Local Distribution Companies (LDCs).

In today's competitive talent market, LDCs are challenged with establishing and maintaining competitive, yet affordable, compensation programs and policies. The MEARIE Group established the Management Salary Survey of Ontario's Local Distribution Companies to assist LDCs in understanding the competitive landscape and to support your efforts to develop pay practices that attract, motivate and retain high quality, high performing employees.

The survey was updated in 2012 through the combined efforts of The MEARIE Group's *HR Information Solutions* team, outside consultants and representatives of our members, all working together to ensure that the Survey continues to meet the evolving needs of member LDCs.

The Survey was further enhanced from 2013 to 2014 through our partnership with Hay Group, a globally renowned compensation consulting firm. Hay Group drew upon their expertise and experience in developing and managing salary surveys across all sectors of the economy and in numerous countries around the world.

There are no substantial changes to the survey in 2015.

The 2015 survey includes:

- Geographic, Number of Employees, Number of Customer and Revenue size reporting.
- Fifty (50) benchmark descriptions, supported by the Hay Group job evaluation methodology for improved reporting and greater ability to identify the impact of organization size and structure.
- Continued reporting of "total cash compensation" to provide greater depth of information regarding market pay practices.
- An overview of local distribution company market trends and compensation projections for 2016 budget planning.
- MS Excel survey reporting including versions of position salary tables by All Organizations, Geography, Revenue and Customers to support those organizations that wish to conduct further analysis of the results and to assist in transferring survey results into internal reporting.





# The MEARIE Group

## 2015 Management Salary Survey Of Local Distribution Companies

The survey includes two presentation documents and Excel data tables in formats as follows:

- PDF Documents:
  - Survey Report Executive Summary containing a complete analysis and a data summary of all the positions.
  - Survey Report addendum which includes a complete analysis of each position, presented on one page.
- Excel Documents which are provided for easy data export and printable to one legal sized page, showing LDC Survey data by:
  - All Organizations
  - Region
  - Customer Base
  - Revenue
  - Number of Employees

We would like to thank you for your participation. As a result of the strong response, we are able to provide you with an informative and detailed survey that will help you in the support of your organization's compensation programs.





# The MEARIE Group

## 2015 Management Salary Survey Of Local Distribution Companies

### CONFIDENTIALITY POLICY

**The MEARIE Group recognizes the importance of maintaining the security of your information and has developed the following policy that applies to all participants (and their delegates) in the Management Salary Survey (a “Survey”), as well as Hay Group Limited (Hay Group) (survey administrators) and The MEARIE Group.**

An individual LDC will provide its authorization for the sharing of information identified as being information of that LDC by completing the Survey Data Submission for a Survey. This will result in the LDC’s data being identified by name in the listing of participants. This enables participants to be aware of the names of the other participants in the Survey to determine the relevance of Survey data cuts (e.g., by geography or size).

All of the information obtained through a Survey will be treated with the utmost confidentiality. Data will be reported on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified/attributed. Standards for minimum number of data will be strictly enforced to ensure confidentiality. Neither Hay Group nor MEARIE Group will release or disclose to any other person whatsoever any information pertaining to any individual LDC participant.

Survey results will be reported only to those LDCs who participate in the Survey and provide comprehensive data. Comprehensive participation means that each LDC is expected to match as many of the Survey benchmark positions as they are able, and provide data for all incumbents of matched positions. **All participants must consider this information as strictly confidential.**

The results of a Survey will not be disclosed/sold to or shared with organizations that have not participated in that Survey, whether by The MEARIE Group or Hay Group or Survey participants. **Participants may not share the Survey reports/results with non-participant LDCs or any entity under any circumstances.**

The data collected for a Survey will also be included in the Hay Group's Canadian compensation database. Information in the Hay Group database is maintained with the highest standards of confidentiality; analysis and reporting of data is on an aggregate basis only, and in such a way as to ensure that individual participant data cannot be identified or attributed. As of Dec 2014, there are over 540 employers represented in the Hay Group database. Should you have any questions or for further information, please contact Paul Wong, Associate Consultant at Hay Group at 416-815-6353 or paul.wong@haygroup.com.

**The obligations of confidentiality set out in this policy are subject to the requirements of applicable law** and LDCs may disclose the results of the Survey to any regulatory body (or other person) if compelled by law to do so. If an LDC is compelled by law to make such a disclosure, it will give The MEARIE Group as much notice in advance as possible of the disclosure and the reasons the disclosure is legally required.

**The MEARIE Group will not be liable for breaches by participating LDCs or Hay Group of this Confidentiality Policy.**



# The MEARIE Group

## 2015 Management Salary Survey Of Local Distribution Companies

## 2. Survey Overview

### Survey Benchmark Positions

The survey covers 50 benchmark positions representing a cross-section of the functions within member organizations. The benchmark positions were reviewed in 2012 by a working group of LDC sector Human Resources professionals. Job profiles for each benchmark job were developed and reviewed by the consultants and the HR group.

<b>Senior Management</b>	0000	President & CEO
	0001	Chief Operating Officer (COO)
	0002	Head of Operations and/or Engineering
	0003	CFO / Head of Finance
	0004	Head of Customer Service
	0005	Head of Regulatory Affairs
<b>Administration</b>	0006	Head of Human Resources
	1000	Executive Assistant
	1001	Administrative Assistant
<b>Engineering</b>	2000	Director Engineering
	2001	Engineering Manager and/or Distribution Engineer
	2002	Project Engineer
	2003	Supervisor Engineering
<b>Operations</b>	2500	Director Operations
	2501	Manager Operations
	2502	Manager Control Centre
	2503	Supervisor Control Centre
	2504	Supervisor Protection and Control
	2505	Supervisor Station Maintenance
	2506	Line Supervisor
	2507	Manager Meter Department
	2508	Supervisor Meter Department





# The MEARIE Group

## 2015 Management Salary Survey Of Local Distribution Companies

<b>Supply Chain / Procurement</b>	3000	Director Supply Chain Management
	3001	Manager Procurement and/or Inventory and/or Facilities and/or Fleet
	3002	Supervisor Stores / Inventory / Warehouse
<b>Accounting / Finance</b>	4000	Controller or Director Finance
	4001	Manager Accounting
	4002	Manager Risk Management
	4003	Supervisor Accounting
	4004	Financial or Business Analyst
<b>Customer Service</b>	4005	Accountant
	5000	Director Customer Service
	5001	Manager Customer Service and/or Billing
	5002	Supervisor Customer Service and/or Billing and/or Collections
<b>Communications</b>	5500	Director Communications
	5501	Manager Communications
<b>Regulatory Affairs</b>	6000	Director Regulatory Affairs
	6001	Manager Regulatory Affairs
	6002	Regulatory Accountant
<b>Conservation / Demand</b>	7000	Settlement or Rate Analyst
	7001	Director or Officer, Conservation and Demand Management
	7002	Manager Conservation & Demand / Marketing
<b>Information Systems</b>	8000	Director Information Systems
	8001	Manager Information Systems and/or Security
	8002	Systems / Program Administrator or Applications / Systems Support Professional
<b>Human Resources</b>	9000	Human Resources Manager
	9001	Human Resources Generalist
	9002	Human Resources Coordinator
	9003	Payroll
	9004	Manager, Health & Safety



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## 2015 Management Salary Survey Of Local Distribution Companies

### Participants

All organizations in the LDC sector in Ontario were invited to participate in the survey. The following thirty-seven (37) organizations submitted data:

- Bluewater Power Distribution Corp.
- Cambridge and North Dumfries Hydro Inc.
- Collus PowerStream Corp.
- E.L.K. Energy Inc.
- Entegrus Inc.
- Essex Power Corp.
- Festival Hydro Inc.
- Fort Frances Power Corp.
- Greater Sudbury Utilities Inc.
- Grimsby Power Inc.
- Guelph Hydro Electric Systems Inc.
- Halton Hills Hydro Inc.
- InnPower Corp.
- Kenora Hydro Electric Corporation Ltd.
- Kitchener-Wilmot Hydro Inc.
- Lakeland Power Distribution Ltd.
- London Hydro Inc.
- Midland Power Utility Corp.
- Milton Hydro Distribution Inc.
- North Bay Hydro Distribution Ltd.
- Northern Ontario Wires Inc.
- Niagara Peninsula Energy Inc.
- Oakville Hydro
- Orangeville Hydro Ltd.
- Orillia Power Distribution Corp.
- Oshawa PUC Networks, Inc.
- Ottawa River Power Corp.
- Peterborough Utilities Group
- PUC Services Inc.
- Renfrew Hydro Inc.
- Sioux Lookout Hydro Inc.
- Thunder Bay Hydro Electricity Distribution Inc.
- Utilities Kingston
- Veridian Corp.
- Waterloo North Hydro Inc.
- Welland Hydro-Electric System Corp.
- Westario Power Inc.

Due to the changes in the participant mix, data values in the report can fluctuate from one year to another. Therefore, participants are reminded of these factors when comparing data of 2015 over 2014.





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## 2015 Management Salary Survey Of Local Distribution Companies

### Participant Group Profile

All participants provided information regarding their organizational profile. The summary statistics of the participating organizations are detailed below. Please note that two new questions were included in 2015 to differentiate between regulated and unregulated revenue.

The figures reported below are assessed on an “as provided” basis. Hay Group and MEARIE Group have not independently or exhaustively verified the values presented below.

Statistic	P25	P50	P75	Average
Annual Operating Budget (\$ millions, less the cost of power)	4.7	8.8	15.6	14.2
Annual Operating Budget (\$ millions, including the cost of power)	26.5	62.8	136.2	95.7
Number of Employees (full time equivalent)	28	47	123	84
Number of Customers	11,776	23,000	52,171	36,953
Gross Revenue (\$ millions, less the cost of power)	5.0	14.6	28.4	20.0
Gross Revenue (\$ millions, including the cost of power)	26.7	67.0	129.7	96.7
Regulated Gross Revenue	90%	99%	100%	85%
Unregulated Gross Revenue	0%	1%	2%	6%

All organizations noted the fiscal year ends in December.



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## 2015 Management Salary Survey Of Local Distribution Companies

### 3. Salary Administration

#### Salary Range Adjustments – 2015 & 2016

The most common month for adjusting salary ranges is January (over 75% of reporting organizations).

Survey participants report adjusting their salary ranges in 2015 by an overall average of 2.6%.

Survey participants report planning to adjust salary ranges in 2016 by an overall average of 2.3%.

The salary range adjustments by employee level and overall are noted in the table below:

Year	CEO (n=19)	Executive (n=20)	Director (n=18)	Management (n=25)	Professional / Technical (n=22)	Admin. (n=21)	Overall (n=26)
2015	3.3	2.7	2.4	2.2	2.3	2.5	<b>2.6</b>
2016	2.2	2.1	2.4	2.1	2.1	2.3	<b>2.3</b>

#### Base Salary Increases – 2015 & 2016

The most common timing for adjusting salaries is January (over 75% of reporting organizations grant annual salary increases in that month).

Survey participants report adjusting actual salaries in 2015 by an overall average of 2.8%.

For 2016, survey participants reported projected average salary increases of 2.6%.

The base salary adjustments by employee level are noted in the table below.

Year	CEO (n=24)	Executive (n=18)	Director (n=11)	Management (n=27)	Professional / Technical (n=20)	Admin. (n=17)	Overall (n=29)
2015	3.4	2.7	2.3	2.7	2.4	2.2	<b>2.8</b>
2016	2.7	2.6	2.2	2.4	2.3	2.2	<b>2.6</b>



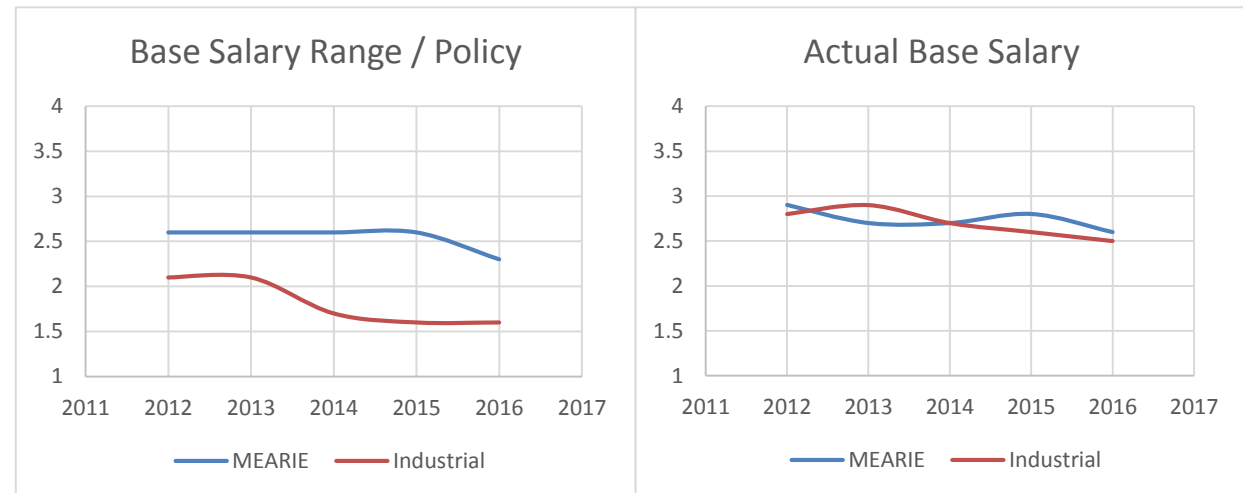
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## 2015 Management Salary Survey Of Local Distribution Companies

### Salary Trends

Hay Group compiles an annual compensation forecast survey across Canada, with over 400 participants annually.

The graph below depicts how the overall Canadian all industrial organization market has tracked from a range and actual salary perspective versus The MEARIE Group Management Salary Survey trend information over the past 5 years.



Generally, local distribution companies track very close to the all industrial market for actual salary adjustments; generally within 0.2 percentage points. Surprisingly, local distribution companies track above the all industrial market for salary range adjustments by 0.5 - 1.0 percentage points.

The differential between actual base salary increases and salary range adjustments among local distribution companies is 0.1 - 0.3 percentage points. This same differential among all industrial organizations is 0.7 - 1.0 percentage points. This indicates that organizations may be allocating greater portions of salary budgets to differentiation by merit, and enabling high performers to perhaps be paid above job rate and/or moving people through the range faster.





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## 2015 Management Salary Survey Of Local Distribution Companies

### Incentive Programs

A majority of organizations (22 of 37 or 59%) indicated that they offer short term incentive pay to at least some of their employees.

Sixteen (16) of the twenty-two (22) organizations who offer short term incentive pay provided information about their incentive plans.

- a. Employee participation in short term incentive (STI) plans:
  - Six (6) of the organizations indicated that all employee groups participated in STI.
  - Five (5) organizations have STI plans for designated senior management and/or executives that do not extend to non-management staff.
- b. Weighting of performance factors (corporate versus individual versus team/department performance) in the determination of individual bonus payments:
  - The average plan mix, by employee level, is provided in the table below.
  - Typical plan mix is a combination of corporate and individual metrics with a heavier weighting on corporate for senior management and/or executives and a heavier weighting on individual metrics for non-management staff.

Performance Factor	CEO	Executive	Director	Management	Professional / Technical	Admin.
Corporate	64.6 %	50.4%	49.6%	36.1%	37.0%	32.8%
Team / Department	2.7%	6.7%	2.7%	11.8%	0.0%	0.0 %
Individual	32.7%	42.9%	47.7%	52.1%	63.0%	67.2%





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## 2015 Management Salary Survey Of Local Distribution Companies

### Incentive Programs (continued)

#### **Threshold Bonus Payouts**

Formulaic or “target based” bonus programs typically do not pay out until a minimum level of performance (corporate, team and/or individual) has been achieved (i.e., if the threshold performance is not achieved, there is no pay out). Once this threshold performance has been achieved, incentive plans will pay out a minimum level of bonus; pay out levels typically then increase as performance / results increase, up to a “target” bonus rate when performance goals have been “met”.

Seven (7) of the twenty-two (22) organizations with incentive plans reported that they define minimum levels of performance required before any bonuses are generated. The typical bonus rate at the threshold performance is set at 50% of “target” bonus.

#### **Maximum Bonus**

Bonus programs are often designed such that there is a maximum level of payout. For example: if a position has a 10% bonus and the maximum payout is 200%, or 2x, then the maximum amount the employee can achieve regardless of performance (i.e., how much targets are exceeded by), is 20% of their current base salary.

The average maximum bonus is provided by employee level in the table below, though the typical bonus pay maximum is 150% of target.

Maximum Bonus Payout %	CEO (n = 11)	Executive (n = 9)	Director (n = 6)	Management (n = 10)	Professional / Technical (n = 6)	Admin. (n = 6)
Average	125%	124%	133%	119%	145%	142%

In the broader market, it is more common to find higher maximum bonus levels (as a % of target) at higher levels of the organization, to reflect the greater influence on organizational performance that more senior roles are perceived to have.





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## 2015 Management Salary Survey Of Local Distribution Companies

### **Special (Project) Bonuses**

Organizations were asked if they provide any project bonuses for participation in key / special projects, paid on successful achievement of specific milestones and/or on completion of the project, separate and distinct from annual incentive plans.

Three organizations reported providing such bonuses. There is insufficient data to provide the average value as no employee level has at least three data observations.





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## 2015 Management Salary Survey Of Local Distribution Companies

### 4. Benefit Policies

#### Car Benefit

The majority of organizations (29 of 37 or 78%) provide a car benefit to some level of employee.

The tables below summarize the value of car benefits, by position, where provided. An asterisk (\*) indicates insufficient data to report:

		Company Owned Car (Value)	Monthly Lease Payment	Car Allowance (monthly)
CEO	P75	*	*	813
	P50	32,500	*	600
	P25	*	*	500
	Average	30,004	*	661
	Number	4	2	20
Executive / VP	P75	*	*	533
	P50	*	*	475
	P25	*	*	300
	Average	36,667	*	488
	Number	3	1	12
Sr. Management / Director	P75	*	*	528
	P50	*	*	450
	P25	*	*	300
	Average	*	*	407
	Number	2	0	7

Four (4) organizations reported providing a car benefit to specified positions below Senior Management. Specifically, two (2) organizations provide use of a company-owned vehicle and two (2) provide an allowance where the incumbent is required to be available for off-hours call-in, such as operations supervisors, line superintendents, engineers and meter supervisors.



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## 2015 Management Salary Survey Of Local Distribution Companies

### Mileage

The market statistics for mileage rates provided to employees as reimbursement for personal vehicle use are detailed in the table below.

N = 35	Mileage Reimbursement (¢ per km)
P75	55
P50	53
P25	48
Average	51

The most frequently reported mileage rate (11 organizations) is 55 cents per kilometer; the next most frequent reported rates are 54 cents per kilometer (4 organizations).

### Perquisites

#### *Club Memberships – Fitness*

Fifteen (15) organizations reported providing a subsidy for fitness club fees or provide a fitness facility on site. The typical policy is to provide a reimbursement of a fixed percentage (either 50 or 100%) up to a maximum amount per year. For eight (8) organizations, the same policy and maximum reimbursement applies regardless of job level. One (1) organization provides access to an on-site fitness facility.

	Maximum Reimbursement per year
P75	\$ 275
P50	\$ 200
P25	\$ 150
Average	\$ 215

#### *Club Memberships – Social*

None of the organizations reported having a separate policy / program for reimbursement of social club fees.





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## 2015 Management Salary Survey Of Local Distribution Companies

### Perquisites (cont'd)

#### ***Health Spending Account***

Nine (9) organizations reported providing a Health Spending Account (i.e. discretionary spending within a defined range of services / benefits).

Of the nine organizations, eight (8) provide the same funding for all jobs levels while one (1) differentiates by job level.

	CEO	Executive	Director	Management	Professional / Technical
P75	1,000	625	*	1,000	1,000
P50	500	475	450	500	450
P25	400	375	*	300	294
Average	617	556	592	589	597
Number	9	8	6	9	8

#### ***2<sup>nd</sup> Opinion Medical Advice***

Three (3) organizations in the survey reported having a separate policy / program for this benefit.

#### ***Personal Financial / Legal Counseling***

Three (3) organizations reported that financial and legal counseling is available via their Employee Assistance Program, which is provided to all employees.

#### ***Executive Medical Plan***

Four (4) organizations reported providing enhanced medical coverage for executive levels only. Three (3) organizations reported a maximum dollar value, with an average maximum value of \$1,336.





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## 2015 Management Salary Survey Of Local Distribution Companies

### Perquisites (cont'd)

#### ***Personal Computer / Cell Phone / Internet***

Six (6) organizations provided information regarding policies and practices related to computers and internet.

The most common policies/practices are:

- Low / no interest rate loans to purchase computer equipment for personal / home office use.
- Provision of laptops for particular levels of employee, in addition to office desktop, to allow for mobile work (note: may be a perquisite if personal use of computer is allowed, but not a perquisite if for business use only).
- Reimbursement for cell phone and/or home internet connection for selected employees (either full reimbursement or 50% reimbursement were both provided in the market place).
- Cash allowance intended to cover cell phone and/or internet service.

The value of these benefits varies dramatically by level within organizations and between organizations; the data does not lend itself to reporting of the value of typical practices. Excluding monthly cell phone allowances, allowances / loans are provided at an average value of \$795.

#### ***Other Perquisites***

Other programs / practices reported, by ten (10) organizations, include:

- Reimbursement of dues / fees for professional associations such as Engineers (P.Eng) and Accountants (CGA/CMA/CA).
- Provision of an Employee Assistance Program.

#### ***Enhanced Life Insurance Coverage for Senior Officers***

Organizations were asked if, for senior level jobs, there was additional, employer paid, life insurance coverage. For example, if the typical life insurance plan was 1.5x employee salary, was this enhanced to above 1.5x to some greater number such as 2x, or even 3x, for senior level jobs.

Fourteen (14) organizations provided information about their basic / standard life insurance coverage where the typical coverage is 2x annual salary (average coverage of 1.8x). Enhanced benefits are provided by four (4) organizations, where senior roles receive coverage at an average of 2.25x annual salary.





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## 2015 Management Salary Survey Of Local Distribution Companies

### Vacation Entitlement

Organizations provided the number of years of service required by various levels of employee in order to be entitled to a certain number of weeks of vacation.

The following table below details the range, average and typical (i.e., most common) number of years of service required per weeks of entitlement.

Several organizations noted that for executive level jobs, vacations are typically negotiated versus following a schedule for entitlement.

	2 weeks	3 weeks	4 weeks	5 weeks	6 weeks +
CEO					
Range	Start – 1	Start – 6	Start – 15	Start – 19	5 – 27
Average	0.9	2.3	6.6	13.1	21.8
Typical	1	3	9	17	25
Executive / VP Level					
Range	1 – 2	Start – 4	Start – 10	Start – 19	15 – 27
Average	1.1	2	6.4	13.4	22.6
Typical	1	3	10	17	25
Director Level					
Range	Start – 3	Start – 7	Start – 5	Start – 19	15 – 27
Average	1.1	2.2	7	13.6	22
Typical	1	1	9	17	25
Manager Level					
Range	0 – 4	Start – 4	Start – 10	8 – 20	15 – 27
Average	1.2	2.0	7.5	15.1	22.9
Typical	1	3	9	15	25
Professional Level					
Range	Start – 1	Start – 6	Start – 15	8 – 19	15 – 28
Average	0.9	2.3	8.1	15.4	23.6
Typical	1	3	9	17	25





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## 2015 Management Salary Survey Of Local Distribution Companies

### Unused Vacation

Organizations provided information about their policies and practices with regard to vacation time that was not fully utilized in the year in which it was earned.

Policy Regarding Carry Over	Number	%
Unused vacation entitlement at year end is paid out (vacation pay adjustment) – no carry over.	4	11%
Any/All unused vacation entitlement may be carried-over with no restrictions.	3	8%
Unused vacation entitlement may be carried over, subject to maximum total accumulated balance.	13	35%
A maximum amount of unused vacation may be carried over.	13	35%
No unused vacation may be carried over	4	11%
Total	37	100%

Maximum Number of Days to Carry Over (n=21)	Number of Days
Range	5 - 15
Average	8
Typical	5

Time Limit for Utilizing Carried-Over Vacation Time	Number
No limit	8
One Year	8
Six Months or less	14
Total	30

### Note:

Some organizations reported variations to the above policies such as:

- Six (6) of the twenty-six (26) organizations who have a maximum amount of days that can be carried over specified it as either one year entitlement or a portion of the years entitlement.
- Differences by job level exist where senior officers may carry over a greater number of days than non-senior officers.
- Differences by vacation eligibility, such as carrying over 10 days if eligible for up to 3 weeks' vacation but 20 days if eligible for 4 weeks' vacation.
- Exception policies where workload or special projects caused the employee to be unable to fully utilize vacation time, or where carry forward beyond standard policy is regularly allowed but must be approved by senior management.
- Cash out policies where some vacation time may be paid out instead of being carried over.





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## 2015 Management Salary Survey Of Local Distribution Companies

### **Educational Assistance / Reimbursement**

Eighteen participating organizations (18) provided details with regards to education assistance / reimbursement policies ranging from eligibility criteria to pay back provisions. There are a wide variety of types of programs and reimbursement rates. Key highlights are provided below:

- Fourteen (14) organizations stated that there is a policy for education assistance / reimbursement; though typically there are limiters such as education or training courses which must be job related, and are subject to managerial approval.
- Four (4) organizations stated that there is no formal policy, however, approval for educational assistance or reimbursement happens regularly and is on a case by case basis.
- Three (3) organizations provided an annual reimbursement maximum, the average is \$1,625 and the median is \$1,500.
- Three (3) organizations provided a lifetime reimbursement maximum, the average is \$18,333 and the median is \$20,000.
- Payback provisions were provided by thirteen (13) organizations. The average time to not trigger any pay back provision is 2.4 years, the median is 2.0 years. The range of time is generally between 1 - 5 years and twelve (12) organizations noted they have some form of partial payment plan for leaving within a designated time period after completion of education. For example, if 4 years for no repayment, if the employee leaves in 2 years, they will be asked for 50% pay back.



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## 2015 Management Salary Survey Of Local Distribution Companies

## 5. Benchmark Position Survey Results

### Survey Results

This section reports the information collected in aggregate values for each benchmark position. The values reported in this table reflect “All Ontario” data in that the data for all organizations matching to the position are included (regardless of size and geographic location).

Additional summaries, on a job by job basis, are provided in the accompanying “Addendum”.

Detailed analysis, with expanded statistical data (i.e., including P25 and P75 data points) as well as analysis of survey results by geographic region, by customer base and by revenue, are reported in the Excel files accompanying this report.





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## 2015 Management Salary Survey Of Local Distribution Companies

Milton Hydro Distribution Inc.  
EB-2015-0089  
INTERROGATORY RESPONSES  
Filed: December 18, 2015  
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### All Organizations

Code	Survey Job Title	Job Matches			Compensation Design						Actual Compensation				
		Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
		Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
0000	President & CEO	34	34	1192	148,500	185,000	197,900	25%	195,700	211,400	185,100	187,400	22%	205,500	219,600
0001	Chief Operating Officer (COO)	11	11	864	130,400	144,000	160,200	15%	157,800	174,700	151,500	149,900	11%	161,700	171,000
0002	Head of Operations/Engineering	20	25	872	118,700	136,900	148,900	15%	140,800	153,100	138,600	138,500	11%	142,400	148,500
0003	CFO / Head of Finance	29	29	830	121,200	141,800	148,100	15%	149,600	158,800	141,900	142,900	13%	149,900	163,100
0004	Head of Customer Service	11	11	702	108,600	127,700	146,000	14%	137,800	143,700	127,500	135,400	10%	147,500	146,300
0005	Head of Regulatory Affairs	5	5	677	111,200	120,500	138,600	14%	132,600	147,700	137,400	141,100	*	150,800	155,300
0006	Head of Human Resources	13	13	677	108,600	123,600	131,500	15%	142,200	142,400	127,900	129,300	14%	144,900	144,900
1000	Executive Assistant	25	32	245	59,500	70,100	77,500	5%	72,500	72,400	72,600	72,300	4%	74,800	75,700
1001	Administrative Assistant	12	21	184	51,400	59,100	63,600	6%	59,100	62,100	64,300	62,800	4%	64,300	63,900
2000	Director Engineering	10	11	702	104,100	130,700	137,000	10%	136,100	138,600	133,100	128,800	11%	140,100	137,600
2001	Engineering Manager	19	25	588	88,400	103,900	115,400	8%	109,100	111,000	105,900	106,300	5%	110,800	109,800
2002	Project Engineer	9	11	417	71,800	85,300	91,500	*	87,100	87,200	84,500	83,500	*	84,500	84,900
2003	Supervisor Engineering	13	16	421	80,900	92,600	101,100	6%	94,600	96,700	92,600	92,000	3%	94,500	95,100
2500	Director Operations	8	9	732	108,300	135,400	135,900	10%	141,300	139,200	132,700	128,300	10%	138,200	135,500
2501	Manager Operations	20	21	516	92,600	104,700	116,800	7%	109,800	110,600	107,200	108,500	6%	111,200	116,900
2502	Manager Control Centre	4	4	534	92,800	111,000	114,800	9%	120,000	120,200	110,400	110,600	*	121,500	119,700
2503	Supervisor Control Centre	8	8	436	79,900	94,100	101,100	5%	96,300	95,600	97,600	97,400	*	97,600	99,300
2504	Supervisor Protection and Control	5	5	496	83,400	97,900	104,200	*	99,700	104,800	99,700	98,600	*	99,700	103,400
2505	Supervisor Station Maintenance	7	7	496	83,100	99,700	103,300	*	99,700	106,300	101,100	105,900	*	103,300	109,700
2506	Line Supervisor	26	67	366	82,700	95,900	101,100	5%	96,600	98,500	97,000	97,200	4%	98,600	103,000
2507	Manager Meter Department	8	8	551	95,700	105,900	110,700	8%	116,200	117,200	109,300	108,700	6%	118,700	115,100
2508	Supervisor Meter Department	8	11	406	83,400	93,700	96,700	7%	98,300	98,200	96,900	96,600	6%	101,700	100,200

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





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## 2015 Management Salary Survey Of Local Distribution Companies



### All Organizations

Code	Survey Job Title	Job Matches			Compensation Design					Actual Compensation					
		Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
		Orgs	Incs						P50	AVG	P50	AVG		P50	AVG
3000	Director Supply Chain Management	1	1	*	*	*	*	*	*	*	*	*	*	*	*
3001	Manager Procurement /Inventory	13	13	393	82,400	95,600	103,600	7%	101,400	98,900	97,300	97,800	6%	101,500	101,700
3002	Supervisor Stores/Inventory/Warehouse	5	8	342	70,100	81,400	88,500	*	87,100	86,300	83,200	85,500	*	87,700	88,200
4000	Controller or Director Finance	14	14	588	92,700	109,500	115,000	7%	113,600	116,100	113,900	111,500	8%	120,300	117,400
4001	Manager Accounting	14	14	479	85,900	101,700	116,600	8%	106,200	106,400	95,800	98,100	6%	98,300	102,700
4002	Manager Risk Management	1	1	*	*	*	*	*	*	*	*	*	*	*	*
4003	Supervisor Accounting	6	7	377	75,800	91,100	96,800	6%	91,100	94,200	94,200	91,600	4%	95,200	95,600
4004	Financial or Business Analyst	11	12	342	73,100	86,900	92,400	5%	88,900	90,000	83,800	85,000	4%	86,900	87,700
4005	Accountant	9	14	332	67,100	79,500	83,700	4%	79,600	80,700	79,500	76,900	2%	79,500	77,900
5000	Director Customer Service	3	3	*	*	*	*	*	*	128,200	*	116,400	*	*	123,200
5001	Manager Customer Service/Billing	20	20	479	81,200	92,600	100,300	8%	94,300	95,800	95,500	93,100	6%	97,900	99,800
5002	Supervisor Customer Service	21	31	353	70,800	86,800	89,800	5%	87,600	86,600	82,200	84,200	4%	85,600	86,500
5500	Director Communications	3	3	*	*	*	*	*	*	112,200	*	106,300	*	*	115,400
5501	Manager Communications	8	8	342	75,800	83,100	89,200	6%	87,400	87,600	84,400	83,900	5%	87,700	87,000
6000	Director Regulatory Affairs	4	4	666	117,900	132,900	143,100	15%	152,800	153,800	138,000	136,000	14%	161,800	153,400
6001	Manager Regulatory Affairs	11	11	393	81,200	92,600	96,000	8%	95,500	96,400	92,400	94,000	8%	95,500	97,900
6002	Regulatory Accountant	12	13	337	69,600	81,800	94,500	7%	82,500	85,300	81,800	84,000	5%	83,800	86,700
7000	Settlement or Rate Analyst	5	7	342	74,300	89,800	92,100	*	89,800	90,700	89,800	88,300	*	91,700	90,900
7001	Director or Officer, Conservation	7	7	805	109,900	127,700	139,100	13%	141,100	144,800	122,400	124,600	17%	139,900	148,600
7002	Manager Conservation & Demand/Marketing	12	12	393	77,900	90,900	92,800	9%	93,000	88,800	89,900	86,400	8%	95,700	93,200
8000	Director Information Systems	9	9	677	108,600	126,100	132,100	14%	138,700	135,100	128,200	126,200	13%	139,400	138,700
8001	Manager Information Systems and/or Security	14	18	479	86,000	96,100	103,200	5%	99,100	100,800	97,500	98,000	5%	101,100	101,500
8002	Systems/Program Administrator	15	19	332	68,700	80,100	89,900	5%	80,100	83,700	88,500	83,800	4%	93,100	90,100
9000	Human Resources Manager	5	5	479	77,900	92,100	98,900	*	92,100	95,200	97,200	89,800	*	97,200	90,900
9001	Human Resources Generalist	9	11	289	62,600	73,600	80,900	5%	75,800	79,800	79,400	77,900	3%	79,400	81,100
9002	Human Resources Coordinator	5	5	245	61,900	76,100	76,100	6%	79,400	77,000	68,200	70,500	*	71,100	73,000
9003	Payroll	12	12	245	60,600	71,400	79,500	4%	74,200	74,500	75,100	73,400	3%	77,000	75,500
9004	Manager, Health & Safety	16	16	479	83,300	97,600	107,700	7%	99,100	103,700	98,900	100,000	5%	102,400	104,900

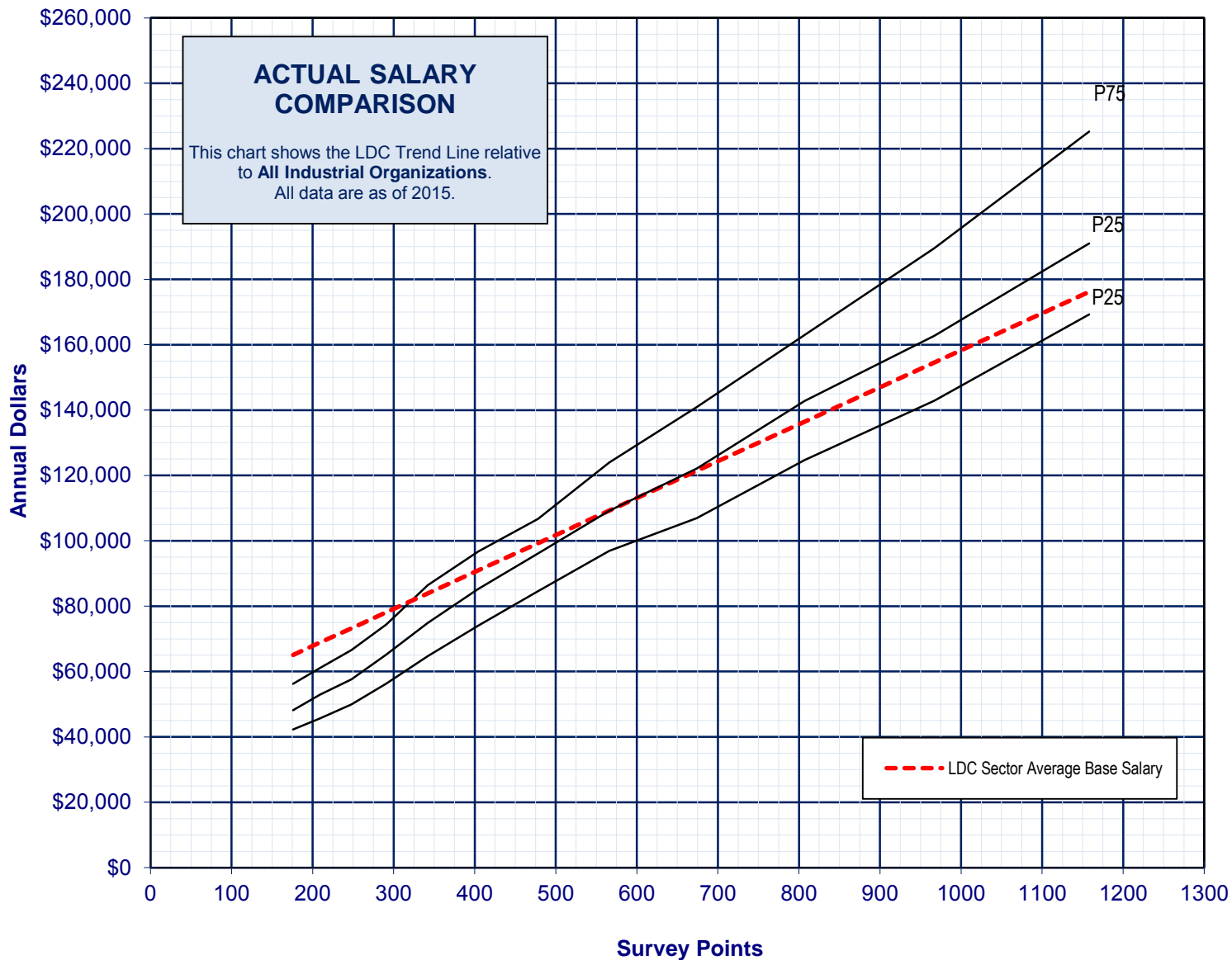
Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey Of Local Distribution Companies

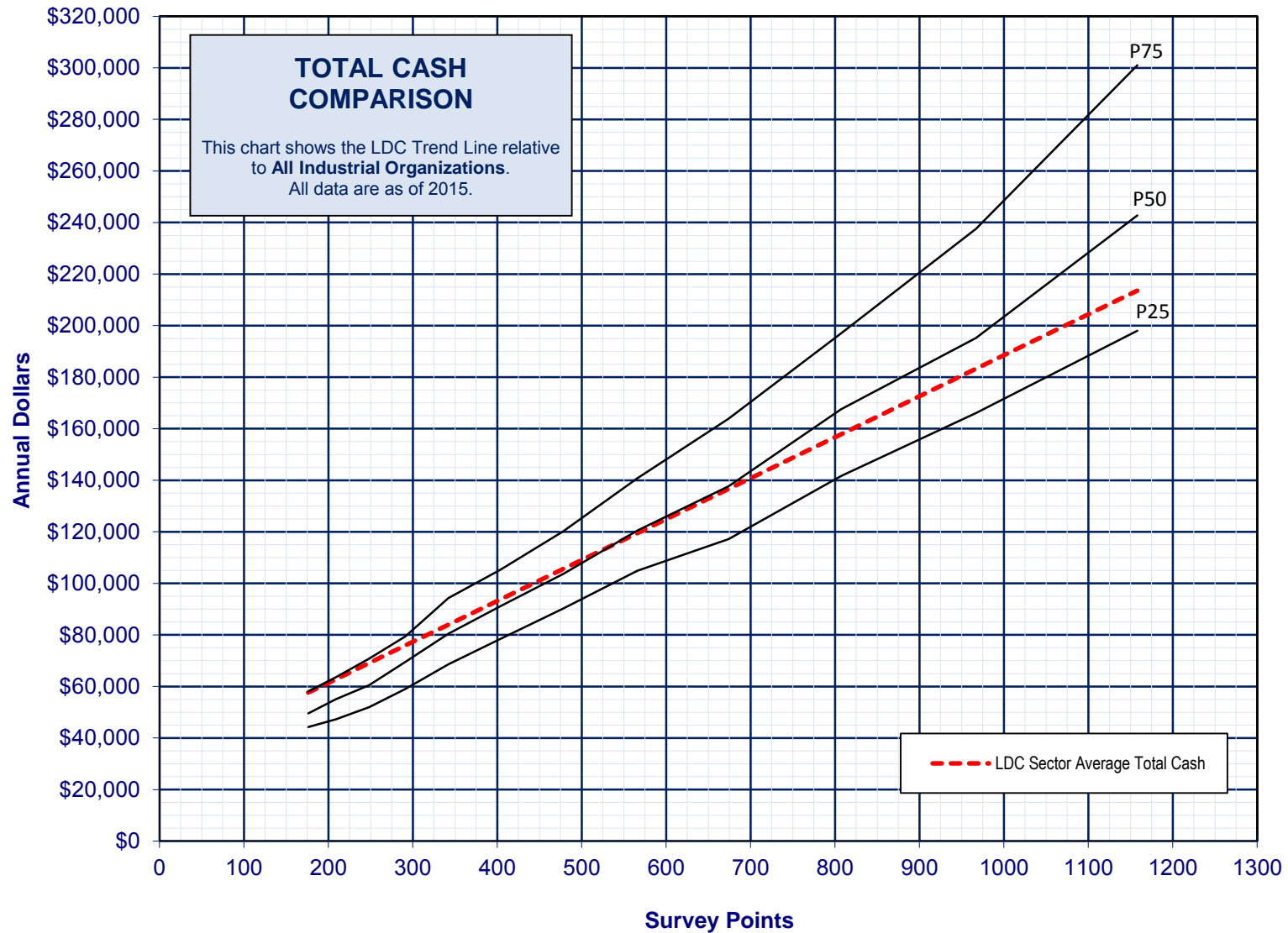






# The MEARIE Group

## 2015 Management Salary Survey Of Local Distribution Companies







# **The MEARIE Group**

## **2015 Management Salary Survey Of Local Distribution Companies**

Milton Hydro Distribution Inc.  
EB-2015-0089  
INTERROGATORY RESPONSES  
Filed: December 18, 2015  
Page 389 of 901  
**HayGroup®**

## **APPENDICES**





# The MEARIE Group

## 2015 Management Salary Survey Of Local Distribution Companies

### A. Survey Methodology

A brief profile was developed for each benchmark position. These profiles were incorporated into a survey package and distributed to each participant along with a data submission spreadsheet requesting data on survey benchmark positions, as well as the organization's profile and selected salary administration & benefits policies.

Participants matched their jobs to the profiles and provided data for each position, where applicable. For each position where an organization submitted more than one match, the data were aggregated and an average figure was used for that organization. By using this methodology, all organizations carry equal weighting, and no one single organization excessively influences the market statistics by virtue of the size of its employee population.

Once the completed surveys were returned to Hay Group, participants were contacted for data verification as necessary. Hay Group also initiated a number of follow-up actions to clarify information provided by the participants. All of the matches submitted by the participants were reviewed by Hay Group to determine their appropriateness versus the job profiles and the market. If deemed inappropriate, the matches, or outlier data, were removed from the survey results.

Where possible, organization charts or details regarding reporting relationships were provided to Hay Group to enable understanding of the roles. From the job match information, plus a review of organization charts and other contextual information provided, Hay Group has estimated at which Hay Reference Level each organizations' roles fall to facilitate point-based comparisons.





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## 2015 Management Salary Survey Of Local Distribution Companies

### B. Definitions – Compensation Elements

#### **Salary Range**

Minimum	The lowest salary/rate that the organization is prepared to pay for an incumbent in the position. May be the starting salary for inexperienced/non-qualified hire.
Job Rate / Control Point	Typically the midpoint of the salary range, intended to reflect the salary the organization is prepared to pay for sustained competent performance by a fully trained / qualified incumbent.
Maximum	The highest point in the salary range (or step progression). Note: might be the same as "job rate".

#### **Short Term Incentive**

*Short Term Incentive (STI) refers to any incentive arrangement designed to reward an individual for performance/results achieved over a performance cycle/period of up to one year.*

Target	Target bonus is the level of award (either a % of salary or a fixed dollar amount) that an employee in this position would expect to receive if all corporate, team and individual performance goals are "met" (as planned). This rate/amount is often communicated to employees as part of the incentive/bonus plan design, e.g. "the target bonus for jobs in grade/band 6 is 8% of salary".
Discretionary	Discretionary plans have no target bonus rate and pay out at the end of the year at the discretion of executive/board.

#### **Current Salary**

The amount paid for work performed on a regular, ongoing basis.  
Does not include variable bonus or incentive payments, sales commissions, shift premiums, or overtime payments.

#### **Actual STI (Paid)**

*Total of all STI awards paid to the incumbent(s) for performance/results over the latest completed fiscal year.*  
May be paid during the year or after year end. (Note: recorded and reported on an annual basis)





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## 2015 Management Salary Survey Of Local Distribution Companies

### C. Definitions – Statistical Elements

Market data are reported using the following statistics:

	Definition	Reporting Requirement (# of Observations Necessary to Report)
<b>P90</b>	90th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 10% of the observations would fall above the 90 <sup>th</sup> percentile and 90% would fall below	<b>11</b>
<b>P75</b>	75th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 25% of the observations would fall above this value and 75% would fall below	<b>7</b>
<b>P50</b>	50th percentile, also referred to as “median”  If all observations were sorted and listed from highest/largest to lowest/smallest, 50% of the observations would fall above this value and 50% would fall below	<b>4</b>
<b>P25</b>	25th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 75% of the observations would fall above this value and 25% would fall below	<b>7</b>
<b>P10</b>	10th percentile  If all observations were sorted and listed from highest/largest to lowest/smallest, 90% of the observations would fall above this value and 10% would fall below	<b>11</b>
<b>Average</b>	The arithmetic mean of all values, calculated by adding up all of the values and dividing by the number of observations	<b>3</b>



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## 2015 Management Salary Survey Of Local Distribution Companies

### D. Benchmark Position Profiles

Job Title	Description
President & CEO	Directs the development of short and long term strategic plans, operational objectives, policies, budgets and operating plans for the organization, as approved by the Board of Directors. Establishes an organization hierarchy and delegates limits of authority to subordinate executives regarding policies, contractual commitments, expenditures and human resource matters. Represents the organization to the financial community, industry groups, government and regulatory agencies and the general public.
Chief Operating Officer (COO)	Highest ranking operations position. Reporting to the President/CEO, directs the operational elements of the organization, could include operations & engineering, customer services, metering and information technology. Develops the short and long term strategic plans, directs the development of operational objectives, policies, budgets for his/her areas of accountability. The position reports directly to the President/CEO.
Head of Operations and/or Engineering	Highest ranking operations/engineering position. Reporting to COO or President. Directs both the operations and engineering functions. Develops the short and long term strategic plans, formulates and implements plans, budgets, policies and procedures to facilitate and improve processes. Establishes clear controls, objectives and measures to ensure safe and appropriate delivery of power and power related services. Evaluates the feasibility of new or revised systems or procedures and oversees operations and engineering to ensure compliance with established standards.
CFO / Head of Finance	Highest ranking financially-oriented position within the company. Reporting to the President & CEO, this strategic role plans directs and controls the organization's overall financial plans, policies and accounting practices and relationships with lending institutions, shareholders and the financial community in mid to large organizations. Provides advice and guidance for the Board of Directors on financial matters. May direct such functions as finance, general accounting, tax, payroll, customer billing, regulatory affairs, and information systems and may be responsible for Administration functions. Normally possesses a CA, CMA or CGA designation.
Head of Customer Service	The highest-ranking customer service position in the utility. Provides direction for all departmental activities, services and practices, including customer care/call centre, billing, credit and collections. Accountable for the development, implementation and integration of all customer service related activities to achieve a competitive advantage through customer driven initiatives and strategies. Directs and oversees the implementation of customer service standards, policies and procedures; manages and coordinates budgets.
Head of Regulatory Affairs	Represents the organization on quality and regulatory matters before government agencies and conformity assessment bodies including providing of evidence, regulatory filings, supporting analyses, position papers, interrogatory responses, etc. Keeps abreast of on-going developments in regulatory practices affecting electrical distribution utilities. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Is responsible for the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO). Generally reports to President & CEO or a senior executive.
Head of Human Resources	The highest-ranking human resources position in the organization. Provides direction, support and alignment of organization-wide Human Resources practices and systems with the business in terms of mission, vision and the strategic imperatives. Ensures that existing needs and future demands of internal customers are met through a cost effective and efficient HR services. Directs HR management and staff in the development and implementation of Human Resources strategy, policies and programs covering employment, negotiations & labour relations, training, compensation, organization development, performance management, benefits and may include health & safety. Provides coaching and counsel to the executive and Board of Directors.





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## 2015 Management Salary Survey Of Local Distribution Companies

### Administration

Executive Assistant	Performs advanced, diversified and confidential administrative duties requiring broad knowledge of organizational policies and practices. Initiates and prepares correspondence, reports, either routine or non-routine. Screens telephone calls and visitors and resolves routine and complex inquiries. Schedules appointments, meetings and travel itineraries. In some cases, may have responsibility for routine HR and administrative services. Records, prepares and distributes minutes of meetings, including Board of Director minutes. Reports to the President & CEO and may provide support to other executives.
Administrative Assistant	Performs advanced, diversified and confidential administrative duties for executives and/or senior management, requiring broad and comprehensive experience and knowledge of organizational policies and practices. Prepares correspondence, reports, either routine or non-routine. Screens telephone calls and visitors and resolves routine and complex inquiries. Schedules appointments, meetings and travel itineraries. Reports to a senior executive or executive team.

### Engineering

Director Engineering	Plans and directs the overall engineering activities and engineering staff of the organization. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes. Coordinates the creation, development, design and improvement of the organization's projects and products in conformance with established programs and objectives. Oversees plans, resources and budgets of the department aligned with business strategy.
Engineering Manager and/or Distribution Engineer	<p>Supervises and directs the work of an engineering division such as distribution, line design, transmission planning, distribution planning and/or civil engineering. Responsible for engineering work involving a wide scope of assignments. Handles personnel coordination and issues of the division, prepares estimates, specifications and designs, including the supervision, planning and scheduling of work within the division – Requires a P. Eng.</p> <p><u>OR</u></p> <p>Supervises engineering technicians or service technicians. Directs and coordinates the activities, schedules and projects of the construction and maintenance group of those involved with the distribution of electrical power from transformer substations, construction and maintenance of distribution systems. Consults with other department management on plant design, construction and maintenance. Prepares monthly operating reports, budget estimates, and work and materials specifications. Reviews and approves material requisitions, work authorizations and drawings for facilities. Requires a P. Eng.</p>
Project Engineer	Non-supervisory position. Directs and coordinates activities related to utility engineering project work, such as smart grid systems, renewables, large utility projects, asset renewal, etc. Requires a P. Eng.
Supervisor Engineering	Supervises a small technical work group which may include CAD operators and/or engineering technicians. Coordinates the development and maintenance of engineering and construction standards and systems (GIS, AM/FM, CAD). Organizes, stores and maintains the integrity of hard copy file records, digital formats and mapping standards. Normally requires a C.E.T. or A.Sc. T. Typically reports to an engineering manager.



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## 2015 Management Salary Survey Of Local Distribution Companies

### Operations

Director Operations	NOT the head of function. Plans and directs all operations functions (no engineering responsibility), of the utility. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes and establishes clear controls, objectives and measures to ensure safe and appropriate delivery of services and clarity of roles and responsibilities. Evaluates the feasibility of new or revised systems or procedures and oversees operations to ensure compliance with established standards.
Manager Operations	NOT the head of function. Supervises, co-ordinates, directs, schedules and controls the construction, maintenance and personnel of the division, including budgets, transportation, equipment and material requirements and fleet management. Division responsibilities include construction, maintenance and repair of all overhead transmission, overhead and underground distribution and may include coordination of tree trimming for geographical area assigned to the division. In smaller utilities, a professional engineer may fill this role.
Manager Control Centre	Supervises, co-ordinates, directs, schedules and controls the control centre and technical staff. Provides leadership in the planning and coordination of the control centre relative to safety, reliability and control of the distribution system. Is responsible for budgets, and the direct operations of the control centre approving system outages, switching and maintenance requirements to maintain and improve system reliability.
Supervisor Control Centre	Directs and supervises control centre technical staff. Provides planning and coordination of control centre scheduling and maintenance required for the safe, reliable operation and control of the distribution system, including the authorization of the operation of system devices, equipment and control access to electrical plant and substations. Approves and coordinates system outages and switching as required for maintenance and system reliability. Oversees power interruptions and emergencies with dispatch staff to affect corrective measures for isolation, emergency repairs and restoration purposes. Monitors feeder load profiles.
Supervisor Protection and Control	Responsible for the management of all Protection & Controls activities related to the installation, maintenance and commissioning of: Protective Relaying Schemes and Station Automation Systems; SCADA System, Visual Display System and Remote Terminal Units; Operations Ethernet and system-wide Area Communications Networks; Distribution Automation Systems, Sectionalizing Devices and Remote Supervisory Controlled Devices. Prepares and administers reports, budgets, Policies and Procedures, record keeping systems.
Supervisor Station Maintenance	Responsible for the planning, coordinating both maintenance and installation of substations, as well as ensuring reliability of the underground plant, through testing and troubleshooting. Supervises, coordinates and schedules the activities of Station Maintenance Electricians and Protection and Control Technicians, Reviews work assignments, daily logs, reports and orders. Co-ordinate crews and plan jobs, assigns work per shift, long-term work and shift coverage to ensure the smooth flow of routine work and that all shifts are covered.
Line Supervisor	Coordinates and directs the lead journey person and/or crews in the construction and maintenance of distribution lines and equipment (overhead and/or underground). Works with lead journey person to develop plans and schedules required in directing and assigning a crew or crews of skilled trade staff in performing construction, maintenance and operation of the distribution system lines in a safe and efficient manner. Supervises and coordinates subcontractors engaged in planning and executing work procedures, interpreting specifications and managing construction.
Manager Meter Department	Supervises the overall operations of the Meter department, prepares budgets, directs the purchase and maintenance of equipment and technology related to the department. Provides direction on the supervision of meter staff, the assignment of work and productivity of staff. Supervises the work related to interactions with electronic meter programming and interaction with/or the operation of the MV90 or similar data collection systems.





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## 2015 Management Salary Survey Of Local Distribution Companies

Supervisor Meter Department	Responsible for overall operation of the Meter department, including operations, budgeting and supervision of meter technicians or other operations staff. Assigns, monitors and inspects the daily work and productivity of the staff in metering operations to ensure timely delivery of services, maintenance of equipment and identification of issues. Develops work plans for the department that include supervising meter re-verification, new meter installs, record maintenance and monitoring of meter maintenance, damage, reporting and theft issues. Ensures compliance with technical standards for equipment. Responsible for electronic meter programming and interaction with/operation of an MV90 or similar data collection system.
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### Supply Chain / Procurement

Director Supply Chain Management	Responsible for the overall operation of the Procurement, Inventory, Fleet and/or Facilities programs and initiatives in the organization. Formulates and implements plans, budgets, policies and procedures to facilitate and improve processes and establishes clear controls, objectives and measures to ensure safe and appropriate delivery of services and clarity of roles and responsibilities. Oversees the establishment of user service level agreements, and provides contract management expertise and acts as a resource for contract negotiation, review and approval. Directs the effective capital acquisition and maintenance of the corporate fleet and/or directs the effective maintenance and capital investment of the organizations facilities and assets.
Manager Procurement and/or Inventory and/or Facilities and/or Fleet	Responsible for all purchasing and/or inventory and/or facilities and/or fleet for all areas of the utility. Negotiates vendor agreements and manages the tender process. May also be responsible for stores and inventory control in the warehouse. Is responsible for budgets, policies and procedures and directs the work of the purchasing or buyers and/or stores and/or facilities and/or fleet personnel. Works with the organization in setting partnership relationships to understand and meet the needs of the organization, its operations and risk associated with the effective and efficient operations of the company.
Supervisor Stores/Inventory/Warehouse	Supervises inventory control, records and stores operation. Orders material to maintain on-hand quantities with procurements approval. Responsible for testing safety equipment, i.e., hoses, blankets, gloves, etc., small tool and equipment repair and reconditioning. Assists procurement department in the sale of obsolete equipment and material.

### Accounting / Finance

Controller or Director Finance	NOT the head of function. Responsible for all financial reporting, accounting and record keeping functions. Directs the establishment and maintenance of the organization's accounting and finance principles, practices and procedures for the maintenance of its fiscal records and the preparation of its financial reports. Directs general and property accounting, cost accounting and budgetary control. Appraises operating results in terms of costs, budgets, operating policies, trends and increased profit opportunities. Reports to a CFO/VP Finance.
Manager Accounting	Manages the general accounting functions and the preparation of reports and statistics reflecting earnings, profits, cash balances and other financial results. Formulates and administers approved accounting practices throughout the organization to ensure that financial and operating reports accurately reflect the condition of the business and provide reliable information. Reports to Controller/Director Finance or CFO/VP Finance.
Manager Risk Management	Responsible for risk management activities including cash flow management, credit facilities management, insurance and support for credit and collection policies throughout the corporation. May be responsible for ensuring that cash liquidity risk is managed in an appropriate fashion such that bank account balances are sufficient to meet operational, capital expenditures and debt servicing requirements while minimizing short-term borrowings or surplus investing. Provides leadership in the developing new and refining existing risk management policies to respond to changes in risk tolerances and business conditions and as financial risks are better understood in accordance with industry best practices. Reports to Head of Finance or COO or CEO.





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## 2015 Management Salary Survey Of Local Distribution Companies

Supervisor Accounting	Coordinates activities of the payable/receivable clerks. Supervises accounts payable and receivable transactions, entries and trial balances; responsible for the accuracy of all journal entries and reconciliation of invoices; updates credit department on account status.
Financial or Business Analyst	Conducts analysis of information for budgeting, investment and financial forecasts; applies principles of accounting to analyze past and present financial operations; estimates future revenues and expenditures; prepares budgets; develops and maintains budgeting systems; processes and prepares business transactions and reports, reconciles ledgers and sub-ledgers, cash flow projections, entry of source documents. Holds a financial designation, either CA, CMA or CGA.
Accountant	Supports the organization decisions through financial information and relevant analysis. Ensures the integrity between the CS work order systems and general ledger system is maintained. Initiate corrective measures when discrepancies occur between the systems. Collects and combines information for the decision making process by management, including financial statements and special projects as assigned (e.g. preparation of rate submission supplemental information).

### Customer Service

Director Customer Service	NOT the head of function. Provides direction for all departmental activities, services and practices, including customer care/call centre, billing, credit and collections. Accountable for the implementation and integration of all customer service related activities. Oversees the implementation of customer service standards, policies and procedures; manages budgets; manages activities of CS managers and/or supervisory staff.
Manager Customer Service and/or Billing	NOT the head of function. Manages a team of customer service and/or billing representatives in providing information, receiving and responding to customer inquiries, complaints or requests. Develops and maintains customer information systems, processes and procedures including billing, credit, deposits and collections. Liaises with representatives of other organizations and customer groups to share information and resolve administrative, organizational and technical problems. Responds to elevated customer complaints. This function may also be responsible for coordinating meter installation/maintenance, residential electric service connections, and service calls.
Supervisor Customer Service and/or Billing and/or Collections	Supervises customer service representatives (billing clerks and/or collections clerks) and coordinates customer service programs within the framework of established customer service policies. Schedules and organizes staff to accommodate anticipated workflow from bill inquiries, delinquent accounts, re-connections and disconnections, customer deposits, etc. Recommends corrective steps to address customer issues and refers unique issues to manager for response.

### Regulatory Affairs

Director Regulatory Affairs	NOT the head of function. Supports the VP or may represent the organization on regulatory matters before government agencies and conformity assessment bodies including providing of evidence, regulatory filings, supporting analyses, position papers, interrogatory responses, etc. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Is responsible for or supports the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO).
Manager Regulatory Affairs	NOT the head of function. Manages the organization's regulatory staff, programs and activities to ensure compliance. Assists the organization on quality and regulatory matters before government agencies, providing research and analyses. Ensures that regulatory information is disseminated throughout the organization in a timely and effective manner. Coordinates the filing of written communications and regulatory submissions to government agencies (OEB) and conformity assessment bodies (IMO).





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Regulatory Accountant	Ensures that the accounting activities for regulatory financial reporting are in compliance with all Ontario Energy Board (OEB) policies and guidelines. Act as a key resource to provide expert advice and recommendations in the implantation of all OEB, OPA and IESO codes and regulations in order to ensure corporate compliance. Track and reconcile all OEB accounts, including business rationale for changes in balances, cost side of accounts subject to prudence review (i.e. conservation, smart meters) and the cost side of Ontario Power Authority (OPA) programs.
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### Conservation / Demand

Settlement or Rate Analyst	Responsible for recording, creating, analyzing, processing and reconciling metering data. Operates and administers an MV-90 or similar data collection system, downloading, validating, editing, estimating and processing interval meter-related information. Has in-depth understanding of commercial billing practices, the IMO and the OEB's Retail Settlement Code. Analyses rates using rate sensitivity models and develops appropriate rate structures, using the specific models.
Director or Officer, Conservation and Demand Management	This position is responsible for planning, coordinating, evaluating and delivering energy and water conservation and demand management programs. Develops plans for programs in accordance with the OEB's conservation and demand management code to ensure achievement of OEB mandated energy consumption and demand conservation targets.
Manager Conservation & Demand/Marketing	Responsible for managing the development and implementation of CDM initiatives as well as the marketing communications expertise and support required for the successful delivery of the company's Conservation and Demand Management (CDM) programs. Marketing communication plans may include, but are not limited to advertising, media conferences, program launch events, workshops, event displays. Liaising with, as needed, senior marketing and/or communications personnel representing organizations and groups involved in conservation and sustainability including, but not limited to, the Ontario Power Authority (OPA), the Ontario Energy Board (OEB), Ministry of Energy, municipal and regional governments, etc.

### Information Systems / Technology

Director Information Systems	Accountable for operations and alignment of the Information and Telecommunication Systems with the business in terms of organization objectives and imperatives. Ensures that existing needs and future demands of internal and external customers are met through a cost effective and efficient information and telecommunication infrastructure. Oversees IS management in areas of computer operations, systems planning, design, security, programming and telecommunications. Reviews and evaluates project feasibility and needs based upon management's and business requirements and priorities. Develops departmental plans, strategy, budgets and resource requirements. Typically reports to President & CEO, or CFO.
Manager Information Systems and/or Security	Manages and directs staff in areas of computer operations, systems planning, design, security, programming and telecommunications. Develops and maintains systems standards and procedures and assigns work to department staff. Reviews and evaluates project feasibility and needs based upon management's and business requirements and priorities. Develops departmental plans, project plans, budgets and resource requirements.
Systems/Program Administrator or Applications/Systems Support Professional	Responsible for maintenance of software systems including system analysis, programming and design, updates and changes. Makes a preliminary study of new applications and recommendations to implement them, including hardware and software. Troubleshoots and corrects problems in existing programs, other than normal problems, usually caused by changes of software or hardware.





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## 2015 Management Salary Survey Of Local Distribution Companies

### Human Resources

Human Resources Manager	NOT the head of function. Develops and implements human resources programs, including compensation, benefits, recruitment, performance management, labour relations/negotiations, training and development, assists in policy development, HR planning, record keeping or payroll etc. May supervise a team of HR professionals or support staff. Reports to a senior HR professional (Director or VP or equivalent).
Human Resources Generalist	Assists in the development and implementation of human resources policies and programs by providing support and guidance to managers and employees in the areas of compensation, labour relations, employee relations, performance management, benefits, recruitment, training and HRIS systems. Acts as a business partner to the organization in the areas of human capital. May assist in the preparation of negotiations.
Human Resources Coordinator	Administrative support to one or more functional areas of HR and/or Safety. Processes, coordinates and enters into a HRIS or other system, a variety of documents including employment applications, benefits, compensation and payroll changes and confidential employee information. Responds to routine employment questions and distributes and maintains manuals and employee program communications.
Payroll	Performs the payroll coordination and administration. Maintains the organizations internal or external payroll system. Prepares monthly requisitions for WSIB, Employee Health Tax, Receiver General, OMERS Pension and Union Dues. Administers employee pension program and provides pension calculation estimates as requested. Reconciles monthly payroll for year-end finance procedures. Prepares annual T4's and T4A's and OMERS Pension and responds to inquiries from employees and pensioners regarding the pension plan.
Manager, Health & Safety	Accountable for the development and implementation of occupational health, safety and environmental programs, including training, maintenance of safe working conditions, investigation and reporting of workplace accidents. Also identifies areas of potential risk and makes recommendations to reduce or eliminate potential accident or health hazards in compliance with government regulations.

### Communications

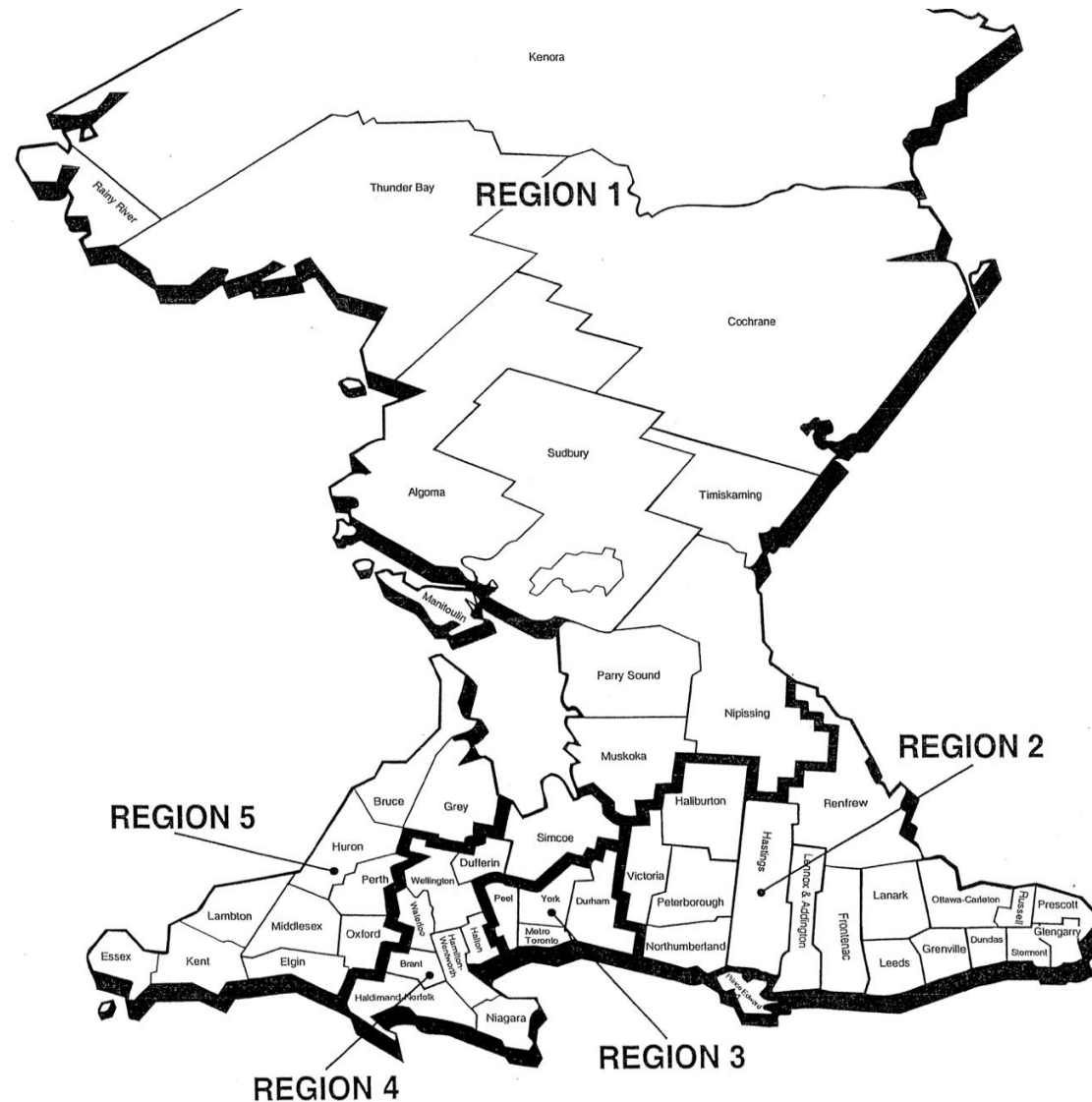
Director Communications	Directs the development, management and execution of internal and external corporate communications strategies for the company, and marketing and public relations initiatives. Acts as the Chief Spokesperson for the organization. Leads the management and development of the corporate brand and identity. Oversees the development, production and distribution of corporate publications including, but not limited to, the annual report, customer newsletters, information brochures, bill inserts, CDM/Green marketing materials, employee newsletters and media releases. Directs the development and management of the company's external (corporate internet site) and internal (corporate intranet site) web presence and strategy. Oversees the management and execution of internal and external corporate events as well as community-relations activities such as sponsorship and donation programs.
Manager Communications	Responsible for managing the development and implementation of all customer communications initiatives as well as the marketing communications expertise and support required for the successful delivery of the company's CDM and customer communications materials/systems. Communication materials may include, but are not limited to, customer newsletters, information brochures, bill form design, employee intranet, LCD information monitors, and website communications. Working in conjunction with Regulatory Affairs, develop materials or other communication methods to communicate regulatory changes/issues that may directly impact the customer. Manages event planning for internal and external company events.



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## 2015 Management Salary Survey Of Local Distribution Companies

### E. Regions







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## 2015 Management Salary Survey Of Local Distribution Companies

### *Addendum – Position Reports*

*September 2015*

***SURVEY ADMINISTRATOR: HAY GROUP LIMITED***





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

Code: 0000

Model Job Title: President & CEO

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	34	34	1192	148,500	185,000	197,900	25%	195,700	211,400	185,100	187,400	22%	205,500	219,600
Geography: Region 1	8	8	1040	108,900	149,300	182,000	*	149,300	152,900	161,800	153,000	*	185,100	185,900
Geography: Region 2	3	3		*	*	*	*	*	209,900	*	189,100	*	*	205,700
Geography: Region 3	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	13	13	1192	160,600	183,000	189,700	13%	192,600	201,300	183,000	186,700	12%	192,000	200,500
Geography: Region 5	8	8	1166	159,000	197,800	223,900	28%	254,800	245,900	197,800	202,400	30%	261,600	248,500
Revenue: Less than \$5 Million	8	8	904	107,200	128,700	136,100	*	128,700	137,500	131,900	135,100	*	151,800	166,400
Revenue: \$5 to \$12 Million	7	7	1040	154,500	183,000	196,400	15%	195,100	202,500	183,000	183,000	14%	192,000	200,500
Revenue: \$12 to \$20 Million	7	7	1192	161,800	185,700	222,800	25%	232,100	225,500	184,600	201,000	17%	205,900	227,200
Revenue: \$20 to \$50 Million	9	9	1486	180,800	199,400	217,700	28%	209,300	246,700	205,000	210,200	33%	208,600	252,700
Revenue: Over \$50 Million	3	3		*	*	*	*	*	291,000	*	236,800	*	*	289,000
Customers: Up to 19,999	13	13	1040	108,900	139,900	144,700	10%	158,100	158,400	143,400	152,400	10%	160,200	175,800
Customers: 20,000 to 39,999	9	9	1040	148,500	185,700	218,500	25%	232,100	224,900	193,000	200,700	20%	205,900	226,000
Customers: 40,000 to 99,999	9	9	1486	175,000	199,400	215,500	28%	209,300	248,100	205,000	208,000	36%	208,600	253,300
Customers: 100,000 +	3	3		*	*	*	*	*	291,000	*	236,800	*	*	289,000
Employees: Less than 21	7	7	904	107,200	132,400	136,100	*	132,400	140,100	139,800	135,800	*	143,400	155,200
Employees: 21 to 50	11	11	1040	145,400	178,500	196,400	11%	192,000	188,200	180,000	176,100	10%	192,000	199,100
Employees: 51 to 100	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	11	11	1486	188,100	199,400	217,700	25%	209,300	247,000	205,000	211,500	29%	208,600	250,800
Employees: More than 200	3	3		*	*	*	*	*	291,000	*	236,800	*	*	289,000

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 0001**

**Model Job Title: Chief Operating Officer (COO)**

				COMPENSATION DESIGN						ACTUAL COMPENSATION				
Market Segment	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs		P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	11	11	864	130,400	144,000	160,200	15%	157,800	174,700	151,500	149,900	11%	161,700	171,000
Geography: Region 1	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	4	4	847	129,800	144,200	158,600	*	151,700	161,400	148,700	145,800	*	153,700	159,800
Geography: Region 5	3	3		*	*	*	*	*	177,000	*	140,600	*	*	169,300
Revenue: Less than \$5 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	4	4	1040	151,900	155,600	159,300	*	184,300	204,800	159,300	170,800	*	191,900	209,700
Revenue: Over \$50 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	3	3		*	*	*	*	*	134,600	*	125,100	*	*	129,400
Customers: 20,000 to 39,999	3	3		*	*	*	*	*	153,500	*	131,300	*	*	141,000
Customers: 40,000 to 99,999	4	4	1040	156,100	173,600	173,600	*	212,500	218,900	170,500	176,400	*	220,300	223,900
Customers: 100,000 +	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	4	4	835	118,300	138,900	158,600	*	150,500	148,000	132,100	128,200	*	133,600	133,100
Employees: 51 to 100	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	4	4	1040	151,900	155,600	159,300	*	184,300	204,800	159,300	170,800	*	191,900	209,700
Employees: More than 200	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

Code: 0002

Model Job Title: Head of Operations and/or Engineering

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	20	25	872	118,700	136,900	148,900	15%	140,800	153,100	138,600	138,500	11%	142,400	148,500
Geography: Region 1	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	1	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	10	13	786	113,000	121,900	133,000	11%	135,100	131,200	126,300	126,900	*	126,700	128,900
Geography: Region 5	6	7	872	126,000	151,700	169,300	20%	181,900	181,600	148,300	150,100	21%	179,500	171,200
Revenue: Less than \$5 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	5	5	732	105,700	120,800	138,500	*	137,100	132,700	120,100	119,900	*	120,100	119,900
Revenue: \$12 to \$20 Million	5	5	904	117,900	138,700	148,400	13%	159,500	162,000	140,100	141,500	8%	150,000	153,800
Revenue: \$20 to \$50 Million	6	10	1040	126,400	140,300	157,000	*	145,900	154,600	147,600	150,600	*	156,100	159,500
Revenue: Over \$50 Million	2	3		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	6	6	732	102,100	120,400	121,000	*	126,300	124,300	112,300	114,500	*	117,300	117,900
Customers: 20,000 to 39,999	6	6	839	120,200	137,900	157,100	14%	156,300	155,000	138,600	142,900	*	143,500	150,000
Customers: 40,000 to 99,999	6	10	1040	126,400	140,300	157,000	*	145,900	160,900	147,600	147,200	*	156,100	157,600
Customers: 100,000 +	2	3		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	7	7	732	106,800	122,100	132,300	*	132,600	130,400	122,100	123,100	*	122,100	126,100
Employees: 51 to 100	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	8	12	1040	124,300	140,700	156,400	15%	154,300	158,400	147,600	150,900	10%	157,300	160,600
Employees: More than 200	2	3		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 0003**

**Model Job Title: CFO / Head of Finance**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	29	29	830	121,200	141,800	148,100	15%	149,600	158,800	141,900	142,900	13%	149,900	163,100
Geography: Region 1	6	6	648	101,800	116,300	123,400	*	116,300	122,300	123,400	122,700	*	145,400	141,000
Geography: Region 2	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	12	12	818	117,300	138,200	145,000	12%	145,600	154,200	141,100	141,200	9%	142,400	153,300
Geography: Region 5	7	7	800	126,000	138,600	164,100	20%	159,400	171,200	151,200	149,000	24%	173,500	176,100
Revenue: Less than \$5 Million	6	6	583	91,000	107,600	105,800	*	107,600	109,300	107,400	104,800	*	110,200	122,200
Revenue: \$5 to \$12 Million	6	6	705	111,500	135,700	145,000	11%	145,800	144,300	132,700	132,000	10%	140,900	140,400
Revenue: \$12 to \$20 Million	6	6	830	126,300	149,500	154,800	15%	168,200	171,400	145,600	153,000	11%	159,800	174,300
Revenue: \$20 to \$50 Million	8	8	1017	138,400	146,700	158,700	25%	159,500	185,800	155,600	164,300	32%	166,700	192,800
Revenue: Over \$50 Million	3	3		*	*	*	*	*	189,700	*	163,600	*	*	188,200
Customers: Up to 19,999	11	11	611	102,100	111,000	121,000	10%	120,100	120,600	109,800	115,800	7%	120,100	128,200
Customers: 20,000 to 39,999	7	7	800	124,300	146,000	157,500	14%	160,500	166,800	146,000	148,100	11%	161,100	163,800
Customers: 40,000 to 99,999	8	8	1017	142,600	160,600	169,900	25%	187,200	192,800	166,600	167,800	34%	190,900	201,000
Customers: 100,000 +	3	3		*	*	*	*	*	189,700	*	163,600	*	*	188,200
Employees: Less than 21	5	5	571	*	109,400	*	*	109,400	109,800	109,400	106,000	*	109,400	108,200
Employees: 21 to 50	8	8	690	106,000	121,900	130,100	10%	132,800	130,900	123,600	123,900	7%	140,900	141,300
Employees: 51 to 100	3	3		*	*	*	*	*	205,800	*	175,500	*	*	210,000
Employees: 101 to 200	10	10	1017	133,300	147,700	158,700	15%	160,100	182,300	150,600	160,600	21%	160,500	186,200
Employees: More than 200	3	3		*	*	*	*	*	189,700	*	163,600	*	*	188,200

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 0004**

**Model Job Title: Head of Customer Service**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	11	11	702	108,600	127,700	146,000	14%	137,800	143,700	127,500	135,400	10%	147,500	146,300
Geography: Region 1	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	4	4	828	117,300	129,000	139,600	*	129,000	130,100	133,800	138,000	*	133,800	138,000
Geography: Region 5	3	3		*	*	*	*	*	133,900	*	112,800	*	*	128,000
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	3	3		*	*	*	*	*	118,300	*	108,300	*	*	108,300
Revenue: \$12 to \$20 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	5	5	864	126,800	137,800	147,500	*	142,800	142,300	147,500	143,100	*	149,900	152,200
Revenue: Over \$50 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	5	5	677	105,000	115,500	126,000	11%	127,000	127,900	119,700	117,400	*	120,300	124,400
Customers: 40,000 to 99,999	4	4	909	128,100	140,300	148,700	*	143,400	146,100	148,700	147,400	*	155,300	155,700
Customers: 100,000 +	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	3	3		*	*	*	*	*	118,300	*	108,300	*	*	108,300
Employees: 51 to 100	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	7	7	830	109,500	136,800	146,900	13%	142,800	141,300	146,000	138,900	9%	149,900	148,500
Employees: More than 200	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 0005**

**Model Job Title: Head of Regulatory Affairs**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	5	5	677	111,200	120,500	138,600	14%	132,600	147,700	137,400	141,100	*	150,800	155,300
Geography: Region 1	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 5	3	3		*	*	*	*	*	144,500	*	141,000	*	*	155,100
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: Over \$50 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 100,000 +	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: More than 200	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

Code: 0006

Model Job Title: Head of Human Resources

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	13	13	677	108,600	123,600	131,500	15%	142,200	142,400	127,900	129,300	14%	144,900	144,900
Geography: Region 1	3	3		*	*	*	*	*	123,800	*	127,000	*	*	129,300
Geography: Region 2	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	4	4	581	105,800	113,800	122,500	*	118,100	130,900	120,300	122,400	*	125,300	137,600
Geography: Region 5	3	3		*	*	*	*	*	151,600	*	134,900	*	*	155,600
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	3	3		*	*	*	*	*	122,400	*	114,400	*	*	123,000
Revenue: \$20 to \$50 Million	7	7	800	118,200	130,100	146,900	25%	149,600	157,200	141,900	139,700	26%	159,000	160,900
Revenue: Over \$50 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	3	3		*	*	*	*	*	133,000	*	122,200	*	*	134,500
Customers: 40,000 to 99,999	6	6	754	123,900	135,900	148,400	*	151,800	158,500	138,900	139,300	*	154,500	160,600
Customers: 100,000 +	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	9	9	677	111,200	127,700	141,900	20%	144,000	150,000	127,900	133,600	20%	149,900	151,900
Employees: More than 200	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

**Code: 1000**

**Model Job Title: Executive Assistant**

				COMPENSATION DESIGN						ACTUAL COMPENSATION				
Market Segment	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs						P50	AVG	P50	AVG		P50	AVG
All Organizations	25	32	245	59,500	70,100	77,500	5%	72,500	72,400	72,600	72,300	4%	74,800	75,700
Geography: Region 1	5	5	245	54,500	63,300	68,800	*	63,300	64,300	68,800	64,200	*	73,700	72,600
Geography: Region 2	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	3	4		*	*	*	*	*	81,400	*	76,400	*	*	81,000
Geography: Region 4	9	12	245	63,100	72,500	80,500	5%	72,500	71,900	72,600	72,700	*	73,800	73,600
Geography: Region 5	6	9	245	59,500	70,000	80,500	6%	72,100	74,400	72,400	74,600	4%	74,600	77,400
Revenue: Less than \$5 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	6	6	224	*	68,500	*	6%	70,200	72,400	71,300	72,500	*	73,100	75,300
Revenue: \$12 to \$20 Million	5	5	245	59,000	70,300	78,800	5%	74,600	74,600	78,800	76,500	3%	81,200	78,400
Revenue: \$20 to \$50 Million	9	12	245	60,200	69,600	80,100	*	72,500	71,600	72,500	72,500	*	73,700	73,300
Revenue: Over \$50 Million	3	7		*	*	*	*	*	80,800	*	77,500	*	*	81,600
Customers: Up to 19,999	4	4	245	*	63,500	*	*	65,300	64,000	63,500	60,600	*	68,200	70,300
Customers: 20,000 to 39,999	8	8	242	60,200	69,100	74,100	5%	69,600	72,200	75,800	75,600	4%	78,700	78,400
Customers: 40,000 to 99,999	10	13	245	59,800	71,400	80,500	6%	73,900	73,300	73,100	72,900	4%	73,100	73,900
Customers: 100,000 +	3	7		*	*	*	*	*	80,800	*	77,500	*	*	81,600
Employees: Less than 21	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	5	5	245	56,100	68,900	73,600	*	68,900	70,100	70,100	68,700	*	81,200	78,500
Employees: 51 to 100	4	4	201	*	74,600	*	5%	78,700	73,700	75,700	75,000	4%	79,000	77,900
Employees: 101 to 200	11	14	245	59,200	69,600	79,500	3%	72,500	71,900	72,700	73,200	3%	73,800	74,300
Employees: More than 200	3	7		*	*	*	*	*	80,800	*	77,500	*	*	81,600

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

**Code: 1001**

**Model Job Title: Administrative Assistant**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	12	21	184	51,400	59,100	63,600	6%	59,100	62,100	64,300	62,800	4%	64,300	63,900
Geography: Region 1	4	9	206	50,600	59,000	63,600	*	59,000	61,500	63,000	60,400	*	63,000	61,400
Geography: Region 2	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	1	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	5	8	169	51,000	59,100	62,000	*	59,100	58,900	64,400	62,400	*	64,400	62,400
Geography: Region 5	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: Less than \$5 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	5	13	208	54,300	59,100	64,300	*	59,100	60,700	64,300	64,100	*	64,300	64,500
Revenue: Over \$50 Million	1	2		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	4	4	184	47,800	57,400	57,400	*	57,400	56,000	57,500	56,800	*	57,500	57,100
Customers: 20,000 to 39,999	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	5	13	208	55,300	61,100	67,900	*	61,100	63,900	64,500	65,400	*	64,500	65,700
Customers: 100,000 +	1	2		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	6	14	208	53,000	60,100	66,100	*	60,100	62,500	64,400	64,800	*	64,400	65,500
Employees: More than 200	1	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 2000**

**Model Job Title: Director Engineering**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	10	11	702	104,100	130,700	137,000	10%	136,100	138,600	133,100	128,800	11%	140,100	137,600
Geography: Region 1	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	5	6	677	114,800	129,200	132,300	*	129,200	137,100	132,300	126,800	*	143,400	136,600
Geography: Region 5	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: Less than \$5 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	4	5	754	111,800	130,700	137,800	*	140,600	136,400	133,100	131,700	*	149,900	143,400
Revenue: Over \$50 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	5	6	702	111,800	129,200	137,800	*	129,300	135,000	132,300	128,900	*	143,400	140,200
Customers: 100,000 +	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	5	6	702	108,800	132,300	143,400	*	152,100	141,900	133,900	135,000	*	155,400	145,800
Employees: More than 200	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

**Code: 2001**

**Model Job Title: Engineering Manager and/or Distribution Engineer**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	19	25	588	88,400	103,900	115,400	8%	109,100	111,000	105,900	106,300	5%	110,800	109,800
Geography: Region 1	4	4	474	89,700	100,400	103,100	*	102,900	106,300	103,100	101,800	*	103,100	102,600
Geography: Region 2	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	2	3		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	4	4	587	90,500	102,500	113,100	*	102,500	109,500	107,400	109,700	*	107,400	111,300
Geography: Region 5	7	12	588	87,800	103,900	117,800	8%	113,500	109,100	105,900	103,200	6%	113,300	106,400
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	7	7	496	87,800	103,800	111,000	5%	106,100	111,400	103,800	104,400	4%	105,500	107,400
Revenue: \$20 to \$50 Million	7	7	611	90,000	103,900	115,400	*	103,900	105,800	105,900	107,400	*	110,800	110,800
Revenue: Over \$50 Million	3	9		*	*	*	*	*	123,900	*	117,700	*	*	124,900
Customers: Up to 19,999	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	8	8	554	88,000	103,800	120,500	5%	112,000	113,700	106,900	104,400	5%	110,300	107,300
Customers: 40,000 to 99,999	7	7	496	88,700	99,800	110,800	*	99,800	103,700	103,900	104,300	*	103,900	107,300
Customers: 100,000 +	3	9		*	*	*	*	*	123,900	*	117,700	*	*	124,900
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	5	5	496	86,000	102,700	123,200	*	115,000	111,300	101,100	101,100	*	101,100	102,400
Employees: 51 to 100	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	9	9	611	88,700	103,800	111,000	5%	105,800	105,900	103,900	104,600	5%	105,500	107,900
Employees: More than 200	3	9		*	*	*	*	*	123,900	*	117,700	*	*	124,900

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 2002**

**Model Job Title: Project Engineer**

Market Segment	COMPENSATION DESIGN										ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design			Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG		P50	AVG	P50	P50	AVG
All Organizations	9	11	417	71,800	85,300	91,500	*	87,100	87,200		84,500	83,500	*	84,500	84,900
Geography: Region 1	1	2		*	*	*	*	*	*		*	*	*	*	*
Geography: Region 2	0	0		*	*	*	*	*	*		*	*	*	*	*
Geography: Region 3	1	1		*	*	*	*	*	*		*	*	*	*	*
Geography: Region 4	5	6	417	71,800	85,300	88,600	*	85,300	83,900		84,500	81,400	*	84,500	81,400
Geography: Region 5	2	2		*	*	*	*	*	*		*	*	*	*	*
Revenue: Less than \$5 Million	1	1		*	*	*	*	*	*		*	*	*	*	*
Revenue: \$5 to \$12 Million	2	2		*	*	*	*	*	*		*	*	*	*	*
Revenue: \$12 to \$20 Million	1	1		*	*	*	*	*	*		*	*	*	*	*
Revenue: \$20 to \$50 Million	5	7	417	76,000	85,300	94,900	*	87,100	91,100		94,900	89,300	*	94,900	91,700
Revenue: Over \$50 Million	0	0		*	*	*	*	*	*		*	*	*	*	*
Customers: Up to 19,999	3	3		*	*	*	*	*	86,700		*	79,400	*	*	79,400
Customers: 20,000 to 39,999	1	1		*	*	*	*	*	*		*	*	*	*	*
Customers: 40,000 to 99,999	5	7	417	76,000	85,300	94,900	*	87,100	91,100		94,900	89,300	*	94,900	91,700
Customers: 100,000 +	0	0		*	*	*	*	*	*		*	*	*	*	*
Employees: Less than 21	1	1		*	*	*	*	*	*		*	*	*	*	*
Employees: 21 to 50	3	3		*	*	*	*	*	81,600		*	73,600	*	*	73,600
Employees: 51 to 100	0	0		*	*	*	*	*	*		*	*	*	*	*
Employees: 101 to 200	5	7	417	76,000	85,300	94,900	*	87,100	91,100		94,900	89,300	*	94,900	91,700
Employees: More than 200	0	0		*	*	*	*	*	*		*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 2003**

**Model Job Title: Supervisor Engineering**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	13	16	421	80,900	92,600	101,100	6%	94,600	96,700	92,600	92,000	3%	94,500	95,100
Geography: Region 1	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	3	3		*	*	*	*	*	96,700	*	85,600	*	*	92,500
Geography: Region 4	6	9	443	80,900	93,600	101,100	*	93,600	93,500	92,300	92,900	*	92,300	93,900
Geography: Region 5	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	3	3		*	*	*	*	*	96,900	*	88,600	*	*	90,800
Revenue: \$20 to \$50 Million	6	9	443	82,100	93,600	102,100	*	93,600	95,300	96,600	92,200	*	98,500	94,000
Revenue: Over \$50 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	3	3		*	*	*	*	*	93,500	*	89,000	*	*	90,300
Customers: 40,000 to 99,999	8	11	414	80,900	89,000	101,100	7%	93,300	94,800	91,700	90,900	5%	93,800	93,200
Customers: 100,000 +	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	4	4	407	*	86,800	*	6%	93,300	93,100	86,900	87,100	*	89,200	89,400
Employees: 101 to 200	7	10	421	80,900	92,600	101,100	5%	94,600	95,200	96,100	92,300	*	96,100	94,100
Employees: More than 200	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 2500**

**Model Job Title: Director Operations**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	8	9	732	108,300	135,400	135,900	10%	141,300	139,200	132,700	128,300	10%	138,200	135,500
Geography: Region 1	1	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	3	3		*	*	*	*	*	153,800	*	135,000	*	*	143,700
Geography: Region 5	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	4	5	732	110,000	127,200	133,100	*	137,400	133,600	126,400	125,100	*	137,500	137,200
Revenue: Over \$50 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	4	5	732	110,000	127,200	133,100	*	137,400	133,600	126,400	125,100	*	137,500	137,200
Customers: 100,000 +	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	5	6	732	108,800	118,400	126,700	*	118,400	129,600	122,400	122,500	*	122,400	132,900
Employees: More than 200	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

Code: 2501

Model Job Title: Manager Operations

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	20	21	516	92,600	104,700	116,800	7%	109,800	110,600	107,200	108,500	6%	111,200	116,900
Geography: Region 1	4	4	516	*	108,300	*	*	108,300	109,400	105,500	106,000	*	116,100	132,200
Geography: Region 2	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	8	8	544	94,500	106,000	117,800	8%	108,700	110,600	111,600	110,900	5%	112,600	113,600
Geography: Region 5	6	7	516	85,300	101,600	116,600	8%	107,700	108,800	102,100	105,500	8%	108,900	110,800
Revenue: Less than \$5 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	5	5	516	*	102,700	*	8%	115,000	112,700	110,000	109,000	7%	116,300	115,000
Revenue: \$12 to \$20 Million	5	5	516	85,700	104,100	114,200	*	107,200	108,700	103,800	104,800	*	107,900	107,400
Revenue: \$20 to \$50 Million	7	8	571	93,500	107,800	117,800	*	110,100	112,100	111,100	112,100	*	111,100	115,400
Revenue: Over \$50 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	5	5	516	*	101,900	*	*	101,900	107,400	101,900	105,900	*	111,400	126,900
Customers: 20,000 to 39,999	6	6	506	85,700	107,000	123,200	7%	113,200	111,800	107,100	109,200	7%	115,500	115,000
Customers: 40,000 to 99,999	8	9	571	92,400	106,500	116,900	8%	109,800	110,600	107,500	108,800	6%	111,000	111,800
Customers: 100,000 +	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	6	6	500	89,400	103,400	119,000	*	109,300	109,900	100,600	104,300	*	105,600	107,100
Employees: 51 to 100	3	3		*	*	*	*	*	108,400	*	109,800	*	*	116,200
Employees: 101 to 200	8	9	544	92,900	109,000	117,400	8%	112,100	113,400	112,500	112,400	7%	112,500	116,100
Employees: More than 200	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

Code: 2502

Model Job Title: Manager Control Centre

Market Segment	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	4	4	534	92,800	111,000	114,800	9%	120,000	120,200	110,400	110,600	*	121,500	119,700
Geography: Region 1	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 5	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: Over \$50 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: 100,000 +	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: More than 200	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 2503**

**Model Job Title: Supervisor Control Centre**

				COMPENSATION DESIGN						ACTUAL COMPENSATION				
Market Segment	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	8	8	436	79,900	94,100	101,100	5%	96,300	95,600	97,600	97,400	*	97,600	99,300
Geography: Region 1	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	3	3		*	*	*	*	*	90,600	*	93,100	*	*	93,100
Geography: Region 5	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	5	5	406	79,900	95,600	101,100	*	97,900	96,400	99,900	100,900	*	101,100	103,500
Revenue: Over \$50 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	3	3		*	*	*	*	*	94,000	*	97,800	*	*	100,300
Customers: 40,000 to 99,999	4	4	406	81,500	92,700	100,400	*	93,800	94,700	98,300	96,900	*	98,900	98,700
Customers: 100,000 +	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	6	6	406	79,800	94,100	100,400	*	96,300	96,100	98,300	98,700	*	98,900	101,200
Employees: More than 200	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

**Code: 2504**

**Model Job Title: Supervisor Protection and Control**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	5	5	496	83,400	97,900	104,200	*	99,700	104,800	99,700	98,600	*	99,700	103,400
Geography: Region 1	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 5	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	3	3		*	*	*	*	*	98,000	*	91,000	*	*	92,800
Revenue: Over \$50 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	3	3		*	*	*	*	*	98,000	*	91,000	*	*	92,800
Customers: 100,000 +	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	3	3		*	*	*	*	*	98,000	*	91,000	*	*	92,800
Employees: More than 200	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 2505**

**Model Job Title: Supervisor Station Maintenance**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	7	7	496	83,100	99,700	103,300	*	99,700	106,300	101,100	105,900	*	103,300	109,700
Geography: Region 1	3	3		*	*	*	*	*	96,000	*	100,400	*	*	101,800
Geography: Region 2	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 5	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	3	3		*	*	*	*	*	91,900	*	97,900	*	*	97,900
Revenue: Over \$50 Million	3	3		*	*	*	*	*	120,700	*	115,500	*	*	123,000
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	3	3		*	*	*	*	*	91,900	*	97,900	*	*	97,900
Customers: 100,000 +	3	3		*	*	*	*	*	120,700	*	115,500	*	*	123,000
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	4	4	452	82,900	93,400	102,200	*	93,400	95,500	98,900	98,700	*	100,000	99,800
Employees: More than 200	3	3		*	*	*	*	*	120,700	*	115,500	*	*	123,000

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 2506**

**Model Job Title: Line Supervisor**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	26	67	366	82,700	95,900	101,100	5%	96,600	98,500	97,000	97,200	4%	98,600	103,000
Geography: Region 1	7	13	421	83,100	96,800	97,500	*	96,800	96,000	97,500	98,000	*	98,200	112,400
Geography: Region 2	2	3		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	3	11		*	*	*	*	*	106,600	*	99,700	*	*	108,100
Geography: Region 4	9	29	421	82,800	93,500	101,100	4%	95,000	97,200	96,300	96,900	4%	98,700	98,500
Geography: Region 5	5	11	366	77,200	93,100	100,200	*	96,500	98,200	96,900	96,200	*	98,500	97,900
Revenue: Less than \$5 Million	3	3		*	*	*	*	*	101,500	*	98,200	*	*	130,300
Revenue: \$5 to \$12 Million	5	8	366	81,700	93,100	102,100	*	103,000	100,200	95,700	96,100	*	98,700	97,800
Revenue: \$12 to \$20 Million	7	12	366	77,200	93,800	100,300	5%	95,800	96,700	96,900	98,000	4%	99,300	100,500
Revenue: \$20 to \$50 Million	8	33	421	83,200	93,300	101,600	*	94,900	95,200	96,900	96,400	*	98,100	98,400
Revenue: Over \$50 Million	3	11		*	*	*	*	*	105,700	*	98,500	*	*	102,800
Customers: Up to 19,999	6	6	394	83,100	97,200	98,700	*	97,200	98,800	98,000	98,600	*	101,400	115,500
Customers: 20,000 to 39,999	8	16	366	78,400	93,500	101,100	5%	96,400	98,100	96,400	96,800	5%	96,600	98,800
Customers: 40,000 to 99,999	9	34	366	82,900	93,500	101,600	7%	94,100	96,200	96,700	96,300	5%	98,200	98,500
Customers: 100,000 +	3	11		*	*	*	*	*	105,700	*	98,500	*	*	102,800
Employees: Less than 21	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	8	11	366	81,000	92,500	100,100	*	95,700	94,700	96,300	96,100	*	97,800	108,500
Employees: 51 to 100	3	6		*	*	*	*	*	104,900	*	99,600	*	*	104,600
Employees: 101 to 200	10	37	394	82,900	93,700	100,700	5%	96,100	96,300	96,900	96,700	4%	98,100	98,900
Employees: More than 200	3	11		*	*	*	*	*	105,700	*	98,500	*	*	102,800

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 2507**

**Model Job Title: Manager Meter Department**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	8	8	551	95,700	105,900	110,700	8%	116,200	117,200	109,300	108,700	6%	118,700	115,100
Geography: Region 1	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	3	3		*	*	*	*	*	122,600	*	110,200	*	*	121,500
Geography: Region 4	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 5	4	4	555	92,800	109,300	113,800	*	116,600	114,700	112,600	111,500	*	118,700	115,800
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: Over \$50 Million	3	3		*	*	*	*	*	119,200	*	107,700	*	*	114,800
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	3	3		*	*	*	*	*	126,900	*	112,400	*	*	119,700
Customers: 100,000 +	3	3		*	*	*	*	*	119,200	*	107,700	*	*	114,800
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: More than 200	3	3		*	*	*	*	*	119,200	*	107,700	*	*	114,800

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 2508**

**Model Job Title: Supervisor Meter Department**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	8	11	406	83,400	93,700	96,700	7%	98,300	98,200	96,900	96,600	6%	101,700	100,200
Geography: Region 1	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	5	8	406	84,900	93,500	96,800	*	93,500	97,100	99,200	96,900	*	99,200	98,500
Geography: Region 5	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	5	8	406	83,300	93,500	96,800	*	93,500	94,600	97,300	96,100	*	99,200	98,300
Revenue: Over \$50 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	5	8	406	83,300	93,500	96,800	*	93,500	94,600	97,300	96,100	*	99,200	98,300
Customers: 100,000 +	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	5	8	406	83,300	93,500	96,800	*	93,500	94,600	97,300	96,100	*	99,200	98,300
Employees: More than 200	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 3000**

**Model Job Title: Director Supply Chain Management**

			COMPENSATION DESIGN							ACTUAL COMPENSATION				
Market Segment	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs						P50	AVG	P50	AVG		P50	AVG
All Organizations	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 1	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 5	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: Over \$50 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 100,000 +	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: More than 200	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 3001**

**Model Job Title: Manager Procurement and/or Inventory and/or Facilities and/or Fleet**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	13	13	393	82,400	95,600	103,600	7%	101,400	98,900	97,300	97,800	6%	101,500	101,700
Geography: Region 1	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	3	3		*	*	*	*	*	112,400	*	103,300	*	*	113,000
Geography: Region 4	3	3		*	*	*	*	*	92,300	*	98,100	*	*	98,100
Geography: Region 5	4	4	388	76,600	89,000	99,700	*	92,800	95,600	92,900	94,800	*	96,700	99,000
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	3	3		*	*	*	*	*	102,500	*	101,000	*	*	104,000
Revenue: \$20 to \$50 Million	7	7	393	77,100	90,500	96,800	*	90,500	91,000	91,400	92,700	*	96,800	95,300
Revenue: Over \$50 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	3	3		*	*	*	*	*	87,200	*	88,900	*	*	91,400
Customers: 40,000 to 99,999	8	8	436	79,800	94,800	108,000	8%	100,600	99,700	97,100	99,200	7%	101,600	102,400
Customers: 100,000 +	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	8	8	393	78,400	92,200	100,700	6%	95,100	92,300	94,100	93,600	6%	97,500	96,300
Employees: More than 200	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 3002**

**Model Job Title: Supervisor Stores/Inventory/Warehouse**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	5	8	342	70,100	81,400	88,500	*	87,100	86,300	83,200	85,500	*	87,700	88,200
Geography: Region 1	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	2	5		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 5	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	3	6		*	*	*	*	*	89,200	*	90,600	*	*	93,900
Revenue: Over \$50 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	3	6		*	*	*	*	*	89,200	*	90,600	*	*	93,900
Customers: 100,000 +	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	4	7	309	67,900	80,500	91,000	*	83,300	86,000	85,200	86,100	*	88,100	89,400
Employees: More than 200	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

**Code: 4000**

**Model Job Title: Controller or Director Finance**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	14	14	588	92,700	109,500	115,000	7%	113,600	116,100	113,900	111,500	8%	120,300	117,400
Geography: Region 1	3	3		*	*	*	*	*	116,000	*	115,800	*	*	118,000
Geography: Region 2	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	4	4	588	*	103,700	*	*	103,700	108,800	112,600	111,900	*	118,900	118,000
Geography: Region 5	3	3		*	*	*	*	*	110,400	*	110,100	*	*	115,900
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	3	3		*	*	*	*	*	111,200	*	113,300	*	*	119,900
Revenue: \$12 to \$20 Million	5	5	551	92,500	110,200	116,400	*	121,300	116,000	114,200	111,600	*	121,100	115,900
Revenue: \$20 to \$50 Million	4	4	588	97,700	109,600	119,000	*	115,400	121,600	112,600	114,500	*	119,700	123,500
Revenue: Over \$50 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	5	5	551	89,100	108,800	116,100	*	113,700	111,700	114,200	111,500	*	121,100	115,500
Customers: 40,000 to 99,999	6	6	588	96,500	113,300	126,800	10%	124,600	122,800	116,400	115,700	11%	128,300	125,200
Customers: 100,000 +	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	3	3		*	*	*	*	*	109,200	*	109,300	*	*	109,300
Employees: 51 to 100	3	3		*	*	*	*	*	116,800	*	117,900	*	*	128,400
Employees: 101 to 200	6	6	588	94,700	111,500	115,300	9%	118,000	120,400	112,100	112,400	9%	115,600	120,100
Employees: More than 200	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 4001**

**Model Job Title: Manager Accounting**

				COMPENSATION DESIGN						ACTUAL COMPENSATION				
Market Segment	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	14	14	479	85,900	101,700	116,600	8%	106,200	106,400	95,800	98,100	6%	98,300	102,700
Geography: Region 1	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	3	3		*	*	*	*	*	115,100	*	98,700	*	*	109,500
Geography: Region 4	6	6	524	86,100	100,900	107,500	*	103,400	108,000	97,600	98,900	*	97,600	100,800
Geography: Region 5	3	3		*	*	*	*	*	106,200	*	96,100	*	*	102,500
Revenue: Less than \$5 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	3	3		*	*	*	*	*	102,800	*	96,000	*	*	100,500
Revenue: \$12 to \$20 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	7	7	568	86,200	101,400	116,600	*	105,200	102,400	96,000	96,400	*	99,800	99,100
Revenue: Over \$50 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	9	9	479	86,100	99,800	113,700	8%	99,800	101,000	93,800	95,300	6%	96,800	98,400
Customers: 100,000 +	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	3	3		*	*	*	*	*	105,900	*	94,800	*	*	98,600
Employees: 51 to 100	3	3		*	*	*	*	*	108,400	*	98,300	*	*	102,700
Employees: 101 to 200	7	7	568	86,200	101,400	116,600	*	105,200	102,400	96,000	96,400	*	99,800	99,100
Employees: More than 200	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

**Code: 4002**

**Model Job Title: Manager Risk Management**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 1	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 5	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: Over \$50 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 100,000 +	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: More than 200	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 4003**

**Model Job Title: Supervisor Accounting**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	6	7	377	75,800	91,100	96,800	6%	91,100	94,200	94,200	91,600	4%	95,200	95,600
Geography: Region 1	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	2	3		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 5	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: Less than \$5 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	1	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: Over \$50 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	1	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 100,000 +	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	2	3		*	*	*	*	*	*	*	*	*	*	*
Employees: More than 200	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

**Code: 4004**

**Model Job Title: Financial or Business Analyst**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	11	12	342	73,100	86,900	92,400	5%	88,900	90,000	83,800	85,000	4%	86,900	87,700
Geography: Region 1	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	1	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	4	4	368	81,300	93,800	103,200	*	95,200	96,600	90,400	90,500	*	90,400	91,400
Geography: Region 5	3	3		*	*	*	*	*	80,600	*	85,400	*	*	87,900
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	4	4	368	69,800	82,100	91,000	5%	85,500	90,300	81,800	84,300	4%	85,200	87,800
Revenue: \$20 to \$50 Million	4	4	342	71,700	81,100	91,700	*	81,100	83,400	83,300	83,700	*	84,600	84,300
Revenue: Over \$50 Million	2	3		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	5	5	393	73,800	86,900	93,000	4%	88,900	91,500	84,400	87,300	3%	86,900	89,600
Customers: 40,000 to 99,999	4	4	337	70,600	81,100	91,700	*	82,100	84,000	83,000	83,500	*	85,100	84,700
Customers: 100,000 +	2	3		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	6	6	342	71,700	81,100	91,700	3%	81,100	83,200	81,100	81,200	*	82,000	82,500
Employees: More than 200	2	3		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 4005**

**Model Job Title: Accountant**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	9	14	332	67,100	79,500	83,700	4%	79,600	80,700	79,500	76,900	2%	79,500	77,900
Geography: Region 1	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	1	4		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	5	5	342	69,900	79,600	85,700	*	79,600	80,000	83,000	78,800	*	83,500	79,700
Geography: Region 5	2	4		*	*	*	*	*	*	*	*	*	*	*
Revenue: Less than \$5 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	3	6		*	*	*	*	*	82,100	*	81,800	*	*	83,200
Revenue: Over \$50 Million	2	4		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	3	3		*	*	*	*	*	83,200	*	82,500	*	*	83,200
Customers: 20,000 to 39,999	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	2	5		*	*	*	*	*	*	*	*	*	*	*
Customers: 100,000 +	2	4		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	3	6		*	*	*	*	*	82,100	*	81,800	*	*	83,200
Employees: More than 200	2	4		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 5000**

**Model Job Title: Director Customer Service**

Market Segment	COMPENSATION DESIGN								ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design	Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50    AVG	P50	AVG	P50	P50	AVG
All Organizations	3	3		*	*	*	*	*    128,200	*	116,400	*	*	123,200
Geography: Region 1	0	0		*	*	*	*	*    *	*	*	*	*	*
Geography: Region 2	1	1		*	*	*	*	*    *	*	*	*	*	*
Geography: Region 3	0	0		*	*	*	*	*    *	*	*	*	*	*
Geography: Region 4	0	0		*	*	*	*	*    *	*	*	*	*	*
Geography: Region 5	2	2		*	*	*	*	*    *	*	*	*	*	*
Revenue: Less than \$5 Million	0	0		*	*	*	*	*    *	*	*	*	*	*
Revenue: \$5 to \$12 Million	0	0		*	*	*	*	*    *	*	*	*	*	*
Revenue: \$12 to \$20 Million	2	2		*	*	*	*	*    *	*	*	*	*	*
Revenue: \$20 to \$50 Million	0	0		*	*	*	*	*    *	*	*	*	*	*
Revenue: Over \$50 Million	1	1		*	*	*	*	*    *	*	*	*	*	*
Customers: Up to 19,999	0	0		*	*	*	*	*    *	*	*	*	*	*
Customers: 20,000 to 39,999	1	1		*	*	*	*	*    *	*	*	*	*	*
Customers: 40,000 to 99,999	1	1		*	*	*	*	*    *	*	*	*	*	*
Customers: 100,000 +	1	1		*	*	*	*	*    *	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*    *	*	*	*	*	*
Employees: 21 to 50	0	0		*	*	*	*	*    *	*	*	*	*	*
Employees: 51 to 100	1	1		*	*	*	*	*    *	*	*	*	*	*
Employees: 101 to 200	1	1		*	*	*	*	*    *	*	*	*	*	*
Employees: More than 200	1	1		*	*	*	*	*    *	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

Code: 5001

Model Job Title: Manager Customer Service and/or Billing

Market Segment	COMPENSATION DESIGN										ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design			Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG		P50	AVG	P50	P50	AVG
All Organizations	20	20	479	81,200	92,600	100,300	8%	94,300	95,800		95,500	93,100	6%	97,900	99,800
Geography: Region 1	5	5	393	68,300	75,900	79,400	*	75,900	86,400		79,400	88,100	*	103,300	104,200
Geography: Region 2	1	1		*	*	*	*	*	*		*	*	*	*	*
Geography: Region 3	3	3		*	*	*	*	*	120,000		*	109,900	*	*	120,400
Geography: Region 4	9	9	417	80,800	92,100	98,700	*	92,300	91,900		89,200	88,700	*	94,200	90,400
Geography: Region 5	2	2		*	*	*	*	*	*		*	*	*	*	*
Revenue: Less than \$5 Million	3	3		*	*	*	*	*	70,500		*	70,500	*	*	95,100
Revenue: \$5 to \$12 Million	5	5	393	77,300	92,300	95,500	*	95,500	98,300		89,200	93,600	*	94,200	95,800
Revenue: \$12 to \$20 Million	5	5	496	83,300	98,000	109,500	6%	105,800	100,600		98,500	98,700	4%	102,400	101,800
Revenue: \$20 to \$50 Million	6	6	496	84,300	95,100	105,600	*	95,100	98,500		97,900	96,200	*	100,900	99,300
Revenue: Over \$50 Million	1	1		*	*	*	*	*	*		*	*	*	*	*
Customers: Up to 19,999	7	7	393	73,800	82,600	91,100	*	83,900	83,300		86,800	81,500	*	88,300	93,000
Customers: 20,000 to 39,999	4	4	464	79,500	93,200	100,500	*	95,500	98,400		96,900	97,100	*	98,800	99,700
Customers: 40,000 to 99,999	8	8	496	83,300	97,600	107,900	9%	101,500	102,500		98,500	98,900	7%	102,900	102,500
Customers: 100,000 +	1	1		*	*	*	*	*	*		*	*	*	*	*
Employees: Less than 21	2	2		*	*	*	*	*	*		*	*	*	*	*
Employees: 21 to 50	7	7	353	73,800	84,200	91,500	*	84,200	87,400		87,600	86,700	*	91,500	98,200
Employees: 51 to 100	2	2		*	*	*	*	*	*		*	*	*	*	*
Employees: 101 to 200	8	8	496	85,800	99,700	108,700	8%	102,000	102,500		100,400	99,300	7%	103,600	102,900
Employees: More than 200	1	1		*	*	*	*	*	*		*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

Code: 5002

Model Job Title: Supervisor Customer Service and/or Billing and/or Collections

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	21	31	353	70,800	86,800	89,800	5%	87,600	86,600	82,200	84,200	4%	85,600	86,500
Geography: Region 1	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	3	3		*	*	*	*	*	99,200	*	85,400	*	*	91,800
Geography: Region 4	9	16	342	71,900	82,200	89,000	4%	82,200	82,100	82,200	83,400	3%	82,200	84,400
Geography: Region 5	5	8	353	70,100	87,100	99,200	*	87,600	87,800	87,600	88,000	*	87,600	91,000
Revenue: Less than \$5 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	4	4	333	*	78,200	*	*	80,100	78,200	84,900	82,800	*	86,500	84,300
Revenue: \$12 to \$20 Million	5	6	353	67,300	86,800	89,800	5%	91,200	88,700	87,200	85,700	4%	87,200	88,200
Revenue: \$20 to \$50 Million	8	16	353	74,400	85,600	94,100	6%	86,400	86,300	82,000	83,100	6%	82,000	85,500
Revenue: Over \$50 Million	3	4		*	*	*	*	*	95,800	*	87,400	*	*	91,000
Customers: Up to 19,999	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	7	8	353	66,700	81,400	88,200	5%	81,400	83,300	82,200	84,700	4%	85,600	86,900
Customers: 40,000 to 99,999	9	17	353	74,900	88,400	97,400	7%	91,800	89,300	83,600	85,400	4%	86,100	87,800
Customers: 100,000 +	3	4		*	*	*	*	*	95,800	*	87,400	*	*	91,000
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	4	4	303	67,600	82,000	86,300	*	82,000	77,000	81,300	78,200	*	81,600	78,300
Employees: 51 to 100	4	5	374	*	87,000	*	5%	92,000	89,200	90,000	90,200	4%	93,400	93,400
Employees: 101 to 200	10	18	353	71,900	85,600	90,600	5%	86,400	86,600	82,000	83,200	5%	82,000	85,700
Employees: More than 200	3	4		*	*	*	*	*	95,800	*	87,400	*	*	91,000

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



Code: 5500

Model Job Title: Director Communications

Market Segment	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	3	3		*	*	*	*	*	112,200	*	106,300	*	*	115,400
Geography: Region 1	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 5	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: Over \$50 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 100,000 +	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: More than 200	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

**Code: 5501**

**Model Job Title: Manager Communications**

Market Segment	COMPENSATION DESIGN										ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design			Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG		P50	AVG	P50	P50	AVG
All Organizations	8	8	342	75,800	83,100	89,200	6%	87,400	87,600		84,400	83,900	5%	87,700	87,000
Geography: Region 1	2	2		*	*	*	*	*	*		*	*	*	*	*
Geography: Region 2	1	1		*	*	*	*	*	*		*	*	*	*	*
Geography: Region 3	1	1		*	*	*	*	*	*		*	*	*	*	*
Geography: Region 4	2	2		*	*	*	*	*	*		*	*	*	*	*
Geography: Region 5	2	2		*	*	*	*	*	*		*	*	*	*	*
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*		*	*	*	*	*
Revenue: \$5 to \$12 Million	1	1		*	*	*	*	*	*		*	*	*	*	*
Revenue: \$12 to \$20 Million	2	2		*	*	*	*	*	*		*	*	*	*	*
Revenue: \$20 to \$50 Million	3	3		*	*	*	*	*	85,200		*	79,100	*	*	81,300
Revenue: Over \$50 Million	2	2		*	*	*	*	*	*		*	*	*	*	*
Customers: Up to 19,999	0	0		*	*	*	*	*	*		*	*	*	*	*
Customers: 20,000 to 39,999	2	2		*	*	*	*	*	*		*	*	*	*	*
Customers: 40,000 to 99,999	4	4	342	71,500	77,100	82,900	*	78,100	82,500		76,500	76,600	*	77,900	78,700
Customers: 100,000 +	2	2		*	*	*	*	*	*		*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*		*	*	*	*	*
Employees: 21 to 50	0	0		*	*	*	*	*	*		*	*	*	*	*
Employees: 51 to 100	2	2		*	*	*	*	*	*		*	*	*	*	*
Employees: 101 to 200	4	4	368	77,200	87,800	93,000	*	91,600	90,400		84,400	84,600	*	87,700	87,100
Employees: More than 200	2	2		*	*	*	*	*	*		*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

Code: 6000

Model Job Title: Director Regulatory Affairs

				COMPENSATION DESIGN						ACTUAL COMPENSATION				
Market Segment	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	4	4	666	117,900	132,900	143,100	15%	152,800	153,800	138,000	136,000	14%	161,800	153,400
Geography: Region 1	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 5	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: Over \$50 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 100,000 +	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: More than 200	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

Code: 6001

Model Job Title: Manager Regulatory Affairs

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	11	11	393	81,200	92,600	96,000	8%	95,500	96,400	92,400	94,000	8%	95,500	97,900
Geography: Region 1	3	3		*	*	*	*	*	90,600	*	83,300	*	*	83,900
Geography: Region 2	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	3	3		*	*	*	*	*	95,900	*	97,700	*	*	97,700
Geography: Region 5	3	3		*	*	*	*	*	94,600	*	94,200	*	*	98,700
Revenue: Less than \$5 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	5	5	479	85,900	99,800	110,800	*	99,800	99,800	102,000	101,500	*	105,300	106,500
Revenue: Over \$50 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	3	3		*	*	*	*	*	93,500	*	88,800	*	*	89,400
Customers: 20,000 to 39,999	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	5	5	479	85,900	99,800	110,800	*	99,800	97,800	102,000	99,200	*	105,300	103,500
Customers: 100,000 +	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	3	3		*	*	*	*	*	95,500	*	90,600	*	*	90,600
Employees: 51 to 100	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	5	5	479	85,900	99,800	110,800	*	99,800	99,800	102,000	101,500	*	105,300	106,500
Employees: More than 200	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

Code: 6002

Model Job Title: Regulatory Accountant

				COMPENSATION DESIGN						ACTUAL COMPENSATION				
Market Segment	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	12	13	337	69,600	81,800	94,500	7%	82,500	85,300	81,800	84,000	5%	83,800	86,700
Geography: Region 1	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	3	3		*	*	*	*	*	103,000	*	87,600	*	*	95,300
Geography: Region 4	3	3		*	*	*	*	*	73,100	*	77,000	*	*	78,200
Geography: Region 5	4	5	332	66,000	81,100	94,100	*	82,300	84,400	84,600	87,000	*	87,000	88,200
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	3	3		*	*	*	*	*	86,000	*	90,200	*	*	91,800
Revenue: \$20 to \$50 Million	5	5	342	73,100	82,200	91,300	*	82,200	81,600	73,700	78,600	*	74,600	79,400
Revenue: Over \$50 Million	2	3		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	3	3		*	*	*	*	*	82,300	*	87,600	*	*	88,800
Customers: 40,000 to 99,999	7	7	342	69,400	81,400	90,200	*	82,200	82,400	81,400	79,600	*	82,200	81,400
Customers: 100,000 +	2	3		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	3	3		*	*	*	*	*	80,000	*	79,800	*	*	83,900
Employees: 101 to 200	5	5	342	73,100	82,200	91,300	*	82,200	81,600	73,700	78,600	*	74,600	79,400
Employees: More than 200	2	3		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

Code: 7000

Model Job Title: Settlement or Rate Analyst

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	5	7	342	74,300	89,800	92,100	*	89,800	90,700	89,800	88,300	*	91,700	90,900
Geography: Region 1	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	1	3		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 5	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: Over \$50 Million	1	3		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	3	3		*	*	*	*	*	95,400	*	88,400	*	*	90,400
Customers: 40,000 to 99,999	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: 100,000 +	1	3		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: More than 200	1	3		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 7001**

**Model Job Title: Director or Officer, Conservation and Demand Management**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	7	7	805	109,900	127,700	139,100	13%	141,100	144,800	122,400	124,600	17%	139,900	148,600
Geography: Region 1	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	3	3		*	*	*	*	*	116,100	*	114,000	*	*	140,600
Geography: Region 5	3	3		*	*	*	*	*	144,400	*	123,300	*	*	139,800
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	4	4	830	124,300	133,600	143,200	*	160,000	167,700	131,000	135,600	*	176,200	172,700
Revenue: Over \$50 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	5	5	830	111,200	127,700	139,500	20%	159,700	160,600	122,400	131,500	26%	153,100	163,400
Customers: 100,000 +	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	4	4	830	124,300	133,600	143,200	*	160,000	167,700	131,000	135,600	*	176,200	172,700
Employees: More than 200	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 7002**

**Model Job Title: Manager Conservation & Demand/Marketing**

				COMPENSATION DESIGN						ACTUAL COMPENSATION				
Market Segment	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs						P50	AVG	P50	AVG		P50	AVG
All Organizations	12	12	393	77,900	90,900	92,800	9%	93,000	88,800	89,900	86,400	8%	95,700	93,200
Geography: Region 1	4	4	363	67,800	81,400	84,600	*	83,000	82,100	81,000	78,500	*	88,100	93,200
Geography: Region 2	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	4	4	400	74,400	88,000	93,100	*	88,000	84,100	84,600	84,500	*	84,600	84,500
Geography: Region 5	3	3		*	*	*	*	*	102,500	*	98,200	*	*	103,400
Revenue: Less than \$5 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	5	5	406	82,600	93,000	103,300	*	93,000	92,300	93,800	91,100	*	93,800	92,700
Revenue: Over \$50 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	3	3		*	*	*	*	*	72,800	*	68,000	*	*	86,400
Customers: 20,000 to 39,999	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	5	5	406	82,600	93,000	103,300	*	93,000	92,300	93,800	91,100	*	93,800	92,700
Customers: 100,000 +	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	3	3		*	*	*	*	*	81,700	*	79,600	*	*	97,900
Employees: 51 to 100	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	6	6	406	82,200	92,500	102,800	*	93,400	92,600	91,800	90,900	*	93,700	92,800
Employees: More than 200	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 8000**

**Model Job Title: Director Information Systems**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	9	9	677	108,600	126,100	132,100	14%	138,700	135,100	128,200	126,200	13%	139,400	138,700
Geography: Region 1	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	3	3		*	*	*	*	*	133,700	*	126,700	*	*	135,000
Geography: Region 5	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	7	7	677	108,600	126,100	132,100	15%	138,700	136,500	129,200	127,700	18%	151,000	141,100
Revenue: Over \$50 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	3	3		*	*	*	*	*	133,200	*	126,700	*	*	137,200
Customers: 40,000 to 99,999	6	6	754	107,100	123,300	132,100	15%	141,200	136,100	128,400	126,000	*	143,000	139,400
Customers: 100,000 +	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	9	9	677	108,600	126,100	132,100	14%	138,700	135,100	128,200	126,200	13%	139,400	138,700
Employees: More than 200	0	0		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 8001**

**Model Job Title: Manager Information Systems and/or Security**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	14	18	479	86,000	96,100	103,200	5%	99,100	100,800	97,500	98,000	5%	101,100	101,500
Geography: Region 1	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	3	3		*	*	*	*	*	115,100	*	104,000	*	*	113,700
Geography: Region 4	4	5	479	*	83,800	*	*	84,700	86,000	93,500	92,100	*	96,400	93,500
Geography: Region 5	3	6		*	*	*	*	*	103,500	*	98,500	*	*	101,800
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	4	4	479	81,600	94,600	102,000	*	96,700	98,800	95,700	96,500	*	98,000	97,700
Revenue: \$20 to \$50 Million	5	7	479	85,900	96,400	103,300	*	96,400	98,800	100,000	96,300	*	103,300	99,500
Revenue: Over \$50 Million	3	5		*	*	*	*	*	114,900	*	106,700	*	*	112,800
Customers: Up to 19,999	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	4	4	479	*	94,600	*	*	96,700	95,900	95,400	96,400	*	99,100	98,200
Customers: 40,000 to 99,999	6	8	479	85,900	94,700	103,300	*	97,200	98,700	98,300	95,500	*	103,200	99,000
Customers: 100,000 +	3	5		*	*	*	*	*	114,900	*	106,700	*	*	112,800
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	3	3		*	*	*	*	*	98,400	*	96,100	*	*	96,600
Employees: 51 to 100	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	6	8	488	84,300	96,100	103,200	*	98,300	99,100	98,800	96,500	*	103,200	99,700
Employees: More than 200	3	5		*	*	*	*	*	114,900	*	106,700	*	*	112,800

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 8002**

**Model Job Title: Systems/Program Administrator or Applications/Systems Support Professional**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	15	19	332	68,700	80,100	89,900	5%	80,100	83,700	88,500	83,800	4%	93,100	90,100
Geography: Region 1	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	3	3		*	*	*	*	*	82,400	*	74,900	*	*	79,000
Geography: Region 4	6	9	342	70,900	78,000	86,400	*	78,600	84,900	90,800	87,300	*	90,800	88,600
Geography: Region 5	3	4		*	*	*	*	*	80,300	*	83,300	*	*	85,000
Revenue: Less than \$5 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	5	6	342	69,400	89,800	89,800	5%	94,300	92,100	95,500	88,100	3%	99,700	90,700
Revenue: \$20 to \$50 Million	7	10	332	68,100	80,100	92,100	*	80,100	81,600	88,500	85,500	*	88,500	87,300
Revenue: Over \$50 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	4	4	342	74,700	92,800	102,400	5%	97,200	98,700	99,800	99,300	3%	103,100	102,800
Customers: 40,000 to 99,999	8	12	328	68,100	77,600	88,500	6%	77,600	78,400	74,800	78,700	*	77,100	80,100
Customers: 100,000 +	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	3	4		*	*	*	*	*	85,200	*	77,700	*	*	79,600
Employees: 101 to 200	9	12	342	68,100	81,400	92,100	5%	86,300	85,100	93,100	88,200	4%	93,100	90,300
Employees: More than 200	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

**Code: 9000**

**Model Job Title: Human Resources Manager**

				COMPENSATION DESIGN						ACTUAL COMPENSATION				
Market Segment	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	5	5	479	77,900	92,100	98,900	*	92,100	95,200	97,200	89,800	*	97,200	90,900
Geography: Region 1	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 5	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: Over \$50 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 100,000 +	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: More than 200	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

**Code: 9001**

**Model Job Title: Human Resources Generalist**

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	9	11	289	62,600	73,600	80,900	5%	75,800	79,800	79,400	77,900	3%	79,400	81,100
Geography: Region 1	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	2	3		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 5	3	4		*	*	*	*	*	68,500	*	66,300	*	*	67,800
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	6	8	306	65,400	73,300	80,200	*	74,400	77,100	77,000	76,100	*	78,100	78,000
Revenue: Over \$50 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	2	3		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	6	7	303	65,400	73,300	80,900	*	75,200	77,800	75,400	75,600	*	76,500	77,400
Customers: 100,000 +	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	7	9	289	62,600	73,600	79,400	3%	75,800	77,700	79,400	76,700	3%	79,400	78,500
Employees: More than 200	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

**Code: 9002**

**Model Job Title: Human Resources Coordinator**

				COMPENSATION DESIGN						ACTUAL COMPENSATION				
Market Segment	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	5	5	245	61,900	76,100	76,100	6%	79,400	77,000	68,200	70,500	*	71,100	73,000
Geography: Region 1	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	2	2		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 4	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 5	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$20 to \$50 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: Over \$50 Million	3	3		*	*	*	*	*	79,500	*	73,400	*	*	76,100
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 100,000 +	3	3		*	*	*	*	*	79,500	*	73,400	*	*	76,100
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: More than 200	3	3		*	*	*	*	*	79,500	*	73,400	*	*	76,100

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

Code: 9003

Model Job Title: Payroll

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	12	12	245	60,600	71,400	79,500	4%	74,200	74,500	75,100	73,400	3%	77,000	75,500
Geography: Region 1	0	0		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 2	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	3	3		*	*	*	*	*	84,000	*	76,000	*	*	81,300
Geography: Region 4	4	4	224	66,600	74,500	82,300	*	74,500	73,700	80,400	77,300	*	80,400	77,700
Geography: Region 5	4	4	275	60,100	69,400	75,100	*	72,500	70,800	72,500	70,300	*	74,600	71,800
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	3	3		*	*	*	*	*	71,900	*	71,200	*	*	73,000
Revenue: \$20 to \$50 Million	5	5	245	60,600	68,400	75,700	*	70,400	69,100	68,100	69,200	*	68,100	70,700
Revenue: Over \$50 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: 40,000 to 99,999	6	6	245	59,800	69,700	79,500	*	73,200	73,400	69,200	71,400	*	70,300	73,200
Customers: 100,000 +	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	6	6	224	57,900	68,300	75,100	*	69,300	68,200	65,400	68,100	*	67,700	69,700
Employees: More than 200	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

Code: 9004

Model Job Title: Manager, Health & Safety

Market Segment	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
All Organizations	16	16	479	83,300	97,600	107,700	7%	99,100	103,700	98,900	100,000	5%	102,400	104,900
Geography: Region 1	3	3		*	*	*	*	*	101,400	*	104,800	*	*	107,100
Geography: Region 2	1	1		*	*	*	*	*	*	*	*	*	*	*
Geography: Region 3	3	3		*	*	*	*	*	133,200	*	119,400	*	*	134,000
Geography: Region 4	4	4	479	82,600	94,600	105,000	*	94,600	90,400	97,600	93,400	*	99,700	94,600
Geography: Region 5	5	5	479	83,300	98,000	107,700	7%	105,800	101,000	97,900	93,600	5%	101,700	97,800
Revenue: Less than \$5 Million	0	0		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$5 to \$12 Million	1	1		*	*	*	*	*	*	*	*	*	*	*
Revenue: \$12 to \$20 Million	4	4	373	78,500	92,400	105,900	*	97,300	99,900	91,500	92,200	*	94,300	95,400
Revenue: \$20 to \$50 Million	9	9	496	83,100	93,000	103,300	7%	93,000	100,600	98,000	99,600	6%	102,300	104,100
Revenue: Over \$50 Million	2	2		*	*	*	*	*	*	*	*	*	*	*
Customers: Up to 19,999	0	0		*	*	*	*	*	*	*	*	*	*	*
Customers: 20,000 to 39,999	4	4	373	74,800	85,100	96,100	*	88,200	95,300	88,000	90,500	*	91,200	93,800
Customers: 40,000 to 99,999	10	10	524	83,300	97,600	107,800	8%	99,100	103,700	98,900	100,900	6%	102,400	105,500
Customers: 100,000 +	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: Less than 21	0	0		*	*	*	*	*	*	*	*	*	*	*
Employees: 21 to 50	1	1		*	*	*	*	*	*	*	*	*	*	*
Employees: 51 to 100	2	2		*	*	*	*	*	*	*	*	*	*	*
Employees: 101 to 200	11	11	406	83,100	93,000	103,300	6%	93,000	101,500	98,000	99,600	6%	102,300	104,100
Employees: More than 200	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

## All Organizations

Survey Benchmark Job	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
0000 President & CEO	34	34	1192	148,500	185,000	197,900	25%	195,700	211,400	185,100	187,400	22%	205,500	219,600
0001 Chief Operating Officer (COO)	11	11	864	130,400	144,000	160,200	15%	157,800	174,700	151,500	149,900	11%	161,700	171,000
0002 Head of Operations / Engineering	20	25	872	118,700	136,900	148,900	15%	140,800	153,100	138,600	138,500	11%	142,400	148,500
0003 CFO / Head of Finance	29	29	830	121,200	141,800	148,100	15%	149,600	158,800	141,900	142,900	13%	149,900	163,100
0004 Head of Customer Service	11	11	702	108,600	127,700	146,000	14%	137,800	143,700	127,500	135,400	10%	147,500	146,300
0005 Head of Regulatory Affairs	5	5	677	111,200	120,500	138,600	14%	132,600	147,700	137,400	141,100	*	150,800	155,300
0006 Head of Human Resources	13	13	677	108,600	123,600	131,500	15%	142,200	142,400	127,900	129,300	14%	144,900	144,900
1000 Executive Assistant	25	32	245	59,500	70,100	77,500	5%	72,500	72,400	72,600	72,300	4%	74,800	75,700
1001 Administrative Assistant	12	21	184	51,400	59,100	63,600	6%	59,100	62,100	64,300	62,800	4%	64,300	63,900
2000 Director Engineering	10	11	702	104,100	130,700	137,000	10%	136,100	138,600	133,100	128,800	11%	140,100	137,600
2001 Engineering Manager	19	25	588	88,400	103,900	115,400	8%	109,100	111,000	105,900	106,300	5%	110,800	109,800
2002 Project Engineer	9	11	417	71,800	85,300	91,500	*	87,100	87,200	84,500	83,500	*	84,500	84,900
2003 Supervisor Engineering	13	16	421	80,900	92,600	101,100	6%	94,600	96,700	92,600	92,000	3%	94,500	95,100
2500 Director Operations	8	9	732	108,300	135,400	135,900	10%	141,300	139,200	132,700	128,300	10%	138,200	135,500
2501 Manager Operations	20	21	516	92,600	104,700	116,800	7%	109,800	110,600	107,200	108,500	6%	111,200	116,900
2502 Manager Control Centre	4	4	534	92,800	111,000	114,800	9%	120,000	120,200	110,400	110,600	*	121,500	119,700
2503 Supervisor Control Centre	8	8	436	79,900	94,100	101,100	5%	96,300	95,600	97,600	97,400	*	97,600	99,300
2504 Supervisor Protection and Control	5	5	496	83,400	97,900	104,200	*	99,700	104,800	99,700	98,600	*	99,700	103,400
2505 Supervisor Station Maintenance	7	7	496	83,100	99,700	103,300	*	99,700	106,300	101,100	105,900	*	103,300	109,700
2506 Line Supervisor	26	67	366	82,700	95,900	101,100	5%	96,600	98,500	97,000	97,200	4%	98,600	103,000
2507 Manager Meter Department	8	8	551	95,700	105,900	110,700	8%	116,200	117,200	109,300	108,700	6%	118,700	115,100
2508 Supervisor Meter Department	8	11	406	83,400	93,700	96,700	7%	98,300	98,200	96,900	96,600	6%	101,700	100,200

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

## All Organizations

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
3000 Director Supply Chain Management	1	1		*	*	*	*	*	*	*	*	*	*	*
3001 Manager Procurement/Inventory	13	13	393	82,400	95,600	103,600	7%	101,400	98,900	97,300	97,800	6%	101,500	101,700
3002 Supervisor Stores/Inventory	5	8	342	70,100	81,400	88,500	*	87,100	86,300	83,200	85,500	*	87,700	88,200
4000 Controller or Director Finance	14	14	588	92,700	109,500	115,000	7%	113,600	116,100	113,900	111,500	8%	120,300	117,400
4001 Manager Accounting	14	14	479	85,900	101,700	116,600	8%	106,200	106,400	95,800	98,100	6%	98,300	102,700
4002 Manager Risk Management	1	1		*	*	*	*	*	*	*	*	*	*	*
4003 Supervisor Accounting	6	7	377	75,800	91,100	96,800	6%	91,100	94,200	94,200	91,600	4%	95,200	95,600
4004 Financial or Business Analyst	11	12	342	73,100	86,900	92,400	5%	88,900	90,000	83,800	85,000	4%	86,900	87,700
4005 Accountant	9	14	332	67,100	79,500	83,700	4%	79,600	80,700	79,500	76,900	2%	79,500	77,900
5000 Director Customer Service	3	3		*	*	*	*	*	128,200	*	116,400	*	*	123,200
5001 Manager Customer Service	20	20	479	81,200	92,600	100,300	8%	94,300	95,800	95,500	93,100	6%	97,900	99,800
5002 Supervisor Customer Service	21	31	353	70,800	86,800	89,800	5%	87,600	86,600	82,200	84,200	4%	85,600	86,500
5500 Director Communications	3	3		*	*	*	*	*	112,200	*	106,300	*	*	115,400
5501 Manager Communications	8	8	342	75,800	83,100	89,200	6%	87,400	87,600	84,400	83,900	5%	87,700	87,000
6000 Director Regulatory Affairs	4	4	666	117,900	132,900	143,100	15%	152,800	153,800	138,000	136,000	14%	161,800	153,400
6001 Manager Regulatory Affairs	11	11	393	81,200	92,600	96,000	8%	95,500	96,400	92,400	94,000	8%	95,500	97,900
6002 Regulatory Accountant	12	13	337	69,600	81,800	94,500	7%	82,500	85,300	81,800	84,000	5%	83,800	86,700
7000 Settlement or Rate Analyst	5	7	342	74,300	89,800	92,100	*	89,800	90,700	89,800	88,300	*	91,700	90,900
7001 Director/Officer, Conservation	7	7	805	109,900	127,700	139,100	13%	141,100	144,800	122,400	124,600	17%	139,900	148,600
7002 Manager Conservation & Demand	12	12	393	77,900	90,900	92,800	9%	93,000	88,800	89,900	86,400	8%	95,700	93,200
8000 Director Information Systems	9	9	677	108,600	126,100	132,100	14%	138,700	135,100	128,200	126,200	13%	139,400	138,700
8001 Manager Information Systems	14	18	479	86,000	96,100	103,200	5%	99,100	100,800	97,500	98,000	5%	101,100	101,500

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## All Organizations

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
8002 Systems/Program Administrator	15	19	332	68,700	80,100	89,900	5%	80,100	83,700	88,500	83,800	4%	93,100	90,100
9000 Human Resources Manager	5	5	479	77,900	92,100	98,900	*	92,100	95,200	97,200	89,800	*	97,200	90,900
9001 Human Resources Generalist	9	11	289	62,600	73,600	80,900	5%	75,800	79,800	79,400	77,900	3%	79,400	81,100
9002 Human Resources Coordinator	5	5	245	61,900	76,100	76,100	6%	79,400	77,000	68,200	70,500	*	71,100	73,000
9003 Payroll	12	12	245	60,600	71,400	79,500	4%	74,200	74,500	75,100	73,400	3%	77,000	75,500
9004 Manager, Health & Safety	16	16	479	83,300	97,600	107,700	7%	99,100	103,700	98,900	100,000	5%	102,400	104,900

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

## Customers: Up to 19,999

Survey Benchmark Job	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs						P50	AVG	P50	AVG		P50	AVG
0000 President & CEO	13	13	1040	108,900	139,900	144,700	10%	158,100	158,400	143,400	152,400	10%	160,200	175,800
0001 Chief Operating Officer (COO)	3	3		*	*	*	*	*	134,600	*	125,100	*	*	129,400
0002 Head of Operations / Engineering	6	6	732	102,100	120,400	121,000	*	126,300	124,300	112,300	114,500	*	117,300	117,900
0003 CFO / Head of Finance	11	11	611	102,100	111,000	121,000	10%	120,100	120,600	109,800	115,800	7%	120,100	128,200
0004 Head of Customer Service	1	1		*	*	*	*	*	*	*	*	*	*	*
0005 Head of Regulatory Affairs	0	0		*	*	*	*	*	*	*	*	*	*	*
0006 Head of Human Resources	2	2		*	*	*	*	*	*	*	*	*	*	*
1000 Executive Assistant	4	4	245	*	63,500	*	*	65,300	64,000	63,500	60,600	*	68,200	70,300
1001 Administrative Assistant	4	4	184	47,800	57,400	57,400	*	57,400	56,000	57,500	56,800	*	57,500	57,100
2000 Director Engineering	2	2		*	*	*	*	*	*	*	*	*	*	*
2001 Engineering Manager	1	1		*	*	*	*	*	*	*	*	*	*	*
2002 Project Engineer	3	3		*	*	*	*	*	86,700	*	79,400	*	*	79,400
2003 Supervisor Engineering	0	0		*	*	*	*	*	*	*	*	*	*	*
2500 Director Operations	0	0		*	*	*	*	*	*	*	*	*	*	*
2501 Manager Operations	5	5	516	*	101,900	*	*	101,900	107,400	101,900	105,900	*	111,400	126,900
2502 Manager Control Centre	0	0		*	*	*	*	*	*	*	*	*	*	*
2503 Supervisor Control Centre	0	0		*	*	*	*	*	*	*	*	*	*	*
2504 Supervisor Protection and Control	0	0		*	*	*	*	*	*	*	*	*	*	*
2505 Supervisor Station Maintenance	0	0		*	*	*	*	*	*	*	*	*	*	*
2506 Line Supervisor	6	6	394	83,100	97,200	98,700	*	97,200	98,800	98,000	98,600	*	101,400	115,500
2507 Manager Meter Department	0	0		*	*	*	*	*	*	*	*	*	*	*
2508 Supervisor Meter Department	0	0		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## Customers: Up to 19,999

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
3000 Director Supply Chain Management	0	0		*	*	*	*	*	*	*	*	*	*	*
3001 Manager Procurement/Inventory	0	0		*	*	*	*	*	*	*	*	*	*	*
3002 Supervisor Stores/Inventory	0	0		*	*	*	*	*	*	*	*	*	*	*
4000 Controller or Director Finance	1	1		*	*	*	*	*	*	*	*	*	*	*
4001 Manager Accounting	2	2		*	*	*	*	*	*	*	*	*	*	*
4002 Manager Risk Management	0	0		*	*	*	*	*	*	*	*	*	*	*
4003 Supervisor Accounting	2	2		*	*	*	*	*	*	*	*	*	*	*
4004 Financial or Business Analyst	0	0		*	*	*	*	*	*	*	*	*	*	*
4005 Accountant	3	3		*	*	*	*	*	83,200	*	82,500	*	*	83,200
5000 Director Customer Service	0	0		*	*	*	*	*	*	*	*	*	*	*
5001 Manager Customer Service	7	7	393	73,800	82,600	91,100	*	83,900	83,300	86,800	81,500	*	88,300	93,000
5002 Supervisor Customer Service	2	2		*	*	*	*	*	*	*	*	*	*	*
5500 Director Communications	0	0		*	*	*	*	*	*	*	*	*	*	*
5501 Manager Communications	0	0		*	*	*	*	*	*	*	*	*	*	*
6000 Director Regulatory Affairs	0	0		*	*	*	*	*	*	*	*	*	*	*
6001 Manager Regulatory Affairs	3	3		*	*	*	*	*	93,500	*	88,800	*	*	89,400
6002 Regulatory Accountant	0	0		*	*	*	*	*	*	*	*	*	*	*
7000 Settlement or Rate Analyst	0	0		*	*	*	*	*	*	*	*	*	*	*
7001 Director/Officer, Conservation	0	0		*	*	*	*	*	*	*	*	*	*	*
7002 Manager Conservation & Demand	3	3		*	*	*	*	*	72,800	*	68,000	*	*	86,400
8000 Director Information Systems	0	0		*	*	*	*	*	*	*	*	*	*	*
8001 Manager Information Systems	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## Customers: Up to 19,999

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
8002 Systems/Program Administrator	2	2		*	*	*	*	*	*	*	*	*	*	*
9000 Human Resources Manager	1	1		*	*	*	*	*	*	*	*	*	*	*
9001 Human Resources Generalist	0	0		*	*	*	*	*	*	*	*	*	*	*
9002 Human Resources Coordinator	0	0		*	*	*	*	*	*	*	*	*	*	*
9003 Payroll	2	2		*	*	*	*	*	*	*	*	*	*	*
9004 Manager, Health & Safety	0	0		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey

### of Local Distribution Companies

#### Customers: 20,000 to 39,999

Survey Benchmark Job	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs						P50	AVG	P50	AVG		P50	AVG
0000 President & CEO	9	9	1040	148,500	185,700	218,500	25%	232,100	224,900	193,000	200,700	20%	205,900	226,000
0001 Chief Operating Officer (COO)	3	3		*	*	*	*	*	153,500	*	131,300	*	*	141,000
0002 Head of Operations / Engineering	6	6	839	120,200	137,900	157,100	14%	156,300	155,000	138,600	142,900	*	143,500	150,000
0003 CFO / Head of Finance	7	7	800	124,300	146,000	157,500	14%	160,500	166,800	146,000	148,100	11%	161,100	163,800
0004 Head of Customer Service	5	5	677	105,000	115,500	126,000	11%	127,000	127,900	119,700	117,400	*	120,300	124,400
0005 Head of Regulatory Affairs	2	2		*	*	*	*	*	*	*	*	*	*	*
0006 Head of Human Resources	3	3		*	*	*	*	*	133,000	*	122,200	*	*	134,500
1000 Executive Assistant	8	8	242	60,200	69,100	74,100	5%	69,600	72,200	75,800	75,600	4%	78,700	78,400
1001 Administrative Assistant	2	2		*	*	*	*	*	*	*	*	*	*	*
2000 Director Engineering	2	2		*	*	*	*	*	*	*	*	*	*	*
2001 Engineering Manager	8	8	554	88,000	103,800	120,500	5%	112,000	113,700	106,900	104,400	5%	110,300	107,300
2002 Project Engineer	1	1		*	*	*	*	*	*	*	*	*	*	*
2003 Supervisor Engineering	3	3		*	*	*	*	*	93,500	*	89,000	*	*	90,300
2500 Director Operations	2	2		*	*	*	*	*	*	*	*	*	*	*
2501 Manager Operations	6	6	506	85,700	107,000	123,200	7%	113,200	111,800	107,100	109,200	7%	115,500	115,000
2502 Manager Control Centre	1	1		*	*	*	*	*	*	*	*	*	*	*
2503 Supervisor Control Centre	3	3		*	*	*	*	*	94,000	*	97,800	*	*	100,300
2504 Supervisor Protection and Control	0	0		*	*	*	*	*	*	*	*	*	*	*
2505 Supervisor Station Maintenance	1	1		*	*	*	*	*	*	*	*	*	*	*
2506 Line Supervisor	8	16	366	78,400	93,500	101,100	5%	96,400	98,100	96,400	96,800	5%	96,600	98,800
2507 Manager Meter Department	2	2		*	*	*	*	*	*	*	*	*	*	*
2508 Supervisor Meter Department	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## Customers: 20,000 to 39,999

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
3000 Director Supply Chain Management	0	0		*	*	*	*	*	*	*	*	*	*	*
3001 Manager Procurement/Inventory	3	3		*	*	*	*	*	87,200	*	88,900	*	*	91,400
3002 Supervisor Stores/Inventory	1	1		*	*	*	*	*	*	*	*	*	*	*
4000 Controller or Director Finance	5	5	551	89,100	108,800	116,100	*	113,700	111,700	114,200	111,500	*	121,100	115,500
4001 Manager Accounting	2	2		*	*	*	*	*	*	*	*	*	*	*
4002 Manager Risk Management	0	0		*	*	*	*	*	*	*	*	*	*	*
4003 Supervisor Accounting	1	1		*	*	*	*	*	*	*	*	*	*	*
4004 Financial or Business Analyst	5	5	393	73,800	86,900	93,000	4%	88,900	91,500	84,400	87,300	3%	86,900	89,600
4005 Accountant	2	2		*	*	*	*	*	*	*	*	*	*	*
5000 Director Customer Service	1	1		*	*	*	*	*	*	*	*	*	*	*
5001 Manager Customer Service	4	4	464	79,500	93,200	100,500	*	95,500	98,400	96,900	97,100	*	98,800	99,700
5002 Supervisor Customer Service	7	8	353	66,700	81,400	88,200	5%	81,400	83,300	82,200	84,700	4%	85,600	86,900
5500 Director Communications	0	0		*	*	*	*	*	*	*	*	*	*	*
5501 Manager Communications	2	2		*	*	*	*	*	*	*	*	*	*	*
6000 Director Regulatory Affairs	1	1		*	*	*	*	*	*	*	*	*	*	*
6001 Manager Regulatory Affairs	2	2		*	*	*	*	*	*	*	*	*	*	*
6002 Regulatory Accountant	3	3		*	*	*	*	*	82,300	*	87,600	*	*	88,800
7000 Settlement or Rate Analyst	3	3		*	*	*	*	*	95,400	*	88,400	*	*	90,400
7001 Director/Officer, Conservation	1	1		*	*	*	*	*	*	*	*	*	*	*
7002 Manager Conservation & Demand	2	2		*	*	*	*	*	*	*	*	*	*	*
8000 Director Information Systems	3	3		*	*	*	*	*	133,200	*	126,700	*	*	137,200
8001 Manager Information Systems	4	4	479	*	94,600	*	*	96,700	95,900	95,400	96,400	*	99,100	98,200

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

## Customers: 20,000 to 39,999

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
8002 Systems/Program Administrator	4	4	342	74,700	92,800	102,400	5%	97,200	98,700	99,800	99,300	3%	103,100	102,800
9000 Human Resources Manager	1	1		*	*	*	*	*	*	*	*	*	*	*
9001 Human Resources Generalist	2	3		*	*	*	*	*	*	*	*	*	*	*
9002 Human Resources Coordinator	0	0		*	*	*	*	*	*	*	*	*	*	*
9003 Payroll	2	2		*	*	*	*	*	*	*	*	*	*	*
9004 Manager, Health & Safety	4	4	373	74,800	85,100	96,100	*	88,200	95,300	88,000	90,500	*	91,200	93,800

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

## Customers: 40,000 to 99,999

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
0000 President & CEO	9	9	1486	175,000	199,400	215,500	28%	209,300	248,100	205,000	208,000	36%	208,600	253,300
0001 Chief Operating Officer (COO)	4	4	1040	156,100	173,600	173,600	*	212,500	218,900	170,500	176,400	*	220,300	223,900
0002 Head of Operations / Engineering	6	10	1040	126,400	140,300	157,000	*	145,900	160,900	147,600	147,200	*	156,100	157,600
0003 CFO / Head of Finance	8	8	1017	142,600	160,600	169,900	25%	187,200	192,800	166,600	167,800	34%	190,900	201,000
0004 Head of Customer Service	4	4	909	128,100	140,300	148,700	*	143,400	146,100	148,700	147,400	*	155,300	155,700
0005 Head of Regulatory Affairs	2	2		*	*	*	*	*	*	*	*	*	*	*
0006 Head of Human Resources	6	6	754	123,900	135,900	148,400	*	151,800	158,500	138,900	139,300	*	154,500	160,600
1000 Executive Assistant	10	13	245	59,800	71,400	80,500	6%	73,900	73,300	73,100	72,900	4%	73,100	73,900
1001 Administrative Assistant	5	13	208	55,300	61,100	67,900	*	61,100	63,900	64,500	65,400	*	64,500	65,700
2000 Director Engineering	5	6	702	111,800	129,200	137,800	*	129,300	135,000	132,300	128,900	*	143,400	140,200
2001 Engineering Manager	7	7	496	88,700	99,800	110,800	*	99,800	103,700	103,900	104,300	*	103,900	107,300
2002 Project Engineer	5	7	417	76,000	85,300	94,900	*	87,100	91,100	94,900	89,300	*	94,900	91,700
2003 Supervisor Engineering	8	11	414	80,900	89,000	101,100	7%	93,300	94,800	91,700	90,900	5%	93,800	93,200
2500 Director Operations	4	5	732	110,000	127,200	133,100	*	137,400	133,600	126,400	125,100	*	137,500	137,200
2501 Manager Operations	8	9	571	92,400	106,500	116,900	8%	109,800	110,600	107,500	108,800	6%	111,000	111,800
2502 Manager Control Centre	1	1		*	*	*	*	*	*	*	*	*	*	*
2503 Supervisor Control Centre	4	4	406	81,500	92,700	100,400	*	93,800	94,700	98,300	96,900	*	98,900	98,700
2504 Supervisor Protection and Control	3	3		*	*	*	*	*	98,000	*	91,000	*	*	92,800
2505 Supervisor Station Maintenance	3	3		*	*	*	*	*	91,900	*	97,900	*	*	97,900
2506 Line Supervisor	9	34	366	82,900	93,500	101,600	7%	94,100	96,200	96,700	96,300	5%	98,200	98,500
2507 Manager Meter Department	3	3		*	*	*	*	*	126,900	*	112,400	*	*	119,700
2508 Supervisor Meter Department	5	8	406	83,300	93,500	96,800	*	93,500	94,600	97,300	96,100	*	99,200	98,300

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

## Customers: 40,000 to 99,999

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
3000 Director Supply Chain Management	0	0		*	*	*	*	*	*	*	*	*	*	*
3001 Manager Procurement/Inventory	8	8	436	79,800	94,800	108,000	8%	100,600	99,700	97,100	99,200	7%	101,600	102,400
3002 Supervisor Stores/Inventory	3	6		*	*	*	*	*	89,200	*	90,600	*	*	93,900
4000 Controller or Director Finance	6	6	588	96,500	113,300	126,800	10%	124,600	122,800	116,400	115,700	11%	128,300	125,200
4001 Manager Accounting	9	9	479	86,100	99,800	113,700	8%	99,800	101,000	93,800	95,300	6%	96,800	98,400
4002 Manager Risk Management	0	0		*	*	*	*	*	*	*	*	*	*	*
4003 Supervisor Accounting	1	2		*	*	*	*	*	*	*	*	*	*	*
4004 Financial or Business Analyst	4	4	337	70,600	81,100	91,700	*	82,100	84,000	83,000	83,500	*	85,100	84,700
4005 Accountant	2	5		*	*	*	*	*	*	*	*	*	*	*
5000 Director Customer Service	1	1		*	*	*	*	*	*	*	*	*	*	*
5001 Manager Customer Service	8	8	496	83,300	97,600	107,900	9%	101,500	102,500	98,500	98,900	7%	102,900	102,500
5002 Supervisor Customer Service	9	17	353	74,900	88,400	97,400	7%	91,800	89,300	83,600	85,400	4%	86,100	87,800
5500 Director Communications	2	2		*	*	*	*	*	*	*	*	*	*	*
5501 Manager Communications	4	4	342	71,500	77,100	82,900	*	78,100	82,500	76,500	76,600	*	77,900	78,700
6000 Director Regulatory Affairs	2	2		*	*	*	*	*	*	*	*	*	*	*
6001 Manager Regulatory Affairs	5	5	479	85,900	99,800	110,800	*	99,800	97,800	102,000	99,200	*	105,300	103,500
6002 Regulatory Accountant	7	7	342	69,400	81,400	90,200	*	82,200	82,400	81,400	79,600	*	82,200	81,400
7000 Settlement or Rate Analyst	1	1		*	*	*	*	*	*	*	*	*	*	*
7001 Director/Officer, Conservation	5	5	830	111,200	127,700	139,500	20%	159,700	160,600	122,400	131,500	26%	153,100	163,400
7002 Manager Conservation & Demand	5	5	406	82,600	93,000	103,300	*	93,000	92,300	93,800	91,100	*	93,800	92,700
8000 Director Information Systems	6	6	754	107,100	123,300	132,100	15%	141,200	136,100	128,400	126,000	*	143,000	139,400
8001 Manager Information Systems	6	8	479	85,900	94,700	103,300	*	97,200	98,700	98,300	95,500	*	103,200	99,000

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

## Customers: 40,000 to 99,999

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
8002 Systems/Program Administrator	8	12	328	68,100	77,600	88,500	6%	77,600	78,400	74,800	78,700	*	77,100	80,100
9000 Human Resources Manager	2	2		*	*	*	*	*	*	*	*	*	*	*
9001 Human Resources Generalist	6	7	303	65,400	73,300	80,900	*	75,200	77,800	75,400	75,600	*	76,500	77,400
9002 Human Resources Coordinator	2	2		*	*	*	*	*	*	*	*	*	*	*
9003 Payroll	6	6	245	59,800	69,700	79,500	*	73,200	73,400	69,200	71,400	*	70,300	73,200
9004 Manager, Health & Safety	10	10	524	83,300	97,600	107,800	8%	99,100	103,700	98,900	100,900	6%	102,400	105,500

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



Customers: 100,000 +

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
0000 President & CEO	3	3		*	*	*	*	*	291,000	*	236,800	*	*	289,000
0001 Chief Operating Officer (COO)	1	1		*	*	*	*	*	*	*	*	*	*	*
0002 Head of Operations / Engineering	2	3		*	*	*	*	*	*	*	*	*	*	*
0003 CFO / Head of Finance	3	3		*	*	*	*	*	189,700	*	163,600	*	*	188,200
0004 Head of Customer Service	1	1		*	*	*	*	*	*	*	*	*	*	*
0005 Head of Regulatory Affairs	1	1		*	*	*	*	*	*	*	*	*	*	*
0006 Head of Human Resources	2	2		*	*	*	*	*	*	*	*	*	*	*
1000 Executive Assistant	3	7		*	*	*	*	*	80,800	*	77,500	*	*	81,600
1001 Administrative Assistant	1	2		*	*	*	*	*	*	*	*	*	*	*
2000 Director Engineering	1	1		*	*	*	*	*	*	*	*	*	*	*
2001 Engineering Manager	3	9		*	*	*	*	*	123,900	*	117,700	*	*	124,900
2002 Project Engineer	0	0		*	*	*	*	*	*	*	*	*	*	*
2003 Supervisor Engineering	2	2		*	*	*	*	*	*	*	*	*	*	*
2500 Director Operations	2	2		*	*	*	*	*	*	*	*	*	*	*
2501 Manager Operations	1	1		*	*	*	*	*	*	*	*	*	*	*
2502 Manager Control Centre	2	2		*	*	*	*	*	*	*	*	*	*	*
2503 Supervisor Control Centre	1	1		*	*	*	*	*	*	*	*	*	*	*
2504 Supervisor Protection and Control	2	2		*	*	*	*	*	*	*	*	*	*	*
2505 Supervisor Station Maintenance	3	3		*	*	*	*	*	120,700	*	115,500	*	*	123,000
2506 Line Supervisor	3	11		*	*	*	*	*	105,700	*	98,500	*	*	102,800
2507 Manager Meter Department	3	3		*	*	*	*	*	119,200	*	107,700	*	*	114,800
2508 Supervisor Meter Department	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



Customers: 100,000 +

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
3000 Director Supply Chain Management	1	1		*	*	*	*	*	*	*	*	*	*	*
3001 Manager Procurement/Inventory	2	2		*	*	*	*	*	*	*	*	*	*	*
3002 Supervisor Stores/Inventory	1	1		*	*	*	*	*	*	*	*	*	*	*
4000 Controller or Director Finance	2	2		*	*	*	*	*	*	*	*	*	*	*
4001 Manager Accounting	1	1		*	*	*	*	*	*	*	*	*	*	*
4002 Manager Risk Management	1	1		*	*	*	*	*	*	*	*	*	*	*
4003 Supervisor Accounting	2	2		*	*	*	*	*	*	*	*	*	*	*
4004 Financial or Business Analyst	2	3		*	*	*	*	*	*	*	*	*	*	*
4005 Accountant	2	4		*	*	*	*	*	*	*	*	*	*	*
5000 Director Customer Service	1	1		*	*	*	*	*	*	*	*	*	*	*
5001 Manager Customer Service	1	1		*	*	*	*	*	*	*	*	*	*	*
5002 Supervisor Customer Service	3	4		*	*	*	*	*	95,800	*	87,400	*	*	91,000
5500 Director Communications	1	1		*	*	*	*	*	*	*	*	*	*	*
5501 Manager Communications	2	2		*	*	*	*	*	*	*	*	*	*	*
6000 Director Regulatory Affairs	1	1		*	*	*	*	*	*	*	*	*	*	*
6001 Manager Regulatory Affairs	1	1		*	*	*	*	*	*	*	*	*	*	*
6002 Regulatory Accountant	2	3		*	*	*	*	*	*	*	*	*	*	*
7000 Settlement or Rate Analyst	1	3		*	*	*	*	*	*	*	*	*	*	*
7001 Director/Officer, Conservation	1	1		*	*	*	*	*	*	*	*	*	*	*
7002 Manager Conservation & Demand	2	2		*	*	*	*	*	*	*	*	*	*	*
8000 Director Information Systems	0	0		*	*	*	*	*	*	*	*	*	*	*
8001 Manager Information Systems	3	5		*	*	*	*	*	114,900	*	106,700	*	*	112,800

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





## The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

**Customers: 100,000 +**

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
8002 Systems/Program Administrator	1	1		*	*	*	*	*	*	*	*	*	*	*
9000 Human Resources Manager	1	1		*	*	*	*	*	*	*	*	*	*	*
9001 Human Resources Generalist	1	1		*	*	*	*	*	*	*	*	*	*	*
9002 Human Resources Coordinator	3	3		*	*	*	*	*	79,500	*	73,400	*	*	76,100
9003 Payroll	2	2		*	*	*	*	*	*	*	*	*	*	*
9004 Manager, Health & Safety	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

### Geography: Region 1

Survey Benchmark Job	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs						P50	AVG	P50	AVG		P50	AVG
0000 President & CEO	8	8	1040	108,900	149,300	182,000	*	149,300	152,900	161,800	153,000	*	185,100	185,900
0001 Chief Operating Officer (COO)	2	2		*	*	*	*	*	*	*	*	*	*	*
0002 Head of Operations / Engineering	2	2		*	*	*	*	*	*	*	*	*	*	*
0003 CFO / Head of Finance	6	6	648	101,800	116,300	123,400	*	116,300	122,300	123,400	122,700	*	145,400	141,000
0004 Head of Customer Service	2	2		*	*	*	*	*	*	*	*	*	*	*
0005 Head of Regulatory Affairs	0	0		*	*	*	*	*	*	*	*	*	*	*
0006 Head of Human Resources	3	3		*	*	*	*	*	123,800	*	127,000	*	*	129,300
1000 Executive Assistant	5	5	245	54,500	63,300	68,800	*	63,300	64,300	68,800	64,200	*	73,700	72,600
1001 Administrative Assistant	4	9	206	50,600	59,000	63,600	*	59,000	61,500	63,000	60,400	*	63,000	61,400
2000 Director Engineering	2	2		*	*	*	*	*	*	*	*	*	*	*
2001 Engineering Manager	4	4	474	89,700	100,400	103,100	*	102,900	106,300	103,100	101,800	*	103,100	102,600
2002 Project Engineer	1	2		*	*	*	*	*	*	*	*	*	*	*
2003 Supervisor Engineering	0	0		*	*	*	*	*	*	*	*	*	*	*
2500 Director Operations	1	2		*	*	*	*	*	*	*	*	*	*	*
2501 Manager Operations	4	4	516	*	108,300	*	*	108,300	109,400	105,500	106,000	*	116,100	132,200
2502 Manager Control Centre	1	1		*	*	*	*	*	*	*	*	*	*	*
2503 Supervisor Control Centre	1	1		*	*	*	*	*	*	*	*	*	*	*
2504 Supervisor Protection and Control	0	0		*	*	*	*	*	*	*	*	*	*	*
2505 Supervisor Station Maintenance	3	3		*	*	*	*	*	96,000	*	100,400	*	*	101,800
2506 Line Supervisor	7	13	421	83,100	96,800	97,500	*	96,800	96,000	97,500	98,000	*	98,200	112,400
2507 Manager Meter Department	0	0		*	*	*	*	*	*	*	*	*	*	*
2508 Supervisor Meter Department	0	0		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

### Geography: Region 1

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
3000 Director Supply Chain Management	0	0		*	*	*	*	*	*	*	*	*	*	*
3001 Manager Procurement/Inventory	1	1		*	*	*	*	*	*	*	*	*	*	*
3002 Supervisor Stores/Inventory	1	1		*	*	*	*	*	*	*	*	*	*	*
4000 Controller or Director Finance	3	3		*	*	*	*	*	116,000	*	115,800	*	*	118,000
4001 Manager Accounting	2	2		*	*	*	*	*	*	*	*	*	*	*
4002 Manager Risk Management	0	0		*	*	*	*	*	*	*	*	*	*	*
4003 Supervisor Accounting	1	1		*	*	*	*	*	*	*	*	*	*	*
4004 Financial or Business Analyst	1	1		*	*	*	*	*	*	*	*	*	*	*
4005 Accountant	0	0		*	*	*	*	*	*	*	*	*	*	*
5000 Director Customer Service	0	0		*	*	*	*	*	*	*	*	*	*	*
5001 Manager Customer Service	5	5	393	68,300	75,900	79,400	*	75,900	86,400	79,400	88,100	*	103,300	104,200
5002 Supervisor Customer Service	2	2		*	*	*	*	*	*	*	*	*	*	*
5500 Director Communications	1	1		*	*	*	*	*	*	*	*	*	*	*
5501 Manager Communications	2	2		*	*	*	*	*	*	*	*	*	*	*
6000 Director Regulatory Affairs	0	0		*	*	*	*	*	*	*	*	*	*	*
6001 Manager Regulatory Affairs	3	3		*	*	*	*	*	90,600	*	83,300	*	*	83,900
6002 Regulatory Accountant	2	2		*	*	*	*	*	*	*	*	*	*	*
7000 Settlement or Rate Analyst	1	1		*	*	*	*	*	*	*	*	*	*	*
7001 Director/Officer, Conservation	0	0		*	*	*	*	*	*	*	*	*	*	*
7002 Manager Conservation & Demand	4	4	363	67,800	81,400	84,600	*	83,000	82,100	81,000	78,500	*	88,100	93,200
8000 Director Information Systems	2	2		*	*	*	*	*	*	*	*	*	*	*
8001 Manager Information Systems	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## Geography: Region 1

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
8002 Systems/Program Administrator	2	2		*	*	*	*	*	*	*	*	*	*	*
9000 Human Resources Manager	1	1		*	*	*	*	*	*	*	*	*	*	*
9001 Human Resources Generalist	1	1		*	*	*	*	*	*	*	*	*	*	*
9002 Human Resources Coordinator	1	1		*	*	*	*	*	*	*	*	*	*	*
9003 Payroll	0	0		*	*	*	*	*	*	*	*	*	*	*
9004 Manager, Health & Safety	3	3		*	*	*	*	*	101,400	*	104,800	*	*	107,100

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## Geography: Region 2

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
0000 President & CEO	3	3		*	*	*	*	*	209,900	*	189,100	*	*	205,700
0001 Chief Operating Officer (COO)	1	1		*	*	*	*	*	*	*	*	*	*	*
0002 Head of Operations / Engineering	1	1		*	*	*	*	*	*	*	*	*	*	*
0003 CFO / Head of Finance	2	2		*	*	*	*	*	*	*	*	*	*	*
0004 Head of Customer Service	1	1		*	*	*	*	*	*	*	*	*	*	*
0005 Head of Regulatory Affairs	0	0		*	*	*	*	*	*	*	*	*	*	*
0006 Head of Human Resources	1	1		*	*	*	*	*	*	*	*	*	*	*
1000 Executive Assistant	2	2		*	*	*	*	*	*	*	*	*	*	*
1001 Administrative Assistant	0	0		*	*	*	*	*	*	*	*	*	*	*
2000 Director Engineering	1	1		*	*	*	*	*	*	*	*	*	*	*
2001 Engineering Manager	2	2		*	*	*	*	*	*	*	*	*	*	*
2002 Project Engineer	0	0		*	*	*	*	*	*	*	*	*	*	*
2003 Supervisor Engineering	2	2		*	*	*	*	*	*	*	*	*	*	*
2500 Director Operations	2	2		*	*	*	*	*	*	*	*	*	*	*
2501 Manager Operations	1	1		*	*	*	*	*	*	*	*	*	*	*
2502 Manager Control Centre	1	1		*	*	*	*	*	*	*	*	*	*	*
2503 Supervisor Control Centre	1	1		*	*	*	*	*	*	*	*	*	*	*
2504 Supervisor Protection and Control	0	0		*	*	*	*	*	*	*	*	*	*	*
2505 Supervisor Station Maintenance	1	1		*	*	*	*	*	*	*	*	*	*	*
2506 Line Supervisor	2	3		*	*	*	*	*	*	*	*	*	*	*
2507 Manager Meter Department	1	1		*	*	*	*	*	*	*	*	*	*	*
2508 Supervisor Meter Department	0	0		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

### Geography: Region 2

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
3000 Director Supply Chain Management	0	0		*	*	*	*	*	*	*	*	*	*	*
3001 Manager Procurement/Inventory	2	2		*	*	*	*	*	*	*	*	*	*	*
3002 Supervisor Stores/Inventory	0	0		*	*	*	*	*	*	*	*	*	*	*
4000 Controller or Director Finance	2	2		*	*	*	*	*	*	*	*	*	*	*
4001 Manager Accounting	0	0		*	*	*	*	*	*	*	*	*	*	*
4002 Manager Risk Management	1	1		*	*	*	*	*	*	*	*	*	*	*
4003 Supervisor Accounting	0	0		*	*	*	*	*	*	*	*	*	*	*
4004 Financial or Business Analyst	2	2		*	*	*	*	*	*	*	*	*	*	*
4005 Accountant	1	1		*	*	*	*	*	*	*	*	*	*	*
5000 Director Customer Service	1	1		*	*	*	*	*	*	*	*	*	*	*
5001 Manager Customer Service	1	1		*	*	*	*	*	*	*	*	*	*	*
5002 Supervisor Customer Service	2	2		*	*	*	*	*	*	*	*	*	*	*
5500 Director Communications	0	0		*	*	*	*	*	*	*	*	*	*	*
5501 Manager Communications	1	1		*	*	*	*	*	*	*	*	*	*	*
6000 Director Regulatory Affairs	0	0		*	*	*	*	*	*	*	*	*	*	*
6001 Manager Regulatory Affairs	0	0		*	*	*	*	*	*	*	*	*	*	*
6002 Regulatory Accountant	0	0		*	*	*	*	*	*	*	*	*	*	*
7000 Settlement or Rate Analyst	0	0		*	*	*	*	*	*	*	*	*	*	*
7001 Director/Officer, Conservation	0	0		*	*	*	*	*	*	*	*	*	*	*
7002 Manager Conservation & Demand	0	0		*	*	*	*	*	*	*	*	*	*	*
8000 Director Information Systems	1	1		*	*	*	*	*	*	*	*	*	*	*
8001 Manager Information Systems	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## Geography: Region 2

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
8002 Systems/Program Administrator	1	1		*	*	*	*	*	*	*	*	*	*	*
9000 Human Resources Manager	1	1		*	*	*	*	*	*	*	*	*	*	*
9001 Human Resources Generalist	1	1		*	*	*	*	*	*	*	*	*	*	*
9002 Human Resources Coordinator	1	1		*	*	*	*	*	*	*	*	*	*	*
9003 Payroll	1	1		*	*	*	*	*	*	*	*	*	*	*
9004 Manager, Health & Safety	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## Geography: Region 3

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
0000 President & CEO	2	2		*	*	*	*	*	*	*	*	*	*	*
0001 Chief Operating Officer (COO)	1	1		*	*	*	*	*	*	*	*	*	*	*
0002 Head of Operations / Engineering	1	2		*	*	*	*	*	*	*	*	*	*	*
0003 CFO / Head of Finance	2	2		*	*	*	*	*	*	*	*	*	*	*
0004 Head of Customer Service	1	1		*	*	*	*	*	*	*	*	*	*	*
0005 Head of Regulatory Affairs	1	1		*	*	*	*	*	*	*	*	*	*	*
0006 Head of Human Resources	2	2		*	*	*	*	*	*	*	*	*	*	*
1000 Executive Assistant	3	4		*	*	*	*	*	81,400	*	76,400	*	*	81,000
1001 Administrative Assistant	1	2		*	*	*	*	*	*	*	*	*	*	*
2000 Director Engineering	2	2		*	*	*	*	*	*	*	*	*	*	*
2001 Engineering Manager	2	3		*	*	*	*	*	*	*	*	*	*	*
2002 Project Engineer	1	1		*	*	*	*	*	*	*	*	*	*	*
2003 Supervisor Engineering	3	3		*	*	*	*	*	96,700	*	85,600	*	*	92,500
2500 Director Operations	1	1		*	*	*	*	*	*	*	*	*	*	*
2501 Manager Operations	1	1		*	*	*	*	*	*	*	*	*	*	*
2502 Manager Control Centre	1	1		*	*	*	*	*	*	*	*	*	*	*
2503 Supervisor Control Centre	1	1		*	*	*	*	*	*	*	*	*	*	*
2504 Supervisor Protection and Control	2	2		*	*	*	*	*	*	*	*	*	*	*
2505 Supervisor Station Maintenance	1	1		*	*	*	*	*	*	*	*	*	*	*
2506 Line Supervisor	3	11		*	*	*	*	*	106,600	*	99,700	*	*	108,100
2507 Manager Meter Department	3	3		*	*	*	*	*	122,600	*	110,200	*	*	121,500
2508 Supervisor Meter Department	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

## Geography: Region 3

				COMPENSATION DESIGN						ACTUAL COMPENSATION				
Survey Benchmark Job	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
3000 Director Supply Chain Management	1	1		*	*	*	*	*	*	*	*	*	*	*
3001 Manager Procurement/Inventory	3	3		*	*	*	*	*	112,400	*	103,300	*	*	113,000
3002 Supervisor Stores/Inventory	1	1		*	*	*	*	*	*	*	*	*	*	*
4000 Controller or Director Finance	2	2		*	*	*	*	*	*	*	*	*	*	*
4001 Manager Accounting	3	3		*	*	*	*	*	115,100	*	98,700	*	*	109,500
4002 Manager Risk Management	0	0		*	*	*	*	*	*	*	*	*	*	*
4003 Supervisor Accounting	1	1		*	*	*	*	*	*	*	*	*	*	*
4004 Financial or Business Analyst	1	2		*	*	*	*	*	*	*	*	*	*	*
4005 Accountant	1	4		*	*	*	*	*	*	*	*	*	*	*
5000 Director Customer Service	0	0		*	*	*	*	*	*	*	*	*	*	*
5001 Manager Customer Service	3	3		*	*	*	*	*	120,000	*	109,900	*	*	120,400
5002 Supervisor Customer Service	3	3		*	*	*	*	*	99,200	*	85,400	*	*	91,800
5500 Director Communications	0	0		*	*	*	*	*	*	*	*	*	*	*
5501 Manager Communications	1	1		*	*	*	*	*	*	*	*	*	*	*
6000 Director Regulatory Affairs	1	1		*	*	*	*	*	*	*	*	*	*	*
6001 Manager Regulatory Affairs	2	2		*	*	*	*	*	*	*	*	*	*	*
6002 Regulatory Accountant	3	3		*	*	*	*	*	103,000	*	87,600	*	*	95,300
7000 Settlement or Rate Analyst	1	3		*	*	*	*	*	*	*	*	*	*	*
7001 Director/Officer, Conservation	1	1		*	*	*	*	*	*	*	*	*	*	*
7002 Manager Conservation & Demand	1	1		*	*	*	*	*	*	*	*	*	*	*
8000 Director Information Systems	1	1		*	*	*	*	*	*	*	*	*	*	*
8001 Manager Information Systems	3	3		*	*	*	*	*	115,100	*	104,000	*	*	113,700

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## Geography: Region 3

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
8002 Systems/Program Administrator	3	3		*	*	*	*	*	82,400	*	74,900	*	*	79,000
9000 Human Resources Manager	1	1		*	*	*	*	*	*	*	*	*	*	*
9001 Human Resources Generalist	2	2		*	*	*	*	*	*	*	*	*	*	*
9002 Human Resources Coordinator	2	2		*	*	*	*	*	*	*	*	*	*	*
9003 Payroll	3	3		*	*	*	*	*	84,000	*	76,000	*	*	81,300
9004 Manager, Health & Safety	3	3		*	*	*	*	*	133,200	*	119,400	*	*	134,000

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

### Geography: Region 4

Survey Benchmark Job	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
0000 President & CEO	13	13	1192	160,600	183,000	189,700	13%	192,600	201,300	183,000	186,700	12%	192,000	200,500
0001 Chief Operating Officer (COO)	4	4	847	129,800	144,200	158,600	*	151,700	161,400	148,700	145,800	*	153,700	159,800
0002 Head of Operations / Engineering	10	13	786	113,000	121,900	133,000	11%	135,100	131,200	126,300	126,900	*	126,700	128,900
0003 CFO / Head of Finance	12	12	818	117,300	138,200	145,000	12%	145,600	154,200	141,100	141,200	9%	142,400	153,300
0004 Head of Customer Service	4	4	828	117,300	129,000	139,600	*	129,000	130,100	133,800	138,000	*	133,800	138,000
0005 Head of Regulatory Affairs	1	1		*	*	*	*	*	*	*	*	*	*	*
0006 Head of Human Resources	4	4	581	105,800	113,800	122,500	*	118,100	130,900	120,300	122,400	*	125,300	137,600
1000 Executive Assistant	9	12	245	63,100	72,500	80,500	5%	72,500	71,900	72,600	72,700	*	73,800	73,600
1001 Administrative Assistant	5	8	169	51,000	59,100	62,000	*	59,100	58,900	64,400	62,400	*	64,400	62,400
2000 Director Engineering	5	6	677	114,800	129,200	132,300	*	129,200	137,100	132,300	126,800	*	143,400	136,600
2001 Engineering Manager	4	4	587	90,500	102,500	113,100	*	102,500	109,500	107,400	109,700	*	107,400	111,300
2002 Project Engineer	5	6	417	71,800	85,300	88,600	*	85,300	83,900	84,500	81,400	*	84,500	81,400
2003 Supervisor Engineering	6	9	443	80,900	93,600	101,100	*	93,600	93,500	92,300	92,900	*	92,300	93,900
2500 Director Operations	3	3		*	*	*	*	*	153,800	*	135,000	*	*	143,700
2501 Manager Operations	8	8	544	94,500	106,000	117,800	8%	108,700	110,600	111,600	110,900	5%	112,600	113,600
2502 Manager Control Centre	1	1		*	*	*	*	*	*	*	*	*	*	*
2503 Supervisor Control Centre	3	3		*	*	*	*	*	90,600	*	93,100	*	*	93,100
2504 Supervisor Protection and Control	2	2		*	*	*	*	*	*	*	*	*	*	*
2505 Supervisor Station Maintenance	1	1		*	*	*	*	*	*	*	*	*	*	*
2506 Line Supervisor	9	29	421	82,800	93,500	101,100	4%	95,000	97,200	96,300	96,900	4%	98,700	98,500
2507 Manager Meter Department	0	0		*	*	*	*	*	*	*	*	*	*	*
2508 Supervisor Meter Department	5	8	406	84,900	93,500	96,800	*	93,500	97,100	99,200	96,900	*	99,200	98,500

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

## Geography: Region 4

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
3000 Director Supply Chain Management	0	0		*	*	*	*	*	*	*	*	*	*	*
3001 Manager Procurement/Inventory	3	3		*	*	*	*	*	92,300	*	98,100	*	*	98,100
3002 Supervisor Stores/Inventory	2	5		*	*	*	*	*	*	*	*	*	*	*
4000 Controller or Director Finance	4	4	588	*	103,700	*	*	103,700	108,800	112,600	111,900	*	118,900	118,000
4001 Manager Accounting	6	6	524	86,100	100,900	107,500	*	103,400	108,000	97,600	98,900	*	97,600	100,800
4002 Manager Risk Management	0	0		*	*	*	*	*	*	*	*	*	*	*
4003 Supervisor Accounting	2	3		*	*	*	*	*	*	*	*	*	*	*
4004 Financial or Business Analyst	4	4	368	81,300	93,800	103,200	*	95,200	96,600	90,400	90,500	*	90,400	91,400
4005 Accountant	5	5	342	69,900	79,600	85,700	*	79,600	80,000	83,000	78,800	*	83,500	79,700
5000 Director Customer Service	0	0		*	*	*	*	*	*	*	*	*	*	*
5001 Manager Customer Service	9	9	417	80,800	92,100	98,700	*	92,300	91,900	89,200	88,700	*	94,200	90,400
5002 Supervisor Customer Service	9	16	342	71,900	82,200	89,000	4%	82,200	82,100	82,200	83,400	3%	82,200	84,400
5500 Director Communications	1	1		*	*	*	*	*	*	*	*	*	*	*
5501 Manager Communications	2	2		*	*	*	*	*	*	*	*	*	*	*
6000 Director Regulatory Affairs	2	2		*	*	*	*	*	*	*	*	*	*	*
6001 Manager Regulatory Affairs	3	3		*	*	*	*	*	95,900	*	97,700	*	*	97,700
6002 Regulatory Accountant	3	3		*	*	*	*	*	73,100	*	77,000	*	*	78,200
7000 Settlement or Rate Analyst	2	2		*	*	*	*	*	*	*	*	*	*	*
7001 Director/Officer, Conservation	3	3		*	*	*	*	*	116,100	*	114,000	*	*	140,600
7002 Manager Conservation & Demand	4	4	400	74,400	88,000	93,100	*	88,000	84,100	84,600	84,500	*	84,600	84,500
8000 Director Information Systems	3	3		*	*	*	*	*	133,700	*	126,700	*	*	135,000
8001 Manager Information Systems	4	5	479	*	83,800	*	*	84,700	86,000	93,500	92,100	*	96,400	93,500

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

## Geography: Region 4

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
8002 Systems/Program Administrator	6	9	342	70,900	78,000	86,400	*	78,600	84,900	90,800	87,300	*	90,800	88,600
9000 Human Resources Manager	2	2		*	*	*	*	*	*	*	*	*	*	*
9001 Human Resources Generalist	2	3		*	*	*	*	*	*	*	*	*	*	*
9002 Human Resources Coordinator	0	0		*	*	*	*	*	*	*	*	*	*	*
9003 Payroll	4	4	224	66,600	74,500	82,300	*	74,500	73,700	80,400	77,300	*	80,400	77,700
9004 Manager, Health & Safety	4	4	479	82,600	94,600	105,000	*	94,600	90,400	97,600	93,400	*	99,700	94,600

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## Geography: Region 5

Survey Benchmark Job	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
0000 President & CEO	8	8	1166	159,000	197,800	223,900	28%	254,800	245,900	197,800	202,400	30%	261,600	248,500
0001 Chief Operating Officer (COO)	3	3		*	*	*	*	*	177,000	*	140,600	*	*	169,300
0002 Head of Operations / Engineering	6	7	872	126,000	151,700	169,300	20%	181,900	181,600	148,300	150,100	21%	179,500	171,200
0003 CFO / Head of Finance	7	7	800	126,000	138,600	164,100	20%	159,400	171,200	151,200	149,000	24%	173,500	176,100
0004 Head of Customer Service	3	3		*	*	*	*	*	133,900	*	112,800	*	*	128,000
0005 Head of Regulatory Affairs	3	3		*	*	*	*	*	144,500	*	141,000	*	*	155,100
0006 Head of Human Resources	3	3		*	*	*	*	*	151,600	*	134,900	*	*	155,600
1000 Executive Assistant	6	9	245	59,500	70,000	80,500	6%	72,100	74,400	72,400	74,600	4%	74,600	77,400
1001 Administrative Assistant	2	2		*	*	*	*	*	*	*	*	*	*	*
2000 Director Engineering	0	0		*	*	*	*	*	*	*	*	*	*	*
2001 Engineering Manager	7	12	588	87,800	103,900	117,800	8%	113,500	109,100	105,900	103,200	6%	113,300	106,400
2002 Project Engineer	2	2		*	*	*	*	*	*	*	*	*	*	*
2003 Supervisor Engineering	2	2		*	*	*	*	*	*	*	*	*	*	*
2500 Director Operations	1	1		*	*	*	*	*	*	*	*	*	*	*
2501 Manager Operations	6	7	516	85,300	101,600	116,600	8%	107,700	108,800	102,100	105,500	8%	108,900	110,800
2502 Manager Control Centre	0	0		*	*	*	*	*	*	*	*	*	*	*
2503 Supervisor Control Centre	2	2		*	*	*	*	*	*	*	*	*	*	*
2504 Supervisor Protection and Control	1	1		*	*	*	*	*	*	*	*	*	*	*
2505 Supervisor Station Maintenance	1	1		*	*	*	*	*	*	*	*	*	*	*
2506 Line Supervisor	5	11	366	77,200	93,100	100,200	*	96,500	98,200	96,900	96,200	*	98,500	97,900
2507 Manager Meter Department	4	4	555	92,800	109,300	113,800	*	116,600	114,700	112,600	111,500	*	118,700	115,800
2508 Supervisor Meter Department	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

### Geography: Region 5

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
3000 Director Supply Chain Management	0	0		*	*	*	*	*	*	*	*	*	*	*
3001 Manager Procurement/Inventory	4	4	388	76,600	89,000	99,700	*	92,800	95,600	92,900	94,800	*	96,700	99,000
3002 Supervisor Stores/Inventory	1	1		*	*	*	*	*	*	*	*	*	*	*
4000 Controller or Director Finance	3	3		*	*	*	*	*	110,400	*	110,100	*	*	115,900
4001 Manager Accounting	3	3		*	*	*	*	*	106,200	*	96,100	*	*	102,500
4002 Manager Risk Management	0	0		*	*	*	*	*	*	*	*	*	*	*
4003 Supervisor Accounting	2	2		*	*	*	*	*	*	*	*	*	*	*
4004 Financial or Business Analyst	3	3		*	*	*	*	*	80,600	*	85,400	*	*	87,900
4005 Accountant	2	4		*	*	*	*	*	*	*	*	*	*	*
5000 Director Customer Service	2	2		*	*	*	*	*	*	*	*	*	*	*
5001 Manager Customer Service	2	2		*	*	*	*	*	*	*	*	*	*	*
5002 Supervisor Customer Service	5	8	353	70,100	87,100	99,200	*	87,600	87,800	87,600	88,000	*	87,600	91,000
5500 Director Communications	1	1		*	*	*	*	*	*	*	*	*	*	*
5501 Manager Communications	2	2		*	*	*	*	*	*	*	*	*	*	*
6000 Director Regulatory Affairs	1	1		*	*	*	*	*	*	*	*	*	*	*
6001 Manager Regulatory Affairs	3	3		*	*	*	*	*	94,600	*	94,200	*	*	98,700
6002 Regulatory Accountant	4	5	332	66,000	81,100	94,100	*	82,300	84,400	84,600	87,000	*	87,000	88,200
7000 Settlement or Rate Analyst	1	1		*	*	*	*	*	*	*	*	*	*	*
7001 Director/Officer, Conservation	3	3		*	*	*	*	*	144,400	*	123,300	*	*	139,800
7002 Manager Conservation & Demand	3	3		*	*	*	*	*	102,500	*	98,200	*	*	103,400
8000 Director Information Systems	2	2		*	*	*	*	*	*	*	*	*	*	*
8001 Manager Information Systems	3	6		*	*	*	*	*	103,500	*	98,500	*	*	101,800

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

## Geography: Region 5

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
8002 Systems/Program Administrator	3	4		*	*	*	*	*	80,300	*	83,300	*	*	85,000
9000 Human Resources Manager	0	0		*	*	*	*	*	*	*	*	*	*	*
9001 Human Resources Generalist	3	4		*	*	*	*	*	68,500	*	66,300	*	*	67,800
9002 Human Resources Coordinator	1	1		*	*	*	*	*	*	*	*	*	*	*
9003 Payroll	4	4	275	60,100	69,400	75,100	*	72,500	70,800	72,500	70,300	*	74,600	71,800
9004 Manager, Health & Safety	5	5	479	83,300	98,000	107,700	7%	105,800	101,000	97,900	93,600	5%	101,700	97,800

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

## Revenue: Less than \$5 Million

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
0000 President & CEO	8	8	904	107,200	128,700	136,100	*	128,700	137,500	131,900	135,100	*	151,800	166,400
0001 Chief Operating Officer (COO)	2	2		*	*	*	*	*	*	*	*	*	*	*
0002 Head of Operations / Engineering	2	2		*	*	*	*	*	*	*	*	*	*	*
0003 CFO / Head of Finance	6	6	583	91,000	107,600	105,800	*	107,600	109,300	107,400	104,800	*	110,200	122,200
0004 Head of Customer Service	0	0		*	*	*	*	*	*	*	*	*	*	*
0005 Head of Regulatory Affairs	0	0		*	*	*	*	*	*	*	*	*	*	*
0006 Head of Human Resources	0	0		*	*	*	*	*	*	*	*	*	*	*
1000 Executive Assistant	2	2		*	*	*	*	*	*	*	*	*	*	*
1001 Administrative Assistant	2	2		*	*	*	*	*	*	*	*	*	*	*
2000 Director Engineering	1	1		*	*	*	*	*	*	*	*	*	*	*
2001 Engineering Manager	0	0		*	*	*	*	*	*	*	*	*	*	*
2002 Project Engineer	1	1		*	*	*	*	*	*	*	*	*	*	*
2003 Supervisor Engineering	0	0		*	*	*	*	*	*	*	*	*	*	*
2500 Director Operations	0	0		*	*	*	*	*	*	*	*	*	*	*
2501 Manager Operations	2	2		*	*	*	*	*	*	*	*	*	*	*
2502 Manager Control Centre	0	0		*	*	*	*	*	*	*	*	*	*	*
2503 Supervisor Control Centre	0	0		*	*	*	*	*	*	*	*	*	*	*
2504 Supervisor Protection and Control	0	0		*	*	*	*	*	*	*	*	*	*	*
2505 Supervisor Station Maintenance	0	0		*	*	*	*	*	*	*	*	*	*	*
2506 Line Supervisor	3	3		*	*	*	*	*	101,500	*	98,200	*	*	130,300
2507 Manager Meter Department	0	0		*	*	*	*	*	*	*	*	*	*	*
2508 Supervisor Meter Department	0	0		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## Revenue: Less than \$5 Million

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
3000 Director Supply Chain Management	0	0		*	*	*	*	*	*	*	*	*	*	*
3001 Manager Procurement/Inventory	0	0		*	*	*	*	*	*	*	*	*	*	*
3002 Supervisor Stores/Inventory	0	0		*	*	*	*	*	*	*	*	*	*	*
4000 Controller or Director Finance	0	0		*	*	*	*	*	*	*	*	*	*	*
4001 Manager Accounting	1	1		*	*	*	*	*	*	*	*	*	*	*
4002 Manager Risk Management	0	0		*	*	*	*	*	*	*	*	*	*	*
4003 Supervisor Accounting	1	1		*	*	*	*	*	*	*	*	*	*	*
4004 Financial or Business Analyst	0	0		*	*	*	*	*	*	*	*	*	*	*
4005 Accountant	2	2		*	*	*	*	*	*	*	*	*	*	*
5000 Director Customer Service	0	0		*	*	*	*	*	*	*	*	*	*	*
5001 Manager Customer Service	3	3		*	*	*	*	*	70,500	*	70,500	*	*	95,100
5002 Supervisor Customer Service	1	1		*	*	*	*	*	*	*	*	*	*	*
5500 Director Communications	0	0		*	*	*	*	*	*	*	*	*	*	*
5501 Manager Communications	0	0		*	*	*	*	*	*	*	*	*	*	*
6000 Director Regulatory Affairs	0	0		*	*	*	*	*	*	*	*	*	*	*
6001 Manager Regulatory Affairs	1	1		*	*	*	*	*	*	*	*	*	*	*
6002 Regulatory Accountant	0	0		*	*	*	*	*	*	*	*	*	*	*
7000 Settlement or Rate Analyst	0	0		*	*	*	*	*	*	*	*	*	*	*
7001 Director/Officer, Conservation	0	0		*	*	*	*	*	*	*	*	*	*	*
7002 Manager Conservation & Demand	2	2		*	*	*	*	*	*	*	*	*	*	*
8000 Director Information Systems	0	0		*	*	*	*	*	*	*	*	*	*	*
8001 Manager Information Systems	0	0		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## Revenue: Less than \$5 Million

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
8002 Systems/Program Administrator	1	1		*	*	*	*	*	*	*	*	*	*	*
9000 Human Resources Manager	0	0		*	*	*	*	*	*	*	*	*	*	*
9001 Human Resources Generalist	0	0		*	*	*	*	*	*	*	*	*	*	*
9002 Human Resources Coordinator	0	0		*	*	*	*	*	*	*	*	*	*	*
9003 Payroll	0	0		*	*	*	*	*	*	*	*	*	*	*
9004 Manager, Health & Safety	0	0		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

### Revenue: \$5 to \$12 Million

Survey Benchmark Job	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs						P50	AVG	P50	AVG		P50	AVG
0000 President & CEO	7	7	1040	154,500	183,000	196,400	15%	195,100	202,500	183,000	183,000	14%	192,000	200,500
0001 Chief Operating Officer (COO)	2	2		*	*	*	*	*	*	*	*	*	*	*
0002 Head of Operations / Engineering	5	5	732	105,700	120,800	138,500	*	137,100	132,700	120,100	119,900	*	120,100	119,900
0003 CFO / Head of Finance	6	6	705	111,500	135,700	145,000	11%	145,800	144,300	132,700	132,000	10%	140,900	140,400
0004 Head of Customer Service	3	3		*	*	*	*	*	118,300	*	108,300	*	*	108,300
0005 Head of Regulatory Affairs	0	0		*	*	*	*	*	*	*	*	*	*	*
0006 Head of Human Resources	1	1		*	*	*	*	*	*	*	*	*	*	*
1000 Executive Assistant	6	6	224	*	68,500	*	6%	70,200	72,400	71,300	72,500	*	73,100	75,300
1001 Administrative Assistant	2	2		*	*	*	*	*	*	*	*	*	*	*
2000 Director Engineering	2	2		*	*	*	*	*	*	*	*	*	*	*
2001 Engineering Manager	2	2		*	*	*	*	*	*	*	*	*	*	*
2002 Project Engineer	2	2		*	*	*	*	*	*	*	*	*	*	*
2003 Supervisor Engineering	2	2		*	*	*	*	*	*	*	*	*	*	*
2500 Director Operations	0	0		*	*	*	*	*	*	*	*	*	*	*
2501 Manager Operations	5	5	516	*	102,700	*	8%	115,000	112,700	110,000	109,000	7%	116,300	115,000
2502 Manager Control Centre	0	0		*	*	*	*	*	*	*	*	*	*	*
2503 Supervisor Control Centre	1	1		*	*	*	*	*	*	*	*	*	*	*
2504 Supervisor Protection and Control	0	0		*	*	*	*	*	*	*	*	*	*	*
2505 Supervisor Station Maintenance	0	0		*	*	*	*	*	*	*	*	*	*	*
2506 Line Supervisor	5	8	366	81,700	93,100	102,100	*	103,000	100,200	95,700	96,100	*	98,700	97,800
2507 Manager Meter Department	1	1		*	*	*	*	*	*	*	*	*	*	*
2508 Supervisor Meter Department	0	0		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## Revenue: \$5 to \$12 Million

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
3000 Director Supply Chain Management	0	0		*	*	*	*	*	*	*	*	*	*	*
3001 Manager Procurement/Inventory	1	1		*	*	*	*	*	*	*	*	*	*	*
3002 Supervisor Stores/Inventory	0	0		*	*	*	*	*	*	*	*	*	*	*
4000 Controller or Director Finance	3	3		*	*	*	*	*	111,200	*	113,300	*	*	119,900
4001 Manager Accounting	3	3		*	*	*	*	*	102,800	*	96,000	*	*	100,500
4002 Manager Risk Management	0	0		*	*	*	*	*	*	*	*	*	*	*
4003 Supervisor Accounting	1	1		*	*	*	*	*	*	*	*	*	*	*
4004 Financial or Business Analyst	1	1		*	*	*	*	*	*	*	*	*	*	*
4005 Accountant	1	1		*	*	*	*	*	*	*	*	*	*	*
5000 Director Customer Service	0	0		*	*	*	*	*	*	*	*	*	*	*
5001 Manager Customer Service	5	5	393	77,300	92,300	95,500	*	95,500	98,300	89,200	93,600	*	94,200	95,800
5002 Supervisor Customer Service	4	4	333	*	78,200	*	*	80,100	78,200	84,900	82,800	*	86,500	84,300
5500 Director Communications	0	0		*	*	*	*	*	*	*	*	*	*	*
5501 Manager Communications	1	1		*	*	*	*	*	*	*	*	*	*	*
6000 Director Regulatory Affairs	0	0		*	*	*	*	*	*	*	*	*	*	*
6001 Manager Regulatory Affairs	2	2		*	*	*	*	*	*	*	*	*	*	*
6002 Regulatory Accountant	2	2		*	*	*	*	*	*	*	*	*	*	*
7000 Settlement or Rate Analyst	1	1		*	*	*	*	*	*	*	*	*	*	*
7001 Director/Officer, Conservation	1	1		*	*	*	*	*	*	*	*	*	*	*
7002 Manager Conservation & Demand	1	1		*	*	*	*	*	*	*	*	*	*	*
8000 Director Information Systems	0	0		*	*	*	*	*	*	*	*	*	*	*
8001 Manager Information Systems	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





## The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

### Revenue: \$5 to \$12 Million

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
8002 Systems/Program Administrator	1	1		*	*	*	*	*	*	*	*	*	*	*
9000 Human Resources Manager	2	2		*	*	*	*	*	*	*	*	*	*	*
9001 Human Resources Generalist	0	0		*	*	*	*	*	*	*	*	*	*	*
9002 Human Resources Coordinator	0	0		*	*	*	*	*	*	*	*	*	*	*
9003 Payroll	2	2		*	*	*	*	*	*	*	*	*	*	*
9004 Manager, Health & Safety	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

## Revenue: \$12 to \$20 Million

Survey Benchmark Job	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
0000 President & CEO	7	7	1192	161,800	185,700	222,800	25%	232,100	225,500	184,600	201,000	17%	205,900	227,200
0001 Chief Operating Officer (COO)	2	2		*	*	*	*	*	*	*	*	*	*	*
0002 Head of Operations / Engineering	5	5	904	117,900	138,700	148,400	13%	159,500	162,000	140,100	141,500	8%	150,000	153,800
0003 CFO / Head of Finance	6	6	830	126,300	149,500	154,800	15%	168,200	171,400	145,600	153,000	11%	159,800	174,300
0004 Head of Customer Service	2	2		*	*	*	*	*	*	*	*	*	*	*
0005 Head of Regulatory Affairs	2	2		*	*	*	*	*	*	*	*	*	*	*
0006 Head of Human Resources	3	3		*	*	*	*	*	122,400	*	114,400	*	*	123,000
1000 Executive Assistant	5	5	245	59,000	70,300	78,800	5%	74,600	74,600	78,800	76,500	3%	81,200	78,400
1001 Administrative Assistant	2	2		*	*	*	*	*	*	*	*	*	*	*
2000 Director Engineering	2	2		*	*	*	*	*	*	*	*	*	*	*
2001 Engineering Manager	7	7	496	87,800	103,800	111,000	5%	106,100	111,400	103,800	104,400	4%	105,500	107,400
2002 Project Engineer	1	1		*	*	*	*	*	*	*	*	*	*	*
2003 Supervisor Engineering	3	3		*	*	*	*	*	96,900	*	88,600	*	*	90,800
2500 Director Operations	2	2		*	*	*	*	*	*	*	*	*	*	*
2501 Manager Operations	5	5	516	85,700	104,100	114,200	*	107,200	108,700	103,800	104,800	*	107,900	107,400
2502 Manager Control Centre	1	1		*	*	*	*	*	*	*	*	*	*	*
2503 Supervisor Control Centre	1	1		*	*	*	*	*	*	*	*	*	*	*
2504 Supervisor Protection and Control	0	0		*	*	*	*	*	*	*	*	*	*	*
2505 Supervisor Station Maintenance	1	1		*	*	*	*	*	*	*	*	*	*	*
2506 Line Supervisor	7	12	366	77,200	93,800	100,300	5%	95,800	96,700	96,900	98,000	4%	99,300	100,500
2507 Manager Meter Department	2	2		*	*	*	*	*	*	*	*	*	*	*
2508 Supervisor Meter Department	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

## Revenue: \$12 to \$20 Million

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
3000 Director Supply Chain Management	0	0		*	*	*	*	*	*	*	*	*	*	*
3001 Manager Procurement/Inventory	3	3		*	*	*	*	*	102,500	*	101,000	*	*	104,000
3002 Supervisor Stores/Inventory	1	1		*	*	*	*	*	*	*	*	*	*	*
4000 Controller or Director Finance	5	5	551	92,500	110,200	116,400	*	121,300	116,000	114,200	111,600	*	121,100	115,900
4001 Manager Accounting	2	2		*	*	*	*	*	*	*	*	*	*	*
4002 Manager Risk Management	0	0		*	*	*	*	*	*	*	*	*	*	*
4003 Supervisor Accounting	1	1		*	*	*	*	*	*	*	*	*	*	*
4004 Financial or Business Analyst	4	4	368	69,800	82,100	91,000	5%	85,500	90,300	81,800	84,300	4%	85,200	87,800
4005 Accountant	1	1		*	*	*	*	*	*	*	*	*	*	*
5000 Director Customer Service	2	2		*	*	*	*	*	*	*	*	*	*	*
5001 Manager Customer Service	5	5	496	83,300	98,000	109,500	6%	105,800	100,600	98,500	98,700	4%	102,400	101,800
5002 Supervisor Customer Service	5	6	353	67,300	86,800	89,800	5%	91,200	88,700	87,200	85,700	4%	87,200	88,200
5500 Director Communications	0	0		*	*	*	*	*	*	*	*	*	*	*
5501 Manager Communications	2	2		*	*	*	*	*	*	*	*	*	*	*
6000 Director Regulatory Affairs	1	1		*	*	*	*	*	*	*	*	*	*	*
6001 Manager Regulatory Affairs	2	2		*	*	*	*	*	*	*	*	*	*	*
6002 Regulatory Accountant	3	3		*	*	*	*	*	86,000	*	90,200	*	*	91,800
7000 Settlement or Rate Analyst	2	2		*	*	*	*	*	*	*	*	*	*	*
7001 Director/Officer, Conservation	1	1		*	*	*	*	*	*	*	*	*	*	*
7002 Manager Conservation & Demand	2	2		*	*	*	*	*	*	*	*	*	*	*
8000 Director Information Systems	2	2		*	*	*	*	*	*	*	*	*	*	*
8001 Manager Information Systems	4	4	479	81,600	94,600	102,000	*	96,700	98,800	95,700	96,500	*	98,000	97,700

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

## Revenue: \$12 to \$20 Million

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
8002 Systems/Program Administrator	5	6	342	69,400	89,800	89,800	5%	94,300	92,100	95,500	88,100	3%	99,700	90,700
9000 Human Resources Manager	1	1		*	*	*	*	*	*	*	*	*	*	*
9001 Human Resources Generalist	2	2		*	*	*	*	*	*	*	*	*	*	*
9002 Human Resources Coordinator	0	0		*	*	*	*	*	*	*	*	*	*	*
9003 Payroll	3	3		*	*	*	*	*	71,900	*	71,200	*	*	73,000
9004 Manager, Health & Safety	4	4	373	78,500	92,400	105,900	*	97,300	99,900	91,500	92,200	*	94,300	95,400

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey

### of Local Distribution Companies

#### Revenue: \$20 to \$50 Million

Survey Benchmark Job	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
0000 President & CEO	9	9	1486	180,800	199,400	217,700	28%	209,300	246,700	205,000	210,200	33%	208,600	252,700
0001 Chief Operating Officer (COO)	4	4	1040	151,900	155,600	159,300	*	184,300	204,800	159,300	170,800	*	191,900	209,700
0002 Head of Operations / Engineering	6	10	1040	126,400	140,300	157,000	*	145,900	154,600	147,600	150,600	*	156,100	159,500
0003 CFO / Head of Finance	8	8	1017	138,400	146,700	158,700	25%	159,500	185,800	155,600	164,300	32%	166,700	192,800
0004 Head of Customer Service	5	5	864	126,800	137,800	147,500	*	142,800	142,300	147,500	143,100	*	149,900	152,200
0005 Head of Regulatory Affairs	2	2		*	*	*	*	*	*	*	*	*	*	*
0006 Head of Human Resources	7	7	800	118,200	130,100	146,900	25%	149,600	157,200	141,900	139,700	26%	159,000	160,900
1000 Executive Assistant	9	12	245	60,200	69,600	80,100	*	72,500	71,600	72,500	72,500	*	73,700	73,300
1001 Administrative Assistant	5	13	208	54,300	59,100	64,300	*	59,100	60,700	64,300	64,100	*	64,300	64,500
2000 Director Engineering	4	5	754	111,800	130,700	137,800	*	140,600	136,400	133,100	131,700	*	149,900	143,400
2001 Engineering Manager	7	7	611	90,000	103,900	115,400	*	103,900	105,800	105,900	107,400	*	110,800	110,800
2002 Project Engineer	5	7	417	76,000	85,300	94,900	*	87,100	91,100	94,900	89,300	*	94,900	91,700
2003 Supervisor Engineering	6	9	443	82,100	93,600	102,100	*	93,600	95,300	96,600	92,200	*	98,500	94,000
2500 Director Operations	4	5	732	110,000	127,200	133,100	*	137,400	133,600	126,400	125,100	*	137,500	137,200
2501 Manager Operations	7	8	571	93,500	107,800	117,800	*	110,100	112,100	111,100	112,100	*	111,100	115,400
2502 Manager Control Centre	1	1		*	*	*	*	*	*	*	*	*	*	*
2503 Supervisor Control Centre	5	5	406	79,900	95,600	101,100	*	97,900	96,400	99,900	100,900	*	101,100	103,500
2504 Supervisor Protection and Control	3	3		*	*	*	*	*	98,000	*	91,000	*	*	92,800
2505 Supervisor Station Maintenance	3	3		*	*	*	*	*	91,900	*	97,900	*	*	97,900
2506 Line Supervisor	8	33	421	83,200	93,300	101,600	*	94,900	95,200	96,900	96,400	*	98,100	98,400
2507 Manager Meter Department	2	2		*	*	*	*	*	*	*	*	*	*	*
2508 Supervisor Meter Department	5	8	406	83,300	93,500	96,800	*	93,500	94,600	97,300	96,100	*	99,200	98,300

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

## Revenue: \$20 to \$50 Million

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
3000 Director Supply Chain Management	0	0		*	*	*	*	*	*	*	*	*	*	*
3001 Manager Procurement/Inventory	7	7	393	77,100	90,500	96,800	*	90,500	91,000	91,400	92,700	*	96,800	95,300
3002 Supervisor Stores/Inventory	3	6		*	*	*	*	*	89,200	*	90,600	*	*	93,900
4000 Controller or Director Finance	4	4	588	97,700	109,600	119,000	*	115,400	121,600	112,600	114,500	*	119,700	123,500
4001 Manager Accounting	7	7	568	86,200	101,400	116,600	*	105,200	102,400	96,000	96,400	*	99,800	99,100
4002 Manager Risk Management	0	0		*	*	*	*	*	*	*	*	*	*	*
4003 Supervisor Accounting	1	2		*	*	*	*	*	*	*	*	*	*	*
4004 Financial or Business Analyst	4	4	342	71,700	81,100	91,700	*	81,100	83,400	83,300	83,700	*	84,600	84,300
4005 Accountant	3	6		*	*	*	*	*	82,100	*	81,800	*	*	83,200
5000 Director Customer Service	0	0		*	*	*	*	*	*	*	*	*	*	*
5001 Manager Customer Service	6	6	496	84,300	95,100	105,600	*	95,100	98,500	97,900	96,200	*	100,900	99,300
5002 Supervisor Customer Service	8	16	353	74,400	85,600	94,100	6%	86,400	86,300	82,000	83,100	6%	82,000	85,500
5500 Director Communications	2	2		*	*	*	*	*	*	*	*	*	*	*
5501 Manager Communications	3	3		*	*	*	*	*	85,200	*	79,100	*	*	81,300
6000 Director Regulatory Affairs	2	2		*	*	*	*	*	*	*	*	*	*	*
6001 Manager Regulatory Affairs	5	5	479	85,900	99,800	110,800	*	99,800	99,800	102,000	101,500	*	105,300	106,500
6002 Regulatory Accountant	5	5	342	73,100	82,200	91,300	*	82,200	81,600	73,700	78,600	*	74,600	79,400
7000 Settlement or Rate Analyst	1	1		*	*	*	*	*	*	*	*	*	*	*
7001 Director/Officer, Conservation	4	4	830	124,300	133,600	143,200	*	160,000	167,700	131,000	135,600	*	176,200	172,700
7002 Manager Conservation & Demand	5	5	406	82,600	93,000	103,300	*	93,000	92,300	93,800	91,100	*	93,800	92,700
8000 Director Information Systems	7	7	677	108,600	126,100	132,100	15%	138,700	136,500	129,200	127,700	18%	151,000	141,100
8001 Manager Information Systems	5	7	479	85,900	96,400	103,300	*	96,400	98,800	100,000	96,300	*	103,300	99,500

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





## The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

### Revenue: \$20 to \$50 Million

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
8002 Systems/Program Administrator	7	10	332	68,100	80,100	92,100	*	80,100	81,600	88,500	85,500	*	88,500	87,300
9000 Human Resources Manager	1	1		*	*	*	*	*	*	*	*	*	*	*
9001 Human Resources Generalist	6	8	306	65,400	73,300	80,200	*	74,400	77,100	77,000	76,100	*	78,100	78,000
9002 Human Resources Coordinator	2	2		*	*	*	*	*	*	*	*	*	*	*
9003 Payroll	5	5	245	60,600	68,400	75,700	*	70,400	69,100	68,100	69,200	*	68,100	70,700
9004 Manager, Health & Safety	9	9	496	83,100	93,000	103,300	7%	93,000	100,600	98,000	99,600	6%	102,300	104,100

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## Revenue: Over \$50 Million

				COMPENSATION DESIGN						ACTUAL COMPENSATION				
Survey Benchmark Job	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
0000 President & CEO	3	3		*	*	*	*	*	291,000	*	236,800	*	*	289,000
0001 Chief Operating Officer (COO)	1	1		*	*	*	*	*	*	*	*	*	*	*
0002 Head of Operations / Engineering	2	3		*	*	*	*	*	*	*	*	*	*	*
0003 CFO / Head of Finance	3	3		*	*	*	*	*	189,700	*	163,600	*	*	188,200
0004 Head of Customer Service	1	1		*	*	*	*	*	*	*	*	*	*	*
0005 Head of Regulatory Affairs	1	1		*	*	*	*	*	*	*	*	*	*	*
0006 Head of Human Resources	2	2		*	*	*	*	*	*	*	*	*	*	*
1000 Executive Assistant	3	7		*	*	*	*	*	80,800	*	77,500	*	*	81,600
1001 Administrative Assistant	1	2		*	*	*	*	*	*	*	*	*	*	*
2000 Director Engineering	1	1		*	*	*	*	*	*	*	*	*	*	*
2001 Engineering Manager	3	9		*	*	*	*	*	123,900	*	117,700	*	*	124,900
2002 Project Engineer	0	0		*	*	*	*	*	*	*	*	*	*	*
2003 Supervisor Engineering	2	2		*	*	*	*	*	*	*	*	*	*	*
2500 Director Operations	2	2		*	*	*	*	*	*	*	*	*	*	*
2501 Manager Operations	1	1		*	*	*	*	*	*	*	*	*	*	*
2502 Manager Control Centre	2	2		*	*	*	*	*	*	*	*	*	*	*
2503 Supervisor Control Centre	1	1		*	*	*	*	*	*	*	*	*	*	*
2504 Supervisor Protection and Control	2	2		*	*	*	*	*	*	*	*	*	*	*
2505 Supervisor Station Maintenance	3	3		*	*	*	*	*	120,700	*	115,500	*	*	123,000
2506 Line Supervisor	3	11		*	*	*	*	*	105,700	*	98,500	*	*	102,800
2507 Manager Meter Department	3	3		*	*	*	*	*	119,200	*	107,700	*	*	114,800
2508 Supervisor Meter Department	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## Revenue: Over \$50 Million

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
3000 Director Supply Chain Management	1	1		*	*	*	*	*	*	*	*	*	*	*
3001 Manager Procurement/Inventory	2	2		*	*	*	*	*	*	*	*	*	*	*
3002 Supervisor Stores/Inventory	1	1		*	*	*	*	*	*	*	*	*	*	*
4000 Controller or Director Finance	2	2		*	*	*	*	*	*	*	*	*	*	*
4001 Manager Accounting	1	1		*	*	*	*	*	*	*	*	*	*	*
4002 Manager Risk Management	1	1		*	*	*	*	*	*	*	*	*	*	*
4003 Supervisor Accounting	2	2		*	*	*	*	*	*	*	*	*	*	*
4004 Financial or Business Analyst	2	3		*	*	*	*	*	*	*	*	*	*	*
4005 Accountant	2	4		*	*	*	*	*	*	*	*	*	*	*
5000 Director Customer Service	1	1		*	*	*	*	*	*	*	*	*	*	*
5001 Manager Customer Service	1	1		*	*	*	*	*	*	*	*	*	*	*
5002 Supervisor Customer Service	3	4		*	*	*	*	*	95,800	*	87,400	*	*	91,000
5500 Director Communications	1	1		*	*	*	*	*	*	*	*	*	*	*
5501 Manager Communications	2	2		*	*	*	*	*	*	*	*	*	*	*
6000 Director Regulatory Affairs	1	1		*	*	*	*	*	*	*	*	*	*	*
6001 Manager Regulatory Affairs	1	1		*	*	*	*	*	*	*	*	*	*	*
6002 Regulatory Accountant	2	3		*	*	*	*	*	*	*	*	*	*	*
7000 Settlement or Rate Analyst	1	3		*	*	*	*	*	*	*	*	*	*	*
7001 Director/Officer, Conservation	1	1		*	*	*	*	*	*	*	*	*	*	*
7002 Manager Conservation & Demand	2	2		*	*	*	*	*	*	*	*	*	*	*
8000 Director Information Systems	0	0		*	*	*	*	*	*	*	*	*	*	*
8001 Manager Information Systems	3	5		*	*	*	*	*	114,900	*	106,700	*	*	112,800

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

## Revenue: Over \$50 Million

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
8002 Systems/Program Administrator	1	1		*	*	*	*	*	*	*	*	*	*	*
9000 Human Resources Manager	1	1		*	*	*	*	*	*	*	*	*	*	*
9001 Human Resources Generalist	1	1		*	*	*	*	*	*	*	*	*	*	*
9002 Human Resources Coordinator	3	3		*	*	*	*	*	79,500	*	73,400	*	*	76,100
9003 Payroll	2	2		*	*	*	*	*	*	*	*	*	*	*
9004 Manager, Health & Safety	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## Employees: Less than 21

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
0000 President & CEO	7	7	904	107,200	132,400	136,100	*	132,400	140,100	139,800	135,800	*	143,400	155,200
0001 Chief Operating Officer (COO)	1	1		*	*	*	*	*	*	*	*	*	*	*
0002 Head of Operations / Engineering	2	2		*	*	*	*	*	*	*	*	*	*	*
0003 CFO / Head of Finance	5	5	571	*	109,400	*	*	109,400	109,800	109,400	106,000	*	109,400	108,200
0004 Head of Customer Service	0	0		*	*	*	*	*	*	*	*	*	*	*
0005 Head of Regulatory Affairs	0	0		*	*	*	*	*	*	*	*	*	*	*
0006 Head of Human Resources	0	0		*	*	*	*	*	*	*	*	*	*	*
1000 Executive Assistant	2	2		*	*	*	*	*	*	*	*	*	*	*
1001 Administrative Assistant	2	2		*	*	*	*	*	*	*	*	*	*	*
2000 Director Engineering	0	0		*	*	*	*	*	*	*	*	*	*	*
2001 Engineering Manager	0	0		*	*	*	*	*	*	*	*	*	*	*
2002 Project Engineer	1	1		*	*	*	*	*	*	*	*	*	*	*
2003 Supervisor Engineering	0	0		*	*	*	*	*	*	*	*	*	*	*
2500 Director Operations	0	0		*	*	*	*	*	*	*	*	*	*	*
2501 Manager Operations	2	2		*	*	*	*	*	*	*	*	*	*	*
2502 Manager Control Centre	0	0		*	*	*	*	*	*	*	*	*	*	*
2503 Supervisor Control Centre	0	0		*	*	*	*	*	*	*	*	*	*	*
2504 Supervisor Protection and Control	0	0		*	*	*	*	*	*	*	*	*	*	*
2505 Supervisor Station Maintenance	0	0		*	*	*	*	*	*	*	*	*	*	*
2506 Line Supervisor	2	2		*	*	*	*	*	*	*	*	*	*	*
2507 Manager Meter Department	0	0		*	*	*	*	*	*	*	*	*	*	*
2508 Supervisor Meter Department	0	0		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## Employees: Less than 21

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
3000 Director Supply Chain Management	0	0		*	*	*	*	*	*	*	*	*	*	*
3001 Manager Procurement/Inventory	0	0		*	*	*	*	*	*	*	*	*	*	*
3002 Supervisor Stores/Inventory	0	0		*	*	*	*	*	*	*	*	*	*	*
4000 Controller or Director Finance	0	0		*	*	*	*	*	*	*	*	*	*	*
4001 Manager Accounting	0	0		*	*	*	*	*	*	*	*	*	*	*
4002 Manager Risk Management	0	0		*	*	*	*	*	*	*	*	*	*	*
4003 Supervisor Accounting	1	1		*	*	*	*	*	*	*	*	*	*	*
4004 Financial or Business Analyst	0	0		*	*	*	*	*	*	*	*	*	*	*
4005 Accountant	1	1		*	*	*	*	*	*	*	*	*	*	*
5000 Director Customer Service	0	0		*	*	*	*	*	*	*	*	*	*	*
5001 Manager Customer Service	2	2		*	*	*	*	*	*	*	*	*	*	*
5002 Supervisor Customer Service	0	0		*	*	*	*	*	*	*	*	*	*	*
5500 Director Communications	0	0		*	*	*	*	*	*	*	*	*	*	*
5501 Manager Communications	0	0		*	*	*	*	*	*	*	*	*	*	*
6000 Director Regulatory Affairs	0	0		*	*	*	*	*	*	*	*	*	*	*
6001 Manager Regulatory Affairs	1	1		*	*	*	*	*	*	*	*	*	*	*
6002 Regulatory Accountant	0	0		*	*	*	*	*	*	*	*	*	*	*
7000 Settlement or Rate Analyst	0	0		*	*	*	*	*	*	*	*	*	*	*
7001 Director/Officer, Conservation	0	0		*	*	*	*	*	*	*	*	*	*	*
7002 Manager Conservation & Demand	1	1		*	*	*	*	*	*	*	*	*	*	*
8000 Director Information Systems	0	0		*	*	*	*	*	*	*	*	*	*	*
8001 Manager Information Systems	0	0		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## Employees: Less than 21

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
8002 Systems/Program Administrator	0	0		*	*	*	*	*	*	*	*	*	*	*
9000 Human Resources Manager	0	0		*	*	*	*	*	*	*	*	*	*	*
9001 Human Resources Generalist	0	0		*	*	*	*	*	*	*	*	*	*	*
9002 Human Resources Coordinator	0	0		*	*	*	*	*	*	*	*	*	*	*
9003 Payroll	0	0		*	*	*	*	*	*	*	*	*	*	*
9004 Manager, Health & Safety	0	0		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## Employees: 21 to 50

Survey Benchmark Job	COMPENSATION DESIGN									ACTUAL COMPENSATION				
	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
0000 President & CEO	11	11	1040	145,400	178,500	196,400	11%	192,000	188,200	180,000	176,100	10%	192,000	199,100
0001 Chief Operating Officer (COO)	4	4	835	118,300	138,900	158,600	*	150,500	148,000	132,100	128,200	*	133,600	133,100
0002 Head of Operations / Engineering	7	7	732	106,800	122,100	132,300	*	132,600	130,400	122,100	123,100	*	122,100	126,100
0003 CFO / Head of Finance	8	8	690	106,000	121,900	130,100	10%	132,800	130,900	123,600	123,900	7%	140,900	141,300
0004 Head of Customer Service	3	3		*	*	*	*	*	118,300	*	108,300	*	*	108,300
0005 Head of Regulatory Affairs	1	1		*	*	*	*	*	*	*	*	*	*	*
0006 Head of Human Resources	2	2		*	*	*	*	*	*	*	*	*	*	*
1000 Executive Assistant	5	5	245	56,100	68,900	73,600	*	68,900	70,100	70,100	68,700	*	81,200	78,500
1001 Administrative Assistant	2	2		*	*	*	*	*	*	*	*	*	*	*
2000 Director Engineering	2	2		*	*	*	*	*	*	*	*	*	*	*
2001 Engineering Manager	5	5	496	86,000	102,700	123,200	*	115,000	111,300	101,100	101,100	*	101,100	102,400
2002 Project Engineer	3	3		*	*	*	*	*	81,600	*	73,600	*	*	73,600
2003 Supervisor Engineering	0	0		*	*	*	*	*	*	*	*	*	*	*
2500 Director Operations	0	0		*	*	*	*	*	*	*	*	*	*	*
2501 Manager Operations	6	6	500	89,400	103,400	119,000	*	109,300	109,900	100,600	104,300	*	105,600	107,100
2502 Manager Control Centre	0	0		*	*	*	*	*	*	*	*	*	*	*
2503 Supervisor Control Centre	0	0		*	*	*	*	*	*	*	*	*	*	*
2504 Supervisor Protection and Control	0	0		*	*	*	*	*	*	*	*	*	*	*
2505 Supervisor Station Maintenance	0	0		*	*	*	*	*	*	*	*	*	*	*
2506 Line Supervisor	8	11	366	81,000	92,500	100,100	*	95,700	94,700	96,300	96,100	*	97,800	108,500
2507 Manager Meter Department	1	1		*	*	*	*	*	*	*	*	*	*	*
2508 Supervisor Meter Department	0	0		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group

## 2015 Management Salary Survey of Local Distribution Companies

### Employees: 21 to 50

				COMPENSATION DESIGN						ACTUAL COMPENSATION				
Survey Benchmark Job	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
3000 Director Supply Chain Management	0	0		*	*	*	*	*	*	*	*	*	*	*
3001 Manager Procurement/Inventory	1	1		*	*	*	*	*	*	*	*	*	*	*
3002 Supervisor Stores/Inventory	0	0		*	*	*	*	*	*	*	*	*	*	*
4000 Controller or Director Finance	3	3		*	*	*	*	*	109,200	*	109,300	*	*	109,300
4001 Manager Accounting	3	3		*	*	*	*	*	105,900	*	94,800	*	*	98,600
4002 Manager Risk Management	0	0		*	*	*	*	*	*	*	*	*	*	*
4003 Supervisor Accounting	1	1		*	*	*	*	*	*	*	*	*	*	*
4004 Financial or Business Analyst	1	1		*	*	*	*	*	*	*	*	*	*	*
4005 Accountant	2	2		*	*	*	*	*	*	*	*	*	*	*
5000 Director Customer Service	0	0		*	*	*	*	*	*	*	*	*	*	*
5001 Manager Customer Service	7	7	353	73,800	84,200	91,500	*	84,200	87,400	87,600	86,700	*	91,500	98,200
5002 Supervisor Customer Service	4	4	303	67,600	82,000	86,300	*	82,000	77,000	81,300	78,200	*	81,600	78,300
5500 Director Communications	0	0		*	*	*	*	*	*	*	*	*	*	*
5501 Manager Communications	0	0		*	*	*	*	*	*	*	*	*	*	*
6000 Director Regulatory Affairs	0	0		*	*	*	*	*	*	*	*	*	*	*
6001 Manager Regulatory Affairs	3	3		*	*	*	*	*	95,500	*	90,600	*	*	90,600
6002 Regulatory Accountant	2	2		*	*	*	*	*	*	*	*	*	*	*
7000 Settlement or Rate Analyst	1	1		*	*	*	*	*	*	*	*	*	*	*
7001 Director/Officer, Conservation	0	0		*	*	*	*	*	*	*	*	*	*	*
7002 Manager Conservation & Demand	3	3		*	*	*	*	*	81,700	*	79,600	*	*	97,900
8000 Director Information Systems	0	0		*	*	*	*	*	*	*	*	*	*	*
8001 Manager Information Systems	3	3		*	*	*	*	*	98,400	*	96,100	*	*	96,600

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





## The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



### Employees: 21 to 50

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
8002 Systems/Program Administrator	2	2		*	*	*	*	*	*	*	*	*	*	*
9000 Human Resources Manager	2	2		*	*	*	*	*	*	*	*	*	*	*
9001 Human Resources Generalist	0	0		*	*	*	*	*	*	*	*	*	*	*
9002 Human Resources Coordinator	0	0		*	*	*	*	*	*	*	*	*	*	*
9003 Payroll	2	2		*	*	*	*	*	*	*	*	*	*	*
9004 Manager, Health & Safety	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## Employees: 51 to 100

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
0000 President & CEO	2	2		*	*	*	*	*	*	*	*	*	*	*
0001 Chief Operating Officer (COO)	1	1		*	*	*	*	*	*	*	*	*	*	*
0002 Head of Operations / Engineering	1	1		*	*	*	*	*	*	*	*	*	*	*
0003 CFO / Head of Finance	3	3		*	*	*	*	*	205,800	*	175,500	*	*	210,000
0004 Head of Customer Service	0	0		*	*	*	*	*	*	*	*	*	*	*
0005 Head of Regulatory Affairs	1	1		*	*	*	*	*	*	*	*	*	*	*
0006 Head of Human Resources	0	0		*	*	*	*	*	*	*	*	*	*	*
1000 Executive Assistant	4	4	201	*	74,600	*	5%	78,700	73,700	75,700	75,000	4%	79,000	77,900
1001 Administrative Assistant	1	1		*	*	*	*	*	*	*	*	*	*	*
2000 Director Engineering	2	2		*	*	*	*	*	*	*	*	*	*	*
2001 Engineering Manager	2	2		*	*	*	*	*	*	*	*	*	*	*
2002 Project Engineer	0	0		*	*	*	*	*	*	*	*	*	*	*
2003 Supervisor Engineering	4	4	407	*	86,800	*	6%	93,300	93,100	86,900	87,100	*	89,200	89,400
2500 Director Operations	1	1		*	*	*	*	*	*	*	*	*	*	*
2501 Manager Operations	3	3		*	*	*	*	*	108,400	*	109,800	*	*	116,200
2502 Manager Control Centre	0	0		*	*	*	*	*	*	*	*	*	*	*
2503 Supervisor Control Centre	1	1		*	*	*	*	*	*	*	*	*	*	*
2504 Supervisor Protection and Control	0	0		*	*	*	*	*	*	*	*	*	*	*
2505 Supervisor Station Maintenance	0	0		*	*	*	*	*	*	*	*	*	*	*
2506 Line Supervisor	3	6		*	*	*	*	*	104,900	*	99,600	*	*	104,600
2507 Manager Meter Department	2	2		*	*	*	*	*	*	*	*	*	*	*
2508 Supervisor Meter Department	1	1		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

## Employees: 51 to 100

				COMPENSATION DESIGN						ACTUAL COMPENSATION				
Survey Benchmark Job	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
3000 Director Supply Chain Management	0	0		*	*	*	*	*	*	*	*	*	*	*
3001 Manager Procurement/Inventory	2	2		*	*	*	*	*	*	*	*	*	*	*
3002 Supervisor Stores/Inventory	0	0		*	*	*	*	*	*	*	*	*	*	*
4000 Controller or Director Finance	3	3		*	*	*	*	*	116,800	*	117,900	*	*	128,400
4001 Manager Accounting	3	3		*	*	*	*	*	108,400	*	98,300	*	*	102,700
4002 Manager Risk Management	0	0		*	*	*	*	*	*	*	*	*	*	*
4003 Supervisor Accounting	0	0		*	*	*	*	*	*	*	*	*	*	*
4004 Financial or Business Analyst	2	2		*	*	*	*	*	*	*	*	*	*	*
4005 Accountant	1	1		*	*	*	*	*	*	*	*	*	*	*
5000 Director Customer Service	1	1		*	*	*	*	*	*	*	*	*	*	*
5001 Manager Customer Service	2	2		*	*	*	*	*	*	*	*	*	*	*
5002 Supervisor Customer Service	4	5	374	*	87,000	*	5%	92,000	89,200	90,000	90,200	4%	93,400	93,400
5500 Director Communications	0	0		*	*	*	*	*	*	*	*	*	*	*
5501 Manager Communications	2	2		*	*	*	*	*	*	*	*	*	*	*
6000 Director Regulatory Affairs	1	1		*	*	*	*	*	*	*	*	*	*	*
6001 Manager Regulatory Affairs	1	1		*	*	*	*	*	*	*	*	*	*	*
6002 Regulatory Accountant	3	3		*	*	*	*	*	80,000	*	79,800	*	*	83,900
7000 Settlement or Rate Analyst	1	1		*	*	*	*	*	*	*	*	*	*	*
7001 Director/Officer, Conservation	2	2		*	*	*	*	*	*	*	*	*	*	*
7002 Manager Conservation & Demand	0	0		*	*	*	*	*	*	*	*	*	*	*
8000 Director Information Systems	0	0		*	*	*	*	*	*	*	*	*	*	*
8001 Manager Information Systems	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## Employees: 51 to 100

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
8002 Systems/Program Administrator	3	4		*	*	*	*	*	85,200	*	77,700	*	*	79,600
9000 Human Resources Manager	1	1		*	*	*	*	*	*	*	*	*	*	*
9001 Human Resources Generalist	1	1		*	*	*	*	*	*	*	*	*	*	*
9002 Human Resources Coordinator	0	0		*	*	*	*	*	*	*	*	*	*	*
9003 Payroll	2	2		*	*	*	*	*	*	*	*	*	*	*
9004 Manager, Health & Safety	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

## Employees: 101 to 200

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
0000 President & CEO	11	11	1486	188,100	199,400	217,700	25%	209,300	247,000	205,000	211,500	29%	208,600	250,800
0001 Chief Operating Officer (COO)	4	4	1040	151,900	155,600	159,300	*	184,300	204,800	159,300	170,800	*	191,900	209,700
0002 Head of Operations / Engineering	8	12	1040	124,300	140,700	156,400	15%	154,300	158,400	147,600	150,900	10%	157,300	160,600
0003 CFO / Head of Finance	10	10	1017	133,300	147,700	158,700	15%	160,100	182,300	150,600	160,600	21%	160,500	186,200
0004 Head of Customer Service	7	7	830	109,500	136,800	146,900	13%	142,800	141,300	146,000	138,900	9%	149,900	148,500
0005 Head of Regulatory Affairs	2	2		*	*	*	*	*	*	*	*	*	*	*
0006 Head of Human Resources	9	9	677	111,200	127,700	141,900	20%	144,000	150,000	127,900	133,600	20%	149,900	151,900
1000 Executive Assistant	11	14	245	59,200	69,600	79,500	3%	72,500	71,900	72,700	73,200	3%	73,800	74,300
1001 Administrative Assistant	6	14	208	53,000	60,100	66,100	*	60,100	62,500	64,400	64,800	*	64,400	65,500
2000 Director Engineering	5	6	702	108,800	132,300	143,400	*	152,100	141,900	133,900	135,000	*	155,400	145,800
2001 Engineering Manager	9	9	611	88,700	103,800	111,000	5%	105,800	105,900	103,900	104,600	5%	105,500	107,900
2002 Project Engineer	5	7	417	76,000	85,300	94,900	*	87,100	91,100	94,900	89,300	*	94,900	91,700
2003 Supervisor Engineering	7	10	421	80,900	92,600	101,100	5%	94,600	95,200	96,100	92,300	*	96,100	94,100
2500 Director Operations	5	6	732	108,800	118,400	126,700	*	118,400	129,600	122,400	122,500	*	122,400	132,900
2501 Manager Operations	8	9	544	92,900	109,000	117,400	8%	112,100	113,400	112,500	112,400	7%	112,500	116,100
2502 Manager Control Centre	2	2		*	*	*	*	*	*	*	*	*	*	*
2503 Supervisor Control Centre	6	6	406	79,800	94,100	100,400	*	96,300	96,100	98,300	98,700	*	98,900	101,200
2504 Supervisor Protection and Control	3	3		*	*	*	*	*	98,000	*	91,000	*	*	92,800
2505 Supervisor Station Maintenance	4	4	452	82,900	93,400	102,200	*	93,400	95,500	98,900	98,700	*	100,000	99,800
2506 Line Supervisor	10	37	394	82,900	93,700	100,700	5%	96,100	96,300	96,900	96,700	4%	98,100	98,900
2507 Manager Meter Department	2	2		*	*	*	*	*	*	*	*	*	*	*
2508 Supervisor Meter Department	5	8	406	83,300	93,500	96,800	*	93,500	94,600	97,300	96,100	*	99,200	98,300

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

## Employees: 101 to 200

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
3000 Director Supply Chain Management	0	0		*	*	*	*	*	*	*	*	*	*	*
3001 Manager Procurement/Inventory	8	8	393	78,400	92,200	100,700	6%	95,100	92,300	94,100	93,600	6%	97,500	96,300
3002 Supervisor Stores/Inventory	4	7	309	67,900	80,500	91,000	*	83,300	86,000	85,200	86,100	*	88,100	89,400
4000 Controller or Director Finance	6	6	588	94,700	111,500	115,300	9%	118,000	120,400	112,100	112,400	9%	115,600	120,100
4001 Manager Accounting	7	7	568	86,200	101,400	116,600	*	105,200	102,400	96,000	96,400	*	99,800	99,100
4002 Manager Risk Management	0	0		*	*	*	*	*	*	*	*	*	*	*
4003 Supervisor Accounting	2	3		*	*	*	*	*	*	*	*	*	*	*
4004 Financial or Business Analyst	6	6	342	71,700	81,100	91,700	3%	81,100	83,200	81,100	81,200	*	82,000	82,500
4005 Accountant	3	6		*	*	*	*	*	82,100	*	81,800	*	*	83,200
5000 Director Customer Service	1	1		*	*	*	*	*	*	*	*	*	*	*
5001 Manager Customer Service	8	8	496	85,800	99,700	108,700	8%	102,000	102,500	100,400	99,300	7%	103,600	102,900
5002 Supervisor Customer Service	10	18	353	71,900	85,600	90,600	5%	86,400	86,600	82,000	83,200	5%	82,000	85,700
5500 Director Communications	2	2		*	*	*	*	*	*	*	*	*	*	*
5501 Manager Communications	4	4	368	77,200	87,800	93,000	*	91,600	90,400	84,400	84,600	*	87,700	87,100
6000 Director Regulatory Affairs	2	2		*	*	*	*	*	*	*	*	*	*	*
6001 Manager Regulatory Affairs	5	5	479	85,900	99,800	110,800	*	99,800	99,800	102,000	101,500	*	105,300	106,500
6002 Regulatory Accountant	5	5	342	73,100	82,200	91,300	*	82,200	81,600	73,700	78,600	*	74,600	79,400
7000 Settlement or Rate Analyst	2	2		*	*	*	*	*	*	*	*	*	*	*
7001 Director/Officer, Conservation	4	4	830	124,300	133,600	143,200	*	160,000	167,700	131,000	135,600	*	176,200	172,700
7002 Manager Conservation & Demand	6	6	406	82,200	92,500	102,800	*	93,400	92,600	91,800	90,900	*	93,700	92,800
8000 Director Information Systems	9	9	677	108,600	126,100	132,100	14%	138,700	135,100	128,200	126,200	13%	139,400	138,700
8001 Manager Information Systems	6	8	488	84,300	96,100	103,200	*	98,300	99,100	98,800	96,500	*	103,200	99,700

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





## The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

### Employees: 101 to 200

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
8002 Systems/Program Administrator	9	12	342	68,100	81,400	92,100	5%	86,300	85,100	93,100	88,200	4%	93,100	90,300
9000 Human Resources Manager	1	1		*	*	*	*	*	*	*	*	*	*	*
9001 Human Resources Generalist	7	9	289	62,600	73,600	79,400	3%	75,800	77,700	79,400	76,700	3%	79,400	78,500
9002 Human Resources Coordinator	2	2		*	*	*	*	*	*	*	*	*	*	*
9003 Payroll	6	6	224	57,900	68,300	75,100	*	69,300	68,200	65,400	68,100	*	67,700	69,700
9004 Manager, Health & Safety	11	11	406	83,100	93,000	103,300	6%	93,000	101,500	98,000	99,600	6%	102,300	104,100

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## Employees: More than 200

				COMPENSATION DESIGN						ACTUAL COMPENSATION				
Survey Benchmark Job	Sample Statistics		Hay Points	Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
0000 President & CEO	3	3		*	*	*	*	*	291,000	*	236,800	*	*	289,000
0001 Chief Operating Officer (COO)	1	1		*	*	*	*	*	*	*	*	*	*	*
0002 Head of Operations / Engineering	2	3		*	*	*	*	*	*	*	*	*	*	*
0003 CFO / Head of Finance	3	3		*	*	*	*	*	189,700	*	163,600	*	*	188,200
0004 Head of Customer Service	1	1		*	*	*	*	*	*	*	*	*	*	*
0005 Head of Regulatory Affairs	1	1		*	*	*	*	*	*	*	*	*	*	*
0006 Head of Human Resources	2	2		*	*	*	*	*	*	*	*	*	*	*
1000 Executive Assistant	3	7		*	*	*	*	*	80,800	*	77,500	*	*	81,600
1001 Administrative Assistant	1	2		*	*	*	*	*	*	*	*	*	*	*
2000 Director Engineering	1	1		*	*	*	*	*	*	*	*	*	*	*
2001 Engineering Manager	3	9		*	*	*	*	*	123,900	*	117,700	*	*	124,900
2002 Project Engineer	0	0		*	*	*	*	*	*	*	*	*	*	*
2003 Supervisor Engineering	2	2		*	*	*	*	*	*	*	*	*	*	*
2500 Director Operations	2	2		*	*	*	*	*	*	*	*	*	*	*
2501 Manager Operations	1	1		*	*	*	*	*	*	*	*	*	*	*
2502 Manager Control Centre	2	2		*	*	*	*	*	*	*	*	*	*	*
2503 Supervisor Control Centre	1	1		*	*	*	*	*	*	*	*	*	*	*
2504 Supervisor Protection and Control	2	2		*	*	*	*	*	*	*	*	*	*	*
2505 Supervisor Station Maintenance	3	3		*	*	*	*	*	120,700	*	115,500	*	*	123,000
2506 Line Supervisor	3	11		*	*	*	*	*	105,700	*	98,500	*	*	102,800
2507 Manager Meter Department	3	3		*	*	*	*	*	119,200	*	107,700	*	*	114,800
2508 Supervisor Meter Department	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies



## Employees: More than 200

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
3000 Director Supply Chain Management	1	1		*	*	*	*	*	*	*	*	*	*	*
3001 Manager Procurement/Inventory	2	2		*	*	*	*	*	*	*	*	*	*	*
3002 Supervisor Stores/Inventory	1	1		*	*	*	*	*	*	*	*	*	*	*
4000 Controller or Director Finance	2	2		*	*	*	*	*	*	*	*	*	*	*
4001 Manager Accounting	1	1		*	*	*	*	*	*	*	*	*	*	*
4002 Manager Risk Management	1	1		*	*	*	*	*	*	*	*	*	*	*
4003 Supervisor Accounting	2	2		*	*	*	*	*	*	*	*	*	*	*
4004 Financial or Business Analyst	2	3		*	*	*	*	*	*	*	*	*	*	*
4005 Accountant	2	4		*	*	*	*	*	*	*	*	*	*	*
5000 Director Customer Service	1	1		*	*	*	*	*	*	*	*	*	*	*
5001 Manager Customer Service	1	1		*	*	*	*	*	*	*	*	*	*	*
5002 Supervisor Customer Service	3	4		*	*	*	*	*	95,800	*	87,400	*	*	91,000
5500 Director Communications	1	1		*	*	*	*	*	*	*	*	*	*	*
5501 Manager Communications	2	2		*	*	*	*	*	*	*	*	*	*	*
6000 Director Regulatory Affairs	1	1		*	*	*	*	*	*	*	*	*	*	*
6001 Manager Regulatory Affairs	1	1		*	*	*	*	*	*	*	*	*	*	*
6002 Regulatory Accountant	2	3		*	*	*	*	*	*	*	*	*	*	*
7000 Settlement or Rate Analyst	1	3		*	*	*	*	*	*	*	*	*	*	*
7001 Director/Officer, Conservation	1	1		*	*	*	*	*	*	*	*	*	*	*
7002 Manager Conservation & Demand	2	2		*	*	*	*	*	*	*	*	*	*	*
8000 Director Information Systems	0	0		*	*	*	*	*	*	*	*	*	*	*
8001 Manager Information Systems	3	5		*	*	*	*	*	114,900	*	106,700	*	*	112,800

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).





# The MEARIE Group 2015 Management Salary Survey of Local Distribution Companies

## Employees: More than 200

Survey Benchmark Job	Sample Statistics		Hay Points	COMPENSATION DESIGN						ACTUAL COMPENSATION				
				Salary Range Minimum	Job Rate / Control Point / Policy	Salary Range Maximum	Target % (where eligible)	Total Cash Design		Actual Base Salary		Actual Bonus % (where received)	Actual Total Cash	
	Orgs	Incs	P50	P50	P50	P50	P50	P50	AVG	P50	AVG	P50	P50	AVG
8002 Systems/Program Administrator	1	1		*	*	*	*	*	*	*	*	*	*	*
9000 Human Resources Manager	1	1		*	*	*	*	*	*	*	*	*	*	*
9001 Human Resources Generalist	1	1		*	*	*	*	*	*	*	*	*	*	*
9002 Human Resources Coordinator	3	3		*	*	*	*	*	79,500	*	73,400	*	*	76,100
9003 Payroll	2	2		*	*	*	*	*	*	*	*	*	*	*
9004 Manager, Health & Safety	2	2		*	*	*	*	*	*	*	*	*	*	*

Minimum data requirements for information disclosure are: 3 for average, 4 for P50, 7 for P25 / P75. If insufficient data, this is indicated by the asterisks (\*).



**ATTACHMENT 4-ENERGY PROBE-31**  
**2015 PROPERTY TAX ASSESSMENT AND TAX BILL**





DG10061069 15 1/2 10/09

MILTON HYDRO DISTRIBUTION INC  
MILTON HYDRO DISTRIBUTION INC  
200 CHISHOLM DR  
MILTON ON L9T 5E7

Questions?

Please include your roll number  
with your enquiry.

Call 1 866 296-MPAC (6722)  
1 877 889-MPAC (6722) TTY  
Monday to Friday - 8 a.m. to 5 p.m.

Web www.mpac.ca

Fax 1 866 297-6703

Write P.O. Box 9808, Toronto, ON M1S 5T9

Visit 6745 Century Ave, Suite 1, Mississauga  
Monday to Friday - 8 a.m. to 4:30 p.m.

If you have any accessibility needs, please  
contact MPAC for assistance.

This Property Assessment Notice is not a property tax bill.

The assessed value of your property is used as the basis for calculating your property taxes. MPAC's role is to accurately value and classify properties in Ontario. Your municipality/local taxing authority is responsible for setting property tax rates. **An assessment increase does not necessarily mean your property taxes will increase.** For questions about your property taxes, contact your municipality/local taxing authority. To learn how MPAC assesses properties or for details about the Reconsideration and Appeal processes, see the enclosed insert. The deadline to file a Request for Reconsideration or an Appeal is **March 31** of the tax year. Please keep a copy of this Notice for your records.

Roll number 24 09 010 003 21105 0000  
Property location and description 200 CHISHOLM DR  
CON 2 NE PT LOTS 2,3 RP 20R10363 PARTS 1,4  
Municipality/Local taxing authority MILTON TOWN

Assessed value of your property

Your property's value as of January 1, 2012	\$7,104,000
Your property's value as of January 1, 2008	\$5,963,590
Over this 4-year period, your property's value changed by	\$1,140,410

Under the *Assessment Act*, an increase in the assessed value of each separately classified portion of your property between January 1, 2008 and January 1, 2012 is phased in over four years, from 2013 to 2016. If there is no change, or a decrease in the assessed value of any portion of the property, the assessed value of that portion remains the same and is effective for the remaining property tax years. The assessed values for each separately classified portion of your property are shown in the table below. The information in the table assumes your property characteristics stay the same for the remainder of the property tax years.

PROPERTY CLASSIFICATION	VALUE AS OF JAN 1, 2008	VALUE AS OF JAN 1, 2012	ASSESSED VALUE FOR TAX YEAR 2016
Commercial	\$5,708,391	\$6,800,000	\$6,800,000
Commercial: Excess Land	\$255,199	\$304,000	\$304,000
<b>Total</b>	<b>\$5,963,590</b>	<b>\$7,104,000</b>	<b>\$7,104,000</b>

School support

PROPERTY CLASSIFICATION	SCHOOL SUPPORT	2016 ASSESSMENT
Commercial	Not Applicable	\$6,800,000
Commercial: Excess Land	Not Applicable	\$304,000
<b>Total</b>		<b>\$7,104,000</b>

Property summary

Property type Industrial  
Property information Lot area: 7.00 acres



THE CORPORATION OF  
THE TOWN OF MILTON



EB-2015-0089

INTERROGATORY RESPONSES

File Date: December 15, 2015  
Page 5 of 11

010-003-21105

2014 Sec. 357

Original 2014 Taxes

ITN	6,800,000	x	0.02876524	195,603.63
IUN	304,000	x	0.01869743	5,684.02
CHN	0	x	0.01760063	0.00
CKN	0	x	0.01232045	0.00
Net Total	7,104,000			\$201,287.65

Revised 2014 Taxes

ITN	6,800,000	x	0.02876524	144,693.10	Jan 1 - Sept 27(270 days)
IUN	304,000	x	0.01869743	4,204.62	Jan 1 - Sept 27(270 days)
CHN	6,527,098	x	0.01760063	29,900.54	Sept 28-Dec 31(95 days)
CKN	291,800	x	0.01232045	935.71	Sept 28-Dec 31(95 days)
Net Total	6,818,898			\$179,733.97	Total Adjustment
					21,553.68

Please retain these calculations for your records  
A fee will be charged for duplicate copies





THE CORPORATION OF  
THE TOWN OF MILTON

Milton Hydro Distribution Inc.  
EB-2015-0089  
INTERROGATORY RESPONSES  
Filed December 18, 2015  
Page 51 of 51

010-003-21105

2015 Amended Property Assessment Notice

Original 2015 Taxes

ITN	6,800,000	X	0.02801923	190,530.76
IUN	304,000	X	0.01821249	5,536.60
CHN	0	X	0.01702013	0.00
CKN	0	X	0.01191410	0.00
Net Total	7,104,000			\$196,067.36

Revised 2015 Taxes

ITN	0	X	0.02801923	0.00
IUN	0	X	0.01821249	0.00
CHN	6,527,098	X	0.01702013	111,092.06
CKN	291,800	X	0.01191410	3,476.53
Net Total	6,818,898			\$114,568.59

Total Adjustment 81,498.77

Please retain these calculations for your records  
A fee will be charged for duplicate copies





Town of Milton  
150 Mary St  
Milton ON L9T 6Z5  
Phone: 905-864-4142  
Fax: 905-876-5026  
www.milton.ca

Milton Hydro Distribution Inc.

REPRINT-2015 Interim TAX BILL  
EB-2015-0089  
INTERROGATORY RESPONSES

TAX ROLL NUMBER:

010 003 21105 0000

Filed: December 18, 2015  
Page 516 of 901

GROUP CODE:

BILLING DATE:

Feb. 19, 2015

MILTON HYDRO DISTRIBUTION INC  
200 CHISHOLM DR  
MILTON ON L9T 5E7

Property location and legal description:

200 CHISHOLM DR  
CON 2 NE PT LOTS 2,3 RP  
20R10363 PARTS 1,4

Mortgage company:

Mortgage account:

Accumulated deferral as of billing date:

\$0.00

ASSESSMENTS			TOWN		REGION		EDUCATION	
Tax Class/Description		Value	Tax Rate%	Amount	Tax Rate%	Amount	Tax Rate%	Amount
ITN	Industrial occupied	6,800,000	.245133	16,669.04	.366736	24,938.05	.736214	50,062.55
IUN	Industrial vacant	304,000	.159336	484.38	.238378	724.67	.478539	1,454.76
H	Hospital levy			140.16				
U	Urban area charge			2,273.17				
W	Leaf pickup charge					147.30		



Town of Milton  
150 Mary St  
Milton ON L9T 6Z5  
Phone: 905-864-4142 Fax: 905-876-5026  
www.milton.ca

2nd Instalment

Due Date:

Apr. 30, 2015

Tax Roll Number: 010 003 21105 0000		Owner: MILTON HYDRO DISTRIBUTION	
Current Amount Due: \$48,447.08	Past Due/ Credit: \$0.00	Total Amount Due: \$48,447.08	Amount Paid:



0 1 0 0 0 3 2 1 1 0 5 0 0 0 0



4 8 4 4 7 0 8



Town of Milton  
150 Mary St  
Milton ON L9T 6Z5  
Phone: 905-864-4142 Fax: 905-876-5026  
www.milton.ca

1st Instalment

Due Date:

Feb. 27, 2015

Tax Roll Number: 010 003 21105 0000		Owner: MILTON HYDRO DISTRIBUTION II	
Current Amount Due: \$48,447.00	Past Due/ Credit: \$0.00	Total Amount Due: \$48,447.00	Amount Paid:



0 1 0 0 0 3 2 1 1 0 5 0 0 0 0



4 8 4 4 7 0 8





**Town of Milton**  
**150 Mary St**  
**Milton ON L9T 6Z5**  
**Phone: 905-864-4142**  
**Fax: 905-876-5026**  
**[www.milton.ca](http://www.milton.ca)**

**RECEIVED**  
**JUN - 1 2015**

Milton Hydro Distribution Inc.

EB-2015-0089

INTERROGATORY RESPONSES

Filed: December 18, 2015

Page 517 of 901

**2015 FINAL TAX BILL**

**TAX ROLL NUMBER:**

**010 003 21105 0000**

**GROUP CODE:**

**BILLING DATE:**

**May. 25, 2015**

MILTON HYDRO DISTRIBUTION INC  
 8069 LAWSON RD  
 MILTON ON L9T 5C4

**Property location and legal description:**

200 CHISHOLM DR  
 CON 2 NE PT LOTS 2,3 RP  
 20R10363 PARTS 1,4

**Mortgage company:**

**Mortgage account:**

**Accumulated deferral as of billing date:**

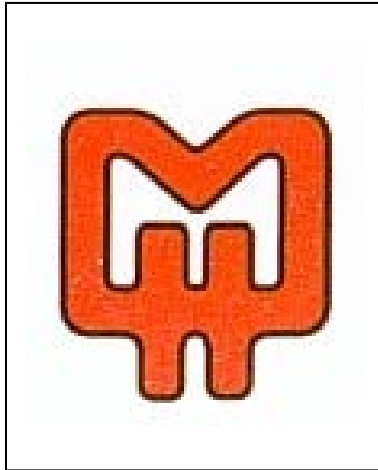
**\$0.00**

ASSESSMENTS			TOWN		REGION		EDUCATION	
Tax Class/Description		Value	Tax Rate%	Amount	Tax Rate%	Amount	Tax Rate%	Amount
ITN	Industrial occupied	6,800.000	.505693	34,387.12	.746677	50,774.04	1.474565	100,270.42
IUN	Industrial vacant	304.000	.328700	999.25	.485341	1,475.44	.958467	2,913.74
H	Hospital levv			277.95				
U	Urban area charge			4,663.13				
W	Leaf pickup charge					306.29		
Sub Totals			Town	40,327.45	Region	\$52,555.77	Education	\$103,184.16
Locals / BIA / Other			Phase - in / Cap adjs.		Summary			
					Municipal & Education Tax		196,067.38	
					Local / BIA / Other		.00	
					Phase-in / Cap Adjustments		.00	
					Taxes		\$196,067.38	
					Less Interim Billing		96,894.08	
					Less Current Year Deferral		.00	
					Past Due / Credit		.00	
Total		\$0.00	\$0.00		Total Amount Due		\$99,173.30	
1st Instalment		Jun. 30, 2015	\$49,587.00		2nd Instalment		Sep. 30, 2015	\$49,586.30



**ATTACHMENT 1-SEC-9**  
**CRISIS COMMUNICATION MANUAL**





## **CRISIS COMMUNICATIONS PLAN**

Updated: February 2015



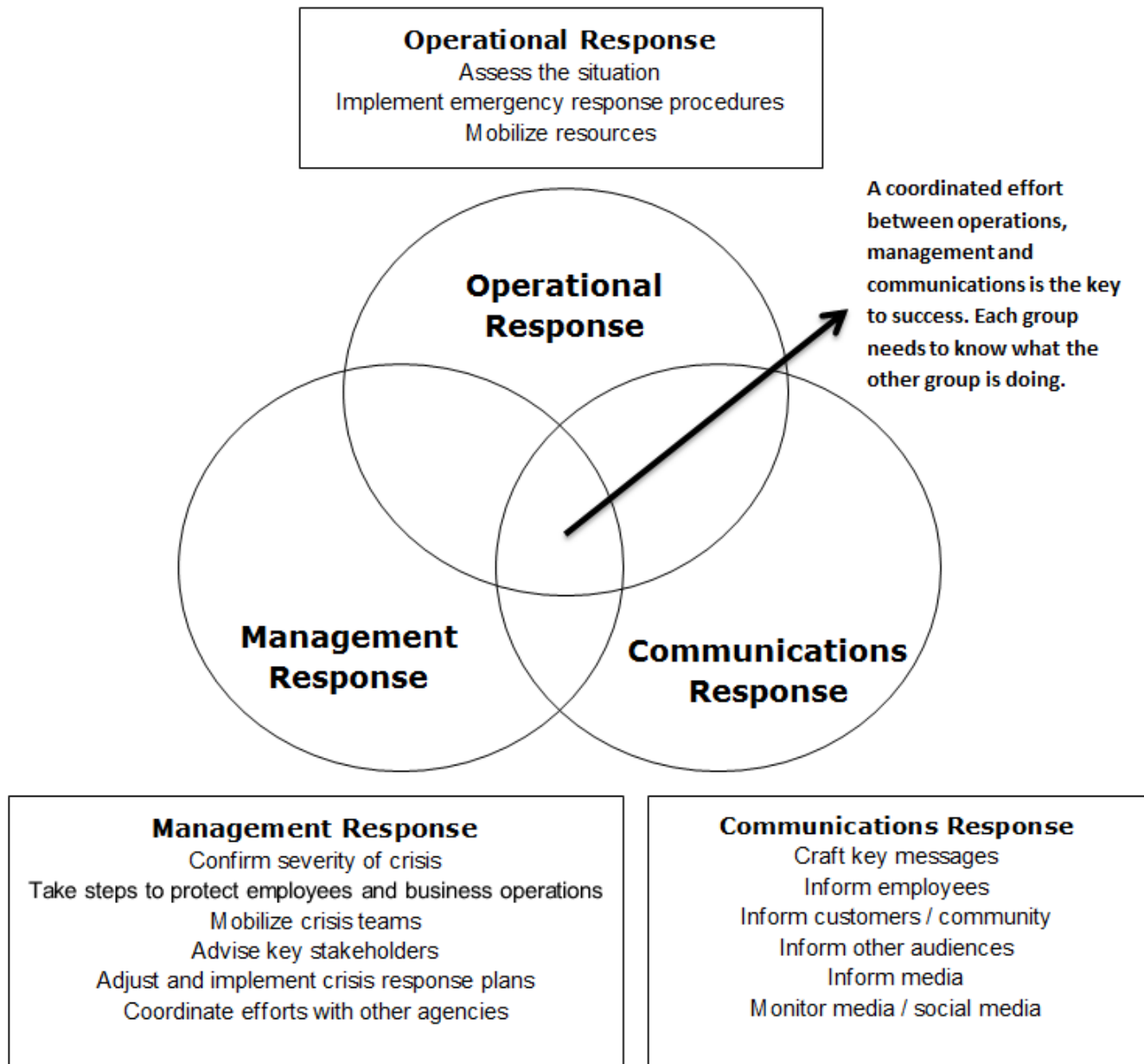




# CRISIS COMMUNICATIONS PLAN - QUICK START GUIDE

The purpose of this quick start guide is to provide initial crisis communications steps for Milton Hydro's response to an unplanned event that directly or indirectly significantly affects the company's ability to carry out its business; the health, safety or welfare of employees, members of the public or the communities we serve at large; the reputation or image of the organization; or the environment.

In the event of a crisis a coordinated effort between Operations, Management and Communications is the key to success. Each group needs to know how the other group is responding and the actions they are taking.



**Turn over for Quick Start Tips:** Get Facts; Safety Message; Internal and External Notifications; Holding Statement; Contact Centre; Website, Social and Traditional Media; Documentation



<b>SAFETY MESSAGE</b>	<b>Immediately provide safety information and instructions to employees / public to ensure public safety</b>
<b>GET FACTS &amp; DETERMINE IF A CRISIS EXISTS</b>	<p><b>Confirm details with a reliable source and identify as many facts as possible. Determine, in conjunction with others, if crisis communications response is required</b></p> <ul style="list-style-type: none"> <li>• WHAT happened and where?</li> <li>• WHEN did this happen?</li> <li>• WHO is involved? WHO is onsite?</li> <li>• HOW did it happen?</li> <li>• EXTENT of impact – NUMBERS affected?</li> <li>• WHAT is currently being done to mitigate the incident?</li> <li>• WHO are the appropriate contacts and how to reach them?</li> </ul>
<b>INTERNAL &amp; EXTERNAL NOTIFICATIONS</b>	<p><b>Notify key staff and consult as necessary. Notify Head of Council(s) and elected officials</b></p> <ul style="list-style-type: none"> <li>• Advise Senior Management</li> <li>• Phone tree activation through Operations</li> <li>• Advise Customer Service department leader</li> <li>• Advise Managers, Supervisors and Employees as necessary</li> <li>• Advise Board of Directors</li> <li>• Advise Head of Council(s), Councillors and other elected officials as necessary<sup>1</sup></li> </ul>
<b>HOLDING STATEMENT</b>	<p><b>Prepare and obtain approval for a brief Holding Statement for media/social media</b></p> <ul style="list-style-type: none"> <li>• CONFIRMATION – Confirm that an incident has occurred</li> <li>• BASIC DETAILS – Only provide nature, location and time of incident</li> <li>• CONCERN – Provide an expression of concern / empathy for what has happened</li> <li>• PRIORITIES – Explain company priorities. Safety is always number one. Express willingness to do what it takes to mitigate the situation</li> <li>• ACTIONS – Provide details of actions being taken to manage the crisis</li> <li>• COLLABORATION – Explain that company is working with other authorities – police, fire, EMS, Town, Region</li> <li>• SAFETY – Provide status of public safety and instructions for the public to follow to ensure safety. Safety is the top priority</li> <li>• REASSURANCE – Provide reassurance that the incident is under investigation</li> <li>• WHERE TO GO FOR INFORMATION – Explain how and when further information will be available</li> <li>• TRANSPARENCY - Convey the fact that Milton Hydro will communicate openly and on a timely basis with all stakeholders</li> <li>• To ensure consistency of messaging, distribute to Senior Team, Customer Service, Control Room and employees (via "Switchboard"). Remind employees that they are not authorized to speak with the media and instructions on where to direct media calls</li> <li>• Email statement to media and use as a basis for social media</li> </ul>
<b>CONTACT CENTRE</b>	<p><b>Provide Customer Service staff with Holding Statement</b></p> <ul style="list-style-type: none"> <li>• Customer Service department leader should arrange to get help to staff phones, if necessary</li> <li>• Incorporate a message relating to the Holding Statement on the telephone IVR</li> </ul>
<b>WEBSITE / SOCIAL MEDIA</b>	<p><b>Post approved, brief, fact-based messages or alerts based on Holding Statement on the home page of the utility website</b></p> <ul style="list-style-type: none"> <li>• Post messages on social media sites based on Holding Statement.</li> <li>• Create or select a hashtag if appropriate</li> <li>• Respond to preliminary social media posts using templates if appropriate</li> <li>• Delete and/or suspend pre-arranged, scheduled posts</li> </ul>
<b>TRADITIONAL MEDIA</b>	<p><b>Take control of chaos. Start by sending out a social media post based on the Holding Statement and control access of media.</b></p> <ul style="list-style-type: none"> <li>• Log and respond to media inquiries</li> <li>• Identify location of media information centre if required. Assign someone to set up media information centre</li> </ul>
<b>DOCUMENTATION</b>	<p><b>Document everything</b></p> <ul style="list-style-type: none"> <li>• Media Log - Keep track of media calls, requests for information, information provided</li> <li>• Decisions Journal (Each Senior Team member should keep their own) Who, decision made, who</li> </ul>



- With the Senior Team, assess the need for further action

[illegible]







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## **Executive Summary: What to Expect in the First Few Hours**

### **Crisis Communications: First Steps and Subsequent Steps**

At the onset of a crisis use the Quick Start Guide to provide first steps. Immediately following Milton Hydro's initial response, use Section 7 – Crisis Communications Response to review Milton Hydro's initial reaction and if necessary, for secondary steps.

### **Phones will Exceed Capacity**

The phones will start to ring with inquiries from customers, employees, employees' families, and media, especially during working hours. Expect that capacity will become an issue and provide other avenues for people to obtain information (social media, website, radio).

### **Social Media Bombardment**

Social media is quickly becoming the preferred method of communication during a crisis. It will likely be necessary to begin a social media response before actual facts about the situation have been obtained.

### **Urgent Media Calls**

The media will find out about the incident through social media, emergency responders or the community. Sending out basic information using social media channels will generally satisfy the media for a period of time. Ensure someone is available to field and document media calls and return calls promptly. If it is necessary to hold a media conference, determine the best location for members of the media to gather and obtain help to control their access to the sites.

### **Pressure**

There will be pressure from various stakeholders to get information about the situation out to the media/public or to say nothing at all. Use the Holding Statement to buy some time. Once some preliminary information has been released, take time to carefully consider what needs to be said next and to review the key messages with the appropriate management, including legal advisors. Roles, responsibilities and processes may need to be adjusted to facilitate crisis communications.

### **Emotional Reactions**

People are likely to react with strong emotions during a crisis which may impair their ability to think clearly. A cool head and a pre-prepared plan will help to calm emotions.

### **General Chaos / Lack of Facts / Lack of Decisions**

Confusion will be likely since people will not know who is doing what and what is expected. The arrival of emergency responders will likely add to the chaos before order is restored. Be prepared to provide a higher level of advice or guidance than normal to decision-makers.

### **Rapid Escalation**

Be aware that a situation can quickly escalate due to the following factors and be sure to take steps to deal with these issues to ensure the company retains control:

- Employee demands
- Community fears
- Family member concerns
- Lack of strong leadership
- Any appearance of contravening core community values
- Any demonstration of a lack of caring, sympathy or empathy
- Discovery of injured employees or members of the public
- Lack of information or misinformation







## Section 1: Introduction

### 1.1 Purpose

The purpose of this document is to provide the communications function (herein referred to as Corporate Communications) of Milton Hydro with a communications plan to follow in the event of a crisis. It is comprised of crisis and emergency communications guidelines and procedures along with checklists, contact lists, templates, forms and other reference materials and communications tools. This will allow Milton Hydro to quickly and effectively respond to the information needs and concerns of internal and external audiences in the event of a crisis within the company's service territory.

### 1.2 Definitions and Associated Communications Response

It is important to distinguish between an emergency that can be handled by Milton Hydro as part of its normal course of business and a crisis.

#### 1.2.1 Emergency

An emergency is a situation that requires prompt coordination of actions to protect the health, safety or welfare of people or to limit damage to property or the environment. Emergencies are situations that can be handled by Milton Hydro employees and that may require assistance from outside resources such as police, fire or other emergency services.

#### *Communications Response to an Emergency*

The company responds to emergencies as appropriate using normal business procedures. An emergency can result in a crisis if handled incorrectly.

#### 1.2.2 Crisis

A crisis is an unplanned event that directly or indirectly significantly affects the company's ability to carry out its business; the reputation or image of the organization; the health, safety or welfare of employees, members of the public or the community at large; or the environment.

A crisis may exist or be developing if:

- The situation affects a large portion of the customer base
- The situation poses a significant threat to the public or employees
- The situation has caused significant local, regional or national media interest
- The situation is generating significant social media activity
- Milton Hydro no longer has full control over the situation
- The situation is likely to escalate and there is no immediate resolution in sight
- The reputation of Milton Hydro may be damaged
- The situation provokes government scrutiny



## *Communications Response to a Crisis*

Crisis Communications differs from day-to-day communications in a number of ways including:

### **Need for Speed**

During a crisis, speed of response is essential and can not only enhance the company's reputation, quell rumours, reduce public fear, but also, in some instances, it can mean the difference between life and death. Today, the public expectation is for companies to respond and communicate to a crisis situation even if details are not known.

### **Need for Appropriate Messaging**

During a crisis, appropriate messaging is critical and must often be developed on the fly with little or no information.

### **Need for Coordination of Messaging**

Many crises involve a cross-jurisdictional response from emergency responders (police, fire, EMS), municipal services, government departments and other organizations which demands a coordinated communications response.

### **Need for Flexibility to Leverage all Available Communication Channels**

During a crisis, normal channels of communication with various audiences may be inoperable. The crisis response must be flexible enough to quickly adapt to changing circumstances and use all available channels of communications.

## **1.3 Crisis Communications Priorities**

During a crisis, Milton Hydro's operational priorities are to assess the situation, ensure safety, communicate and restore.

During a crisis, the communication priorities of Milton Hydro are to:

- Swiftly communicate information to ensure the safety of employees and the public;
- Provide timely, accurate, up-to-date and consistent information to employees, customers, elected officials, the media, the public and other stakeholders;
- Ensure that information about Milton Hydro and the situation is as accurate as possible given the circumstances;
- Respond appropriately to manage negative or inaccurate information being communicated throughout the duration of the crisis;
- Present and maintain a positive image of Milton Hydro and communicate in such a way to ensure that audiences:
  - Understand that the safety of employees and the public is Milton Hydro's first priority;
  - Understand that Milton Hydro cares deeply about the community's wellbeing;
  - Understand that Milton Hydro respects them and is concerned and sensitive to their needs and concerns;
  - Feel confident that Milton Hydro is prepared and competent to handle the situation appropriately;
  - Feel reassured that Milton Hydro has the situation under control and is doing everything possible to deal with the situation;
  - Feel that they are well informed; and



- Trust what Milton Hydro tells them.

## 1.4 Scope

There are two parts to a Crisis Plan:

1. **Emergency Preparedness Plan** which details how the organization and community will function to restore services, minimize loss and downtime, and rectify the negative situation.
2. **Crisis Communication Plan** which details how the organization will communicate with audiences during and after a crisis occurrence to ensure safety and minimize reputational damage.

The Milton Hydro Crisis Communications Plan is intended to supplement the following policies:

- Milton Hydro Emergency Preparedness Plan including Mutual Aid Agreements
- Pandemic Preparedness Plan
- Social Media Policy
- Media Relations Policy
- Mayday Procedure
- Ontario Power System Restoration Plan (OPSRP)
- Town of Milton Emergency Response Plan
- Region Emergency Response Plan

## 1.5 Applicability

The Milton Hydro Crisis Communications Plan applies to Milton Hydro Holdings Inc. and its affiliates: Milton Hydro Distribution Inc., Milton Hydro Services Inc., Milton Energy & Generation Solutions Inc.

## 1.6 Ownership

Ownership of the Milton Hydro Crisis Communications Plan is assigned to the Communications Specialist for Milton Hydro. He/she is responsible for ensuring that the plan is kept up to date and that all appropriate members of management team receive a copy.

## 1.7 Copies of Plan

Electronic copies of this Crisis Communications Plan will be filed on the Shared Drive in a folder called Crisis Communications Plan.

The Communications Specialist will be responsible to ensure hard copies of the Crisis Communications Plan are provided to the following individuals:

- President & Chief Executive Officer
- Vice President, Finance
- Director of Engineering
- Director of Operations
- Director of Regulatory Affairs
- Executive Assistant to the President & Chief Executive Officer



### 1.7.1 Backup Copies of Critical Documents

In addition to the master copy of the Crisis Communications Plan that is accessible to all members of the Senior Team, the Communications Specialist must maintain the following:

- Two hard copies of the Crisis Communications Plan including appendices (one in the office, one at home)
- Memory sticks containing the Crisis Communications Plan including appendices and any other documents that would be useful in an emergency (one in the office, one at home, one in the vehicle)

## 1.8 Review

The Milton Hydro Senior Leadership Team will review this plan on an annual basis to check that:

- Contact information lists are current
- New risks are identified and included
- Changes to policies, practises or procedures are up to date

Changes to the plan will be noted on the Crisis Communications Plan Revisions Chart located at the front of this document.



## Section 2: Communication Principles and Values

### 2.1 Communication Principles

The following principles serve as a guide for Milton Hydro when communicating to the public and key stakeholders during a crisis:

- Milton Hydro is committed to communicating openly, honestly and in a timely manner with employees, the public and other stakeholders using a variety of communication channels;
- Due concern for personal security, the right to privacy, legal liability and the need to communicate to customers, the media, the public and other stakeholders will guide communication efforts;
- Milton Hydro will be accessible and cooperate fully with emergency responders and other organizations and stakeholders, such as industry or government, related to or involved in the crisis;
- Milton Hydro will keep local, regional and provincial government stakeholders informed of important developments in a timely manner;
- Milton Hydro will cooperate as fully as possible with the media recognizing their mandate to inform the public. All communications to the media will be made through designated spokespersons and will be open, honest, accurate and timely, with technical explanations provided as necessary; and
- Milton Hydro will maintain a consistent flow of information to those affected or potentially affected.

### 2.2 Core Company Values

Core company values will be upheld when communicating in a crisis. Milton Hydro's Commitment to Stakeholders is as follows:

#### **Safety, Reliability and Efficiency**

We believe we earn employee and customer respect by operating safely, reliably and efficiently.

#### **Caring**

We care about our people. We foster and respect their talents and value the contribution they make to the Company's ongoing success.

#### **Relationships**

We are proud of the solid, long-term relationships we are forging with our employees, customers, the community in which we operate and the energy industry, built on a platform of integrity, partnership and respect.

#### **Innovation and Leadership**

We believe innovative thinking, leadership skills and adaptability drive our business success.

#### **Environmental Stewardship**

We are committed to environmental stewardship, contributing to building sustainable communities and helping to create a culture of energy conservation in Ontario.



## 2.3 Societal Values

Human environmental studies have identified a set of six basic and universal values that govern communities in general:

- Health and safety of humans and animals with particular emphasis on children, the disadvantaged and pets;
- The value of possessions and property;
- Respect for the environment;
- Respect for the concerns of the community (peer concern/pressure)
- Economic security; and
- Quality of life (peace of mind, pride in community, absence of conflict, freedom from fear).

Damage to the company's reputation is likely to occur when community values conflict with corporate priorities. For this reason, all crisis communication planning, messages and actions will reflect careful consideration of these societal values. If societal values have not been identified and considered, there is a possibility that crisis communications and strategies will appear to be inept, uncaring or insensitive. This could have a long-lasting negative effect on the company, even if the crisis is handled well.



## Section 3: Audiences and Communication Channels

### 3.1 General Audience Information Needs during a Crisis

At the onset of a crisis, the following information will need to be communicated to appropriate audiences (using the Holding Statement, Email and Social Media):

- An incident has occurred;
- Nature, location and time of incident;
- Status of public safety;
- Actions being taken to manage or mitigate the crisis;
- How and when further information will be available; and
- Where to go for further information.

### 3.2 Audiences during a Crisis

At all times, open lines of communication will be established with internal and external audiences to ensure their needs are met. The type, severity and level of the crisis will determine which stakeholder audiences are involved and the channels used to communicate with them.

Internal Audiences	External Audiences
<ul style="list-style-type: none"> <li>▪ Senior Management Team</li> <li>▪ Board(s) of Directors</li> <li>▪ Employees <ul style="list-style-type: none"> <li>- Managers / Supervisors</li> <li>- Non-union employees</li> <li>- Unionized employees</li> <li>- Contract employees</li> <li>- Employees away on leave or vacation</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Emergency responders</li> <li>▪ Family members of employees</li> <li>▪ Union</li> <li>▪ People directly impacted by the crisis</li> <li>▪ People not directly impacted but whose attitudes about the company might be influenced by the information they receive about the emergency and the way that information is disseminated</li> <li>▪ Shareholder(s)</li> <li>▪ Elected officials (Mayor, Councillors, MP, MPP)</li> <li>▪ Key Municipal and Regional staff</li> <li>▪ Customers <ul style="list-style-type: none"> <li>• Residential customers</li> <li>• Commercial customers</li> <li>• Large customers</li> </ul> </li> <li>▪ Media</li> <li>▪ Ontario Energy Board <ul style="list-style-type: none"> <li>○ Hydro One and other utilities</li> <li>○ Independent Electricity System Operator</li> <li>○ Electrical Safety Authority</li> <li>○ Other regulatory / compliance bodies</li> </ul> </li> <li>▪ Provincial government <ul style="list-style-type: none"> <li>○ Ministry of Energy</li> <li>○ Ministry of the Environment</li> <li>○ Ministry of Labour</li> </ul> </li> <li>▪ Contractors or suppliers</li> <li>▪ Special interest groups</li> <li>▪ Retirees</li> <li>▪ Neighbouring communities</li> </ul>



### 3.3 Communication Channels

Common channels of communication to be used with various audiences are outlined below.

- Face-to-Face / Meetings
- Warming / cooling centres
- Telephone –
  - Inbound
  - Outbound
  - IVR (interactive voice response) automated messages
  - Work, home, cellphone
- Automated telephone messages
- Text messaging
- Email
- Website
- Social media – Twitter
- Traditional media, print and digital –
  - Radio,
  - Television,
  - Newspapers,
  - On-line news services
- Advertisements
- Public meetings
- Handouts



## Section 4: Risk Assessment

### 4.1 Risk Assessment

A risk universe for Milton Hydro has been identified and is illustrated in the table below. Although all risks on this table could result in a minor or major crisis for Milton Hydro, some are deemed to be more likely or would result in more damage to the Corporation,

External Risks			
<ul style="list-style-type: none"> <li>Natural disasters</li> <li>Pandemic</li> <li>Terrorism</li> <li><i>Macroeconomic / socio-economic</i></li> <li>Political</li> </ul>	<ul style="list-style-type: none"> <li>Hydro One bulk supply</li> <li>Street lighting</li> <li>Theft of power or equipment</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety crisis (workplace violence, irate customer, firearms)</li> <li>Public safety</li> </ul>	
Internal and Operational Risks			
<b>Regulatory/Legal</b> <ul style="list-style-type: none"> <li>RRFE and rate applications</li> <li>CDM targets</li> <li>Compliance with EPA/ESA</li> <li>Compliance with OEB</li> <li>Governance (code of conduct violations, unethical behaviour)</li> <li>TSSA</li> <li>CVOR</li> </ul> <b>Environmental</b> <ul style="list-style-type: none"> <li>Spills</li> <li>Transformer leakage</li> </ul>	<b>Reputation</b> <ul style="list-style-type: none"> <li>Negative issue taints image / brand</li> </ul> <b>Human Resources</b> <ul style="list-style-type: none"> <li>Compliance with employment / labour acts</li> <li>Attraction and retention of employees</li> <li>Capability to deliver / performance</li> <li>Compliance with policies</li> <li>Labour relations</li> <li>Workplace violence</li> </ul>	<b>Information Systems</b> <ul style="list-style-type: none"> <li>Disaster recovery</li> <li>Cybersecurity</li> <li>System outages</li> <li>Billing problems</li> <li>Social media misuse</li> <li>New system implementation</li> <li>Return on investment</li> </ul> <b>Financial</b> <ul style="list-style-type: none"> <li>Financial and regulatory health</li> <li>Financial controls</li> <li>Billing system accuracy</li> </ul>	<b>Operational</b> <ul style="list-style-type: none"> <li>Electrical contact</li> <li>Driving / traffic violations</li> <li>Major system events</li> <li>Loss of critical infrastructure</li> <li>Smart grid / SCADA</li> </ul> <b>Suppliers</b> <ul style="list-style-type: none"> <li>Contractor non-compliance with standards</li> <li>Competitive bids</li> </ul>



## 4.2 List of Top Risks

The Senior Team has assessed the risk universe and identified the following list of incidents that pose the most risk.

**Crisis scenarios for these risks are included in this plan in Appendix 7.**

- Scenario 1: Local widespread power outage – distribution system
- Scenario 2: Regional power outage - bulk supply
- Scenario 3: Fatality or serious injury – employee
- Scenario 4: Fatality or serious injury – contractor or member of the public
- Scenario 5: Fire or explosion
- Scenario 6: Billing system error or failure
- Scenario 7: Workplace violence
- Scenario 8: Pandemic
- Scenario 9: Cyber security / information system breach



## **Section 5: Preparing for a Crisis**

### **5.1 What to Expect in the First Few Hours**

#### **Phones will Exceed Capacity**

When a crisis occurs during working hours, the phones will start to ring with inquiries from customers, employees, employees' families, and media. Expect that capacity will become an issue and provide other avenues for people to obtain information (social media, website, radio). Record phone messages and inform Customer Service staff.

Commencing March 2015, Milton Hydro has a designated phone number (1-844-NOHYDRO) for power outages which will be answered by a 24/7 answering service. During extended outages, the answering service can designate up to 99 phone lines to Milton Hydro with 5-30 attendants available depending on the time of day. The service allows a recorded message outlining the area without power and an estimated time for restoration.

#### **Social Media Bombardment**

Social media is quickly becoming the preferred method of communication during a crisis. It will likely be necessary to begin a social media response before actual facts about the situation have been obtained.

#### **Urgent Media Calls**

The media will find out about the incident through social media, emergency responders or the community. Sending out basic information using social media channels will generally satisfy the media for a period of time. Ensure someone is available to field and document media calls and return calls promptly. If it is necessary to hold a media conference, determine the best location for members of the media to gather and obtain help to control their access to the sites.

#### **Pressure**

There will be pressure from various stakeholders to get information about the situation out to the media/public or to say nothing at all. Use the Holding Statement or Initial Disclosure Statement to buy some time. Once some preliminary information has been released, take time to carefully consider what needs to be said next and to review the key messages with the appropriate management, including legal advisors.

#### **Emotional Reactions**

Be prepared that people are likely to react with strong emotions during a crisis which may impair their ability to think clearly. A cool head and a pre-prepared plan will help to calm emotions.

#### **General Chaos / Lack of Facts / Lack of Decisions**

Confusion will be likely since people will not know who is doing what and what is expected. The arrival of emergency responders will likely add to the chaos before order is restored. Be



prepared to provide a higher level of advice or guidance than normal to decision-makers.

## Rapid Escalation

Be aware that a situation can quickly spin out of control due to the following factors and be sure to take steps to deal with these issues to help the company regain or retain control:

- Employee or community fears;
- Discovery of injured employees or members of the public;
- Concerns from family members;
- Lack of information or misinformation;
- Lack of strong leadership;
- Any appearance of contravening core community values; and
- Any demonstration of a lack of caring, sympathy or empathy.

## 5.2 Monitoring

The Communication Specialist is responsible for day-to-day monitoring of customer communications, traditional media and social media sites in order to provide early identification to appropriate parties of emerging issues.

## 5.3 Emergency Phone Numbers

The following are the emergency phone numbers that should be given out to the public in the event of an emergency.

- Customer Service department and/or power outages during normal business hours – **905-876-4611**
- Effective March 2015, all power outages calls will be redirected to 1-844-NOHYDRO  
Downed electric wires and other emergency situations – **Call 911**

The following numbers are for use only by key internal staff who require information about an ongoing emergency.

- Control Centre / Operations department – **Guelph Hydro control room telephone number(s) 519-822-3050; 519-822-6286**

### 5.3.1 Hydro One

The following are emergency phone numbers to reach the Hydro One Media Relations Duty Officer in the event the crisis involves the provincial utility:

- Media Relations Duty Officer – **1-416-345-6868** (days)
- Media Relations Duty Officer - **1-888-601-3112 or 416-608-4008** (nights and weekends)
- Email: **media.relations@hydroone.com**
- Media Relations Duty Officer – Declared Municipal Emergency – **1-888-254-3992**



## 5.4 Notifying Employees

In the event a crisis requires that all employees be notified the Senior Management Team will call their direct reports (Supervisors/Managers) who will in turn be responsible for contacting their staff.

### **Emergency Response Phone Tree:**

Each member of the Senior Team is required to carry an up to date wallet card containing emergency contact information for key staff. In the event of an emergency, the Senior Management Team members will be contacted and will activate the Emergency Preparedness Phone Tree as necessary.

Each manager / supervisor is responsible for maintaining an up to date list of emergency contact information for their direct reports. In the event the Emergency Preparedness Phone Tree is activated, each manager / supervisor is responsible for contacting their direct reports and noting anyone they could not reach. In cases where someone cannot be reached, the person who had the responsibility to call them must take on the responsibility of calling the other person's phone tree.

## 5.5 Board of Directors / Shareholders Communications

The following individuals are trained and authorized to provide information to the Board of Directors:

- President & CEO (or designate)
- Executive Assistant to President & CEO
- Communication Specialist

## 5.6 Contact Lists

Telephone and email lists for stakeholders are to be maintained in various formats (electronic and hard copy) for ease of use in an emergency. See Appendix 1

## 5.7 Websites

During a crisis, the individual responsible for the website or delegate will ensure that all approved public information released during the crisis is posted on the company's website(s).

The Communication Specialist or delegate is responsible for obtaining appropriate approvals from the CEO, the Senior Management Team or, in the case of a declared Municipal Emergency, from the Municipal Emergency Control Group Coordinator prior to posting any information on the website.

### **Staff trained to update website:**

- IT Systems Specialist



- IT Systems Analyst
- Senior Engineering Technologist
- Communication Specialist

## **5.8 Social Media**

The following individuals are trained, have access to Milton Hydro's social media account(s) and during a crisis situation are authorized to post on the company's behalf:

- Communications Specialist;
- IT Systems Specialist
- IT Systems Analyst
- Engineering Department
- Control Room – automated SCADA messages

## **5.9 Passwords**

The IT Systems Specialist is responsible for providing the appropriate staff member or external resource, with an up-to-date list of passwords for:

- Website;
- Social media account(s);
- Or any other relevant online and/or digital properties.

## **5.10 Reviewing and Testing of Crisis Communications Plan**

The Crisis Communications Plan should be reviewed and updated once per year. Contact lists should be updated a changes happen.

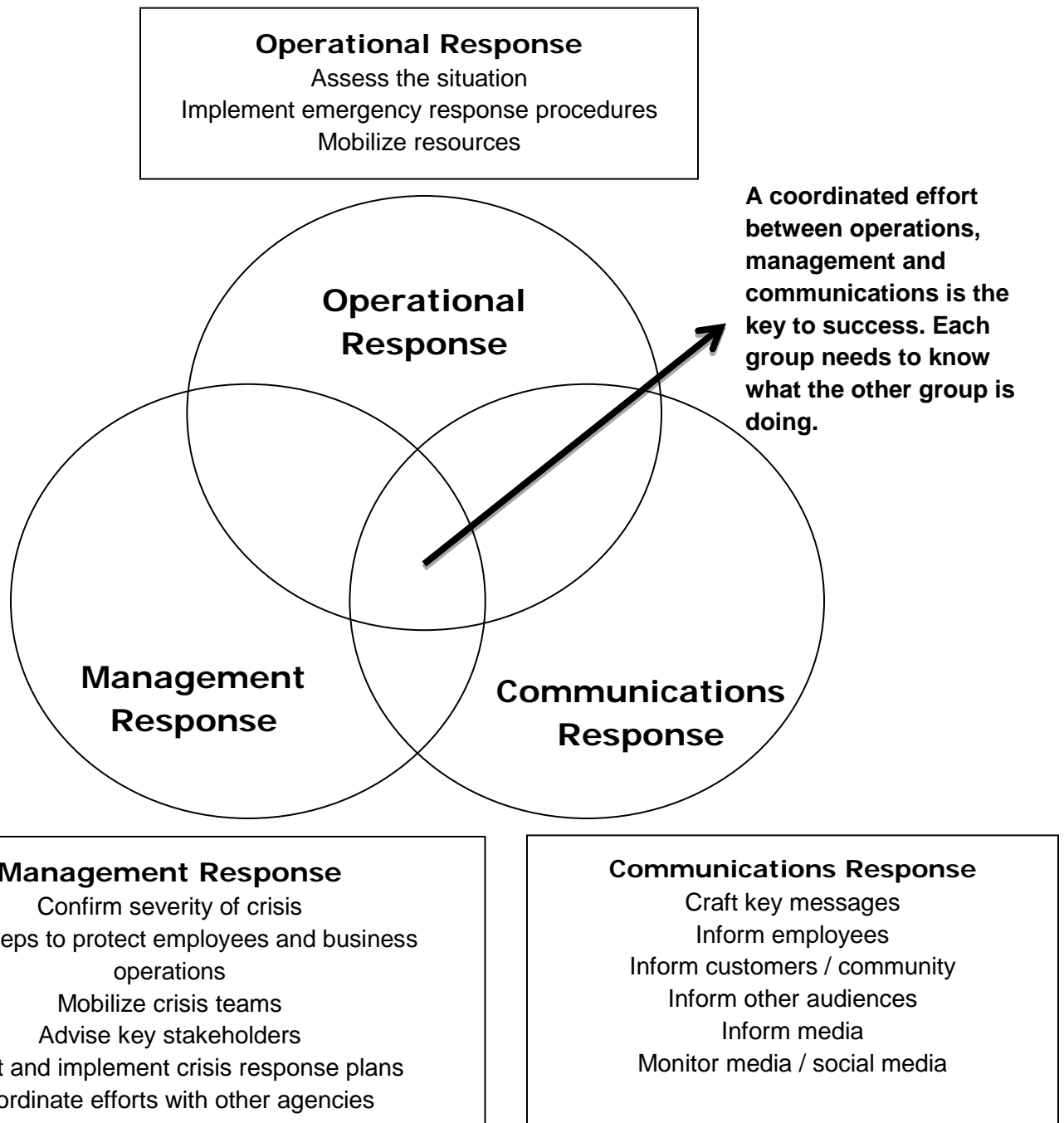
Testing of the Crisis Communications Plan will take place in conjunction with testing of Milton Hydro's Emergency Preparedness Plan.



## Section 6: Structure for a Coordinated Crisis Response

### 6.1 Coordinated Crisis Response

In the event of a crisis, Milton Hydro will mount a coordinated effort between Operations, Management and Communications.

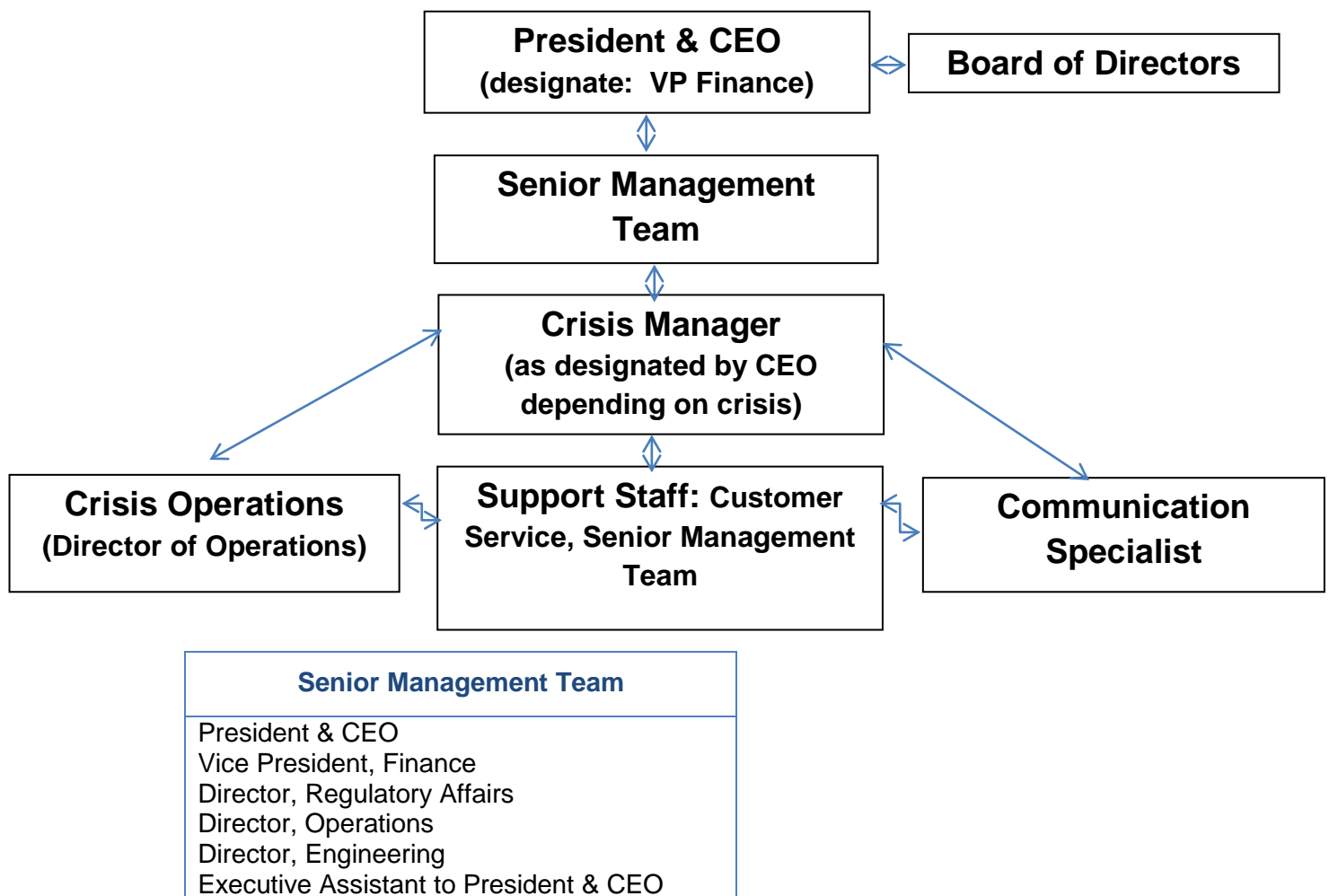




## 6.2 Crisis Response Team and Crisis Communications Team Formation

In the event of a crisis, Milton Hydro will form a Crisis Response Team comprised of appropriate members of the Senior Management Team to determine the crisis level and coordinate an appropriate response.

The Communication Specialist, a member of the Crisis Response Team, will evaluate the potential level of public concern or media attention in the crisis and establish the level of communications support that may be required to effectively manage communication issues and assist the operation. Depending on the scale of the crisis, a dedicated Crisis Communications Team may be formed. The nature of the crisis may necessitate all members of the response team to also be part of the communications team.



## 6.3 Crisis Communications Team Members and Responsibilities

During a crisis, a Crisis Communications Team may be formed to support emergency and crisis operations and take a pro-active role with regard to internal and external communications including public relations, media relations and social media.



The Crisis Communications Team is responsible for providing accurate and complete information about the crisis and monitoring the information provided to or by the public for inaccuracies in order to correct any misinformation.

Crisis Communications Team members will be selected depending on the nature of the crisis. Each member of the Crisis Communications Team will have specific responsibilities.

<b>Crisis Communications Team Member</b>	<b>Responsibilities</b>
<b>President &amp; CEO</b>	<ul style="list-style-type: none"> <li>Communicates with board of directors, head of council, municipal and regional council, shareholder, Ministry of Energy</li> <li>Responsible for making initial statement communicating corporate responsibility and regret in the event of an accident that results in loss of life, injuries or damage</li> <li>Primary responsibility for communications with families of affected employees</li> <li>Responsible for the timely and accurate release of approved information to internal and external audiences</li> <li>Responsibility for communicating with internal audiences is shared with other Senior Team members</li> <li>Primary responsibility for media relations</li> <li>Official company spokesperson unless otherwise determined</li> <li>Backup for Communications Specialist</li> </ul>
<b>Vice President, Finance</b>	<ul style="list-style-type: none"> <li>Backup to the CEO for communication with board of directors and shareholder</li> <li>Ensures legal soundness of messages</li> <li>Backup to the CEO for communication with elected officials and bureaucrats</li> <li>Backup for Communications Specialist</li> <li>May serve as official spokesperson</li> </ul>
<b>Director of Engineering</b>	<ul style="list-style-type: none"> <li>Communicates with large customers if warranted</li> <li>May serve as official spokesperson</li> </ul>
<b>Communication Specialist</b>	<ul style="list-style-type: none"> <li>Media monitoring</li> <li>Primary responsibility for preparing crisis communications response and coordinating actions</li> <li>Responsible for ensuring that Senior Team members are aware and supportive of crisis communications activities</li> <li>Backup to CEO or VP Finance for communications with board of directors, shareholder, elected officials and bureaucrats</li> <li>Primary responsibility for social media response</li> <li>Authorized to Tweet on behalf of company</li> <li>Primary responsibility for website information and administration</li> <li>Develops and ensures accuracy and consistency of messages to be communicated to all parties.</li> <li>Determines appropriate communication channels to reach audiences</li> <li>Distributes messages through various channels</li> <li>Responsible for post-crisis analysis of communications response</li> </ul>



Administrative Support	<ul style="list-style-type: none"> <li>▪ Backup for the Communication Specialist</li> <li>▪ Assistance for Crisis Communications Team</li> <li>▪ Authorized to post to social media and website on behalf of the company under the direction of the CEO or Communication Specialist</li> </ul>
Operations and Control Centre	<ul style="list-style-type: none"> <li>▪ Provides the Communication Specialist with outage and response information as required</li> </ul>
Customer Service department leader	<ul style="list-style-type: none"> <li>▪ Primary responsibility for managing Customer Service staff to communicate with customers via telephones, email and IVR</li> </ul>
Customer Service Representatives	<ul style="list-style-type: none"> <li>▪ Communicate approved messages to customers via telephone or email under the direction of the Supervisor</li> </ul>
Information Systems	<ul style="list-style-type: none"> <li>▪ Primary responsibility for coordinating technology needs to deal with the crisis</li> </ul>
Health, Safety & Environmental (Springboard)	<ul style="list-style-type: none"> <li>▪ Provide leadership, advice and guidance in the event of a fatality, injury or other health, safety or environmental issue</li> </ul>
Other Senior Team Members	<ul style="list-style-type: none"> <li>▪ Responsible for communicating with their functional areas</li> </ul>



## Section 7: Crisis Levels and Required Notifications

Milton Hydro may learn of the development of a crisis situation at any time via a variety of channels. All developing crisis situations must be reported as soon as they are discovered.

Once the crisis level has been determined by the Crisis Response Team, notifications of various audiences must take place according to the following chart. The Communication Specialist will then determine what resources will be required to effectively manage communication issues.

### 7.1 Level 1 – Minor Impact

*Situation can be handled using normal business or emergency preparedness practices.*

LEVEL 1 Characteristics	Who May Need to be Notified	What and by Whom
<ul style="list-style-type: none"> <li>No injuries</li> <li>Outage less than 3 hours or less than 5 customers affected by an outage</li> <li>No threat to public safety</li> <li>Little or no damage to property, the environment or the economy</li> <li>Little chance of reputational damage</li> <li>Little or no media / social media attention</li> </ul>	<b>Internal notification (may involve one or more):</b> <ul style="list-style-type: none"> <li>Engineering <ul style="list-style-type: none"> <li>Engineering Clerk</li> </ul> </li> <li>Operations <ul style="list-style-type: none"> <li>Operations Supervisor</li> <li>Director of Operations</li> </ul> </li> <li>Customer Service <ul style="list-style-type: none"> <li>Supervisor, Customer Service</li> <li>Customer Service staff</li> </ul> </li> <li>Communications <ul style="list-style-type: none"> <li>Communication Specialist</li> </ul> </li> <li>Switchboard Update (All Employees)</li> </ul>	Switchboard Update  System Control Centre using automated email
	<b>External Notification</b>  None	



## 7.2 Level 2 – Medium Impact

*Situation can be handled by Milton Hydro but may require employees to work additional hours or be called in. Emergency responders may be involved.*

LEVEL 2 Characteristics	Who May Need to be Notified	What and by Whom
<ul style="list-style-type: none"> <li>Minor injuries or no injuries</li> <li>Less than 300 customers affected by an outage</li> <li>No threat to public safety</li> <li>Minor disruption to a sector of the public</li> <li>Minor chance of reputational damage</li> <li>Moderate interest or concern from the media, general public or other audiences</li> <li>Isolated social media posts with no retweets</li> <li>Some local or political involvement – possibly through social media</li> </ul>	<b>Internal notification (may involve one or more):</b> <ul style="list-style-type: none"> <li>Engineering <ul style="list-style-type: none"> <li>Engineering Clerk</li> </ul> </li> <li>Operations <ul style="list-style-type: none"> <li>Operations Supervisor</li> <li>Director of Operations</li> </ul> </li> <li>Customer Service <ul style="list-style-type: none"> <li>Supervisor, Customer Service</li> <li>Customer Service staff</li> </ul> </li> <li>Communications <ul style="list-style-type: none"> <li>Communication Specialist</li> </ul> </li> <li>Switchboard Update (All Employees)</li> </ul>	System Control Centre using automated email notifications to Switchboard
	<b>External notification:</b> <ul style="list-style-type: none"> <li>Media</li> <li>Social Media</li> <li>Community</li> </ul>	System Control Centre via automated website outage map  <u>More than 3 hours:</u> <b>External notification -</b> <ul style="list-style-type: none"> <li>- Social Media - Twitter</li> <li>- Website updates</li> <li>- IVR Response</li> </ul> <u>Less than 3 hours:</u> <b>External notification – During Business Hours</b> <ul style="list-style-type: none"> <li>- Social Media - Twitter</li> <li>- Website updates</li> <li>- IVR Response</li> </ul> <b>External notification – After Hours</b> <ul style="list-style-type: none"> <li>-- IVR Response (answering service and internal)</li> </ul> Communications via responses to phone calls, emails or social media posts
	<b>Large customers</b>  <b>Key Community Resources</b> - Educational institutions,	Engineering Department and Customer Service department – may directly contact



	hospitals, daycare and senior's centres, retirement homes, entertainment / recreational facilities, food banks, churches, banks, etc.	
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### 7.3 Level 3 – Major Impact

*Extensive damage to infrastructure and widespread, lengthy power outages that may require mutual assistance to help with restoration.*

LEVEL 3 Characteristics	Who May Need to be Notified	What and by Whom
<ul style="list-style-type: none"> <li>Injuries</li> <li>More than 300 customers affected by power outage</li> <li>Power outage expected to last more than three hours and a concentrated effort of local forces is required to restore power</li> <li>Large customer, downtown area or important community resource affected by power outage</li> <li>Threat to public safety</li> <li>Economic threat to the community (loss of power for extended period)</li> <li>Possible impact on company reputation</li> <li>High interest or concern from the media, general public or other audiences</li> <li>Lots of social media activity</li> <li>Local or political involvement – possibly through social media</li> <li>Media, stakeholders and community members at site</li> <li>Affected or potentially affected parties threaten to talk to the media</li> </ul>	<b>Internal notification (may involve one or more):</b> <ul style="list-style-type: none"> <li>Engineering <ul style="list-style-type: none"> <li>Engineering Clerk</li> </ul> </li> <li>Operations <ul style="list-style-type: none"> <li>Operations Supervisor</li> <li>Director of Operations</li> </ul> </li> <li>Customer Service <ul style="list-style-type: none"> <li>Supervisor, Customer Service</li> <li>Customer Service staff</li> </ul> </li> <li>Communications <ul style="list-style-type: none"> <li>Communication Specialist</li> </ul> </li> <li>Switchboard Update (Employees)</li> </ul>	System Control Centre using automated email notifications  Incident details (what, where, when, impact, Milton Hydro response)
	<b>External Notification:</b> <ul style="list-style-type: none"> <li>Emergency responders – police, fire, EMS, traffic, public health</li> <li>Local and Regional council and staff</li> <li>Media</li> <li>Social Media</li> <li>Community</li> </ul>	System Control Centre via automated website outage map  <b>External notification -</b> <ul style="list-style-type: none"> <li>- Social media - Twitter</li> <li>- Website updates</li> <li>- IVR Response</li> </ul> <b>Contact External Notification Team:</b> <ul style="list-style-type: none"> <li>Mayor &amp; affected Councilors</li> <li>City Emergency Coordinator</li> <li>Media</li> </ul>
	Board Members / Local Elected Officials / Key Town Staff  Incident details depending on day and time, severity of the	Email and phone notifications  Senior Management Team and Communication Specialist via automated email or phone call



	situation and public involvement	
	Employees	Corporate Communications visa "Switchboard" update
	News Media / Social Media / Customers / People Directly Impacted by Situation  Focus people on what Milton Hydro is doing to rectify the situation, provide reassurance that Milton Hydro is responding and will get the situation under control. Provide direction as to what we want them to do (call in to report outages, listen to radio, monitor Twitter, stay away from area), where and how they can get help, how they can help themselves, safety precautions they should take, where they can get more information, when next update will be.	Communication Specialist via tweets and/or emails and/or telephone interviews Customer Service/Answering staff on telephones
	<b>Large customers</b>  <b>Key Community Resources</b> - Educational institutions, hospitals, daycare and senior's centres, retirement homes, entertainment / recreational facilities, food banks, churches, banks, etc.	Engineering Department and Customer Service department – direct contact with large and/or sensitive customers
	<b>Industry</b> Other utilities Hydro One IESO Ontario Energy Board Electricity Distributors Association Ontario Electricity Network Ontario Electricity Association	President & CEO (or designate) and/or Communication Specialist



## 7.4 Level 4 – Declared Municipal or Hydro Emergency

*A municipal or hydro emergency may be declared by the head of council or hydro President & CEO in the event of a widespread or serious crisis that will necessitate a coordinated response from a variety of entities and generally requiring assistance from outside of the municipality/utility.*

LEVEL 4 Characteristics	Who May Need to be Notified	What and by Whom
<ul style="list-style-type: none"> <li>Widespread impact on the community necessitating a coordinated multi-pronged approach and activation of the Municipal/Regional/Hydro Emergency Control Group</li> <li>State of emergency declared by Town/Region/Hydro</li> <li>Media frenzy - Intense public, political and media scrutiny (e.g. front page headlines, TV coverage, significant social media activity) Broadcast and print media on site for live coverage</li> <li>Intense public, political and media scrutiny (e.g. front page headlines, TV coverage,</li> </ul>	<b>Community Emergency Management Coordinator</b>	President & CEO or Crisis Manager informs Town Emergency Management Coordinator of situation. Mayor declares Municipal Emergency if warranted.
	<b>Senior Team</b>	Milton Hydro begins process according to Emergency Preparedness Plan and Town's Emergency Operations Plan
	<b>Employees</b>	Senior Team members and/or supervisors using phone tree or emails
	<b>Media / Community</b>	All information for the public will come from the President & CEO or designate or Chair of Board. Communication Specialist will handle tweets in early part of the crisis until municipal emergency declared and a coordinated response can be mounted

### 7.4.1 Municipal Emergency Plan

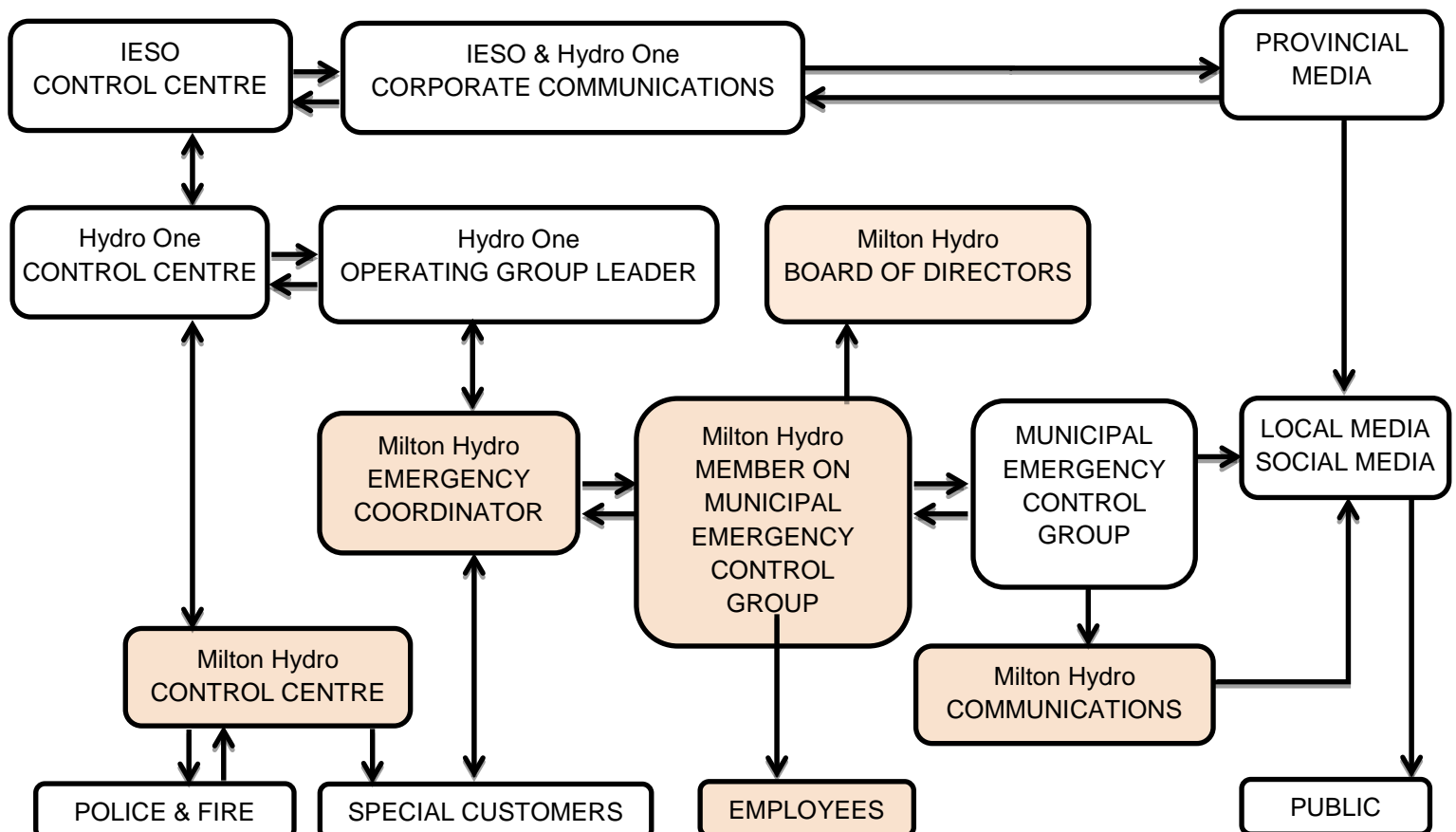
The Town of Milton has an Emergency Plan that has been formally adopted . Information about the municipality's Emergency Plan can be obtained from the Town's Emergency Management Coordinator – See Appendix 2E.

#### Municipal Emergency Response Plan

The municipality's emergency planning initiatives are overseen by the Emergency Operations Control Group. This group is made up of the following individuals:

Municipal Staff	Others
Mayor or Head of Council Chief Administrative Officer General Manager of Information Services / Clerk Executive Director of Environmental Services Executive Director of Operations	Police Chief General Manager of Emergency Services/Fire Chief/Fire/Ambulance Medical Officer of Health Social Services Administrator Milton Hydro Inc.'s President & CEO











## 7.5 Crisis Communications Response Checklist

### 7.5.1 First Response Actions

<b>SAFETY MESSAGE</b>	Immediately provide safety information and instructions to employees / public to ensure public safety
<b>GET FACTS &amp; DETERMINE IF A CRISIS EXISTS</b>	<p>Confirm details with a reliable source and identify as many facts as possible. Determine, in conjunction with others, if crisis communications response is required</p> <ul style="list-style-type: none"> <li>• WHAT happened and where?</li> <li>• WHEN did this happen?</li> <li>• WHO is involved? WHO is onsite?</li> <li>• HOW did it happen?</li> <li>• EXTENT of impact – NUMBERS affected?</li> <li>• WHAT is currently being done to mitigate the incident?</li> <li>• WHO are the appropriate contacts and how to reach them?</li> </ul>
<b>INTERNAL &amp; EXTERNAL NOTIFICATIONS</b>	<p>Notify key staff and consult as necessary. Notify Head of Council(s) and elected officials</p> <ul style="list-style-type: none"> <li>• Advise Senior Management</li> <li>• Phone tree activation through Operations or Human Resources if required</li> <li>• Advise Customer Service department leader</li> <li>• Advise Managers, Supervisors and Employees as necessary</li> <li>• Advise Board of Directors</li> <li>• Advise Head of Council(s), Councillors and other elected officials as necessary</li> </ul>
<b>HOLDING STATEMENT</b>	<p>Prepare and obtain approval for a brief Holding Statement for media/social media</p> <ul style="list-style-type: none"> <li>• CONFIRMATION – Confirm that an incident has occurred</li> <li>• BASIC DETAILS – Only provide nature, location and time of incident</li> <li>• CONCERN – Provide an expression of concern / empathy for what has happened</li> <li>• PRIORITIES – Explain company priorities. Safety is always number one. Express willingness to do what it takes to mitigate the situation</li> <li>• ACTIONS – Provide details of actions being taken to manage the crisis</li> <li>• COLLABORATION – Explain that company is working with other authorities – police, fire, EMS, City</li> <li>• SAFETY – Provide status of public safety and instructions for the public to follow to ensure safety. Safety is the top priority</li> <li>• REASSURANCE – Provide reassurance that the incident is under investigation</li> <li>• WHERE TO GO FOR INFORMATION – Explain how and when further information will be available</li> <li>• TRANSPARENCY - Convey the fact that Milton Hydro will communicate openly and on a timely basis with all stakeholders</li> <li>• To ensure consistency of messaging, distribute to Senior Team, Customer Service, Control Room and employees. Remind employees that they are not authorized to speak with the media and instructions on where to direct media calls</li> <li>• Email statement to media and use as a basis for social media</li> </ul>



<b>CONTACT CENTRE</b>	<b>Provide Customer Service staff with Holding Statement</b> <ul style="list-style-type: none"> <li>Customer Service department leader should arrange to get help to staff phones</li> <li>Incorporate a message relating to the Holding Statement on the telephone IVR</li> </ul>
<b>WEBSITE / SOCIAL MEDIA</b>	<b>Post approved, brief, fact-based messages or alerts based on Holding Statement on the home page of the utility website</b> <ul style="list-style-type: none"> <li>Post messages on social media sites based on Holding Statement.</li> <li>Create or select a hashtag if appropriate</li> <li>Respond to preliminary social media posts using templates if appropriate</li> <li>Get help to respond to social media barrage</li> <li>Delete and/or suspend pre-arranged, scheduled posts</li> </ul>
<b>TRADITIONAL MEDIA</b>	<b>Take control of chaos. Start by sending out a social media post based on the Holding Statement and control access of media.</b> <ul style="list-style-type: none"> <li>Log and respond to media inquiries</li> <li>Identify location of media information centre if required. Assign someone to set up media information centre</li> </ul>
<b>DOCUMENTATION</b>	<b>Document everything</b> <ul style="list-style-type: none"> <li>Media Log - Keep track of media calls, requests for information, information provided</li> <li>Decisions Journal (Each Senior Team member should keep their own) Who, decision made, who else, where, when, why, instructions provided and from whom, authority, how people were acting/reacting, etc.</li> </ul>
<b>MONITOR</b>	<b>Monitor reaction to the Holding Statement</b> <ul style="list-style-type: none"> <li>With the Senior Team, assess the need for further action</li> </ul>

### 7.5.2 Second Response Actions

<b>CONVENE &amp; CONSULT</b>	Convene some members of the Crisis Communications Team to consult for next phase of crisis communications response (if required) CEO,SMT, Customer Service Supervisor, Communication Specialist
<b>APPOINT SPOKESPERSON</b>	President/CEO or Crisis Communication Team to appoint spokesperson
<b>GATHER ADDITIONAL INFORMATION</b>	Gather additional information and access how much media attention the incident is likely to garner. Send someone to the site to report back if necessary. <ul style="list-style-type: none"> <li>What happened</li> <li>When and where occurred</li> <li>Extent of outage, damage, injuries, spill or chemical involved</li> <li>Emergency responders on site</li> <li>Number of employees affected</li> <li>What is being done to mitigate the incident</li> <li>Who appropriate contacts are and how to reach them</li> </ul>



<b>INITIAL DISCLOSURE STATEMENT &amp; KEY MESSAGES</b>	<b>PREPARE INITIAL DISCLOSURE STATEMENT AND KEY MESSAGES</b> <ul style="list-style-type: none"> <li>• Prepare Initial Disclosure Statement and three key messages or media release for approval</li> <li>• Send approved Initial Disclosure Statement to employees</li> <li>• Send Initial Disclosure Statement to key external audiences (Board, government officials, media, etc.)</li> </ul>
<b>CRISIS COMMUNICATIONS TEAM ACTIVITIES</b>	<b>CRISIS COMMUNICATIONS TEAM ACTIVITIES</b> <ul style="list-style-type: none"> <li>• Convene the Crisis Communications Team to develop strategies</li> <li>• Begin set up of Crisis Communications Centre (war room) if required</li> <li>• Take steps to gather more information (if required)</li> <li>• Assess potential of media attention</li> <li>• Notify key staff – Senior Team members and others</li> <li>• Develop key messages for audiences - Identify key audiences and develop key messages. Anticipate tough questions. Identify best communication channels to use. Identify spokesperson</li> <li>• Activate crisis hotline</li> <li>• Respond to media / social media quickly to dispel rumours</li> <li>• Develop media release/statement containing key messages for approval by the SMT</li> <li>• Distribute information / media release to stakeholders – Board, employees, media, customers, community</li> <li>• Post information / media release on website</li> <li>• On-going media contact including a media conference if appropriate</li> <li>• View/Read media coverage</li> <li>• Repeat activities for duration of crisis</li> </ul>

## 7.6 Crisis Management Documentation

Everything must be documented during a crisis in order to have an accurate record of what is said and done in the event of any legal action subsequent to the crisis.

### 7.6.1 Decisions Journal

All Senior Team members and other key players should also keep a Decisions Journal that will provide a record of all key decisions made including:

- Who made the decision, their authority, who consulted, where, when and why decision was made
- Instructions provided – from whom and to whom, when, where and how
- Any pertinent details on how decision makers were acting / reacting
- Consider appointing a scribe to record all decisions with reasons made by the Senior Team members.

## 7.7 Media Log

Depending on the nature of the crisis, many interviews may be conducted and hundreds of messages may be distributed over a long period of time. Unless actions are tracked, it will never be possible to remember what was said at a specific time, nor will anyone be able to track results (of communications statements) or correct misinformation.



During a crisis, it is good practice to log all media inquiries. A cell phone can be used to record all conversations with the media provided the media is informed they are being recorded.

## **7.8 Evaluation**

Once the crisis is over, perform a lessons learned exercise by creating an after action report and taking steps to improve the process.



## **Section 8: Development of Key Messages**

### **8.1 Holding Statement**

Upon notification of a crisis other than an outage, the Communication Specialist should immediately prepare a very brief Holding Statement. The Holding Statement should be used until facts can be checked and more information obtained in order to prepare an Initial Disclosure Statement.

A Holding Statement should contain as much of the following information as is available:

- Confirmation that an incident has occurred;
- Nature, location and time of incident;
- Statement of empathy towards employees and their families or those injured;
- Status of public safety and instructions for the public to follow to ensure safety;
- Comment that the incident is under investigation;
- Statement expressing concern and willingness to mitigate the situation;
- Details of any actions already being taken to manage the crisis;
- How and when further information will be available; and
- Statement conveying the fact that Milton Hydro will communicate openly and on a timely basis with all stakeholders.

### **8.2 Key Messages**

In order to ensure consistency of information key messages should be developed for emerging issues and Level 2 or 3 crises using the Key Message Development form. Key messages will change and evolve throughout the emergency response.

All key messages must be approved by the Senior Management Team prior to release.

### **8.3 Answers to Tough Questions**

In consultation with the Senior Management Team, Corporate Communications should develop a list of five to seven anticipated tough questions that will likely be asked and provide answers to these questions to assist the company spokesperson.



## **Section 9: Media Relations Policy and Protocol**

### **9.1 Media Relations Policy**

Milton Hydro's Media Relations Policy is attached as Appendix 2A .

### **9.2 Appointment of Company Spokesperson**

For most power outages and minor crises, the President & CEO or designate will act as the company spokesperson.

In the event of a major crisis the President & CEO or designate in conjunction with the Communication Specialist will appoint a company spokesperson. The nature of the emergency will in a large part determine who will be the spokesperson for Milton Hydro. Key operational staff will be assigned to assist the spokesperson and speak about matters within their areas of expertise.

In circumstances where an emergency continues for several days, various senior staff members may be designated to act as spokesperson in the off-hours when the normal spokesperson is not available.

The company spokesperson (or designate) will be the only person to speak on the company's overall crisis response and recovery efforts. Political, strategic operational decisions and policy issues will be communicated to the media through the spokesperson.

During a declared municipal emergency, the Emergency Coordinator will appoint a company spokesperson if required, but statements on a municipal emergency will generally be provided by the Municipal Emergency Control Group.

Employees should not speak with the media about the crisis unless they have received clearance by President/CEO or designate. Employees should direct all inquiries by the media to the President & CEO (or designate).

### **9.3 Media Releases**

The purpose of a media release is to convey information on an incident in written format to avoid misinterpretation.

Media releases must be approved by the President & CEO or designate before being distributed.

Media releases are distributed by the Communication Specialist after having been approved by the President & CEO.



## **Section 10: Social Media Policy and Protocol**

### **10.1 Social Media Policy**

Milton Hydro's Social Media Policy, see Appendix 2B, outlines the policies and procedures surrounding the acceptable corporate and personal use of social media sites and/or personal websites as they relate to discussing Milton Hydro business.

### **10.2 Social Media Principles**

Milton Hydro adheres to the following principles when engaging in social media interactions.

- Respond promptly if warranted
- Demonstrate to consumers that Milton Hydro cares by being helpful and informative
- Maintain a consistent, conversational tone that is friendly and approachable
- Maintain professional writing and spelling standards as much as the medium permits
- Strive to reassure customers that Milton Hydro is competent and has situations under control
- Correct any misinformation
- Protect privacy
- Promote electrical safety and energy conservation

### **10.3 Social Media Monitoring**

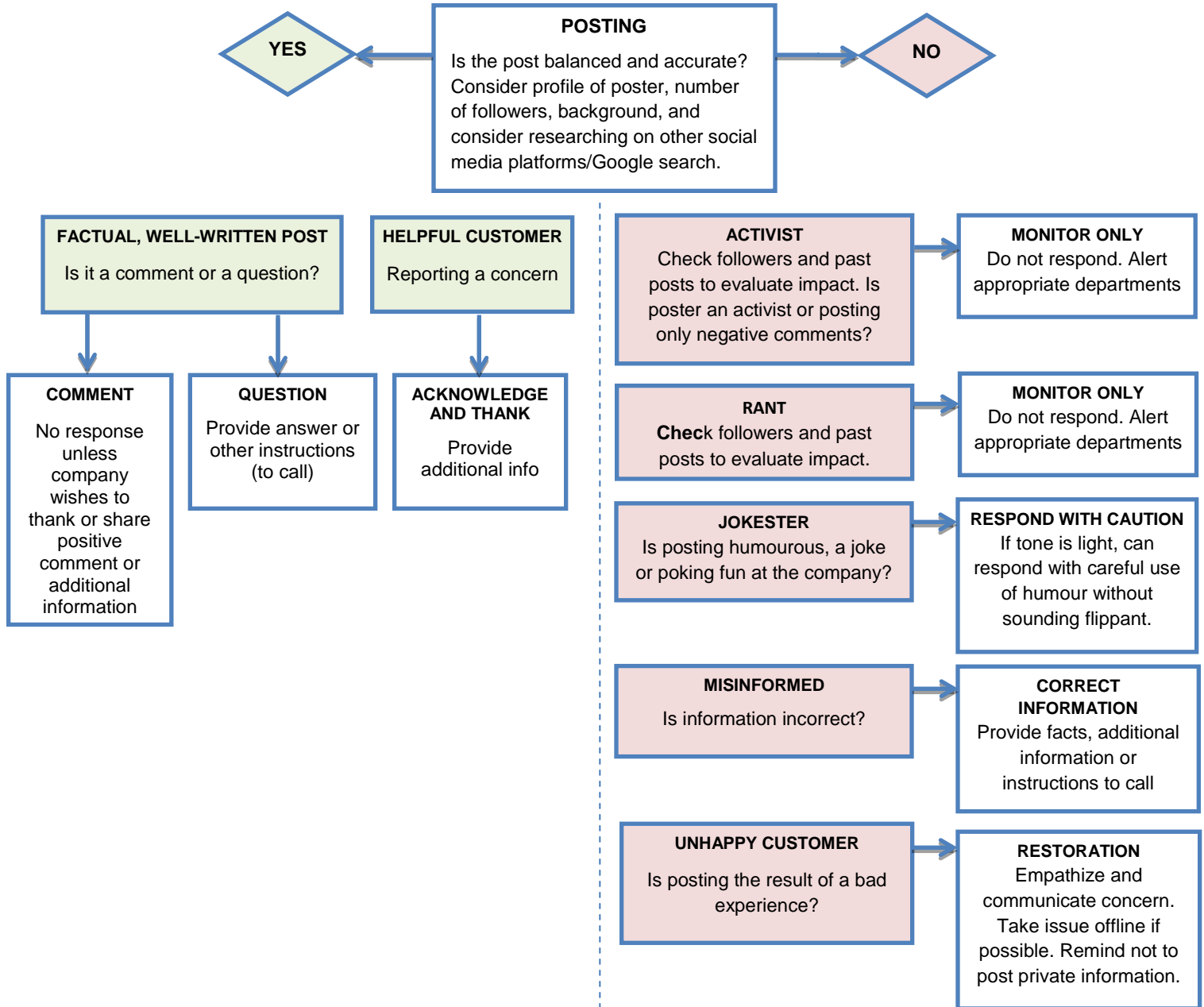
Social media monitoring is key to on-line reputation management. The Communication Specialist is responsible for ensuring that social media sites are monitored.

### **10.4 Social Media Risk Assessment**

#### **10.4.1 Social Media Triage / Decision Tree**

Not every on-line mention requires a response. The following decision tree (based upon the United State Air Force Web Posting Response Assessment published by the United States Air force Public Affairs Agency – Emerging Technology Division) can be used in determining the best course of action when issues arise on social media.





#### 10.4.2 Twitter Risk Assessment

Twitter risk can be measured by looking at the followers of individual(s) who post negative comments, the number of retweets that a negative tweet generates and the influence rating (ie: Klout, PeerIndex, Kred) score of the person tweeting.

##### Followers:

- Minor risk = 0 to 250 followers
- Moderate risk = 250 to 1,000 followers
- Major risk = 1,000+ followers



**Retweets:**

- Minor = 0 to 2 retweets
- Moderate = 2 to 5 retweets
- Major = 5+ retweets

**Influence Rating:**

- The higher the score the more influential the Twitter account

## **10.5 Training**

All staff and/or external resources with access to Milton Hydro social media sites have received training on appropriate response techniques and adhere to the Milton Hydro Social Media Policy.

## **10.6 Authorization to Post on Social Media Accounts**

The following individuals and/or external resource are authorized to post on Milton Hydro social media accounts

- Communication Specialist
- Engineering Department
- IT Department
- Customer Service Supervisor
- Control Room

## **10.7 Social Media Response Outside of Normal Business Hours**

Although Milton Hydro's social media sites are only officially monitored during regular business hours, the Communication Specialist endeavors to provide response during regular business hours and can respond in an emergency outside of regular business hours.

## **10.8 Social Media Mutual Aid**

During a crisis it may be possible to request mutual aid from professional communications staff in other local distribution companies. If a Mutual Aid Agreement for Communicators is not yet set up, the CEO or the Communication Specialist may choose to call or send an email out to CEOs and/or Communicators at other local distribution companies to request assistance.



## **Appendix 1 - Contact Lists**

See attached



## **Appendix 2 - Policies and Official Documents**

- 2A Media Relations Policy
- 2B Social Media Policy
- 2C Milton Hydro Emergency Preparedness Plan
- 2D Ontario Power System Restoration Plan (OPSRP)
- 2E Municipal Emergency Response Plan
- 2F Region Emergency Response Plan



## Appendix 3 - Key Message Development

### 1) How to Develop Key Messages

#### Three Steps to Developing Appropriate Messages

**Step 1:** Formulate a Holding Statement: describe briefly the current status of the situation using facts; use no more than 150 words; use plain language and avoid technical jargon. Include:

1. Emphasize/express concern using people-sensitive language;
2. Explain what happened (do not include or speculate on a cause);
3. Tell them it is under control; and
4. Explain what is being done to correct/handle the situation

**Step 2:** Develop three or four key messages that you want people to know about the incident and what the company is doing about it. Use facts and examples to back up the messages.

**Step 3:** Anticipate five to seven tough questions that will likely be asked, and develop the answers to these questions.

#### Sample Tough Questions

- What caused the crisis?
- What are the details about casualties and injuries?
- What are we doing for employees/businesses/customers impacted by the crisis?
- Who is involved in managing the crisis?
- What is the extent of the property damage?
- Can I speak to experts, witnesses, management, victims?
- What are the environmental threats?
- Who is to blame?
- What is the financial impact?
- What legal actions could result from the event?
- What is being done to contact family members?
- Who are the heroes and the culprits?



## 2) Language to Use in Key Messages

When addressing the emergency at hand, <b>use empathic words:</b>	When speaking about <b>safety</b> , stress the following:	When speaking about <b>environmental issues</b> , use these words:	<b>Do not use</b> language that could imply liability:
<ul style="list-style-type: none"> <li>- alarmed</li> <li>- regret/regrettable</li> <li>- sad/saddened</li> <li>- concerned</li> <li>- sorry</li> <li>- disappointed</li> <li>- sympathize</li> <li>- sympathetic</li> <li>- embarrassed</li> <li>- tragic</li> <li>- empathize</li> <li>- unfortunate</li> <li>- unnecessary</li> </ul>	<ul style="list-style-type: none"> <li>- concern</li> <li>- involvement</li> <li>- participation</li> <li>- precaution</li> <li>- prevention</li> <li>- protection</li> <li>- responsibility</li> </ul> <p><i>Be prepared to detail normal safety procedures or measures:</i></p> <ul style="list-style-type: none"> <li>- training types</li> <li>- training hours</li> <li>- equipment</li> <li>- certifications</li> </ul>	<ul style="list-style-type: none"> <li>- alternative</li> <li>- careful handling</li> <li>- control</li> <li>- elimination</li> <li>- monitoring</li> <li>- precautions</li> <li>- prevention</li> <li>- re-use</li> <li>- recovery</li> <li>- recycling</li> <li>- reduction</li> <li>- response</li> </ul>	<ul style="list-style-type: none"> <li>- unintentionally</li> <li>- failed</li> <li>- failed to</li> <li>- failure</li> <li>- neglected</li> <li>- didn't realize</li> </ul>

## 3) Obtaining Public Forgiveness

When an event occurs that affects the public's confidence in the company, the following steps provide a plan for rebuilding relationships and community trust.

**Step 1: Candor.** Promptly acknowledge that a problem exists; identify the individuals and/or groups that are affected; notify if the environment is affected; indicate that something will be done to remediate the situation.

**Step 2: Explanation.** Promptly and briefly explain why the event occurred, the known reasons or behaviours that led to the situation; explain what you have learned from the event and how this knowledge will influence your future behaviour; commit to reporting regularly the additional information as available until all information has been disseminated, or until no public interest remains.

**Step 3: Declaration.** Offer a public commitment of specific, positive steps that will be taken to address the issues and resolve the situation.

**Step 4: Contrition.** Continue to state your regret, empathy, sympathy and even embarrassment; take appropriate responsibility for having allowed the situation to occur in the first place (by omission, commission, or accident).



**Step 5: Consultation.** Promptly ask for help from those affected: victims, government, the community, even from opponents; directly involve these groups in developing more permanent solutions or more acceptable behaviours, and in designing principles and approaches that will help prevent recurrence.

**Step 6: Commitment.** Promise to take corrective action and make every effort to prevent this from ever happening again.

**Step 7: Restitution.** Make or require restitution; go beyond expectations and what would be required under normal circumstances.

#### 4) What to Say When Someone is Hurt

The President & CEO or his designate will follow the company's notification procedure for when an employee is injured.

No information regarding identity, nature and extent of injuries or cause of death is released to the media until the next of kin have been notified.

All information regarding identity, nature and extent of injuries or cause of death is held in strict confidence until the appropriate company spokesperson or local authority authorizes release.

If the victim did not follow safety rules, it may be more appropriate for this information to be made public by the appropriate workplace health and safety organization, or police or fire authorities.

#### 5) What to Say to Next of Kin

The President & CEO or his designate will follow the company's notification procedure. In the event of a death it is vital that the next of kin are notified before the media. In place of a formal procedure, notification should be done via a home visit, if possible. When this is not possible, a personal phone call should be made. Notification should be done by the individual's manager, immediate supervisor, with assistance from the Senior Management Team.

#### 6) How to Respond to Rumours

##### **Do ...**

- Refute the rumour with logic and facts
- Use outside and recognized authorities to assist in refuting rumours

##### **Don't ...**

- Refute the rumour with poorly conceived answers
- Overstate the rumour's message
- Repeat volatile language or themes that form part of the rumour
- Joke or make fun of the rumour



## Appendix 4 - Communicating with News Media

### 1) Do's and Don'ts When Responding to the Media

#### Do ...

- Stick to the facts of what has, is and will be done
- Avoid speculating on worst-case scenarios, what could be done, what might happen or on possible outcomes
- Avoid using "I" – speak for the organization using its name or "we"
- Express concern for human safety / animal safety
- Promise only what you can deliver
- State your willingness to cooperate and explore other options
- Avoid words like no, never and none
- Ensure you have all the available information Respond to media inquiries promptly; respect their deadlines
- Coordinate with other agencies involved to learn what they are saying; align messages, as appropriate
- Give media a number where you can be reached (Note: this number not for public broadcast)
- Ensure that the phone you are using for responding to the media or radio interview does not accept incoming calls (so your phone doesn't ring while you are being recorded.)
- Have reporters provide a list of questions and get back to them later to ensure you have the facts ready and have prepared your messages
- Anticipate requests by media for access to the site for photos and videos; provide opportunities if appropriate to do so; set limits on access to facilities; ensure photography release forms are used

#### Don't ...

- Lie or give out false or inaccurate information
- Speculate – ever! (about causes, resumption of operations, outside affects, dollar value of losses) Say: "I don't have the facts and will not speculate. I will contact XXX to find the answer and will get back to you."
- Answer questions you don't understand – ask for clarification
- Discuss details on how much the effort is costing – focus instead on how the response has supported the health and wellbeing of those affected
- Use humour. No exceptions! Humour of any kind is not appropriate in an emergency situation.
- Become defensive. Stay calm. Respond to issues, not personalities. End debates rather than continue them.
- Fill in awkward silences after you have answered a question
- Release names of injured or dead - Say: "Out of consideration for the victims and their families, no information regarding identity, nature and extent of injuries or cause of death will be released."
- Avoid taking calls from the media
- Place any blame for the emergency
- Refuse to answer a question or say "no comment"
- Disagree with the organization you represent by offering personal opinions or saying, "If it were me ...", "Speaking for myself ..."



## **2) Writing a Media Release**

Samples are included in Appendix 5 – Forms and Templates.

## **3) Information Appropriate for a Media Release**

- Message of empathy for the impact the crisis has had on people, animals, the environment, or the community as a whole
- First priority is public and employee safety
- What has happened – provide description
- Who is involved – the number of employees evacuated, injured, taken to hospital
- When emergency crews, responders, etc. arrived on site
- Where event occurred
- When the event occurred
- Working cooperatively with partner response agencies (name agencies) to effectively manage the crisis and minimize the impact on people, the environment or the community as a whole
- What is being done to manage the situation
- When and how new information will be communicated

## **4) Information NOT Appropriate for a Media Release**

- Speculation on why the emergency occurred or type(s) of hazardous material(s) involved
- Statement of blame
- Guessing or exaggerated statements
- Expressions minimizing the situation
- Names of injured individuals
- Dollar estimates of property damage

## **5) Format for Briefing the Spokesperson**

Go over the following points with the spokesperson prior to an interview. Provide all fact sheets, statistics, backgrounders, etc. in writing. Avoid oral briefings, if at all possible. It can be useful to prepare a list of questions and answers, and conduct a “rehearsed” interview with the spokesperson beforehand.

- Provide the date, time and location of the interview. Supply the name of the reporter along with the name of the publication, wire service, radio/TV station, etc.
- Give an indication of previous experience with this reporter/news outlet. This alerts the spokesperson to the reporter’s approach and possible need to be cautious.
- Review the subjects, issues and questions supplied by the reporter.
- Outline the company’s position or approved responses; review the facts that help back up this position or these responses.
- Review the top two or three key messages that should be made.
- Provide a list of the other company people who will be interviewed.
- Review the issues (if any) that should be avoided, and provide recommendations on how to side-step them or segue to the key messages.
- Provide in writing (if possible) all background information and statistics that will be helpful in preparing for the interview.
- Confirm the proposed length of the interview.



## 6) Radio/TV Interview - Techniques

- Maintain control of the interview -
  - Q/A, Q/A, Q/A, Q/A = reporters are in control
  - Q/A + message, Q/A + message, Q/A + message = you are in control
- Focus on the two or three key messages
- Refrain from using negative language
- Do not repeat reporter's negative statement(s)
- Correct misinformation as quickly as possible; use courteous, non-threatening language
- Avoid jargon, buzzwords, little-known acronyms; say it in layman's terms
- Concentrate on the facts; never speculate
- Never comment "off the record"
- Be alert to when the interview officially begins and ends
- Finish your answer even if interrupted
- Be prepared for the "gift" question: "Is there anything else you would like our listeners to know?"

## 7) Radio/TV Interview – Additional Tips

- Go live whenever possible, so that your message is not edited
- Don't speak from behind a barrier if possible (lecterns, tables) or from an elevated surface (podium)
- Use a well-modulated, confident tone of voice
- Keep your hands in sight but don't make large gestures or hand movements
- Avoid nodding your head.
- Posture – if standing, stand up straight. If sitting, lean slightly forward. Don't cross arms in front of chest.
- Avoid rubbing or touching eyes or nose. Don't drum fingers on the table, tap feet or twitch.
- Look at the reporter not at the camera; maintain good eye contact
- Call reporter by his/her first name (that is typically how the viewing public knows him/her)
- Dress appropriately – not too formal. Wear light, solid colours. Avoid bright colours, all black, all white, or busy patterns; do not wear light-sensitive glasses or sunglasses
- Ladies: remove dangling jewellery. Men: avoid jingling money or items in pockets
- Men: shave (if possible) to avoid 5 o'clock shadow
- Position yourself against a neutral background (if possible); don't stand in front of the "disaster"
- Don't be filmed standing in front of a sign displaying the Milton Hydro name in the event of a crisis
- Avoid nodding the head
- Ensure what the spokesperson is wearing is appropriate for the location including all required Personal Protective Equipment

## 8) Media Briefings / Media Conference

1. Start by introducing yourself and any others who will be speaking. Provide full names and management titles, name and address of facility and website address.
2. Thank the media for attending the briefing.
3. Set the limits for the briefing and explain the agenda. Say, "I will read a brief statement and then answer any questions for which the facts are known. Any questions that cannot be answered at this time are being recorded and responses will be provided as soon as the



information is available. We will spend XXX minutes here, and then we must return to dealing with the situation at hand.”

4. Read statement. (Have copies available to hand out.)
5. Repeat every question that is asked. This will ensure that everyone in the room hears the question, that you heard and interpreted the question correctly, and give you time to think about the question and thoughtfully respond to it.
6. Near the end of the allotted time, announce that you will take two more questions; after these two questions have been answered, let reporters know when you will hold another briefing.

## 9) How to Set Up a Media Conference Room

During a crisis, it may be necessary to give regular media conferences. Set up the room as follows:

### Room Set-Up

- ☐ Audio-visual company contact information
- ☐ Registration table and sign-in sheets – Reporters will be required to present their credentials and sign in
- ☐ Information table – backgrounders and other information
- ☐ Riser at the back for TV cameras
- ☐ Refreshments table
- ☐ Chairs
- ☐ Lectern
- ☐ Microphone and PA system for group of 30 or more
- ☐ Speakers table with tablecloth and water (no ice) - Blue background if possible
- ☐ Door behind speakers table so speakers can exit without going through audience
- ☐ Laptop and printer
- ☐ Remote control
- ☐ Digital projector and screen
- ☐ Coat rack
- ☐ White board
- ☐ Easel
- ☐ Pointer
- ☐ Name cards for speakers
- ☐ Maps, photographs, charts
- ☐ Visual aids – equipment used, personal protective equipment



## 10) How to Set Up a Crisis Communication Centre

During a crisis, Communications support staff may have to occupy an on-site or off-site workroom for days or weeks. The room needs to be set up quickly and run smoothly.

### Location

Possible off-site locations will require Internet access and include:

- ☐ City Hall or other City facility
- ☐ Local hotel, banquet hall or golf course
- ☐ University or school

### Shifts

Six-hour shifts are ideal for those staffing the Crisis Communications Centre. Relief staff should rotate in on a staggered basis so that only one or two new staff join at one time. Shifts must overlap by at least 15 minutes to allow for orientation and briefing.

## Instructions and Tips for Communications Staff Shift Change During a Crisis

### Beginning Shift

- ☐ (Before crisis) Cellphone and laptop must be password protected
- ☐ Check all status boards for new information
- ☐ Locate the person you are relieving and obtain briefing
  - o Discuss media analysis and issues or emerging issues
- ☐ Read any information that has been released since your last shift
- ☐ Read all media reports since your last shift
- ☐ Review all social media since your last shift
- ☐ Identify deadlines or goals for your shift

### End of Shift

- ☐ Leave “to do” or “heads Up” lists for incoming shift.
- ☐ Ensure the three-ring binder is up to date with all released information
- ☐ Shred all contents of waste basket/recycling
- ☐ Do not leave draft versions of material anywhere other than in shredder
- ☐ Do not take draft materials with you except in electronic format (encrypted or password protected)
- ☐ Do not email draft materials using unprotected email accounts (i.e. sending drafts to your personal email accounts to work on them at home)
- ☐ Check all status boards that they are up to date with data
- ☐ Log out with senior person
- ☐ Do not reveal information while socializing off-site
- ☐ View, listen and read media reports
- ☐ Monitor social media while off-shift



## Resources

- ☐ Crisis Communications Plan – hard copy and electronic
- ☐ Phone tree – contact information – phone & email
- ☐ Organization chart - large
- ☐ Contact lists – hard copy and electronic
- ☐ City directory, phone books – white and yellow pages
- ☐ Photographs and biographies of spokespeople
- ☐ Stock photos on DVD
- ☐ Stickers with company logo on them
- ☐ Draft stand-by statements
- ☐ Draft Twitter posts
- ☐ Draft backgrounders
- ☐ Sustainability reports
- ☐ Maps – regional and local
- ☐ Building plan

## Equipment

- ☐ Internet access
- ☐ Dedicated phone lines
- ☐ Corded phone
- ☐ Speaker phone
- ☐ Cell phone and charger, extra battery for cellphone, car jack and charger
- ☐ Laptop and charger with access to server and Internet
- ☐ Extra battery for laptop, car jack and charger
- ☐ External drive / DVD recorder
- ☐ Printer and toner
- ☐ Digital camera, extra battery, charger, cards, wires to connect to TV
- ☐ Video camera, cards, charger and wires to connect to TV
- ☐ Digital audio recorder, charger, cards, connecting wires
- ☐ UPS
- ☐ Solar powered battery charger for laptop and modem/router
- ☐ Standalone router and instructions on how to set up router or dial-up if necessary
- ☐ Photocopier and toner
- ☐ Power cords, power bars, extension cords
- ☐ Television and programmable, recordable DVD and blank DVDs
- ☐ Radio – battery powered
- ☐ LED light, flashlights and batteries
- ☐ Bullhorn and batteries
- ☐ Coat rack and hangers
- ☐ Shredder and garbage can



## Office Supplies

- ☐ Photocopier paper
- ☐ Toner cartridges for printer and photocopier
- ☐ Recordable DVD and CDs
- ☐ Flipcharts, bristol board and markers
- ☐ Carbon message pads, notepads
- ☐ Three-ring binders, dividers
- ☐ Three-hole punch
- ☐ Stapler, staples, scotch tape, masking tape, scissors, paper clips, rubber bands, thumbtacks, sticky notes
- ☐ Pens, pencils, highlighters
- ☐ File folders, hanging files and storage boxes
- ☐ Garbage bags
- ☐ Paper towels
- ☐ Letterhead and envelopes
- ☐ Folders for media kits
- ☐ Courier envelopes and waybills
- ☐ Bright coloured paper (for door-to-door notices)
- ☐ Dictionary and thesaurus







## Appendix 4 - Scenarios: Pre-Written Materials for Top Risks

Required notifications, sample email blasts, sample holding statements, sample tweets and information about websites, media releases and selecting a spokesperson for:

### Scenario 1 – Localized Outage – Levels 2 to 4

#### Notifications Required

Level 2	Level 3	Level 4
Automatic email notifications to standard list  Customer Service representatives (details of outage from Control Centre or Customer Service Supervisor)	Automatic email notifications to standard list  Communications (phone call from Control Centre or Operations)  Senior Team (phone call or email from Operations)  Customer Service (details of outage via email by Customer Service Supervisor or Communications)  Board (email or phone call from Executive Team depending on severity and time)  Elected officials and City staff (phone call or email by Executive Team or Communications depending on severity and time)  Employees (email by Communications)  Community (via Twitter and website)  Media (emailed statements)  Large customers (via Control Room)	Municipal/Hydro Emergency Declared by Mayor/President  Notifications will be sent out by Emergency Operations Centre

#### Email Blast Examples

##### ➤ Holding Statement

Milton Hydro is currently experiencing widespread power outages in [insert area] as a result of the storm that passed through the [insert area] area early this morning. All available crews have been called in to perform repairs and will be restoring power safely and as quickly as possible.

A further update will be provided later this morning, in the meantime, customers may wish to consult the outage map on our website at [www.miltonhydro.com](http://www.miltonhydro.com)

##### ➤ No geographic info available

Milton Hydro reports that there are widespread power outages in the [insert area] caused by the storm that passed through the [insert area] area earlier this morning. All available crews



have been called in to perform repairs and will be restoring power safely and as quickly as possible.

A further update will be provided later this morning but, in the meantime, customers may wish to consult the outage map on our website at [www.miltonhydro.com](http://www.miltonhydro.com)

Many of the power outages have been caused by [insert cause of outage e.g. the high winds that caused tree limbs or trees to fall onto power lines].

[Insert appropriate safety message] Residents are reminded that downed power lines can be very dangerous. If you see a downed power line, avoid the area and keep children and animals away. Call 911 to report the location of the downed wire.

➤ **With geographic info**

Milton Hydro reports that crews have been busy overnight making repairs and restoring power to many customers in [insert area]. At this point, the largest area that is still without power is bounded by [insert area boundaries]. Approximately [insert number of customers affected] customers are without power in this area. Power should be restored in this area in [insert estimated time of restoration] hours.

Other smaller outages are scattered throughout the city. More information is included in the outage map on our website [www.miltonhydro.com](http://www.miltonhydro.com)

The outages were a result of [insert cause of outage e.g. the high winds that caused tree limbs or trees to fall onto power lines].

[Insert appropriate safety message] Residents are reminded to stay away from downed power lines. Keep children and pets away and call 911 to report any downed power lines.

**IF THERE IS SYSTEM DAMAGE**

The extent of the damage to the (lines, transformers, poles, towers) in the affected areas is (minimal, moderate, extensive). Crews are working safely and as quickly as possible to restore power to customers and we anticipate that full power will be restored within \_\_\_\_\_ (estimated hours/days).

The situation does not pose a threat to public safety. However, we have taken the following steps to minimize the chance of injury or further accident: (police have closed the road to pedestrian and vehicle traffic, fire crews are on site, etc.)

We would like to thank our customers for their patience and understanding while we make repairs and will continue to provide updates on our restoration efforts.

**IF THERE ARE A LOT OF WIRES DOWN / TREES DOWN**

Tree limbs falling on power lines as a result of the (wind, ice, snow, storm) have resulted in (multiple, widespread) power outages. Milton Hydro crews will be working safely and as quickly as possible to restore power to customers but, due to the extent of the damage, we



expect this will take some time.

Priority will be given to main power lines feeding entire neighbourhoods, streets or key community facilities.

To speed restoration efforts, if customers notice any downed power lines or tree limbs on power lines, they should stay far away and call 911. Effective March 1, 2015, the public will report power outages to 1-844-NOHYDRO. This will enable Milton Hydro to pinpoint problem locations.

In the meantime, customers are reminded that:

- Downed power lines can be deadly. If you see a downed power line, stay away and keep children and pets far away, and call 911 to report it.
- Downed power lines do not spark and dance like in the movies. Always assume a downed power line is live.
- Never try to move downed power lines or remove tree limbs caught in wires. Call 911 to report the problem.
- Use flashlights (including smart phone flashlights) instead of candles. Never leave candles burning unattended.

#### **IF WE CALL IN OUTSIDE HELP**

Damage to the [insert location] distribution network is extensive. In order to restore power as quickly as possible, Milton Hydro has requested assistance from \_\_\_\_\_ (utilities) and expect to have an additional \_\_\_\_ crews on-site shortly to help with the restoration efforts.

#### **IF POWER OUTAGE LASTS SEVERAL HOURS OR INTO NEXT DAY**

Milton Hydro crews have restored power to \_\_\_\_\_ (areas, buildings) and will continue to work \_\_\_\_\_ (through the night, until the early morning hours) to restore power.

Priority will be given to main power lines feeding entire neighbourhoods, streets or key community facilities.

In the meantime, customers are reminded to stay safe while they wait for the power to come back on:

- Treat all traffic lights as four-way stops.
- Use flashlights instead of candles if possible. If you must use candles, use proper candle holders and never leave candles unattended.
- Don't use charcoal, propane or gas BBQs, camping heating equipment or home generators indoors. They give off carbon monoxide which can be deadly.
- Check on neighbours to make sure they are okay. The elderly and very young children will require extra attention.
- Turn off all stove burners so they remain off when the power comes back on.



- Keep refrigerator and freezer doors closed as much as possible to keep food cold.
- An unopened refrigerator will keep food cold for about four hours. If available, add ice to the refrigerator to keep food cold for longer.
- A full freezer will keep food frozen for about 48 hours if the door is not opened. A half-full freezer will be okay for about 24 hours.
- Turn off the screen on laptops and mobile devices when not in use to preserve battery life and charge devices in cars
- Provide information on where people can go to charge their devices (City facilities? Mall? Friends and neighbours?)

### **Sample Social Media Posts**

Storm-related, widespread power outages in #Location. Crews are responding. Check our outage map for updates. [www.miltonhydro.com](http://www.miltonhydro.com)

Power outage (location) #Milton Hydro is investigating. Check our outage map for updates. [www.miltonhydro.com](http://www.miltonhydro.com)

Downed power lines can be deadly. Keep children and pets far away and call 911.

Power outage (location) #Milton Hydro is investigating. Treat all traffic signals as four-way stops.

Keep refrigerator and freezer doors closed during the power outage to keep food cold.

### **Website**

Power outages are shown on the outage map and tweets appear on the home page. It is possible to include an alert on home page in the event of a widespread or lengthy outage.

### **Media Release**

Media releases are generally not required for power outages. Email notifications to the media can be done using the email blast / holding statement. The media also monitor the Twitter account.

### **Spokesperson**

The President & CEO serves as the spokesperson for outages.



## Scenario 2 - Upstream Loss of Supply – Levels 3 and 4

### Notifications Required

Level 3	Level 4
Email notifications Communications (phone call from Control Centre) Senior Team (phone call or email from Operations) Customer Service (details of outage via email by Customer Service supervisor or Communications) Board(s) (email or phone call from Executive Team depending on severity and time) Elected officials and municipal staff (phone call or email by Senior Management Team or Communications depending on severity and time) Employees (email by Communications) Community (via Twitter and website) Media (emailed statement) Large customers (via Control Room)	Municipal Emergency Declared by Mayor  Notifications will be sent out by Emergency Operations Control Centre

### Holding Statement

There is a power outage affecting the south end of [location]. We are investigating but do not know what the cause is as yet. Customers may wish to consult the outage map on our website at [www.miltonhydro.com](http://www.miltonhydro.com) for outage information.

Or

A power outage is affecting the south end of [location] caused by the loss of supply from the provincial transmission system. Hydro One is investigating and will restore power as quickly as possible. Customers may wish to consult the outage map on our website at [www.miltonhydro.com](http://www.miltonhydro.com) for outage information.

### Sample Social Media Posts

- Power outage in \_\_\_\_\_ (location / perimeter streets) of #Location caused by a problem on the transmission lines feeding the community. @HydroOne is investigating. Check our outage map for updates. (link)
- Power outage in #Location. @HydroOne is investigating. Remember to treat all traffic signals as four-way stops.
- Tweet safety messages (see above), retweet Hydro One messages if appropriate.



## **Website**

Power outages are shown on the outage map and tweets appear on home page.

Include an alert on home page in the event of a widespread or lengthy outage.

## **Media Release**

Media releases are generally not required for power outages. If necessary, can request that Hydro One issue a media release.

Email notifications of the media can be done using the Holding Statement. The media also monitor the Twitter account.

## **Spokesperson**

The **President & CEO** serves as the spokesperson for outages.

Media calls should be directed to Hydro One media relations if appropriate.



## Scenario 3 – Employee Injury or Fatality – Levels 2 and 3

### Notifications Required

Level 2 Minor Injuries	Level 3 Injuries
Supervisor  Manager, Health & Safety (Springboard)  Senior Management Team  Communications (in case of media attention)	Supervisor  Manager, Health & Safety (Springboard)  Ministry of Labour  Senior Team  Family of injured person(s) – (via CEO or designate)  Employees (via CEO or designate)  Board(s) - (email or phone call from CEO depending on severity and time)  Media - (emailed statement or response to inquiry)

### Holding Statement – Employee Injury or Death

Yes, I can confirm that there has been an incident that has resulted in an \_\_\_\_\_ (injury or tragic death). Emergency services are on site but I do not have any further details available at this time. **Milton Hydro** will provide updates as information becomes available.

### Sample Social Media Posts

Generally speaking, social media should be avoided in this situation. However, if the public is posting, it is permissible to respond with confirmation that an incident took place (but no details about the victims), expressions of empathy, reassurance for the public that there is no danger and information as to where people can go for additional information.

In the case of an electrocution, it may be appropriate to remind people about the dangers of electricity.

### Website

Injuries or fatalities are not noted on websites except as a media release.

### Media Release

Email notifications to the media can be done using the Holding Statement. The media also monitor the Twitter account.



A media release may be prepared based on the Holding Statement. Quotes should contain caring and concern language for victims.

### **Spokesperson**

The **President & CEO** serves as the spokesperson for injuries or fatalities.

The President & CEO may also serve as the spokesperson in order to convey a message of sympathy.



## Scenario 4 - Member of the Public or Contractor Injury or Death - Levels 2 and 3

### Notifications Required

Level 2	Level 3
Injuries	Multiple injuries or fatality
Supervisor Manager, Health & Safety (Springboard) Ministry of Labour Senior Management Team Employees (via CEO or designate) Boards (email or phone call from SMT depending on severity and time) Media (emailed statement or response to inquiry)	Same as Level 2 plus ESA, Ministry of Energy, MOL  Mayor, Councillors (via CEO or designate)  Community (via official statement/media release)

### Holding Statement

Yes, I can confirm that there has been an incident that has resulted in an \_\_\_\_\_ (injury or tragic death). Emergency services are on site and the Ministry of Labour is investigating. I do not have any further details available at this time. **Milton Hydro** will provide updates as information becomes available.

### Sample Social Media Posts

Generally speaking, social media should be avoided in this situation. However, if the public is posting, it is permissible to respond with confirmation that an incident took place, expressions of empathy, reassurance for the public that there is no danger and information as to where people can go for additional information.

In the case of an electrocution, it may be appropriate to remind people about the dangers of electricity.

### Website

Injuries or fatalities are not noted on websites except as a media release.

### Media Release

Email notifications to the media can be done using the Holding Statement. The media also monitor the Twitter account.

A media release may be prepared based on the Holding Statement. Quotes should contain caring and concern language for victims.



## **Spokesperson**

The **President & CEO** serves as the spokesperson for injuries or fatalities.

The President & CEO may also serve as the spokesperson in order to convey a message of sympathy.



## Scenario 5 – Fire or Explosion – Levels 3 and 4

### Notifications Required

Level 3	Level 4
Fire or explosion (contained)	Fire or explosion (Crisis declared by Mayor/President)
Supervisor Manager, Health & Safety (Springboard) Senior Management Team Employees (via CEO or designate) Boards (email or phone call from Senior Management Team depending on severity and time) Media (emailed statement or response to inquiry)	Same as Level 3 plus ESA, Ministry of Energy, MOL Mayor, Councillors (via CEO or designate) Community (via official statement/media release)

### Holding Statement

Yes, I can confirm that there was a \_\_\_\_\_ at (location). **Milton Hydro** and emergency responders are on site. I do not have any further information available at this time but **Milton Hydro** will be providing the media with regular updates via email.

### Sample Social Media Posts

@**Miltonhydro** reports there has been a fire / explosion at \_\_\_\_\_ that has resulted in a power outage in the \_\_\_\_\_ area. Repair crews are onsite.

There has been a fire/explosion at the @**Miltonhydro** (location). No injuries reported. Emergency responders are onsite. There is no danger to the public.

### Website

Details about a fire or explosion may be posted on the website using an alert function or in a media release.

### Media Release

Email notifications to the media can be done using the Holding Statement. The media also monitor the Twitter account. A media release may be prepared based on the Holding Statement. Quotes should contain caring and concern language to reassure the public.

### Spokesperson

The **President & CEO** serves as the spokesperson.

Technical support may be required from **Director** of Engineering or **Director** of Operations.



## Scenario 6 – Billing Issue / Failure – Level 1

### Notifications Required

<b>Level 1</b> Billing Issue	<b>Level 1</b> Billing Failure
IT department  Supervisor  Customer Service Supervisor  Senior Management Team  Employees (via CEO)  Boards (email or phone call from Senior Management Team depending on severity and time)  Media (emailed statement or response to inquiry)	IT department  Supervisor  Customer Service Supervisor  Senior Management Team  Employees (via CEO)  Boards (email or phone call from Senior Management Team depending on severity and time)  Media (emailed statement or response to inquiry)

### Holding Statement

#### BILLING ISSUE (Level 1)

Yes, I can confirm that **Milton Hydro** has experienced a billing issue which is affecting a significant number of our customers. We are investigating the cause however I do not have any further information available at this time. **Milton Hydro** will provide further updates as information becomes available. Customers with questions or concerns can contact our Customer Service department at **905-876-4611**.

#### BILLING SYSTEM FAILURE (Level 1)

Yes, I can confirm that **Milton Hydro** has experienced a billing system failure. We are investigating the cause however I do not have any further information available at this time. **Milton Hydro** will provide further updates as information becomes available. Customers with questions or concerns can contact our Customer Service department at **905-876-4611**.

### Sample Social Media Posts

@**Miltonhydro** advises a billing system technical issue is affecting a significant number of customers. The company is working to resolve the situation ASAP.

@**Miltonhydro** is experiencing a billing system failure that is affecting a significant number of customers. **Milton Hydro** is working to resolve the issue ASAP.

### Website



Make customers aware that the company's billing system is down and that you are working to resolve the problem as soon as possible. Thank them for their patience.

### **Media Release**

Email notifications to the media can be done using the holding statement. The media also monitor the Twitter account.

A media release may be prepared based on the holding statement.

### **Spokesperson**

The **President & CEO** serves as the spokesperson.

Technical support may be required from Vice President, Finance or Customer Service Supervisor.



## Scenario 7 – Workplace Violence – Levels 2 and 3

### Notifications Required

Level 2 Minor Injuries	Level 3 Injuries
Supervisor	Supervisor
Manager, Health & Safety (Springboard)	Manager, Health & Safety (Springboard)
Senior Management Team	Ministry of Labour
Communications (in case of media attention)	Senior Team
	Family of injured person(s) – (via CEO or designate)
	Employees (via CEO or designate)
	Board(s) - (email or phone call from Senior Management Team depending on severity and time)
	Media - (emailed statement or response to inquiry)

### Holding Statement – Employee Injury as the Result of Workplace Violence

Yes, I can confirm that there has been an incident in the workplace that has resulted in an \_\_\_\_\_ (injury or in an extreme situation, fatality). Emergency services are on site but I do not have any further details available at this time. Milton Hydro will provide updates as information becomes available.

### Sample Social Media Posts

Generally speaking, social media should be avoided in this situation. However, if the public is posting, it is permissible to respond with confirmation that an incident took place (but no details about the suspected perpetrator (s) or victim(s)), that an investigation is being conducted, statements of Milton Hydro's position and/or policy in regards to workplace violence, expressions of empathy for victim (s), reassurance for the public that there is no danger.

### Website

Injuries, or in extreme situations, fatalities, are not noted on websites except as a media release.

### Media Release



Email notifications to the media can be done using the Holding Statement. The media also monitor the Twitter account.

A media release may be prepared based on the Holding Statement. Quotes should contain the Milton Hydro's position and/or policy on workplace violence as well as caring and concern language for victim(s).

Reminder – consideration must always be given to maintain confidentiality of employee information

## **Spokesperson**

The President & CEO serves as the spokesperson for all incidents related to workplace violence.

The President & CEO may also serve as the spokesperson in order to re-affirm the Milton Hydro's position and/or policy on workplace violence as well as to convey a message of sympathy.



## Scenario 8 – Pandemic – Levels 3 and 4

### Notifications Required

Level 3	Level 4
Pandemic infections at Milton Hydro (Disaster – crisis declared by Mayor/President)	Pandemic infections leading to fatalities (Disaster – crisis declared by Mayor/President)
Supervisor	Supervisor
Manager, Health & Safety (Springboard)	Manager, Health & Safety (Springboard)
Senior Management Team	Senior Management Team
Mayor, Councillors (Via CEO, COO, Communications)	Mayor, Councillors (Via CEO or designate)
Employees (via CEO)	Employees (via CEO or designate)
Ministry of Health	Ministry of Health
Boards (email or phone call from Senior Management Team depending on severity and time)	Boards (email or phone call from Senior Management Team depending on severity and time)
Media (emailed statement or response to inquiry)	Media (emailed statement or response to inquiry)
Community (via official statement/media release)	Community (via official statement/media release)

### Holding Statement

#### EXPOSURE (Level 3)

I can confirm that Milton Hydro has been advised by [blank] that our employees may have been exposed to [blank]. Our goal is to protect the health and safety of our employees and customers and consequently some services may be affected going forward.

Milton Hydro has implemented our pandemic plan and we are working with public health officials to handle matters at locations that have been exposed to the pandemic. We ask that the public not visit Milton Hydro location(s) until further notice to limit further exposure.

#### FATALITY (Level 4)

Milton Hydro would like to extend our sincere condolences to the family for the loss of their loved one.



Our goal is to protect the health and safety of our employees and customers. Please check our website [www.miltonhydro.com](http://www.miltonhydro.com) for updates as we work to return to full operations and services.

We thank you for your patience and consideration during this time.

### **Sample Social Media Posts**

Social media posts can be used to advise the public that the pandemic has reached **Milton Hydro** and that some services may be limited to prevent further exposure or address staffing shortages.

@**Miltonhydro** is experiencing an outbreak of [blank] affecting employees [insert LDC name/location]. To limit exposure and in the best interest of customers and employees, some services are limited. Visit our website [www.miltonhydro.com](http://www.miltonhydro.com) for updates.

### **Website**

Details about the pandemic may be posted on the website using an alert function or in a media release.

### **Media Release**

Email notifications to the media can be done using the Holding Statement. The media also monitor the Twitter account. A media release may be prepared based on the Holding Statement. Quotes should contain caring and concern language to reassure the public that **Milton Hydro** has a plan to manage the situation.

### **Spokesperson**

The President & CEO serves as the spokesperson for cases of illness and any potential fatalities.

The President & CEO may also serve as the spokesperson in order to convey a message of sympathy.



## Appendix 10 - Glossary of Terms

This glossary contains electrical outage terms that may be used in the outage communications, media releases or electrical emergency situations.

<b>ANIMAL CONTACT</b>	An outage term used to define the cause of an interruption. Typically due to birds, squirrels and raccoons that utilize the primary distribution system as travel paths or landing spots.
<b>ARC</b>	The flow of an electric current across a gap between two conductors, terminals or contacts. An arc can result in sparks, a loud noise and a momentary or sustained outage as protective equipment operates.
<b>AUTO-RECLOSURE</b>	A brief, split-second outage, where a protective device senses a fault and instructs the substation circuit breaker to trip, and then automatically re-closes the circuit breaker on the assumption the fault was transient.
<b>CIRCUIT BREAKER</b>	Circuit breakers are typically located at substations and are the main devices to connect and disconnect power to the distribution network. Upon protective relaying sensing faults downstream, circuit breakers trip to prevent further damage to the network.
<b>CABLE FAULT</b>	A large portion of the utility's distribution network comprises of buried cable. When this term is used, it typically is describing a failure of the cable or a splice connecting cables. Upstream fusing will operate to isolate the faulted cable section from the rest of the distribution network. In many instances, utility crews can isolate the faulted section and restore power to all customers.
<b>CIRCUIT</b>	The utility's distribution network is comprised of circuits that are supplied by circuit breakers at substations. Most circuits have multiple connections to other circuits to provide redundancy in supply.
<b>CONDUCTOR</b>	A conductor is the overhead wire utilized in the distribution network to deliver power. Conductors range in size to accommodate the planned and connected power delivery requirements on that portion of the circuit.
<b>CROSSARM</b>	Located at the top of a utility pole, it is a wooden or metal bar that power line conductors are attached to via insulators. The crossarm keeps the lines separated by a sufficient distance to prevent arcing.
<b>CUSTOMER</b>	A customer is a metered connection to the utility's distribution network. The customer entity may range from a single residence to a large



	industrial complex to a multi-unit condominium building.
<b>FUSED CUTOUT</b>	A term commonly used by system control operators to describe a distribution system fused switch.
<b>DIP (RISER) POLE</b>	The transition point where an overhead wire migrates to an insulated cable for an underground installation.
<b>DISTRIBUTION SYSTEM</b>	The electrical distribution system is utility's plant that is used to deliver power from our delivery points (typically the transmission system) to our customers.
<b>ELBOW</b>	An insulated connector in the underground system, which connects cables to switches and transformers.
<b>ELECTRICAL SAFETY AUTHORITY (ESA)</b>	The provincial body responsible for inspecting and approving all electrical installations. The utility cannot connect any facility to our distribution network without ESA approval. They are an independent body created upon the de-regulation of the Ontario electricity industry in 1998.
<b>EMERGENCY CONTROL ACTIONS</b>	Actions taken by the utility to assist in the mitigation of unplanned contingencies on the bulk supply of power in the province.
<b>EQUIPMENT ISSUE</b>	An outage term used to define the cause of an interruption meaning that a piece of equipment or device on the distribution network may have prematurely failed or become inoperable, resulting in an interruption.
<b>FAULT</b>	A fault is used to describe a failure of some component of the distribution network in its ability to deliver power. A fault generally is defined as a path from the distribution network to "ground". The cause can range from equipment failure to foreign interference (e.g. tree contact, dig-in, etc.) Protective devices are utilized to sense faults and automatically isolate that section of network or component.
<b>FEEDER</b>	A feeder is the term used to "name" the circuit supplied by a circuit breaker on the distribution network.
<b>FUSE</b>	A protective device consisting of conducting material which melts and burns open when current values exceed the design capacity of the downstream circuit. This typically happens when faults occur.
<b>GALLOPING</b>	Overhead conductors that sway extraordinarily under high wind conditions.



<b>INDEPENDENT ELECTRICITY SYSTEM OPERATOR (IESO)</b>	The provincial entity that ensures adequate generation is always dispatched to meet the instantaneous need (demand) in the province. They operate the financial spot market (financial) and the physical market (generation/demand). They are an independent body created upon the de-regulation of the Ontario electricity industry in 1998.
<b>INSULATOR</b>	A non-conducting device used to separate energized conductors from support structures.
<b>ISOLATE/ISOLATION</b>	This term is used when components or portions of the distribution network are removed from service and “isolated” from the energized network.
<b>LOAD SHEDDING</b>	Emergency actions to remove load in an attempt to stabilize the electricity infrastructure in the province.
<b>LOSS OF SUPPLY</b>	An outage term used to define the cause of an interruption meaning loss of supply from the transmission system or facility.
<b>METER</b>	A device used to measure the consumption of electricity by a customer. Enhanced features of smart meters also can report when the consumption occurred and other important operational information such as indicating real-time power interruptions.
<b>MOMENTARY INTERRUPTION</b>	An electrical interruption lasting one minute or less.
<b>OPERATE</b>	The act of opening or closing a device.
<b>OUTAGE MANAGEMENT SYSTEM (OMS)</b>	An advanced software application that allows the utility to manage the response to outages much more efficiently. The application takes real-time statuses of circuit breakers, switches, and even smart meters to constantly provide a visualization of the status of the distribution network.
<b>PLANNED MAINTENANCE</b>	An outage term used to define the cause of an interruption meaning planned work on some component of the distribution network. Usually this means the removal of service of the equipment with an associated interruption. This type of interruption is planned with advanced notification given to customers.
<b>PRIMARY</b>	This term is used when describing the medium voltage level components of the distribution network – typically the wires and cables used to deliver bulk amounts of power through our network.



<b>PROTECTIVE DEVICE/EQUIPMENT</b>	A device or equipment that responds to fault conditions that appear on the network. These devices will operate under fault conditions (fuse) or instruct a circuit breaker to trip. All components of the distribution network are associated with protective devices and equipment.
<b>RELAY</b>	Protective device found in substations which can identify that a part of the distribution system is in trouble and initiates the automatic tripping of a circuit breaker.
<b>S.C.A.D.A.</b>	Supervisory Control and Data Acquisition. Allows the utility's system control operators to monitor and remotely control the distribution system from a central control room.
<b>SECONDARY</b>	Service taken at 600 volts or less. Most residential and business customers receive electricity through secondary distribution lines (from the distribution transformer)
<b>SECTIONALIZE</b>	The process of opening switches or fuses to divide a circuit into sections to isolate a faulted component. Separating damaged equipment from the rest of the distribution system enables electricity to move through the undamaged part of the system without interruption.
<b>SEVERE WEATHER</b>	Extraordinary weather patterns that contribute to power outages (such as high winds or freezing rain).
<b>SUBSTATION</b>	The substation takes power from the transmission system and transforms it down to the distribution voltage level. Circuit breakers are the main interface between the substation and the distribution network.
<b>SURGE</b>	A term usually used to describe a brief, but higher than normal voltage condition on a feeder circuit. This sometimes occurs during lightning strikes.
<b>SUSTAINED INTERRUPTION</b>	An electrical interruption that lasts longer than one minute.
<b>SWITCH</b>	A device for making, breaking or changing connections in an electrical circuit.
<b>SWITCHYARD</b>	An outdoor enclosure containing devices for routing the flow of power. These are usually located at substations.
<b>TRANSFORMER</b>	A device that transforms electric energy from one voltage to another. Distribution transformers can be pole-mounted, surface pad-mounted or installed underground. Large transformers are located at



	substations and transform power from transmission voltages to distribution voltages.
<b>TRANSFORMER STATION</b>	A large substation connecting taking power from the transmission system, transforming it power distribution levels, and containing circuit breakers to interface to the distribution network.
<b>TRANSMISSION SYSTEM</b>	The transmission system carries electric power at very high voltages, generally between 50,000 and 500,000 volts. It also carries electricity over long distances, usually from generating sources to a transformer station or substation for voltage reduction.
<b>TREES INTO LINES</b>	Used when trees or tree branches come into contact with overhead conductors. Trees can also come into contact when they are being cut down improperly and fall into the conductor.
<b>UNDER FREQUENCY LOAD SHEDDING</b>	Planned scheme to drop load automatically upon degradation of the system frequency. This occurs in stages and is usually the result of large scale problems with provincial bulk power system.
<b>UNDER INVESTIGATION</b>	A power outage has been reported and entered into the Outage Management System to begin the restoration process.
<b>VAULT</b>	Space underground for cable splices, transformers and other parts of the underground electric system.
<b>VOLTAGE</b>	The term used to describe the electric potential of the distribution network. The measurement of voltage is the potential between two separate points (typically “ground” and our energized conductors).
<b>VOLTAGE REDUCTION</b>	Voltage reductions are an important emergency control action that can help protect the reliability of the power system. The reduced voltage will remain within the industry standards specified for electrical equipment used by the vast majority of residential and commercial consumers.



**ATTACHMENT 1-SEC-13**

**BUDGET PRESENTATION TO BOARD OF DIRECTORS**





**Milton Hydro**

## Budget 2016 and forecast for 2017

**Milton Hydro Distribution Inc.**

**Budget meeting – November 23, 2015**



# Agenda for Budget Meeting – November 23, 2015

Milton Hydro Distribution Inc.  
EB-2015-0089  
INTERROGATORY RESPONSES  
Filed: December 18, 2015  
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- Key Assumptions
- MHDl Status
- Risk Factors Impacting Financial Forecast
- Significant Initiatives



# Key Budget Assumptions

## ➤ Revenue Assumptions - Residential:

- Utilized the Town of Milton's growth projections for residential development adjusted for confirmations from major builders of expected growth.

➤ 2015P	– 900 residential units, (budgeted 1,500)
➤ 2016	– 1,500 residential units
➤ 2017	– 1,500 residential units
➤ 2018	– 1,500 residential units

- Average monthly consumption for incremental residential customers is forecast to be 764 kWh/month for 2015 (2015B – 784 kWh) reflecting a warmer winter and a relatively cool spring/summer. Average monthly consumption is forecast to be 766 kWh/month in 2016 reflecting the experience over the last three years with the type of housing in the new subdivisions and recent weather conditions. 759 kWh has been assumed for 2017 and 751 kWh has been assumed for 2018.



# Revenue Assumptions – conf

## Revenue Assumptions – GS<50 kWh:

- 2016B Growth is based on 35 new customers per year with average monthly consumption of 2,917 kWh (2015P, 16 customers, 2,956 kWh). Distribution revenue for GS < 50kW class is based on consumption (kWh) and a fixed service charge.

## Revenue Assumptions – GS>50 kW to 999kW:

- 2016B Growth is based on 5 new customers per year with average monthly demand of 154 kW (2015P - 8 customers with average monthly demand of 159 kW). Distribution revenue for GS > 50 kW class is based on demand (kW) and a fixed service charge.



# Revenue Assumptions – conf

## Revenue Assumptions – GS>1000 kW:

- For 2015P, 13 existing customers with average projected demand of 1,722 kW per customer. (Lowes replaced Target in 2015 and Heligear transitioned to >1000 kW class). For 2016, average monthly demand is forecast at 1,692 kW with no new customers. Demand is based on historical figures adjusted by customer reclassifications over the last few years. Distribution revenue for GS > 1000 kW class is based on demand (kW) and a fixed service charge.

## Revenue Assumptions – Large Use (> 5000kW):

- No growth is assumed in the Large Use rate classification. Demand assumed based on historical trends of each of the three existing Large Use customers. Distribution revenue for Large Use class is based on demand (kW) and a fixed service charge.



# Key Budget Assumptions – cont

## Rate Assumptions:

- = Distribution rates
  - = May 1, 2015 – approved increase of 1.45%.
  - = May 1, 2016 - Milton Hydro filed a Cost of Service Application for rates in August 2015; the budget assumes a revenue requirement (annual) adjustment of \$1.0M effective May 1, 2016.
  - = May 1, 2017 – assumed an inflationary increase that mirrors the inflationary increase in 2015 (1.45%).
  - = May 1, 2018 – assumed an inflationary increase that mirrors the inflationary increase in 2015 (1.45%).



# Distribution Revenue by Class

Milton Hydro Distribution Inc.  
 EB 2015-0089  
 INTERROGATORY RESPONSES  
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	# of Customers / Billing			Billing Determinants (kWh/kW)			Net Revenue		
	2015Proj	2016	Diff	2015Proj	2016	Diff	2015Proj	2016	Diff
<b>Residential</b>	32,922	34,422	1,500	297,768,911	309,555,467	4.0%	\$10,397,248	\$11,512,446	\$1,115,198
<b>GS&lt; 50kW</b>	2,762	2,797	35	91,121,650	90,832,314	-0.3%	2,114,135	2,159,409	45,275
<b>GS&gt;50kW</b>	291	296	5	545,692	542,630	-0.6%	1,639,402	1,950,765	311,363
<b>GS&gt;1000kW</b>	13	13	0	258,281	263,889	2.2%	747,752	590,492	-157,259
<b>Large Use</b>	3	3	0	248,354	245,870	-1.0%	689,826	532,415	-157,411
<b>Streetlight</b>	0	0	0	21,308	21,106	-0.9%	265,997	295,239	29,242
<b>Sent Light</b>	0	0	0	429	418	-2.6%	15,122	27,462	12,340
<b>MicroFit</b>	0	0	0	n/a	n/a	n/a	24,775	27,279	2,504
	35,991	37,531	1,540				\$15,894,257	\$17,095,508	\$1,201,252



# Key Budget Assumptions – cont

## Other Income:

- Effective June 1, 2011 Milton Energy & Generation Solutions Inc. (MEGS) signed a 5 year agreement with the Regional Municipality of Halton and the Halton LDC's regarding the continuation of meter reading, billing and customer service/collection services for water and wastewater.
- MEGS has contracted with MHDI to provide the billing and customer service/collection services.
- Effective June 1, 2016 MHDI is billing MEGS based on a fully allocated cost plus return of \$3.34 per bill. MHDI has increased its billing fee by an inflation factor of 2.0% effective June 1<sup>st</sup> in each year of the forecast.
- MEGS has contracted for manual water meter reading services.

	June 1st 2014 to May 31st 2015	June 1st 2015 to May 31st 2016	June 1st 2016 to May 31st 2017	June 1st 2017 to May 31st 2018
Average Bill fee Charged to MEGS	\$ 3.21	\$ 3.27	\$ 3.34	\$ 3.42



# Key Budget Assumptions – cont

## Other Income:

- = On July 17, 2012, the OEB issued Regulatory accounting policy direction regarding changes to depreciation expense and capitalization policies to align with IFRS (International Financial Reporting Standards). Milton Hydro changed its depreciation and capitalization policies effective in January 1, 2013. A new variance account has been authorized for distributors to record the financial differences arising from the accounting changes from Canadian GAAP to Modified IFRS (accounts 1576/4305/4310) – the offset is included in “Other Income” during the forecast period. In its 2016 Cost of Service (COS), MHDH applied to dispose of this variance over a 1 year period which totaled \$1.48 M plus interest.

= 2013 Actual -	\$ 434,000
= 2014 Actual -	\$ 537,000
= 2015 Projected -	\$ 510,000



# Key Budget Assumptions – cont

## ➤ OM&A Assumptions:

- Headcount – 58 staff by end of 2015P; headcount increases have been budgeted as follows during the forecast period:
  - 2015 P– 4 headcount – AMI Operator, Network Administrator, Engineering Technician (GIS), Communication Specialist
  - 2016 – 4 headcount – Powerline Technician, SCADA Technician, Human Resource Specialist, CSR
  - 2017 – Health & Safety/Purchaser
  - 2018 – no new additions
- Compensation reflects an increase of estimated 2.3% increase for non-management and an estimate for total compensation relating to management staff. The collective agreement signed in 2013 expires on December 31, 2016.
- Total lease costs at 8069 Lawson Road include rent & property taxes, insurance & security (approximately \$76,000 annually) which will terminate in December 2015.
  - 2015 P- \$326,946 ;
  - MHDl will move to its new location at 200 Chisolm in December 2015.



# Key Budget Assumptions – cont

## 2016 Test Year vs 2016 Budget

	2016 Test (as applied)	2016 Budget	2016B vs 2016Test Variance
Net Distribution Revenue	\$ 17,207,367	\$ 17,095,508	\$ (111,859)
Other Income	\$ 1,902,155	\$ 1,829,507	\$ (72,648)
Controllable Expenses	\$ 9,903,387	\$ 10,122,448	\$ 219,061
Depreciation	\$ 3,292,486	\$ 3,327,408	\$ 34,922
Interest	\$ 2,237,077	\$ 2,590,057	\$ 352,980
Net Income Before Tax	\$ 3,676,572	\$ 2,885,102	\$ (791,470)
Total PILs	\$ 256,213	\$ 764,600	\$ 508,387
Net Income After Tax	3,420,359	2,120,502	-1,299,857
% increase (decrease)			-38.0%

**2016 Net earnings after tax of \$2,120,502 is forecast to be \$1,299,857 lower than 2016 Test Year (as applied). The decrease in net earnings reflects:**

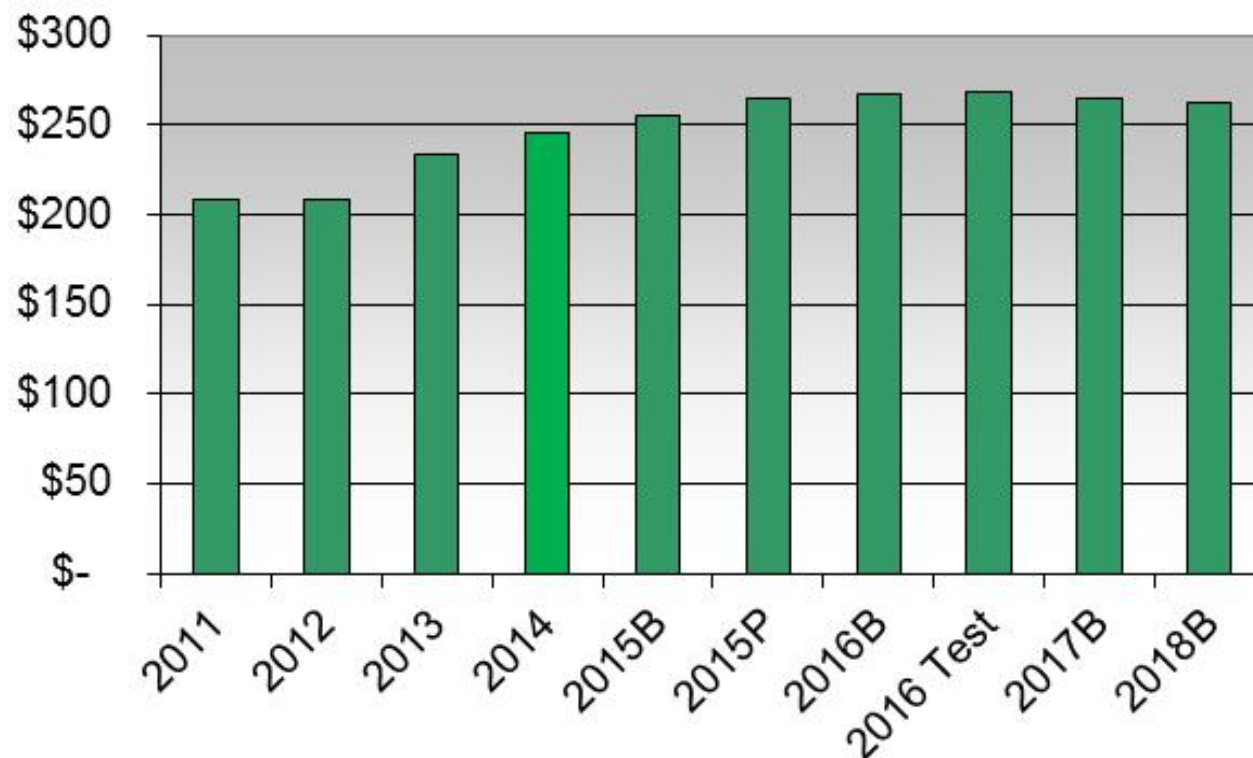
- lower Distribution Revenue - \$112,000
- lower Other Revenue - \$73,000

Offset by:

- higher Interest Expense \$353,000
  - higher Depreciation Expense \$35,000
  - higher Taxes \$508,000
  - higher Controllable Expenses \$219,000
- 
- 2016 Test Distribution is annualized which accounts for the \$112,000 difference.
  - 2016 Test Other Income includes \$112,000 of SSS Administration Revenue which is included in 2016B Net Distribution Revenue, offset by lower Disposal FA (\$15,000) and lower Interval meter reads (\$21,000)
  - 2016B Interest Expense is higher due to the deemed interest rate of 4.77% only allowed for COS. Interest rate paid on TOM debt is at 7.25% resulting in a difference of \$370,000.
  - 2016B Controllable expenses are higher due to Software Maintenance Contract \$130,000, Building Heating and O/S contract maintenance expenses \$60,000 and UG Locates \$35,000
  - PILS (taxes) for 2016B does not take into consideration Tax Adjustments such as CCA (\$6.2M) vs Depreciation (\$3.3M).



## OM&A per Customer





# Key Budget Assumptions – cont

## Milton Hydro – OM&A per Customer:

Mid-Size GTA Medium-High & High Undergrounding (as per the OEB Year Book Statistics)	OM&A per Customer 2011	OM&A per Customer 2012	OM&A per Customer 2013	OM&A per Customer 2014	OM&A per Customer 2015P	OM&A per Customer 2016B	OM&A per Customer 2016Test
Milton Hydro Distribution Inc.	209.83	209.19	247.59	243.34	264.28	267.28	267.83
Burlington Hydro Inc.	225.24	252.49	260.13	263.52			
Oakville Hydro Electricity Distribution Inc.	206.45	223.21	270.31	263.02			
Cambridge and North Dumfries Hydro Inc.	208.64	266.21	274.72	274.29			
Whitby Hydro Electric Corporation	213.50	219.49	266.29	255.33			
Kitchener-Wilmot Hydro Inc.	154.69	189.02	186.18	186.70			
Guelph Hydro Electric Systems Inc.	250.75	266.86	298.11	271.51			
Halton Hills Hydro Inc.	226.82	283.20	240.83	246.30			
Brantford Power Inc.	176.40	198.95	229.54	235.71			
Waterloo North Hydro Inc.	181.61	219.96	244.24	259.20			
Oshawa PUC Networks Inc.	191.13	210.65	207.71	204.78			
Newmarket - Tay Power Distribution Ltd.	198.21	240.26	214.87	231.48			
Peer Group Average of Distributors that Reported	203.61	231.62	245.04	244.60			
Peer Group Average Excluding Milton Hydro	203.04	233.66	244.81	244.71			

Source: OEB Yearbooks of Electricity Distributors



# MHDI Status - Budget/LRP Financial Summary

Milton Hydro Distribution Inc.  
EB-2015-0089  
INTERROGATORY RESPONSES  
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## Milton Hydro Distribution Inc.

### Summary of Financial Results

As at December 31

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Budget	2015 Projected	2016 Budget	2016 T as Applied	2017 Budget	2018 Budget
Sale of Energy at Cost)					90,728,833					
Distribution Revenue					15,932,616					
<b>TOTAL REVENUE</b>	<b>78,872,894</b>	<b>87,942,928</b>	<b>97,680,132</b>	<b>105,849,315</b>	<b>106,661,449</b>	<b>103,531,379</b>	<b>109,110,378</b>	<b>-</b>	<b>113,099,260</b>	<b>116,059,804</b>
<b>COST OF ENERGY</b>	<b>66,017,450</b>	<b>74,266,765</b>	<b>83,153,242</b>	<b>90,675,253</b>	<b>90,728,833</b>	<b>87,637,123</b>	<b>92,014,870</b>		<b>94,937,110</b>	<b>97,076,206</b>
<b>GROSS DISTRIBUTION REVENUE</b>	<b>12,855,444</b>	<b>13,676,163</b>	<b>14,526,889</b>	<b>15,174,062</b>	<b>15,932,616</b>	<b>15,894,257</b>	<b>17,095,508</b>	<b>17,207,367</b>	<b>18,162,150</b>	<b>18,983,598</b>
<b>OTHER INCOME</b>										
- Water, wastewater billing	517,574	477,035	519,884	552,475	588,075	583,970	617,536	652,655	657,726	698,709
- Miscellaneous (Pole Attch, Interest, etc.)	1,048,064	917,591	1,102,518	1,093,902	1,108,244	1,258,059	1,141,554	1,161,467	1,161,707	1,201,597
- Interest Earned	51,168	61,538	89,345	79,642	78,033	67,064	70,417	88,033	70,417	70,417
Smart Meter Disposition			136,778	-	-	-	-	-	-	-
- Regulatory Debit/Credit (Acct 4305/4310)			(433,776)	(536,720)	(433,776)	(509,785)	-	-	-	-
<b>Total Other Income</b>	<b>1,616,806</b>	<b>1,456,163</b>	<b>1,414,749</b>	<b>1,189,299</b>	<b>1,340,576</b>	<b>1,399,307</b>	<b>1,829,507</b>	<b>1,902,155</b>	<b>1,889,850</b>	<b>1,970,722</b>
<b>TOTAL REVENUES</b>	<b>14,472,250</b>	<b>15,132,326</b>	<b>15,941,638</b>	<b>16,363,361</b>	<b>17,273,193</b>	<b>17,293,564</b>	<b>18,925,015</b>	<b>19,109,521</b>	<b>20,052,000</b>	<b>20,954,320</b>
<b>EXPENDITURE</b>										
- Operation, Maintenance & Administration	6,396,763	6,761,992	8,435,973	9,043,897	9,819,761	10,028,886	10,122,448	9,903,387	10,464,245	10,817,822
- Interest Expense	1,489,595	1,696,542	1,846,313	1,954,915	2,494,819	2,239,304	2,590,057	2,237,077	2,722,742	2,873,228
- Dep'n & Amort'n of Contributed Capital	3,587,116	3,826,646	2,427,165	2,495,153	2,819,400	2,871,721	3,327,408	3,292,486	3,398,699	3,447,666
- Z-Factor Allowance				(500,000)						
<b>TOTAL EXPENDITURES</b>	<b>11,473,474</b>	<b>12,285,180</b>	<b>12,709,452</b>	<b>12,993,965</b>	<b>15,133,980</b>	<b>15,139,911</b>	<b>16,039,912</b>	<b>15,432,950</b>	<b>16,585,687</b>	<b>17,138,716</b>
<b>EARNINGS BEFORE TAXES &amp; EXTRAORDINARY ITEMS</b>	<b>2,998,776</b>	<b>2,847,146</b>	<b>3,232,187</b>	<b>3,369,396</b>	<b>2,139,212</b>	<b>2,153,653</b>	<b>2,885,102</b>	<b>3,676,571</b>	<b>3,466,313</b>	<b>3,815,604</b>
<b>PILS (Payment in Lieu of Tax)</b>										
- Current	11,443	186,690	50,971	40,557	566,900	570,700	764,600	256,212	918,600	1,011,100
- Deferred	598,023	340,170	(56,037)	387,138						
	609,466	526,860	(5,066)	427,695	566,900	570,700	764,600	256,212	918,600	1,011,100
<b>NET EARNINGS BEFORE EXTRAORDINARY ITEMS</b>	<b>2,389,310</b>	<b>2,320,286</b>	<b>3,237,253</b>	<b>2,941,701</b>	<b>1,572,312</b>	<b>1,582,953</b>	<b>2,120,502</b>	<b>3,420,359</b>	<b>2,547,713</b>	<b>2,804,504</b>
<b>Statutory Tax Rate</b>	<b>31.0%</b>	<b>31.0%</b>	<b>26.50%</b>	<b>26.50%</b>	<b>26.50%</b>	<b>26.50%</b>	<b>26.50%</b>	<b>26.50%</b>	<b>26.50%</b>	<b>26.50%</b>
<b>Actual Return on Actual Equity (Beg/End Balance Per B/S)</b>	<b>7.63%</b>	<b>7.13%</b>	<b>9.43%</b>	<b>8.16%</b>	<b>4.34%</b>	<b>4.24%</b>	<b>5.61%</b>	<b>8.91%</b>	<b>6.66%</b>	<b>7.18%</b>
<b>Actual Return on Deemed Equity (% of Rate Base)</b>	<b>6.42%</b>	<b>7.00%</b>	<b>10.97%</b>	<b>4.32%</b>	<b>4.32%</b>	<b>5.76%</b>	<b>5.76%</b>	<b>10.00%</b>	<b>6.53%</b>	<b>6.97%</b>
<b>EBITDA</b>	<b>8,075,487</b>	<b>8,370,334</b>	<b>7,505,665</b>	<b>7,319,464</b>	<b>7,453,432</b>	<b>7,264,677</b>	<b>8,802,567</b>	<b>9,206,134</b>	<b>9,625,879</b>	<b>10,215,415</b>



# MHDI Status - Budget/LRP Financial Summary

## Assumptions for 2019 and 2020

### = Distribution Revenue

- = 1500 new residential customers;
- = 45 new GS customers
- = Inflationary increase of 1.45% annually

### = Other Income

- = 6% increase in Water billing revenue which includes 2% inflationary increase and customer growth

### = OM&A

- = 3% increase in OM&A
- = No headcount increase

### = Interest

- = New debt of \$4.0M in July of each year to fund capital projects;
- = Interest assumed at 5%

### = Depreciation

- = Capex is similar to 2017 – net \$6.5M

### = PILS

- = Tax rate is 26.5%

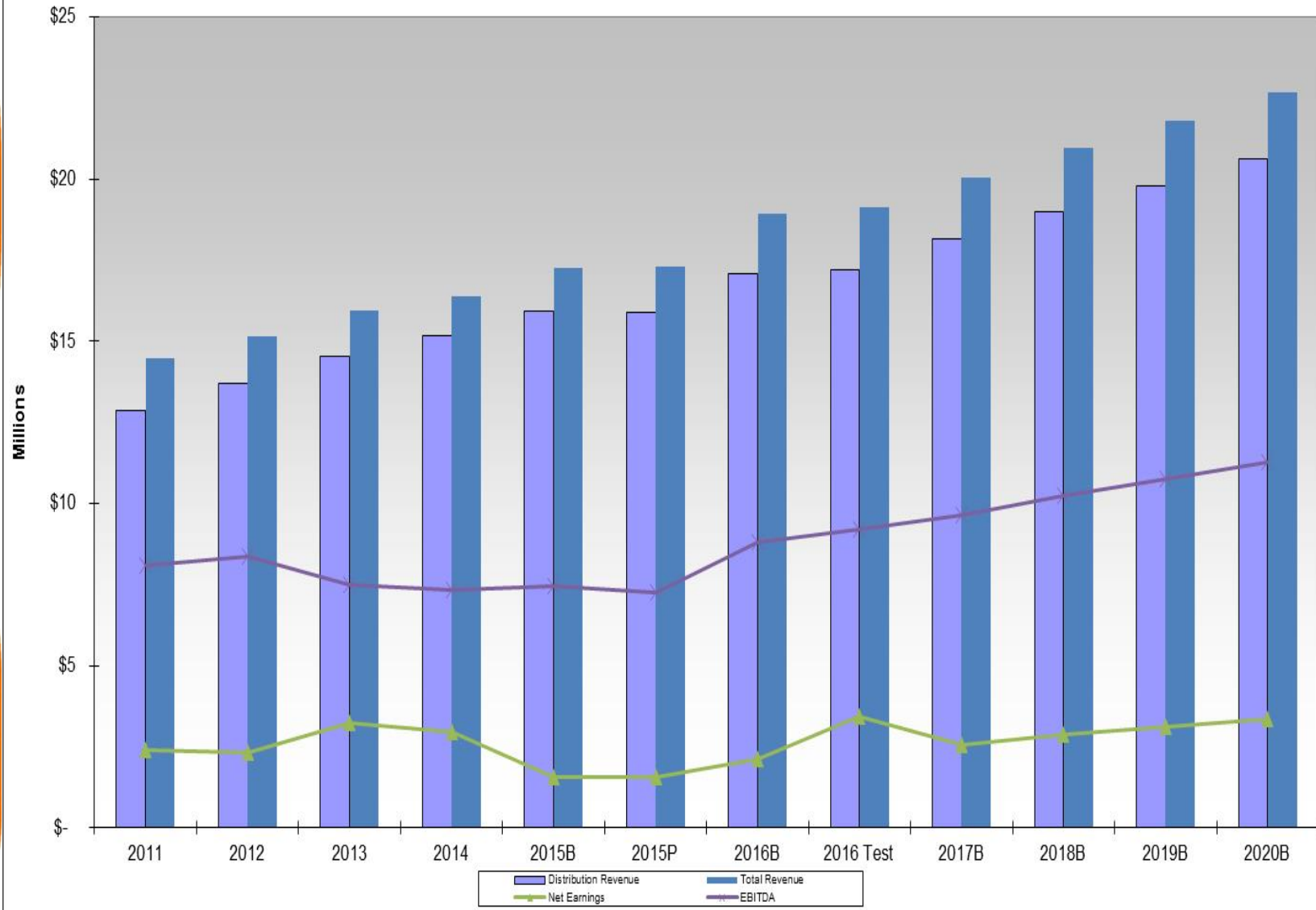


# MHDI Status - Budget/LRP Financial Summary

<b>Milton Hydro Distribution Inc.</b>								
<b>Summary of Financial Results</b>								
<b>As at December 31</b>								
	2015 Budget	2015 Projected	2016 Budget	16 T as Applied	2017 Budget	2018 Budget	2019 Budget	2020 Budget
Sale of Energy at Cost)	90,728,833							
Distribution Revenue	15,932,616							
<b>TOTAL REVENUE</b>	<b>106,661,449</b>	<b>103,531,379</b>	<b>109,110,378</b>	<b>-</b>	<b>113,099,260</b>	<b>116,059,804</b>	<b>119,285,912</b>	<b>122,547,347</b>
<b>COST OF ENERGY</b>	<b>90,728,833</b>	<b>87,637,123</b>	<b>92,014,870</b>		<b>94,937,110</b>	<b>97,076,206</b>	<b>99,499,107</b>	<b>101,941,562</b>
<b>GROSS DISTRIBUTION REVENUE</b>	<b>15,932,616</b>	<b>15,894,257</b>	<b>17,095,508</b>	<b>17,207,367</b>	<b>18,162,150</b>	<b>18,983,598</b>	<b>19,786,805</b>	<b>20,605,785</b>
<b>OTHER INCOME</b>								
- Water, wastewater billing	588,075	583,970	617,536	652,655	657,726	698,709	740,632	785,069
- Miscellaneous (Pole Attch, Interest, etc.)	1,108,244	1,258,059	1,141,554	1,161,467	1,161,707	1,201,597	1,200,000	1,200,000
- Interest Earned	78,033	67,064	70,417	88,033	70,417	70,417	70,000	70,000
Smart Meter Disposition	-	-	-	-	-	-	-	-
- Regulatory Debit/Credit (Acct 4305/4310)	(433,776)	(509,785)						
<b>Total Other Income</b>	<b>1,340,576</b>	<b>1,399,307</b>	<b>1,829,507</b>	<b>1,902,155</b>	<b>1,889,850</b>	<b>1,970,722</b>	<b>2,010,631</b>	<b>2,055,068</b>
<b>TOTAL REVENUES</b>	<b>17,273,193</b>	<b>17,293,564</b>	<b>18,925,015</b>	<b>19,109,521</b>	<b>20,052,000</b>	<b>20,954,320</b>	<b>21,797,436</b>	<b>22,660,853</b>
<b>EXPENDITURE</b>								
- Operation, Maintenance & Administration	9,819,761	10,028,886	10,122,448	9,903,387	10,464,245	10,817,822	11,061,072	11,392,904
- Interest Expense	2,494,819	2,239,304	2,590,057	2,237,077	2,722,742	2,873,228	3,017,886	3,156,464
- Dep'n & Amort'n of Contributed Capital	2,819,400	2,871,721	3,327,408	3,292,486	3,398,699	3,447,666	3,496,633	3,545,599
- Z-Factor Allowance								
<b>TOTAL EXPENDITURES</b>	<b>15,133,980</b>	<b>15,139,911</b>	<b>16,039,912</b>	<b>15,432,950</b>	<b>16,585,687</b>	<b>17,138,716</b>	<b>17,575,591</b>	<b>18,094,967</b>
<b>EARNINGS BEFORE TAXES &amp; EXTRAORDINARY ITEMS</b>	<b>2,139,212</b>	<b>2,153,653</b>	<b>2,885,102</b>	<b>3,676,571</b>	<b>3,466,313</b>	<b>3,815,604</b>	<b>4,221,845</b>	<b>4,565,886</b>
<b>PILS (Payment in Lieu of Tax)</b>								
- Current	566,900	570,700	764,600	256,212	918,600	1,011,100	1,118,800	1,210,000
- Deferred								
	566,900	570,700	764,600	256,212	918,600	1,011,100	1,118,800	1,210,000
<b>NET EARNINGS BEFORE EXTRAORDINARY ITEMS</b>	<b>1,572,312</b>	<b>1,582,953</b>	<b>2,120,502</b>	<b>3,420,359</b>	<b>2,547,713</b>	<b>2,804,504</b>	<b>3,103,045</b>	<b>3,355,886</b>
<b>Statutory Tax Rate</b>	<b>26.50%</b>	<b>26.50%</b>	<b>26.50%</b>	<b>26.50%</b>	<b>26.50%</b>	<b>26.50%</b>	<b>26.50%</b>	<b>26.50%</b>
<b>Actual Return on Actual Equity (Beg/End Balance Per B/S)</b>	<b>4.34%</b>	<b>4.24%</b>	<b>5.61%</b>	<b>8.91%</b>	<b>6.66%</b>	<b>7.18%</b>	<b>7.50%</b>	<b>7.79%</b>
<b>Actual Return on Deemed Equity (% of Rate Base)</b>	<b>4.32%</b>	<b>5.76%</b>	<b>5.76%</b>	<b>10.00%</b>	<b>6.53%</b>	<b>6.97%</b>	<b>7.34%</b>	<b>7.72%</b>
<b>EBITDA</b>	<b>7,453,432</b>	<b>7,264,677</b>	<b>8,802,567</b>	<b>9,206,134</b>	<b>9,625,879</b>	<b>10,215,415</b>	<b>10,736,363</b>	<b>11,267,949</b>



## Revenue and Earnings





# Key Budget Assumptions – cont

## Customers per Employee:

Mid-Size GTA Medium-High & High Undergrounding (as per the Mearie & OEB Yearbook)	Customers per Employee Dec 31, 2011 (OEB Yearbook)	Customers per Employee Dec 31, 2012 (OEB Yearbook)	Customers per Employee Dec 31, 2013 (OEB Yearbook)	Customers per Employee Dec 31, 2014 (OEB Yearbook)	Customers per Employee 2015 Projected	Customers per Employee 2016 Budget	Customers per Employee 2016 Test
Milton Hydro Distribution Inc.	663	673	655	675	626	611	601
Burlington Hydro Inc.	694	711	695	699			
Oakville Hydro Electricity Distribution Inc.	595	583	579	579			
Cambridge and North Dumfries Hydro Inc.	543	541	517	502			
Whitby Hydro Electric Corporation	606	n/a	n/a	n/a			
Kitchener-Wilmot Hydro Inc.	506	500	509	506			
Guelph Hydro Electric Systems Inc.	484	491	459	445			
Halton Hills Hydro Inc.	433	418	413	406			
Brantford Power Inc.	584	554	602	681			
Waterloo North Hydro Inc.	454	449	395	417			
Oshawa PUC Networks Inc.	717	711	750	720			
Newmarket - Tay Power Distribution Ltd.	585	594	607	612			
Peer Group Average of Distributors that Reported	572	566	562	567			
Peer Group Average Excluding Milton Hydro	564	555	553	557			

Source: MEARIE 2009/2010, 2010/2011 & 2011/2012/2013  
 Survey of Ontario's Local Distribution Companies



# Key Budget Assumptions – cont

## Capital Expenditures:

### MHDI System Access Projects *(new disclosure in 2015)*

- 2015P \$4.36 million
- 2016B \$7.07 million
- 2017B \$8.09 million

### MHDI System Renewal Projects *(new disclosure in 2015)*

- 2015P \$1.18 million
- 2016B \$2.47 million
- 2017B \$1.82 million

### MHDI System Service Projects *(new disclosure in 2015)*

- 2015P \$ 690,000
- 2016B \$1.52 million
- 2017B \$1.23 million



# Key Budget Assumptions – cont

## MHDI General Plant – One Time Expenditures:

- 2015 Projected
  - Single bucket truck - \$320,000
  - 1 x Step Van - \$ 90,000
  - Full Size Van - \$ 28,000
  - Serviewcom (AMI) - \$118,000
  - Outage Mgmt System - \$120,000
  - Office Furniture (new office) - \$400,000
- 2016 Budget
  - GIS - \$ 45,000
  - Single Bucket truck - \$325,000
  - Squirt Boom Aerial Truck - \$150,000
  - 1 x Step Van - \$ 90,000
  - 4x4 Pick Up Truck - \$ 45,000
  - Full Size Van - \$ 35,000
- 2017 Budget
  - Digger Derrick - \$400,000
  - 4x4 Pick Up Truck - \$ 45,000



# Key Budget Assumptions – cont

## ➤ Capital Expenditures – Growth related

### ➤ Subdivision Capital Costs

- 2015P - 900 new residential units
  - 2016B - 1,500 new residential units and thereafter;
  - Total cost per new residential subdivision unit - \$2,520, includes all capital costs, incremental overhead charges, external costs, secondary buses and meters;
- 
- In September 2014, MHDI purchased land & building at 200 Chisholm Drive costing \$7,250,000 (land \$4.0M & building \$3.25M); renovations are taking place during 2015 with move in December 2015.
- 
- It is expected that in 2015 MHDI will sell property at 5th Line & Main for its appraised value of \$2.4M. A recent MPAC assessment supports this assumption. MHDI has been using the unserviced property for outside storage as its current leased premises does not have sufficient capacity for MHDI's requirements.



# Milton Hydro Distribution Inc.

## Summary of Capital Expenditures

As at December 31

Total Residential Units - per year	959	1,500	900	1,500		1,500	1,500
	2014 Actual	2015 Budget	2015 Projected	2016B	2016 Test	2017B	2018
Subdivision Capital Costs	4,311,792	3,780,000	2,268,000	3,780,000	3,780,000	3,780,000	3,780,000
System Access <i>(New Disclosure in 2015)</i>	5,010,242	824,640	2,087,528	3,287,613	4,126,513	4,312,000	2,432,000
System Renewal <i>(New Disclosure in 2015)</i>		2,387,300	1,182,889	2,473,400	1,863,400	1,821,000	1,790,000
System Service <i>(New Disclosure in 2015)</i>		1,870,900	689,552	1,519,900	1,139,000	1,225,000	1,350,000
New Services (OH and UG)	746,560	661,735				-	
Metering	281,820	285,365				-	
Interest during Construction on PPE	15,519						
Land for New Headquarters/Disposal of existing land	4,040,000	(2,251,317)	(2,251,317)	-		-	
Building for New Headquarters		7,500,000	10,460,000	-		-	
Milton Hydro TS instalment (Tremaine)							
<b>Total Transmission and Distribution Capital Expenditures</b>	<b>14,405,933</b>	<b>15,058,623</b>	<b>14,436,652</b>	<b>11,060,913</b>	<b>10,908,913</b>	<b>11,138,000</b>	<b>9,352,000</b>
General Plant (office eqmt, tools)	856,052	1,410,532	1,344,618	896,180	720,500	701,000	711,000
<b>TOTAL GROSS CAPITAL EXPENDITURES</b>	<b>15,261,985</b>	<b>16,469,155</b>	<b>15,781,270</b>	<b>11,957,093</b>	<b>11,629,413</b>	<b>11,839,000</b>	<b>10,063,000</b>
<b>Less: Contributed Capital</b>							
Refunds to Developers	1,298,769	1,500,000	1,000,000	1,000,000		1,000,000	1,000,000
Capital Contributions Received	-6,154,343	-4,273,720	-2,179,035	-4,808,361		-4,530,000	-4,530,000
Total Capital Contributions - net	-4,855,574	-2,773,720	-1,179,035	-3,808,361	-3,280,000	-3,530,000	-3,530,000
<b>Net Capital Expenditures - Net Impact on Cash Flow</b>	<b>10,406,411</b>	<b>13,695,435</b>	<b>14,602,235</b>	<b>8,148,732</b>	<b>8,349,413</b>	<b>8,309,000</b>	<b>6,533,000</b>
<b>Adjustments:</b>							
Work in Progress (building; meters & transformers)	3,726,825	-3,250,000	-3,726,825				
Smart Meter Disposition							
<b>Net Capital Expenditures - Net Impact on Cash Flow</b>	<b>\$ 14,133,236</b>	<b>10,445,435</b>	<b>10,875,410</b>	<b>8,148,732</b>	<b>8,349,413</b>	<b>8,309,000</b>	<b>6,533,000</b>



# 2016- Capital Projects

Milton Hydro Distribution Inc.  
EB-2015-0089  
INTERROGATORY RESPONSES  
Filed: December 18, 2015  
Page 6 of 6

Capital Works Budget Year 2016		2016 BUDGET		
MHDI Capital Works Projects - 2016	Investment Driver	Job Total (Gross)	Capital Contribution	Job Net
<b>SYSTEM ACCESS - 2016 Regional, Municipal Driven Capital Projects</b>				
ROH Steeles Av Grade Separation at CN Crossing west of Bronte St	3rd party infrastructure	\$90,600	\$44,400	\$46,200
ROH Steeles Av widening from Industrial Dr to Martin St 2 to 4 lanes	3rd party infrastructure	\$284,500	\$60,000	\$224,500
ROH: Britannia Rd from RR 25 to JSP 2 to 4 lanes(3.5km)	3rd party infrastructure	\$1,004,800	\$241,600	\$763,200
Town LSL from Yates Dr to RR25	3rd party infrastructure	\$32,700	\$10,800	\$21,900
Town Garden Lane, 400m total, 100m of which is 3 phase	3rd party infrastructure	\$133,000	\$34,700	\$98,300
ROH: Britannia from Tremaine to RR25 (0.8Km)	3rd party infrastructure	\$179,000	\$98,300	\$80,700
Town: Bronte St From Britannia to LSL	3rd party infrastructure	\$389,900	\$85,200	\$304,700
ROH: Guelph Line Reconstruction (1km North of Derry to Conservation)	3rd party infrastructure	\$197,600	\$65,700	\$131,900
Meters	Customer service request	\$293,926	\$0	\$293,926
Customer Connections	Customer service request	\$681,587	\$681,587	\$0
Subdivision Development (1,500 units)	Customer service request	\$3,780,000	\$1,986,074	\$1,793,926
<b>System Access - Sub Total</b>		<b>\$7,067,613</b>	<b>\$3,308,361</b>	<b>\$3,759,252</b>
<b>SYSTEM RENEWAL - 2016</b>				
Pole Replacement Program - 100 poles	Failure Risk	\$500,000	\$0	\$500,000
Porcelain to Poly Program	Failure Risk	\$150,000	\$0	\$150,000
Derry Rd, Trafalgar to 8th Line	Failure Risk, System Efficiency	\$155,000	\$0	\$155,000
Sixth Line Nass South of 25 Side Road	Failure Risk, System Efficiency	\$322,000	\$0	\$322,000
Sixth Line Nass North of 20 Side Road	Failure Risk	\$321,400	\$0	\$321,400
U/G Main and Commercial UG Rebuild	Failure Risk	\$65,000	\$0	\$65,000
Misc System Renewal	Failure Risk	\$350,000	\$0	\$350,000
Derry Road - Appleby Line to Guelph Line	Failure Risk, System Efficiency	\$280,000	\$0	\$280,000
U/G Rebuild: Highside Dr & Ridge Dr	Failure Risk	\$240,000	\$0	\$240,000
U/G Conversion: Bronte Meadows Conversion - Arena Transformers	Failure Risk, System Efficiency	\$90,000	\$0	\$90,000
<b>System Renewal - Sub Total</b>		<b>\$2,473,400</b>	<b>\$0</b>	<b>\$2,473,400</b>
<b>SYSTEM SERVICE - 2016</b>				
WiMax - Automate Switches	Operational efficiency; reliability	\$120,000	\$0	\$120,000
WiMax - 100 Meter Points	System efficiency; reliability	\$425,000	\$0	\$425,000
Automated Fault Indicator Installation - with WiMAX	Operational efficiency; reliability	\$175,000	\$0	\$175,000
Install Automated Switches with WiMAX	Operational efficiency; reliability	\$194,000	\$0	\$194,000
MS#4 Conversion ---rabbit	System efficiency; reliability	\$200,000	\$0	\$200,000
Fiber Connection to New Building	Operational efficiency; reliability	\$200,000	\$0	\$200,000
James Snow, extend to Campbellville (new Tremaine Rd)	Reliability; system flexibility	\$205,900	\$0	\$205,900
<b>System Service- Sub Total</b>		<b>\$1,519,900</b>	<b>\$0</b>	<b>\$1,519,900</b>
<b>DISTRIBUTION PLANT SUB TOTAL</b>		<b>\$11,060,913</b>	<b>\$3,308,361</b>	<b>\$7,752,552</b>
<b>GENERAL PLANT - 2016</b>				
Rolling Stock	System capital investment support	\$645,000	\$0	\$645,000
Computer Software	Business operations efficiency	\$80,000	\$0	\$80,000
Computer Hardware	Business operations efficiency	\$98,000	\$0	\$98,000
Stores Equipment	Business operations efficiency	\$43,680	\$0	\$43,680
Major Tools	System capital investment support	\$29,500	\$0	\$29,500
<b>General Plant - Sub Total</b>		<b>\$896,180</b>	<b>\$0</b>	<b>\$896,180</b>



# Key Budget Assumptions – cont

## ➤ Long Term Debt:

MHDI forecasts third party borrowings to fund capital projects. Interest assumed at 4.0% for 2015P and 2016 and 5.0% for 2017 and 2018. Borrowing as follows:

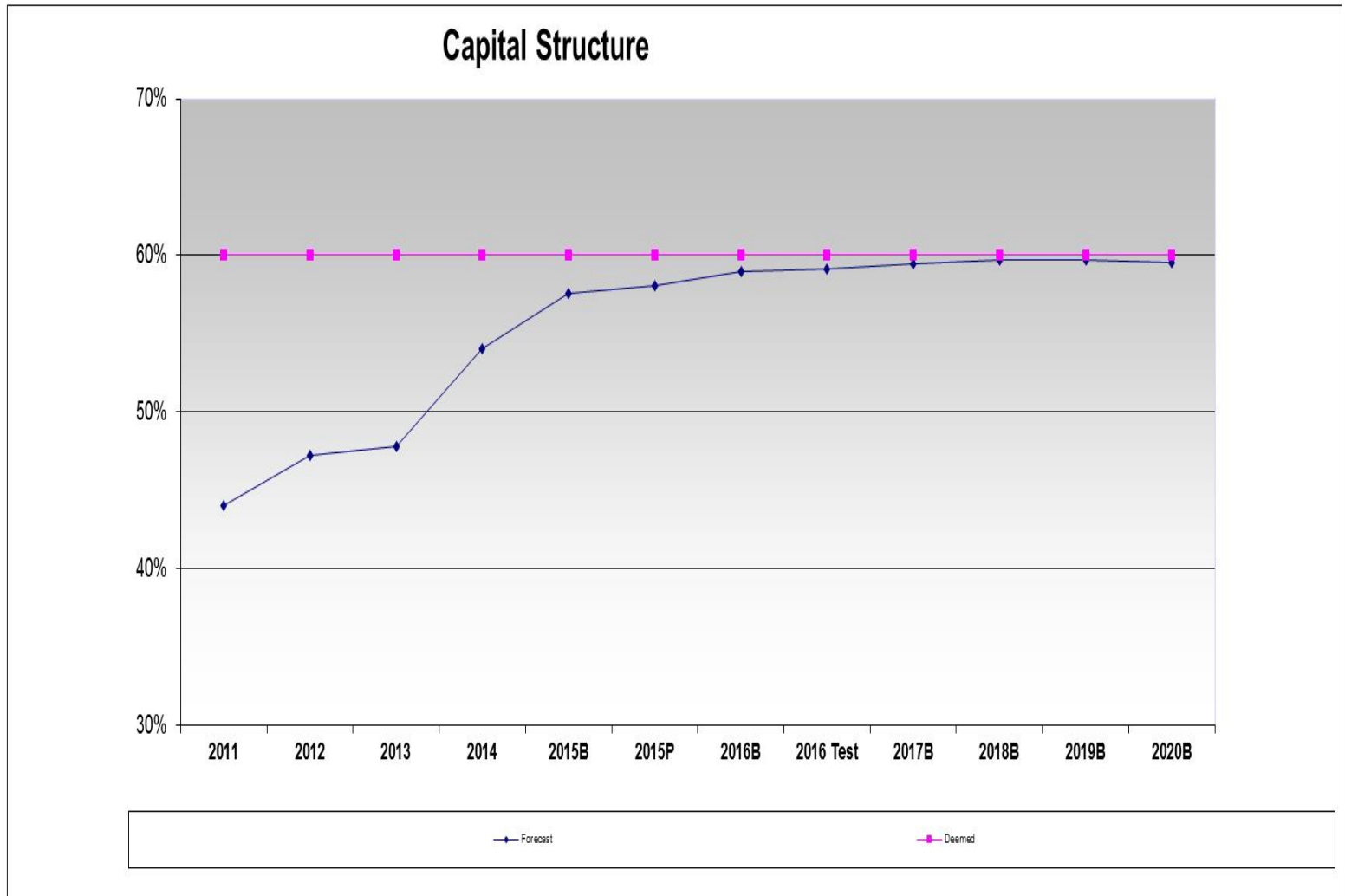
- 2015P - \$ 9.3 million
- 2016 - \$ 4.0 million
- 2017 - \$ 4.0 million
- 2018 - \$ 4.0 million

### Promissory Note to Town:

Interest of \$1.082 million reflecting 7.25% payable on promissory note of \$14.934 million; no principal payments assumed during forecast period. Deemed interest rate for MHDI's 2016 Cost of Service rate Filing currently in for review by the OEB is 4.77% . It is assumed that Milton Hydro will continue to pay interest to the Town at 7.25% (\$370,000 annually in excess interest to what is being collected in distribution rates).



# Capital Structure





# MHDI Status – Significant Ratios

New Covenants per TD Bank									
Covenant Test Ratios	Target	2014 A	2015B	2015P	2016 B	2017 B	2018 B	2019 B	2020 B
Current Ratio	Minimum 1.1:1	1.64	1.64	1.66	1.58	1.41	1.45	1.50	1.55
Debt Service Coverage Ratio	Minimum 1.15:1	1.43	1.73	2.03	1.75	1.86	2.06	2.07	2.07
Debt to Capital Ratio	not greater than 60%	54.0%	57.6%	58.1%	59.0%	59.5%	59.7%	59.7%	59.6%

Note: The cost of the Building has been removed from 2015P and 2016B calculation for Debt Service Coverage Ratio.



# Forecasting Risk Factors

## ➤ **Rate Regulation and Regulatory Uncertainty**

- 2016 Cost of Service Application in for review with the OEB. Interrogatories and Settlement in November 2015 and January 2016

## ➤ **Residential Development in Town of Milton**

- Growth projections

## ➤ **Economic Uncertainty**

- Growth
- Impact on GS customers
- Credit Risk - Impact of OEB Amendments to Distribution System Code with respect to customer service policies may lead to higher bad debts

## ➤ **Timing & Cost Implications**

- Financing of new Building for future office site
- Transformer Station & Feeder Lines



# Forecasting Risk Factors – cont

## ➤ **Unfunded Portion of Non Revenue Generating Capital Projects**

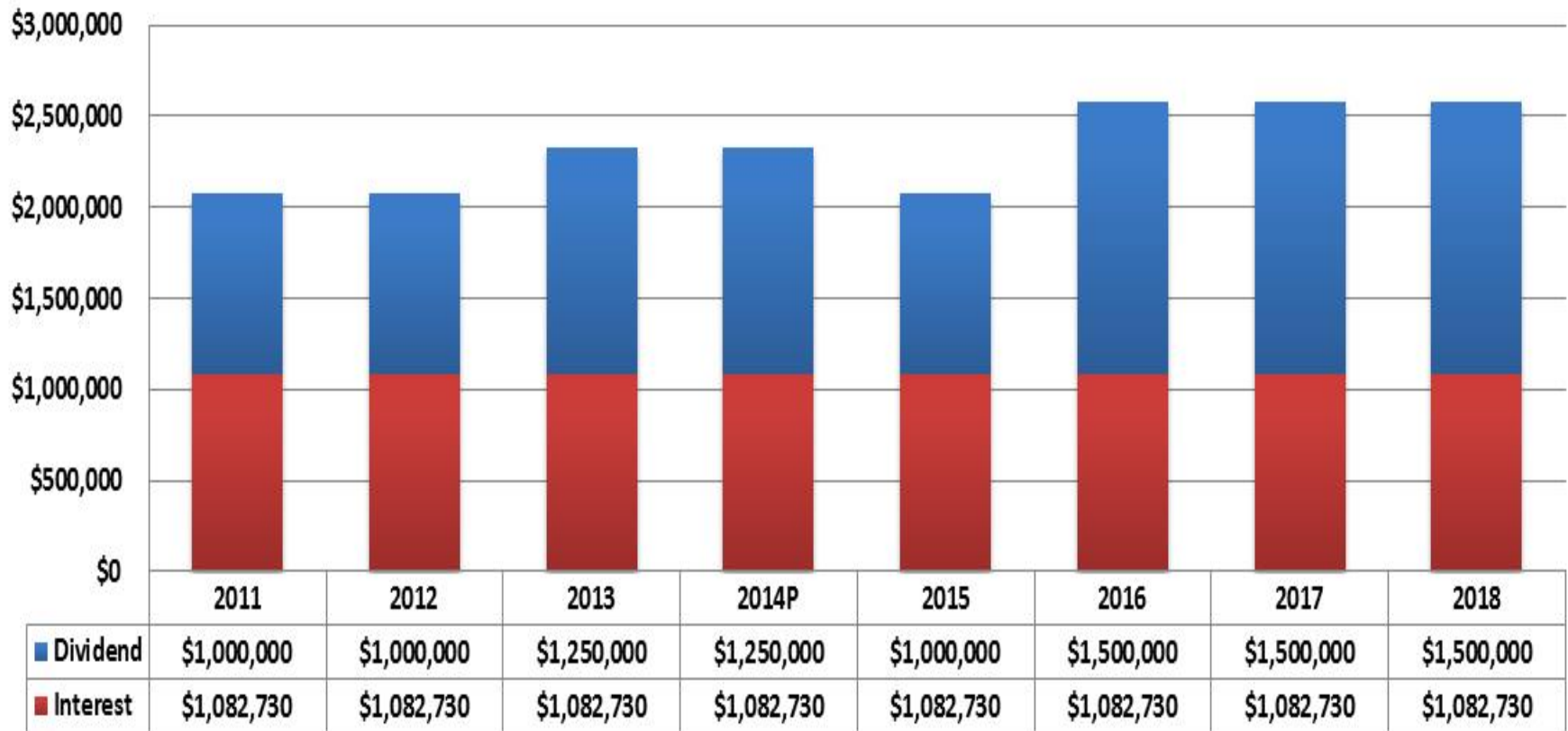
- Region/Municipal/Provincial road projects (recovery based on 50% of labour)

## ➤ **Extraordinary Event**

- New Unexpected Extreme Weather Events (e.g. high winds, ice storm) – potential upper estimate = \$250,000 (potentially not recoverable through z-factor)
- Loss of municipal substation transformer – estimate = \$50,000 (due to voltage conversion, spare transformers available)
- Loss of non-MH owned transformer station transformer (at this time, MH does not own any transformer stations) = \$25,000 for switching; if transformer not available for extended period and customers not restored, loss of distribution revenue be an estimated \$50,000 per week
- Non payment of Major Account – Largest Single Account is \$500,000 per month; currently MH has credit insurance that covers named accounts up to 90%;
  - Maximum risk on named account = \$125,000 (2.5 months)
  - Maximum risk on unnamed account = \$1M (2.5 months)



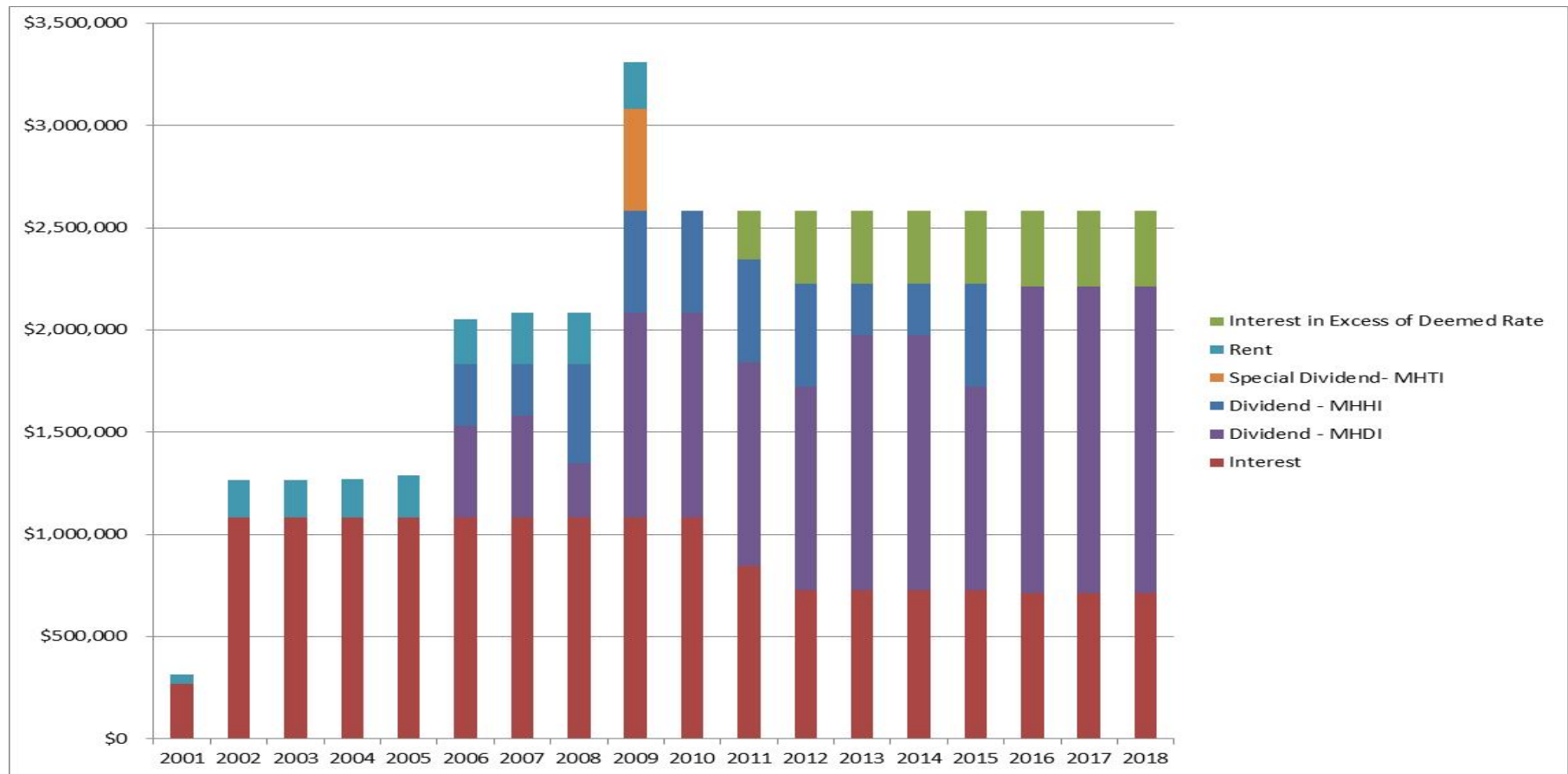
## MHDI Payments to Shareholder



- Interest paid to Town includes approximately \$370,000 in excess of interest collected through distribution rates
- 2016-2018, MHDI is expecting to pay a dividend to the Shareholder of \$1.5 million each year.



Total payments forecasted to Shareholder from 2001 to 2018 = \$35.0 million



- Interest paid to Town includes approximately \$378,000 in excess of interest collected through distribution rates
- 2016-2018, MHlI is expecting to pay a dividend to the Shareholder of \$1.5 million each year.



## **Milton Hydro – 2016 Budget & LRP**

### **Agenda**

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**DATE OF MEETING:** Monday, November 23, 2015

**TIME OF MEETING:** 2:30 p.m.

**PLACE OF MEETING:** Milton Hydro Boardroom, 8069 Lawson Road, Milton

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**1. REMARKS FROM THE CHAIR**

- 1.1 Call to Order
- 1.2 Approval of Agenda
- 1.3 Declaration/Disclosure: Conflict of Interest

**2. BUDGET MEETING – 2016 BUDGET & LRP**

- 2.1 Milton Hydro Distribution Inc.
- 2.2 Milton Energy Generation & Solutions Inc.
- 2.3 Milton Hydro Holdings Inc.

**3. OTHER BUSINESS**

**4. ADJOURNMENT**



# **Milton Hydro Distribution Inc.**

## **Financial Forecast 2015 – 2018**

**Strictly Confidential**

**November 23, 2015**



<b>1</b>	<b><u>MILTON HYDRO DISTRIBUTION INC.</u></b>  Board Presentation/Executive Summary
<b>2</b>	Summary Financial Information (2015P-2018) <ul style="list-style-type: none"><li>• Statement of Operations</li><li>• Balance Sheet</li><li>• Statement of Cash Flows</li><li>• Supporting Documentation</li></ul>
<b>3</b>	Key Assumptions
<b>4</b>	Variance Analysis for 2015P & 2016
<b>5</b>	Detailed Operating – for 2015P & 2016 <ul style="list-style-type: none"><li>• Supporting Documentation</li></ul>
<b>6</b>	Capital Budget <ul style="list-style-type: none"><li>• MHDl</li></ul>
<b>7</b>	<b><u>MILTON ENERGY &amp; GENERATION SOLUTIONS INC.</u></b> <ul style="list-style-type: none"><li>• MEGS Board Presentation - 7A</li><li>• MEGS Financial Information – 7B</li><li>• MEGS – Detailed – 7C</li></ul>
<b>8</b>	<b><u>MILTON HYDRO HOLDINGS INC.</u></b>  <b><u>MILTON HYDRO SERVICES INC.</u></b>



# Section 1





**Milton Hydro**

Budget 2016 and forecast for 2017

Milton Hydro Distribution Inc.

Budget meeting – November 23, 2015



# Agenda for Budget Meeting – November 23, 2015

➤ Key Assumptions

➤ MHDl Status

➤ Risk Factors Impacting Financial Forecast

➤ Significant Initiatives



# Key Budget Assumptions

## ➤ Revenue Assumptions - Residential:

- Utilized the Town of Milton's growth projections for residential development adjusted for confirmations from major builders of expected growth.

➤ 2015P	– 900 residential units, (budgeted 1,500)
➤ 2016	– 1,500 residential units
➤ 2017	– 1,500 residential units
➤ 2018	– 1,500 residential units

- Average monthly consumption for incremental residential customers is forecast to be 764 kWh/month for 2015 (2015B – 784 kWh) reflecting a warmer winter and a relatively cool spring/summer. Average monthly consumption is forecast to be 766 kWh/month in 2016 reflecting the experience over the last three years with the type of housing in the new subdivisions and recent weather conditions. 759 kWh has been assumed for 2017 and 751 kWh has been assumed for 2018.



# Revenue Assumptions – con't

## Revenue Assumptions – GS<50 kWh:

- 2016B Growth is based on 35 new customers per year with average monthly consumption of 2,917 kWh (2015P, 16 customers, 2,956 kWh). Distribution revenue for GS < 50kW class is based on consumption (kWh) and a fixed service charge.

## Revenue Assumptions – GS>50 kW to 999kW:

- 2016B Growth is based on 5 new customers per year with average monthly demand of 154 kW (2015P - 8 customers with average monthly demand of 159 kW). Distribution revenue for GS > 50 kW class is based on demand (kW) and a fixed service charge.



# Revenue Assumptions – con't

## Revenue Assumptions – GS>1000 kW:

- For 2015P, 13 existing customers with average projected demand of 1,722 kW per customer. (Lowes replaced Target in 2015 and Heligear transitioned to >1000 kW class). For 2016, average monthly demand is forecast at 1,692 kW with no new customers. Demand is based on historical figures adjusted by customer reclassifications over the last few years. Distribution revenue for GS > 1000 kW class is based on demand (kW) and a fixed service charge.

## Revenue Assumptions – Large Use (> 5000kW):

- No growth is assumed in the Large Use rate classification. Demand assumed based on historical trends of each of the three existing Large Use customers. Distribution revenue for Large Use class is based on demand (kW) and a fixed service charge.



# Key Budget Assumptions – con't

## Rate Assumptions:

- = Distribution rates
  - = May 1, 2015 – approved increase of 1.45%.
  - = May 1, 2016 - Milton Hydro filed a Cost of Service Application for rates in August 2015; the budget assumes a revenue requirement (annual) adjustment of \$1.0M effective May 1, 2016.
  - = May 1, 2017 – assumed an inflationary increase that mirrors the inflationary increase in 2015 (1.45%).
  - = May 1, 2018 – assumed an inflationary increase that mirrors the inflationary increase in 2015 (1.45%).



# Distribution Revenue by Class

	# of Customers / Billing			Billing Determinants (kWh/kW)			Net Revenue		
	2015Proj	2016	Diff	2015Proj	2016	Diff	2015Proj	2016	Diff
Residential	32,922	34,422	1,500	297,768,911	309,555,467	4.0%	\$10,397,248	\$11,512,446	\$1,115,198
GS<50kW	2,762	2,797	35	91,121,650	90,832,314	-0.3%	2,114,135	2,159,409	45,275
GS>50kW	291	296	5	545,692	542,630	-0.6%	1,639,402	1,950,765	311,363
GS>1000kW	13	13	0	258,281	263,889	2.2%	747,752	590,492	-157,259
Large Use	3	3	0	248,354	245,870	-1.0%	689,826	532,415	-157,411
Streetlight	0	0	0	21,308	21,106	-0.9%	265,997	295,239	29,242
Sent Light	0	0	0	429	418	-2.6%	15,122	27,462	12,340
MicroFit	0	0	0	n/a	n/a	n/a	24,775	27,279	2,504
	35,991	37,531	1,540				\$15,894,257	\$17,095,508	\$1,201,252



# Key Budget Assumptions – con't

## Other Income:

- Effective June 1, 2011 Milton Energy & Generation Solutions Inc. (MEGS) signed a 5 year agreement with the Regional Municipality of Halton and the Halton LDC's regarding the continuation of meter reading, billing and customer service/collection services for water and wastewater.
- MEGS has contracted with MHDl to provide the billing and customer service/collection services.
- Effective June 1, 2016 MHDl is billing MEGS based on a fully allocated cost plus return of \$3.34 per bill. MHDl has increased its billing fee by an inflation factor of 2.0% effective June 1<sup>st</sup> in each year of the forecast.
- MEGS has contracted for manual water meter reading services.

	June 1st 2014 to May 31st 2015	June 1st 2015 to May 31st 2016	June 1st 2016 to May 31st 2017	June 1st 2017 to May 31st 2018
Average Bill fee Charged to MEGS	\$ 3.21	\$ 3.27	\$ 3.34	\$ 3.42



# Key Budget Assumptions – con't

## Other Income:

= On July 17, 2012, the OEB issued Regulatory accounting policy direction regarding changes to depreciation expense and capitalization policies to align with IFRS (International Financial Reporting Standards). Milton Hydro changed its depreciation and capitalization policies effective in January 1, 2013. A new variance account has been authorized for distributors to record the financial differences arising from the accounting changes from Canadian GAAP to Modified IFRS (accounts 1576/4305/4310) – the offset is included in “Other Income” during the forecast period. In its 2016 Cost of Service (COS), MHDI applied to dispose of this variance over a 1 year period which totaled \$1.48 M plus interest.

= 2013 Actual -	\$ 434,000
= 2014 Actual -	\$ 537,000
= 2015 Projected -	\$ 510,000



# Key Budget Assumptions – con't

## ➤ OM&A Assumptions:

- Headcount – 58 staff by end of 2015P; headcount increases have been budgeted as follows during the forecast period:
  - 2015 P– 4 headcount – AMI Operator, Network Administrator, Engineering Technician (GIS), Communication Specialist
  - 2016 – 4 headcount – Powerline Technician, SCADA Technician, Human Resource Specialist, CSR
  - 2017 – Health & Safety/Purchaser
  - 2018 – no new additions
- Compensation reflects an increase of estimated 2.3% increase for non-management and an estimate for total compensation relating to management staff. The collective agreement signed in 2013 expires on December 31, 2016.
- Total lease costs at 8069 Lawson Road include rent & property taxes, insurance & security (approximately \$76,000 annually) which will terminate in December 2015.
  - 2015 P- \$326,946 ;
  - MHDI will move to its new location at 200 Chisolm in December 2015.



# Key Budget Assumptions – con't

## 2016 Test Year vs 2016 Budget

	2016 Test (as applied)	2016 Budget	2016B vs 2016 Test Variance
Net Distribution Revenue	\$ 17,207,367	\$ 17,095,508	\$ (111,859)
Other Income	\$ 1,902,155	\$ 1,829,507	\$ (72,648)
Controllable Expenses	\$ 9,903,387	\$ 10,122,448	\$ 219,061
Depreciation	\$ 3,292,486	\$ 3,327,408	\$ 34,922
Interest	\$ 2,237,077	\$ 2,590,057	\$ 352,980
Net Income Before Tax	\$ 3,676,572	\$ 2,885,102	\$ (791,470)
Total PILs	\$ 256,213	\$ 764,600	\$ 508,387
Net Income After Tax	3,420,359	2,120,502	-1,299,857
% increase (decrease)			-38.0%

2016 Net earnings after tax of \$2,120,502 is forecast to be \$1,299,857 lower than 2016 Test Year (as applied). The decrease in net earnings reflects:

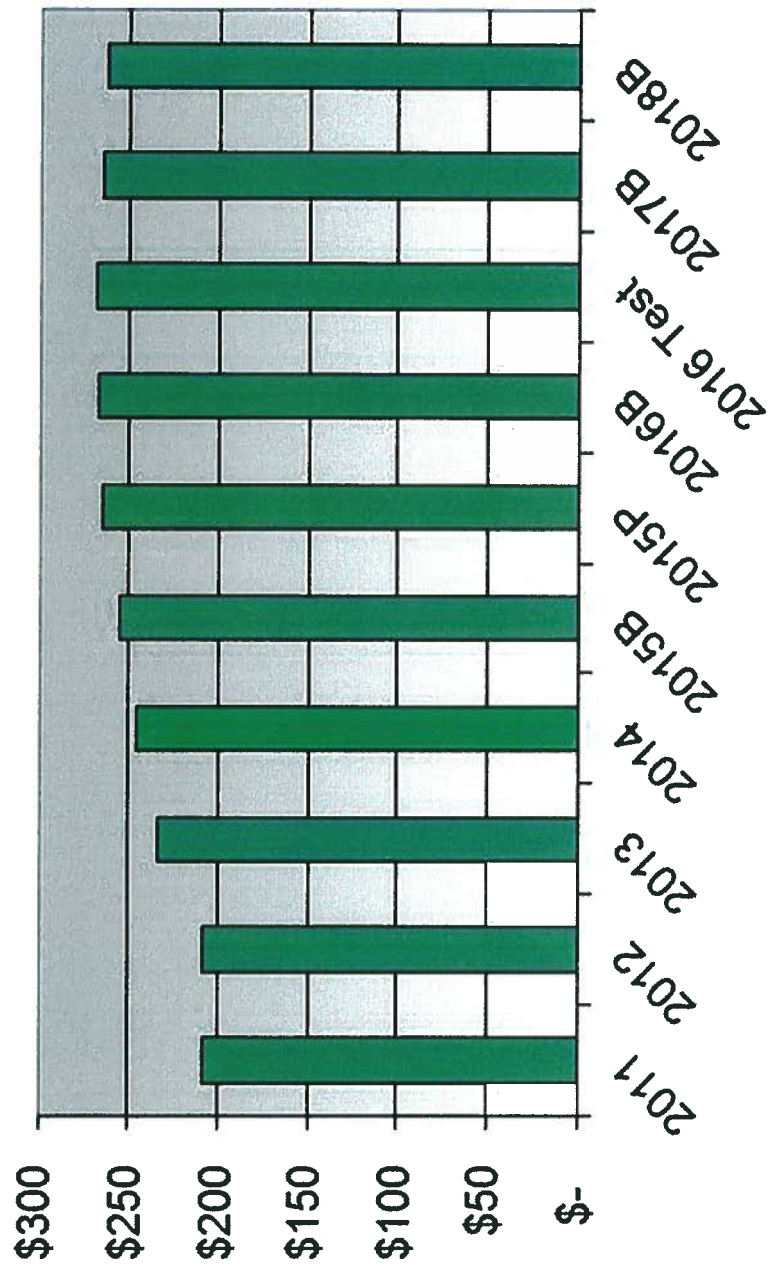
- lower Distribution Revenue - \$112,000
- lower Other Revenue - \$73,000
- higher Interest Expense \$353,000
- higher Depreciation Expense \$35,000
- higher Taxes \$508,000
- higher Controllable Expenses \$219,000

Offset by:

- 2016 Test Distribution is annualized which accounts for the \$112,000 difference.
- 2016 Test Other Income includes \$112,000 of SSS Administration Revenue which is included in 2016B Net Distribution Revenue, offset by lower Disposal FA (\$15,000) and lower Interval meter reads (\$21,000)
- 2016B Interest Expense is higher due to the deemed interest rate if 4.77% only allowed for COS. Interest rate paid on TOM debt is 7.25% resulting in a difference of \$370,000.
- 2016B Controllable expenses are higher due to Software Maintenance Contract \$130,000, Building Heating and O/S contract maintenance expenses \$60,000 and UG Locates \$35,000
- PILS (taxes) for 2016B does not take into consideration Tax Adjustments such as CCA (\$6.2M) vs Depreciation (\$3.3M).



## OM&A per Customer





# Key Budget Assumptions – con't

## Milton Hydro – OM&A per Customer:

Mid-Size GTA Medium-High & High Undergrounding (as per the OEB Year Book Statistics)	OM&A per Customer 2011	OM&A per Customer 2012	OM&A per Customer 2013	OM&A per Customer 2014	OM&A per Customer 2015P	OM&A per Customer 2016B	OM&A per Customer 2016Test
<b>Milton Hydro Distribution Inc.</b>	<b>209.83</b>	<b>209.19</b>	<b>247.59</b>	<b>243.34</b>	<b>264.28</b>	<b>267.28</b>	<b>267.83</b>
Burlington Hydro Inc.	225.24	252.49	260.13	263.52			
Oakville Hydro Electricity Distribution Inc.	206.45	223.21	270.31	263.02			
Cambridge and North Dumfries Hydro Inc.	208.64	266.21	274.72	274.29			
Whitby Hydro Electric Corporation	213.50	219.49	266.29	255.33			
Kitchener-Wilmot Hydro Inc.	154.69	189.02	186.18	186.70			
Guelph Hydro Electric Systems Inc.	250.75	266.86	298.11	271.51			
Halton Hills Hydro Inc.	226.82	283.20	240.83	246.30			
Brantford Power Inc.	176.40	198.95	229.54	235.71			
Waterloo North Hydro Inc.	181.61	219.96	244.24	259.20			
Oshawa PUC Networks Inc.	191.13	210.65	207.71	204.78			
Newmarket - Tay Power Distribution Ltd.	198.21	240.26	214.87	231.48			
Peer Group Average of Distributors that Reported	203.61	231.62	245.04	244.60			
Peer Group Average Excluding Milton Hydro	203.04	233.66	244.81	244.71			

Source: OEB Yearbooks of Electricity Distributors



# MHDI Status - Budget/LRP Financial Summary

## Milton Hydro Distribution Inc.

Summary of Financial Results

As at December 31

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Budget	2015 Projected	2016 Budget	2016 T as Applied	2017 Budget	2018 Budget
Sale of Energy at Cost)					90,728,833					
Distribution Revenue					15,932,616					
<b>TOTAL REVENUE</b>	<b>78,872,894</b>	<b>87,942,928</b>	<b>97,680,132</b>	<b>105,849,315</b>	<b>106,661,449</b>	<b>103,531,379</b>	<b>109,110,378</b>	-	<b>113,059,260</b>	<b>116,059,804</b>
<b>COST OF ENERGY</b>	<b>66,017,450</b>	<b>74,266,765</b>	<b>83,153,242</b>	<b>90,675,253</b>	<b>90,728,833</b>	<b>87,637,123</b>	<b>92,014,870</b>		<b>94,937,110</b>	<b>97,076,206</b>
<b>GROSS DISTRIBUTION REVENUE</b>	<b>12,855,444</b>	<b>13,676,163</b>	<b>14,526,889</b>	<b>15,174,062</b>	<b>15,932,616</b>	<b>15,894,257</b>	<b>17,095,508</b>	<b>17,207,367</b>	<b>18,162,150</b>	<b>18,983,598</b>
<b>OTHER INCOME</b>										
- Water, wastewater billing	517,574	477,035	519,884	552,475	588,075	583,970	617,536	652,655	657,726	698,709
- Miscellaneous (Pole Atch, Interest, etc.)	1,048,064	917,591	1,102,518	1,093,902	1,108,244	1,258,059	1,141,554	1,161,467	1,161,707	1,201,597
- Interest Earned	51,168	61,538	89,345	79,345	78,033	67,064	70,417	88,033	70,417	70,417
Smart Meter Disposition			136,778							
- Regulatory Debt/Credit (Acct 4305/4310)			(433,776)	(536,720)	(433,776)	(509,785)				
Total Other Income	1,616,806	1,456,163	1,414,749	1,189,299	1,340,576	1,395,307	1,829,507	1,902,155	1,889,850	1,970,722
<b>TOTAL REVENUES</b>	<b>14,472,250</b>	<b>15,132,326</b>	<b>15,941,638</b>	<b>16,363,361</b>	<b>17,273,193</b>	<b>17,293,564</b>	<b>18,925,015</b>	<b>19,109,521</b>	<b>20,052,000</b>	<b>20,954,320</b>
<b>EXPENDITURE</b>										
- Operation, Maintenance & Administration	6,396,763	6,761,992	8,435,973	9,043,897	9,819,761	10,028,886	10,122,448	9,903,387	10,464,245	10,817,822
- Interest Expense	1,489,595	1,686,542	1,846,313	1,954,915	2,494,819	2,239,304	2,590,057	2,237,077	2,722,742	2,873,228
- Depn & Amortn of Contributed Capital	3,587,116	3,826,646	2,427,165	2,495,153	2,819,400	2,871,721	3,327,408	3,292,486	3,398,699	3,447,666
- Z-Factor Allowance				(500,000)						
<b>TOTAL EXPENDITURES</b>	<b>11,473,474</b>	<b>12,285,180</b>	<b>12,709,452</b>	<b>12,993,965</b>	<b>15,133,980</b>	<b>15,139,911</b>	<b>16,039,912</b>	<b>15,432,950</b>	<b>16,585,687</b>	<b>17,138,716</b>
<b>EARNINGS BEFORE TAXES &amp; EXTRAORDINARY ITEMS</b>	<b>2,998,776</b>	<b>2,847,146</b>	<b>3,232,187</b>	<b>3,369,396</b>	<b>2,139,212</b>	<b>2,153,653</b>	<b>2,885,102</b>	<b>3,676,571</b>	<b>3,466,313</b>	<b>3,815,604</b>
PILS (Payment in Lieu of Tax)										
- Current	11,443	186,690	50,971	40,557	566,900	570,700	764,600	256,212	918,600	1,011,100
- Deferred	598,023	340,170	(56,037)	387,138						
	609,466	526,860	(5,066)	427,695	566,900	570,700	764,600	256,212	918,600	1,011,100
<b>NET EARNINGS BEFORE EXTRAORDINARY ITEMS</b>	<b>2,389,310</b>	<b>2,320,286</b>	<b>3,237,253</b>	<b>2,941,701</b>	<b>1,572,312</b>	<b>1,582,953</b>	<b>2,120,502</b>	<b>3,420,359</b>	<b>2,547,713</b>	<b>2,804,504</b>

<b>Statutory Tax Rate</b>	31.0%	31.0%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
<b>Actual Return on Actual Equity (Beg/End Balance Per B/S)</b>	7.63%	7.13%	9.43%	8.16%	4.34%	4.24%	5.61%	8.91%	6.66%	7.98%
<b>Actual Return on Deemed Equity (% of Rate Base)</b>	6.42%	7.00%	10.97%	4.32%	4.32%	5.76%	5.76%	10.00%	6.53%	6.97%
<b>EBITDA</b>	<b>8,075,487</b>	<b>8,370,334</b>	<b>7,505,665</b>	<b>7,319,464</b>	<b>7,453,432</b>	<b>7,264,677</b>	<b>8,802,567</b>	<b>9,206,134</b>	<b>9,625,879</b>	<b>10,215,415</b>



## MHDI Status - Budget/LRP Financial Summary – Assumptions for 2019 and 2020

### = Distribution Revenue

- = 1500 new residential customers;
- = 45 new GS customers
- = Inflationary increase of 1.45% annually

### = Other Income

- = 6% increase in Water billing revenue which includes 2% inflationary increase and customer growth

### = OM&A

- = 3% increase in OM&A
- = No headcount increase

### = Interest

- = New debt of \$4.0M in July of each year to fund capital projects;
- = Interest assumed at 5%

### = Depreciation

- = Capex is similar to 2017 – net \$6.5M

### = PILS

- = Tax rate is 26.5%



# MHDI Status - Budget/LRP Financial Summary

## Milton Hydro Distribution Inc.

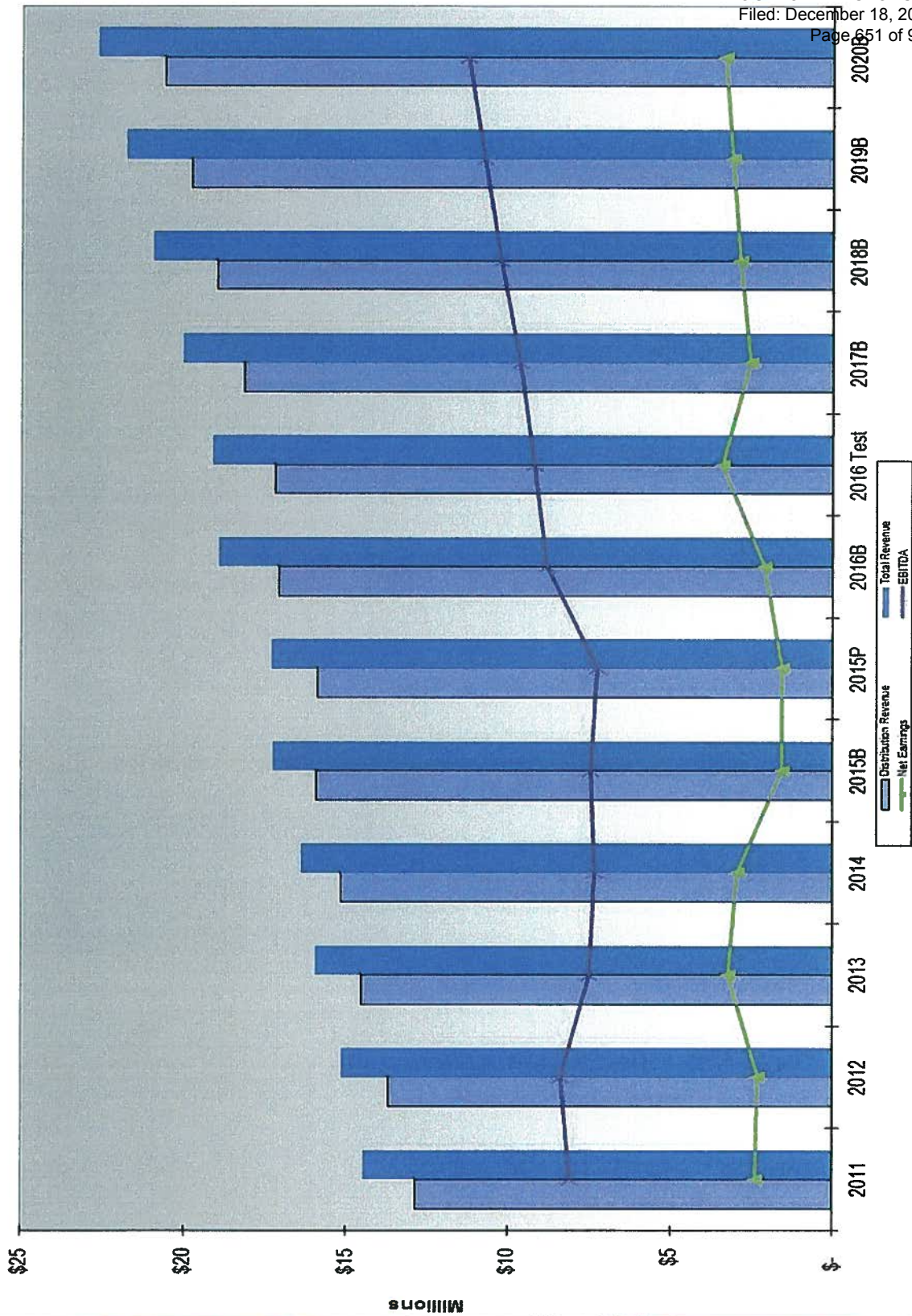
Summary of Financial Results

As at December 31

	2015 Budget	2015 Projected	2016 Budget	16 T as Appli	2017 Budget	2018 Budget	2019 Budget	2020 Budget
Sale of Energy at Cost)	90,728,833							
Distribution Revenue	15,932,616							
<b>TOTAL REVENUE</b>	<b>106,661,449</b>	<b>103,531,379</b>	<b>109,110,378</b>		<b>113,099,260</b>	<b>116,059,804</b>	<b>119,285,912</b>	<b>122,547,347</b>
<b>COST OF ENERGY</b>	<b>90,728,833</b>	<b>87,637,123</b>	<b>92,014,870</b>		<b>94,937,110</b>	<b>97,076,206</b>	<b>99,499,107</b>	<b>101,941,562</b>
<b>GROSS DISTRIBUTION REVENUE</b>	<b>15,932,616</b>	<b>15,894,257</b>	<b>17,095,508</b>	<b>17,207,367</b>	<b>18,162,150</b>	<b>18,983,598</b>	<b>19,786,805</b>	<b>20,605,785</b>
<b>OTHER INCOME</b>								
- Water, wastewater billing	588,075	583,970	617,536	652,655	657,726	698,709	740,632	785,069
- Miscellaneous (Pole Atch, Interest, etc.)	1,108,244	1,258,059	1,141,554	1,161,467	1,161,707	1,201,597	1,200,000	1,200,000
- Interest Earned	78,033	67,064	70,417	88,033	70,417	70,417	70,000	70,000
- Smart Meter Disposition	-	-	-	-	-	-	-	-
- Regulatory Debit/Credit (Acct 4305/4310)	(433,776)	(509,785)						
<b>Total Other Income</b>	<b>1,340,576</b>	<b>1,399,307</b>	<b>1,829,507</b>	<b>1,902,155</b>	<b>1,889,850</b>	<b>1,970,722</b>	<b>2,010,631</b>	<b>2,055,068</b>
<b>TOTAL REVENUES</b>	<b>17,273,193</b>	<b>17,293,564</b>	<b>18,925,015</b>	<b>19,109,521</b>	<b>20,052,000</b>	<b>20,954,320</b>	<b>21,797,436</b>	<b>22,660,853</b>
<b>EXPENDITURE</b>								
- Operation, Maintenance & Administration	9,819,761	10,028,886	10,122,448	9,903,387	10,464,245	10,817,822	11,061,072	11,392,904
- Interest Expense	2,494,819	2,239,304	2,590,057	2,237,077	2,722,742	2,873,228	3,017,886	3,156,464
- Dep'n & Amort'n of Contributed Capital	2,819,400	2,871,721	3,327,408	3,292,486	3,398,699	3,447,666	3,496,633	3,545,599
- Z-Factor Allowance								
<b>TOTAL EXPENDITURES</b>	<b>15,133,980</b>	<b>15,139,911</b>	<b>16,039,912</b>	<b>15,432,950</b>	<b>16,585,687</b>	<b>17,138,716</b>	<b>17,575,591</b>	<b>18,094,967</b>
<b>EARNINGS BEFORE TAXES &amp; EXTRAORDINARY ITEMS</b>	<b>2,139,212</b>	<b>2,153,653</b>	<b>2,885,102</b>	<b>3,676,571</b>	<b>3,466,313</b>	<b>3,815,604</b>	<b>4,221,845</b>	<b>4,565,886</b>
PILS (Payment in Lieu of Tax)								
- Current	566,900	570,700	764,600	256,212	918,600	1,011,100	1,118,800	1,210,000
- Deferred								
<b>NET EARNINGS BEFORE EXTRAORDINARY ITEMS</b>	<b>1,572,312</b>	<b>1,582,953</b>	<b>2,120,502</b>	<b>3,420,359</b>	<b>2,547,713</b>	<b>2,804,504</b>	<b>3,103,045</b>	<b>3,355,886</b>
<b>Statutory Tax Rate</b>	<b>26.50%</b>	<b>26.50%</b>	<b>26.50%</b>	<b>26.50%</b>	<b>26.50%</b>	<b>26.50%</b>	<b>26.50%</b>	<b>26.50%</b>
<b>Actual Return on Actual Equity (Beg/End Balance Per B/S)</b>	<b>4.34%</b>	<b>4.24%</b>	<b>5.61%</b>	<b>8.91%</b>	<b>6.66%</b>	<b>7.18%</b>	<b>7.50%</b>	<b>7.79%</b>
<b>Actual Return on Deemed Equity (% of Rate Base)</b>	<b>4.32%</b>	<b>5.76%</b>	<b>5.76%</b>	<b>10.00%</b>	<b>6.53%</b>	<b>6.97%</b>	<b>7.34%</b>	<b>7.72%</b>
<b>EBITDA</b>	<b>7,453,432</b>	<b>7,264,677</b>	<b>8,802,567</b>	<b>9,206,134</b>	<b>9,625,879</b>	<b>10,215,415</b>	<b>10,736,363</b>	<b>11,267,949</b>



## Revenue and Earnings





# Key Budget Assumptions – con't

## Customers per Employee:

Mid-Size GTA Medium-High & High Undergrounding (as per the Mearie & OEB Yearbook)	Customers per Employee Dec 31, 2011 (OEB Yearbook)	Customers per Employee Dec 31, 2012 (OEB Yearbook)	Customers per Employee Dec 31, 2013 (OEB Yearbook)	Customers per Employee Dec 31, 2014 (OEB Yearbook)	Customers per Employee 2015 Projected	Customers per Employee 2016 Budget	Customers per Employee 2016 Test
<b>Milton Hydro Distribution Inc.</b>	<b>663</b>	<b>673</b>	<b>655</b>	<b>675</b>	<b>626</b>	<b>611</b>	<b>601</b>
Burlington Hydro Inc.	694	711	695	699			
Oakville Hydro Electricity Distribution Inc.	595	583	579	579			
Cambridge and North Dumfries Hydro Inc.	543	541	517	502			
Whitby Hydro Electric Corporation	606	n/a	n/a	n/a			
Kitchener-Wilmot Hydro Inc.	506	500	509	506			
Guelph Hydro Electric Systems Inc.	484	491	459	445			
Halton Hills Hydro Inc.	433	418	413	406			
Brantford Power Inc.	584	554	602	681			
Waterloo North Hydro Inc.	454	449	395	417			
Oshawa PUC Networks Inc.	717	711	750	720			
Newmarket - Tay Power Distribution Ltd	585	594	607	612			
Peer Group Average of Distributors that Reported	572	566	562	567			
Peer Group Average Excluding Milton Hydro	564	555	553	557			

Source: MEARIE 2009/2010, 2010/2011 & 2011/2012/2013  
Survey of Ontario's Local Distribution Companies



# Key Budget Assumptions – con't

## Capital Expenditures:

### MHDI System Access Projects *(new disclosure in 2015)*

➤ 2015P	\$4.36 million
➤ 2016B	\$7.07 million
➤ 2017B	\$8.09 million

### MHDI System Renewal Projects *(new disclosure in 2015)*

➤ 2015P	\$1.18 million
➤ 2016B	\$2.47 million
➤ 2017B	\$1.82 million

### MHDI System Service Projects *(new disclosure in 2015)*

➤ 2015P	\$ 690,000
➤ 2016B	\$1.52 million
➤ 2017B	\$1.23 million



# Key Budget Assumptions – con't

## MHDI General Plant – One Time Expenditures:

➤ 2015 Projected	
➤ Single bucket truck -	\$320,000
➤ 1 x Step Van -	\$ 90,000
➤ Full Size Van -	\$ 28,000
➤ Serviewcom (AMI) -	\$118,000
➤ Outage Mgmt System -	\$120,000
➤ Office Furniture (new office) -	\$400,000
➤ 2016 Budget	
➤ GIS -	\$ 45,000
➤ Single Bucket truck -	\$325,000
➤ Squirt Boom Aerial Truck -	\$150,000
➤ 1 x Step Van -	\$ 90,000
➤ 4x4 Pick Up Truck -	\$ 45,000
➤ Full Size Van -	\$ 35,000
➤ 2017 Budget	
➤ Digger Derrick -	\$400,000
➤ 4x4 Pick Up Truck -	\$ 45,000



# Key Budget Assumptions – con't

## ➤ Capital Expenditures – Growth related

- Subdivision Capital Costs
  - 2015P - 900 new residential units
  - 2016B - 1,500 new residential units and thereafter;
  - Total cost per new residential subdivision unit - \$2,520, includes all capital costs, incremental overhead charges, external costs, secondary buses and meters;
- In September 2014, MHDI purchased land & building at 200 Chisholm Drive costing \$7,250,000 (land \$4.0M & building \$3.25M); renovations are taking place during 2015 with move in December 2015.
- It is expected that in 2015 MHDI will sell property at 5th Line & Main for its appraised value of \$2.4M. A recent MPAC assessment supports this assumption. MHDI has been using the unserved property for outside storage as its current leased premises does not have sufficient capacity for MHDI's requirements.



**Milton Hydro Distribution Inc.****Summary of Capital Expenditures**

As at December 31

<b>Total Residential Units - per year</b>		<b>959</b>	<b>1,500</b>	<b>900</b>	<b>1,500</b>	<b>2016 Test</b>	<b>1,500</b>	<b>1,500</b>
		<b>2014 Actual</b>	<b>2015 Budget</b>	<b>2015 Projected</b>	<b>2016B</b>		<b>2017B</b>	<b>2018</b>
Subdivision Capital Costs		4,311,792	3,780,000	2,268,000	3,780,000	3,780,000	3,780,000	3,780,000
System Access <i>(New Disclosure in 2015)</i>		5,010,242	824,640	2,087,528	3,287,613	4,126,513	4,312,000	2,432,000
System Renewal <i>(New Disclosure in 2015)</i>			2,387,300	1,182,889	2,473,400	1,863,400	1,821,000	1,790,000
System Service <i>(New Disclosure in 2015)</i>			1,870,900	689,552	1,519,900	1,139,000	1,225,000	1,350,000
New Services (OH and UG)		746,560	661,735				-	
Metering		281,820	285,365				-	
Interest during Construction on PPE		15,519						
Land for New Headquarters/Disposal of existing land		4,040,000	(2,251,317)	(2,251,317)	-		-	
Building for New Headquarters			7,500,000	10,460,000	-		-	
Milton Hydro TS instalment (Tremaine)								
<b>Total Transmission and Distribution Capital Expenditures</b>		<b>14,405,933</b>	<b>15,058,623</b>	<b>14,436,652</b>	<b>11,060,913</b>	<b>10,908,913</b>	<b>11,138,000</b>	<b>9,352,000</b>
General Plant (office eqmt, tools)		856,052	1,410,532	1,344,618	896,180	720,500	701,000	711,000
<b>TOTAL GROSS CAPITAL EXPENDITURES</b>		<b>15,261,985</b>	<b>16,469,155</b>	<b>15,781,270</b>	<b>11,957,093</b>	<b>11,629,413</b>	<b>11,839,000</b>	<b>10,063,000</b>
Less: Contributed Capital								
Refunds to Developers		1,298,769	1,500,000	1,000,000	1,000,000		1,000,000	1,000,000
Capital Contributions Received		-6,154,343	-4,273,720	-2,179,035	-4,808,361		-4,530,000	-4,530,000
Total Capital Contributions - net		-4,855,574	-2,773,720	-1,179,035	-3,808,361	-3,280,000	-3,530,000	-3,530,000
<b>Net Capital Expenditures - Net Impact on Cash Flow</b>		<b>10,406,411</b>	<b>13,695,435</b>	<b>14,602,235</b>	<b>8,148,732</b>	<b>8,349,413</b>	<b>8,309,000</b>	<b>6,533,000</b>
Adjustments:								
Work in Progress (building meters & transformers)		3,726,825	-3,250,000	-3,726,825				
Smart Meter Disposition								
<b>Net Capital Expenditures - Net Impact on Cash Flow</b>		<b>14,133,236</b>	<b>10,445,435</b>	<b>10,875,410</b>	<b>8,148,732</b>	<b>8,349,413</b>	<b>8,309,000</b>	<b>6,533,000</b>

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# 2016- Capital Projects

## Capital Works Budget Year 2016

MHD1 Capital Works Projects - 2016			2016 BUDGET		
	Investment Driver	Job Total (Gross)	Capital Contribution	Job Net	
<b>SYSTEM ACCESS - 2016 Regional, Municipal Driven Capital Projects</b>					
ROH Steeles Av Grade Separation at CN Crossing west of Bronte St	3rd party infrastructure	\$90,600	\$44,400	\$46,200	
ROH Steeles Av widening from Industrial Dr to Martin St 2 to 4 lanes	3rd party infrastructure	\$284,500	\$60,000	\$224,500	
ROH: Britannia Rd from RR 25 to JSP 2 to 4 lanes(3.5km)	3rd party infrastructure	\$1,004,800	\$241,600	\$763,200	
Town LSL from Yates Dr to RR25	3rd party infrastructure	\$32,700	\$10,800	\$21,900	
Town Garden Lane, 400m total, 100m of which is 3 phase	3rd party infrastructure	\$133,000	\$34,700	\$98,300	
ROH: Britannia from Tremaine to RR25 (0.8Km)	3rd party infrastructure	\$179,000	\$98,300	\$80,700	
Town: Bronte St From Britannia to LSL	3rd party infrastructure	\$389,900	\$85,200	\$304,700	
ROH: Guelph Line Reconstruction (1km North of Derry to Conservation)	3rd party infrastructure	\$197,900	\$65,700	\$131,900	
Meters	Customer service request	\$293,926	\$0	\$293,926	
Customer Connections	Customer service request	\$681,587	\$681,587	\$0	
Subdivision Development (1,500 units)	Customer service request	\$3,780,000	\$1,986,074	\$1,793,926	
<b>System Access - Sub Total</b>		<b>\$7,067,613</b>	<b>\$3,308,361</b>	<b>\$3,759,252</b>	
<b>SYSTEM RENEWAL - 2016</b>					
Pole Replacement Program - 100 poles	Failure Risk	\$500,000	\$0	\$500,000	
Porcelain to Poly Program	Failure Risk	\$150,000	\$0	\$150,000	
Derry Rd, Trafalgar to 8th Line	Failure Risk, System Efficiency	\$155,000	\$0	\$155,000	
Sixth Line Nass South of 25 Side Road	Failure Risk, System Efficiency	\$322,000	\$0	\$322,000	
Sixth Line Nass North of 20 Side Road	Failure Risk	\$321,400	\$0	\$321,400	
U/G Main and Commercial UG Rebuild	Failure Risk	\$65,000	\$0	\$65,000	
Misc System Renewal	Failure Risk	\$350,000	\$0	\$350,000	
Derry Road - Appleby Line to Guelph Line	Failure Risk, System Efficiency	\$280,000	\$0	\$280,000	
U/G Rebuild: Highside Dr & Ridge Dr	Failure Risk	\$240,000	\$0	\$240,000	
U/G Conversion: Bronte Meadows Conversion - Arena Transformers	Failure Risk, System Efficiency	\$90,000	\$0	\$90,000	
<b>System Renewal - Sub Total</b>		<b>\$2,473,400</b>	<b>\$0</b>	<b>\$2,473,400</b>	
<b>SYSTEM SERVICE - 2016</b>					
WiMax - Automate Switches	Operational efficiency; reliability	\$120,000	\$0	\$120,000	
WiMax - 100 Meter Points	System efficiency; reliability	\$425,000	\$0	\$425,000	
Automated Fault Indicator Installation - with WiMAX	Operational efficiency; reliability	\$175,000	\$0	\$175,000	
Install Automated Switches with WiMAX	Operational efficiency; reliability	\$194,000	\$0	\$194,000	
MS#4 Conversion ---rabbit	System efficiency; reliability	\$200,000	\$0	\$200,000	
Fiber Connection to New Building	Operational efficiency; reliability	\$200,000	\$0	\$200,000	
James Snow, extend to CampbellMile (new Tremaine Rd)	Reliability; system flexibility	\$205,900	\$0	\$205,900	
<b>System Service- Sub Total</b>		<b>\$1,519,900</b>	<b>\$0</b>	<b>\$1,519,900</b>	
<b>DISTRIBUTION PLANT SUB TOTAL</b>		<b>\$11,060,913</b>	<b>\$3,308,361</b>	<b>\$7,752,552</b>	
<b>GENERAL PLANT - 2016</b>					
Rolling Stock	System capital investment support	\$645,000	\$0	\$645,000	
Computer Software	Business operations efficiency	\$80,000	\$0	\$80,000	
Computer Hardware	Business operations efficiency	\$98,000	\$0	\$98,000	
Stores Equipment	Business operations efficiency	\$43,680	\$0	\$43,680	
Major Tools	System capital investment support	\$29,500	\$0	\$29,500	
<b>General Plant - Sub Total</b>		<b>\$896,180</b>	<b>\$0</b>	<b>\$896,180</b>	



# Key Budget Assumptions – con't

## ➤ Long Term Debt:

MHDI forecasts third party borrowings to fund capital projects. Interest assumed at 4.0% for 2015P and 2016 and 5.0% for 2017 and 2018. Borrowing as follows:

➤ 2015P	- \$ 9.3 million
➤ 2016	- \$ 4.0 million
➤ 2017	- \$ 4.0 million
➤ 2018	- \$ 4.0 million

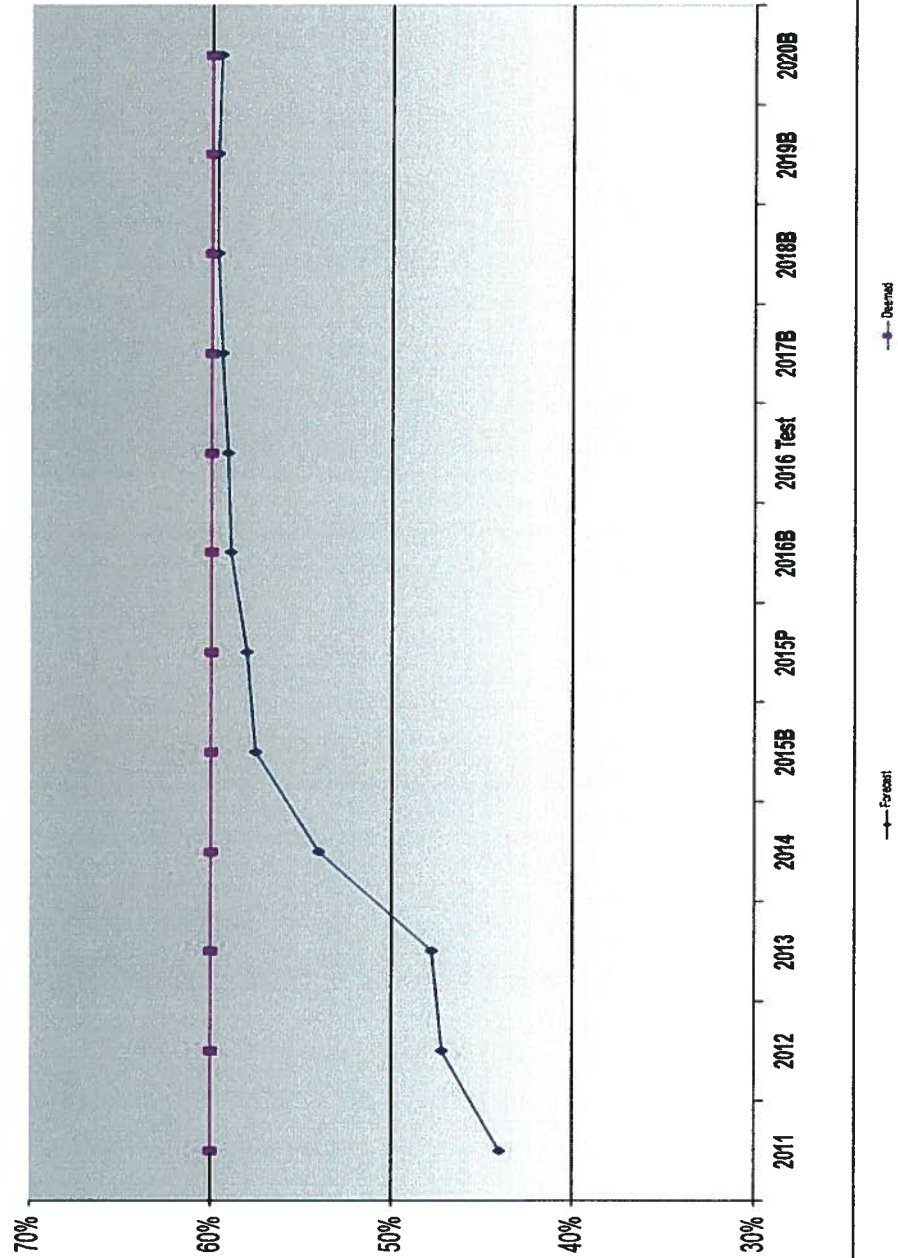
### Promissory Note to Town:

Interest of \$1.082 million reflecting 7.25% payable on promissory note of \$14.934 million; no principal payments assumed during forecast period. Deemed interest rate for MHD's 2016 Cost of Service rate Filing currently in for review by the OEB is 4.77% . It is assumed that Milton Hydro will continue to pay interest to the Town at 7.25% (\$370,000 annually in excess interest to what is being collected in distribution rates).



# Capital Structure

## Capital Structure





# MHDI Status — Significant Ratios

New Covenants per TD Bank										
Covenant Test Ratios	Target	2014 A	2015B	2015P	2016 B	2017 B	2018 B	2019 B	2020 B	
Current Ratio	Minimum 1.1:1	1.64	1.64	1.66	1.58	1.41	1.45	1.50	1.55	
Debt Service Coverage Ratio	Minimum 1.15:1	1.43	1.73	2.03	1.75	1.86	2.06	2.07	2.07	
Debt to Capital Ratio	not greater than 60%	54.0%	57.6%	58.1%	59.0%	59.5%	59.7%	59.7%	59.6%	

Note: The cost of the Building has been removed from 2015P and 2016B calculation for Debt Service Coverage Ratio.



# Forecasting Risk Factors

- **Rate Regulation and Regulatory Uncertainty**
  - 2016 Cost of Service Application in for review with the OEB. Interrogatories and Settlement in November 2015 and January 2016
- **Residential Development in Town of Milton**
  - Growth projections
- **Economic Uncertainty**
  - Growth
  - Impact on GS customers
  - Credit Risk - Impact of OEB Amendments to Distribution System Code with respect to customer service policies may lead to higher bad debts
- **Timing & Cost Implications**
  - Financing of new Building for future office site
  - Transformer Station & Feeder Lines



# Forecasting Risk Factors – con't

## ➤ **Unfunded Portion of Non Revenue Generating Capital Projects**

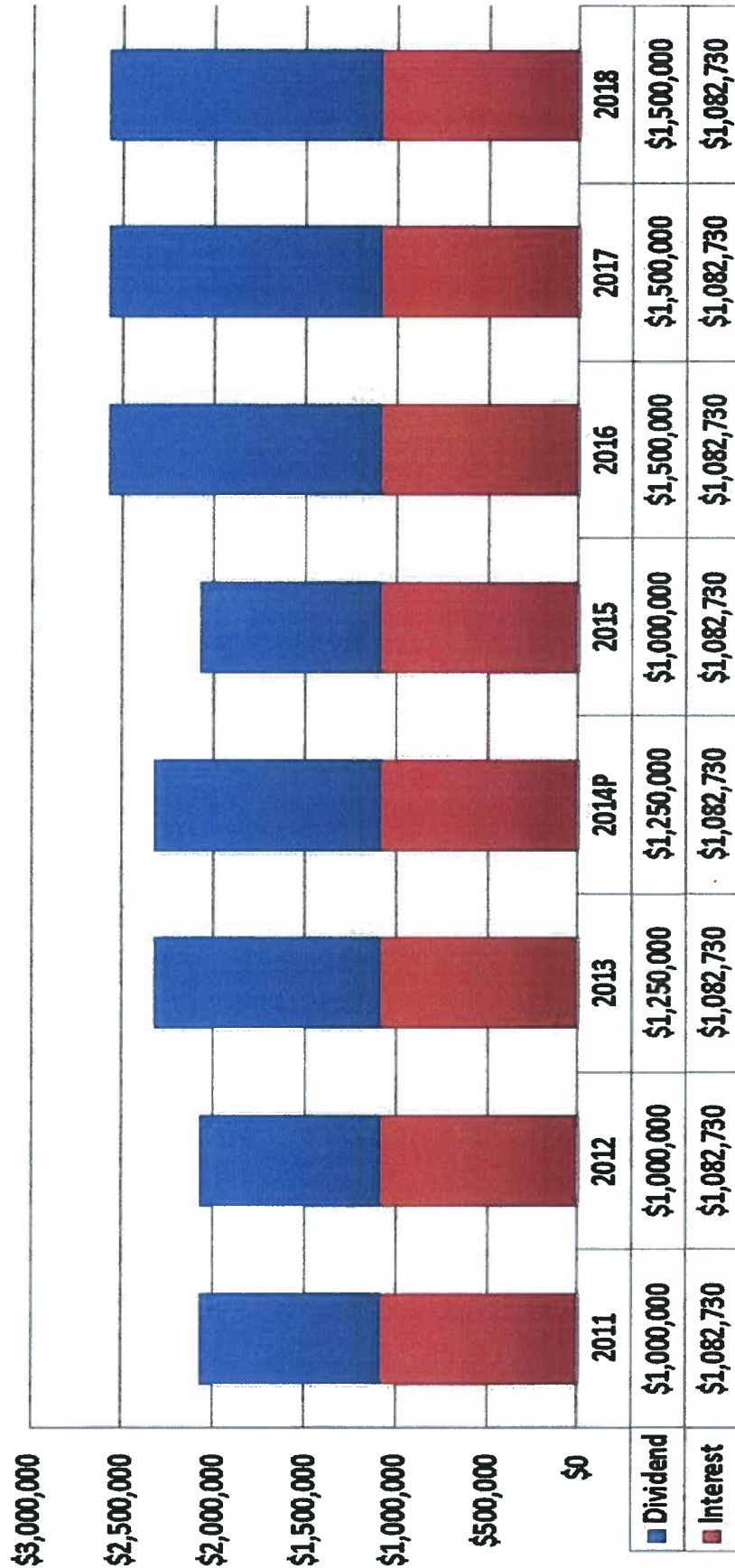
- Region/Municipal/Provincial road projects (recovery based on 50% of labour)

## ➤ **Extraordinary Event**

- New Unexpected Extreme Weather Events (e.g. high winds, ice storm) – potential upper estimate = \$250,000 (potentially not recoverable through z-factor)
- Loss of municipal substation transformer – estimate = \$50,000 (due to voltage conversion, spare transformers available)
- Loss of non-MH owned transformer station transformer (at this time, MH does not own any transformer stations) = \$25,000 for switching; if transformer not available for extended period and customers not restored, loss of distribution revenue be an estimated \$50,000 per week
- Non payment of Major Account – Largest Single Account is \$500,000 per month; currently MH has credit insurance that covers named accounts up to 90%;
  - Maximum risk on named account = \$125,000 (2.5 months)
  - Maximum risk on unnamed account = \$1M (2.5 months)



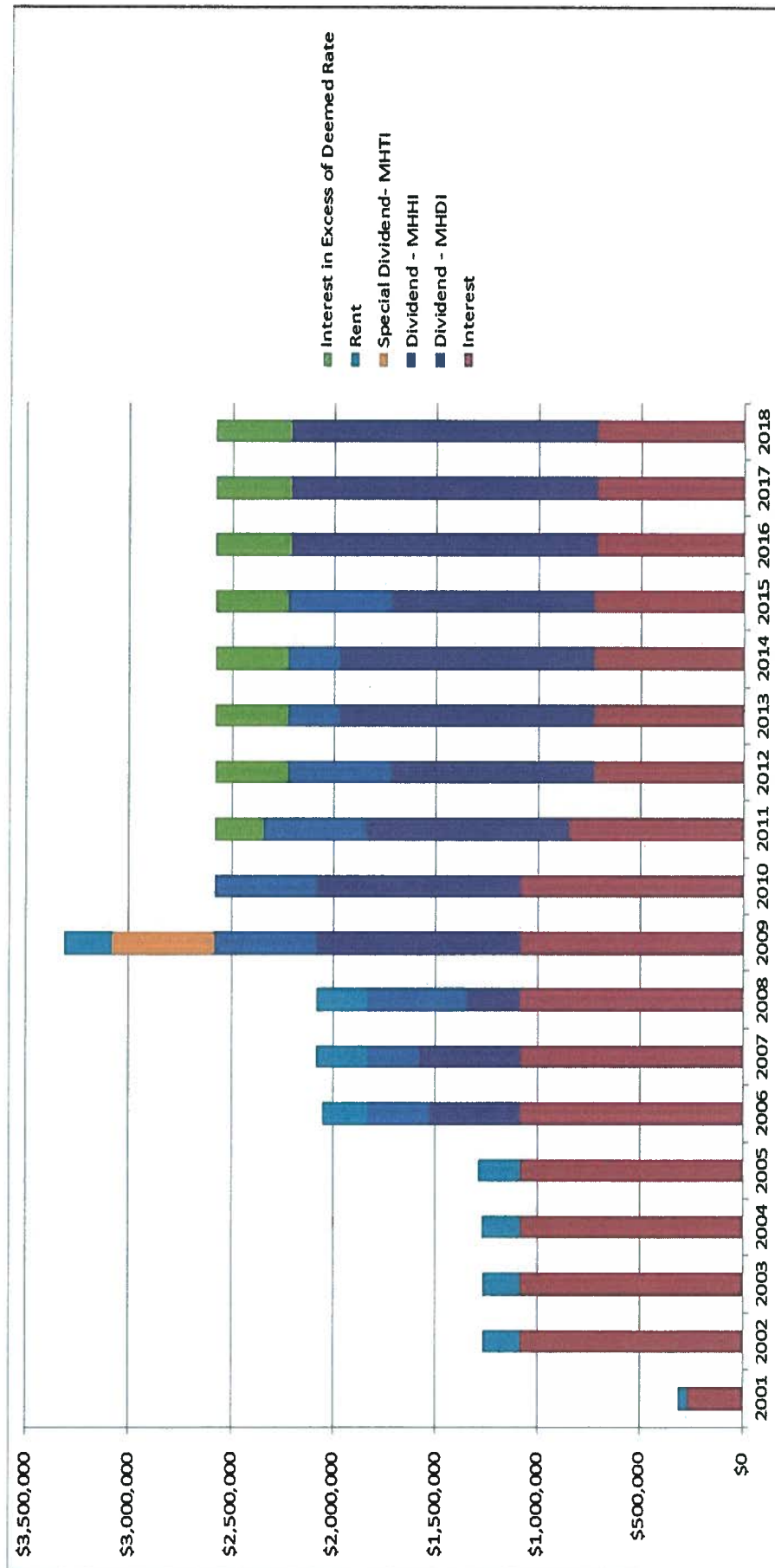
## MHDI Payments to Shareholder



- Interest paid to Town includes approximately \$370,000 in excess of interest collected through distribution rates
- 2016-2018, MHHI is expecting to pay a dividend to the Shareholder of \$1.5 million each year.



Total payments forecasted to Shareholder from 2001 to 2018 = \$35.0 million



- Interest paid to Town includes approximately \$378,000 in excess of interest collected through distribution rates
- 2016-2018, MHHI is expecting to pay a dividend to the Shareholder of \$1.5 million each year.



Section 2



**Milton Hydro Distribution Inc.**  
Summary of Financial Position

Schedule 1

As at December 31

Revised burdens &amp; asset lives

	2015 Budget	2015 Projected	2016 Budget	2016 T as Applied	2017 Budget	2018 Budget	2019 Budget	2020 Budget
<b>ASSETS</b>								
<b>Current</b>								
- Cash & Short-Term Deposits (Borrowings)	5,005,984	4,776,837	3,711,659	5,023,670	926,899	1,654,906	2,531,846	3,560,614
- Accounts Receivable	10,227,810	9,927,667	10,462,639	10,712,987	10,845,135	11,129,022	11,438,375	11,751,115
- Unbilled Revenues	10,051,218	9,756,256	10,281,992	10,528,018	10,657,884	10,936,870	11,240,881	11,548,222
- Inventories	1,075,783	1,390,311	1,390,311	1,075,783	1,390,311	1,390,311	1,390,311	1,390,311
- Prepaid Expenses	443,850	495,555	495,555	443,850	495,555	495,555	495,555	495,555
<b>Total Current Assets</b>	<b>26,804,644</b>	<b>26,346,626</b>	<b>26,342,156</b>	<b>27,784,308</b>	<b>24,315,783</b>	<b>25,606,664</b>	<b>27,096,968</b>	<b>28,745,817</b>
<b>Property, Plant &amp; Equipment</b>								
- Transmission & Distribution System & Building	110,623,134	115,161,115	122,194,742	183,590,146	129,166,231	134,234,821	139,186,510	144,021,299
- Office Equipment & Rolling Stock	3,207,958	3,117,729	3,340,717	26,925,251	3,365,857	3,398,331	3,427,138	3,453,279
- Other Equipment	187,405	187,405	171,045	-	154,885	138,325	121,965	105,605
- Land	4,069,883	4,109,883	4,109,883	-	4,109,883	4,109,883	4,109,883	4,109,883
- Accumulated Contributed Capital - Jan 1, 2000	(52,173,718)	(53,150,278)	(56,958,639)	(66,856,669)	(60,488,639)	(64,018,639)	(67,548,639)	(71,078,639)
- Accumulated Amortization of Contributed Capital	14,328,770	14,407,427	15,570,738	(58,024,963)	16,804,649	18,109,160	19,484,271	20,929,982
<b>Total Property, Plant &amp; Equipment</b>	<b>80,243,430</b>	<b>83,833,280</b>	<b>88,428,485</b>	<b>85,633,765</b>	<b>93,112,665</b>	<b>95,971,880</b>	<b>98,781,127</b>	<b>101,541,408</b>
<b>Other</b>								
- Future Payments in Lieu of Taxes	423,834	(557,104)	423,834	423,834	423,834	423,834	423,834	423,834
<b>Total Other Assets</b>	<b>423,834</b>	<b>(557,104)</b>	<b>423,834</b>	<b>423,834</b>	<b>423,834</b>	<b>423,834</b>	<b>423,834</b>	<b>423,834</b>
<b>TOTAL ASSETS</b>	<b>107,471,908</b>	<b>109,622,802</b>	<b>115,194,475</b>	<b>113,841,907</b>	<b>117,852,283</b>	<b>122,002,377</b>	<b>126,301,929</b>	<b>130,711,059</b>



	2015 Budget	2015 Projected	2016 Budget	2016 T as Applied	2017 Budget	2018 Budget	2019 Budget	2020 Budget
<b>LIABILITIES</b>								
<b>Current</b>								
- Accounts Payable & Accrued Charges	16,090,658	15,512,918	16,329,069	15,374,410	16,856,358	17,251,546	17,694,714	18,140,207
- Current Portion of Long-Term Debt	-	-	-	-	-	-	-	-
- Current Portion of Customer Deposits	286,000	313,000	313,000	286,000	313,000	313,000	313,000	313,000
- PILs Payable	-	-	-	-	-	-	-	-
- Due to Affiliate	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>16,376,658</b>	<b>15,825,918</b>	<b>16,642,069</b>	<b>15,660,410</b>	<b>17,169,358</b>	<b>17,564,546</b>	<b>18,007,714</b>	<b>18,453,207</b>
<b>Long Term Debt</b>								
- Note Payable to Town of Milton	14,934,210	14,934,211	14,934,210	14,934,211	14,934,211	14,934,211	14,934,211	14,934,211
- New Long-Term Debt	35,851,524	37,050,313	39,902,949	41,774,485	42,615,342	45,194,423	47,633,927	49,927,287
	<b>50,785,734</b>	<b>51,984,524</b>	<b>54,837,159</b>	<b>56,708,696</b>	<b>57,549,553</b>	<b>60,128,634</b>	<b>62,568,138</b>	<b>64,861,498</b>
<b>- Due to Milton Hydro Holdings</b>								
	<b>50,785,734</b>	<b>51,984,524</b>	<b>54,837,159</b>	<b>56,708,696</b>	<b>57,549,553</b>	<b>60,128,634</b>	<b>62,568,138</b>	<b>64,861,498</b>
<b>Other</b>								
- Other Liabilities	4,453,314	5,115,764	5,115,764	4,453,314	5,115,764	5,115,764	5,115,764	5,115,764
- Vested Sick Leave & Employee Future Benefits	286,902	304,086	319,821	298,378	332,614	345,918	359,755	374,145
- Future payments in lieu of taxes	-	-	-	-	-	-	-	-
- Development Charges Reserve	-	-	-	-	-	-	-	-
- Regulatory Liabilities	(1,859,234)	(1,217,950)	49,698	(2,430,910)	(1,621,706)	(1,821,706)	(2,021,706)	(2,221,706)
<b>Total Other Liabilities</b>	<b>2,880,982</b>	<b>4,201,900</b>	<b>5,484,283</b>	<b>2,320,782</b>	<b>3,826,672</b>	<b>3,639,976</b>	<b>3,453,813</b>	<b>3,268,203</b>
<b>TOTAL LIABILITIES</b>	<b>70,043,374</b>	<b>72,012,342</b>	<b>76,963,511</b>	<b>74,689,888</b>	<b>76,545,583</b>	<b>81,333,157</b>	<b>84,029,665</b>	<b>86,582,908</b>
<b>EQUITY</b>								
- Total Retained Earnings, Beginning	19,847,314	20,018,600	20,601,553	20,222,752	21,222,055	22,297,792	23,660,312	25,263,357
- Current Year Net Income	1,572,312	1,582,963	2,120,502	3,420,359	2,575,737	2,862,520	3,103,044	3,355,886
- New Equity	-	-	-	-	-	-	-	-
- Dividends Paid During the Year	(1,000,000)	(1,000,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
- Total Retained Earnings, Ending	<b>20,419,626</b>	<b>20,601,553</b>	<b>21,222,055</b>	<b>22,143,111</b>	<b>22,297,792</b>	<b>23,660,312</b>	<b>25,263,357</b>	<b>27,119,243</b>
- Capital Stock	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908
<b>Total Equity</b>	<b>37,428,534</b>	<b>37,610,461</b>	<b>38,230,963</b>	<b>39,152,019</b>	<b>39,306,700</b>	<b>40,669,220</b>	<b>42,272,265</b>	<b>44,128,151</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>107,471,908</b>	<b>109,622,802</b>	<b>115,194,475</b>	<b>113,841,907</b>	<b>117,852,283</b>	<b>122,002,377</b>	<b>126,301,930</b>	<b>130,711,059</b>



## Milton Hydro Distribution Inc.

### Summary of Financial Results

## Schedule 2

As at December 31		Revised burdens & asset lives							
		2015 Budget	2015 Projected	2016 Budget	2016 T as Applied	2017 Budget	2018 Budget	2019 Budget	2020 Budget
TOTAL REVENUE		106,661,449	103,531,379	109,110,378	-	113,099,260	116,059,804	119,285,912	122,547,347
COST OF ENERGY		90,728,833	87,637,123	92,014,870		94,937,110	97,076,206	99,499,107	101,941,562
GROSS DISTRIBUTION REVENUE		15,932,616	15,894,257	17,095,508	17,207,367	18,162,150	18,983,598	19,786,804	20,605,786
OTHER INCOME									
- Water, wastewater billing		588,075	583,970	617,536	652,655	657,726	698,709	740,632	785,069
- Miscellaneous (Pole Attach, Interest, etc.)		1,108,244	1,258,059	1,141,554	1,161,467	1,161,707	1,201,597	1,200,000	1,200,000
- Interest Earned		78,033	67,064	70,417	88,033	70,417	70,417	70,000	70,000
Smart Meter Disposition		(433,776)	(509,785)	-	-	-	-	-	-
- Regulatory Debit/Credit (Acct 4305/4310)		1,340,576	1,399,307	1,829,507	1,902,155	1,889,850	1,970,722	2,010,632	2,055,069
Total Other Income		17,273,193	17,293,563	18,925,015	19,109,521	20,052,000	20,954,320	21,797,435	22,660,853
TOTAL REVENUES									
EXPENDITURE									
- Operation, Maintenance & Administration		9,819,761	10,028,886	10,122,448	9,903,387	10,426,121	10,738,905	11,061,072	11,392,904
- Interest Expense		2,494,819	2,239,304	2,590,057	2,237,077	2,722,742	2,873,228	3,017,886	3,156,464
- Dep'n & Amort'n of Contributed Capital		2,819,400	2,871,721	3,327,408	3,292,486	3,398,699	3,447,666	3,496,633	3,545,599
- Gain on Disposal of Equipment		0	0	0	0	0	0	0	0
- Z-Factor Allowance									
TOTAL EXPENDITURES		15,133,980	15,139,911	16,039,912	15,432,950	16,547,563	17,059,799	17,575,590	18,094,967
EARNINGS BEFORE TAXES & EXTRAORDINARY ITEMS		2,139,212	2,153,653	2,885,102	3,676,571	3,504,437	3,894,520	4,221,844	4,565,886
PILS (Payment in Lieu of Tax)									
- Current		566,900	570,700	764,600	256,212	928,700	1,032,000	1,118,800	1,210,000
- Deferred		566,900	570,700	764,600	256,212	928,700	1,032,000	1,118,800	1,210,000
NET EARNINGS BEFORE EXTRAORDINARY ITEMS		1,572,312	1,582,953	2,120,502	3,420,359	2,575,737	2,862,520	3,103,044	3,355,886
Statutory Tax Rate		26.5%	26.5%	26.5%	7.0%	26.5%	26.5%	26.5%	26.5%
		26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
(Actual Return on Actual Equity (Beg/End Balance Per B/S))		4.34%	4.24%	5.61%	8.91%	6.64%	7.16%	7.48%	7.77%



## Schedule 3

## Milton Hydro Distribution Inc.

## Summary of Cash Flows

As at December 31

## Revised burdens &amp; asset lives

	2015 Budget	2015 Projected	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget
<b>OPERATING ACTIVITIES</b>							
Operations							
Net Income	1,572,312	1,582,953	2,120,502	2,575,737	2,862,520	3,103,044	3,355,886
Items not Affecting Working Capital							
- Depreciation	4,053,403	4,147,038	4,716,838	4,858,730	4,978,297	5,097,863	5,217,430
- Deferred Taxes	-	-	-	-	-	-	-
- Amortization of Contributed Capital (post 01/01/00)	(1,055,806)	(1,101,657)	(1,163,311)	(1,233,911)	(1,304,511)	(1,375,111)	(1,445,711)
- Amortization of Deferred Charges	-	-	-	-	-	-	-
- (Gain)/Loss on Disposal of Property, Plant & Equipment	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-
	<b>4,569,909</b>	<b>4,628,333</b>	<b>5,674,030</b>	<b>6,200,556</b>	<b>6,536,306</b>	<b>6,825,797</b>	<b>7,127,605</b>
Net Change in Non-Cash Working Capital Balances Related to Operations	(100,250)	(787,673)	(244,556)	(231,099)	(167,685)	(170,197)	(174,587)
Net Change in Other Non-Current Balance Sheet Items	11,035	744,632	(965,203)	12,793	13,305	13,837	14,390
<b>Cash Inflow (Outflow) from Operating Activities</b>	<b>4,480,694</b>	<b>4,585,292</b>	<b>4,464,271</b>	<b>5,982,250</b>	<b>6,381,926</b>	<b>6,669,437</b>	<b>6,967,408</b>
<b>INVESTING ACTIVITIES</b>							
- Transfer of Land & Building to Town (NC)	918,195	1,698,051	1,266,648	(1,670,404)	(200,000)	(200,000)	(200,000)
- Regulatory Assets	-	-	-	-	-	-	-
- less smart/stranded meters (no cash impact)	-	-	-	-	-	-	-
- Other Assets - Feeder Lines	-	-	-	-	-	-	-
- Additions to Property, Plant & Equipment	(13,219,155)	(15,781,270)	(11,957,093)	(11,839,000)	(10,063,000)	(10,062,000)	(10,062,000)
- Proceeds on Disposal of Property, Plant & Equipment	-	-	-	-	-	-	-
- Work in Progress - Building	-	-	-	-	-	-	-
- Development Charges	-	-	-	-	-	-	-
	<b>(12,300,960)</b>	<b>(14,083,219)</b>	<b>(10,690,445)</b>	<b>(13,508,404)</b>	<b>(10,263,000)</b>	<b>(10,262,000)</b>	<b>(10,262,000)</b>
<b>Cash from Investing Activities</b>							
<b>FINANCING ACTIVITIES</b>							
- Contributions in Aid of Construction	4,273,720	2,179,035	4,808,361	4,530,000	4,530,000	4,530,000	4,530,000
- Decrease in Existing Long Term Debt	-	-	-	-	-	-	-
- Payments to Developers	(1,500,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
- Dividends Paid	(1,000,000)	(1,000,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
- Cash Transferred to affiliate	-	-	-	-	-	-	-
- Increase in New Debt - External Sources	8,100,000	9,300,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
- Loan from Holdco (Proceeds from Telecom sale)	-	-	-	-	-	-	-
- Repayment of Long-Term Debt	(803,925)	(804,326)	(1,147,365)	(1,287,606)	(1,420,919)	(1,560,497)	(1,706,639)
- Increase in New Equity	-	-	-	-	-	-	-
- Increase in Restructuring Debt	-	-	-	-	-	-	-
	<b>9,069,795</b>	<b>8,674,709</b>	<b>5,160,996</b>	<b>4,742,394</b>	<b>4,609,081</b>	<b>4,469,503</b>	<b>4,323,361</b>
<b>Cash Inflow (Outflow) from Financing Activities</b>							
<b>Net Cash Inflow (Outflow)</b>	<b>1,249,529</b>	<b>(823,218)</b>	<b>(1,065,178)</b>	<b>(2,784,760)</b>	<b>728,007</b>	<b>876,940</b>	<b>1,028,768</b>
<b>Cash &amp; Short-term Deposits, Beginning of Year</b>	<b>3,756,454</b>	<b>5,600,054</b>	<b>4,776,837</b>	<b>3,711,659</b>	<b>926,899</b>	<b>1,654,906</b>	<b>2,531,846</b>
<b>Cash &amp; Short-term Deposits, End of Year</b>	<b>5,005,984</b>	<b>4,776,837</b>	<b>3,711,659</b>	<b>926,899</b>	<b>1,654,906</b>	<b>2,531,846</b>	<b>3,560,614</b>



**Milton Hydro Distribution Inc.**  
Summary of Financial Position

Schedule 1

As at December 31

Revised burdens &amp; asset lives

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Budget	2015 Projected	2016 Budget	2016 T as Applied	2017 Budget	2018 Budget	2019 Budget	2020 Budget
<b>ASSETS</b>												
<b>Current</b>												
- Cash & Short-Term Deposits (Borrowings)	1,655,152	2,541,809	4,293,303	5,600,054	5,005,984	4,776,837	3,711,659	5,023,670	926,899	1,654,906	2,531,846	3,590,614
- Accounts Receivable	8,805,996	9,060,924	8,457,614	9,367,458	10,227,810	9,927,867	10,462,639	10,712,987	10,845,135	11,129,022	11,498,375	11,751,115
- Unbilled Revenues	7,432,570	7,646,870	10,268,600	10,220,477	10,051,218	9,756,256	10,281,982	10,528,018	10,657,884	10,538,870	11,240,881	11,548,222
- Inventories	1,247,662	1,032,812	1,075,783	1,390,311	1,075,783	1,390,311	1,390,311	1,075,783	1,390,311	1,390,311	1,390,311	1,390,311
- Prepaid Expenses	270,466	427,304	443,850	495,555	443,850	495,555	495,555	443,850	495,555	495,555	495,555	495,555
<b>Total Current Assets</b>	<b>19,412,046</b>	<b>20,739,749</b>	<b>24,530,080</b>	<b>27,073,855</b>	<b>26,804,944</b>	<b>26,346,626</b>	<b>26,342,156</b>	<b>27,794,308</b>	<b>24,315,793</b>	<b>25,906,864</b>	<b>27,096,968</b>	<b>28,745,817</b>
<b>Property, Plant &amp; Equipment</b>												
- Transmission & Distribution System & Building	80,670,662	88,180,496	91,300,911	102,121,943	110,623,134	115,161,115	122,194,742	183,590,146	129,166,231	134,234,821	139,186,510	144,021,299
- Office Equipment & Holding Stock	1,168,676	1,186,977	1,793,590	2,254,992	3,207,668	3,117,729	3,340,717	26,925,251	3,365,857	3,398,331	3,427,138	3,453,279
- Other Equipment	230,907	204,836	232,149	203,765	187,405	187,405	171,045	-	154,865	138,325	121,965	105,605
- Land	2,321,200	2,321,200	2,321,200	6,361,200	4,069,883	4,109,883	4,109,883	-	4,109,883	4,109,883	4,109,883	4,109,883
- Accumulated Contributed Capital - Jan 1, 2000	(40,103,151)	(43,960,305)	(47,115,689)	(51,971,243)	(52,173,718)	(53,150,276)	(56,956,639)	(66,856,669)	(60,488,639)	(64,018,639)	(67,548,639)	(71,078,639)
- Accumulated Amortization of Contributed Capital	9,669,991	11,347,419	12,276,963	13,305,770	14,328,770	14,407,427	15,570,738	(56,024,963)	16,804,649	18,106,160	19,484,271	20,929,982
<b>Total Property, Plant &amp; Equipment</b>	<b>53,959,484</b>	<b>59,260,622</b>	<b>60,799,173</b>	<b>72,276,426</b>	<b>80,243,430</b>	<b>83,633,260</b>	<b>88,429,466</b>	<b>65,633,765</b>	<b>93,112,865</b>	<b>95,971,660</b>	<b>98,781,127</b>	<b>101,541,406</b>
<b>Other</b>												
- Future Payments in Lieu of Taxes	299,601	(199,165)	423,834	(557,104)	423,834	(557,104)	423,834	423,834	423,834	423,834	423,834	423,834
<b>Total Other Assets</b>	<b>299,601</b>	<b>(199,165)</b>	<b>423,834</b>	<b>(557,104)</b>	<b>423,834</b>	<b>(557,104)</b>	<b>423,834</b>	<b>423,834</b>	<b>423,834</b>	<b>423,834</b>	<b>423,834</b>	<b>423,834</b>
<b>TOTAL ASSETS</b>	<b>73,670,131</b>	<b>79,801,206</b>	<b>85,753,088</b>	<b>98,793,177</b>	<b>107,471,908</b>	<b>109,622,802</b>	<b>115,194,475</b>	<b>113,841,907</b>	<b>117,852,283</b>	<b>122,092,377</b>	<b>126,301,929</b>	<b>130,711,059</b>

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	2011 Actual	2012 Actual	2013 Actual MIPR	2014 Actual	2015 Budget	2015 Projected	2016 Budget	2016 T as Applied	2017 Budget	2018 Budget	2019 Budget	2020 Budget
<b>LIABILITIES</b>												
<b>Current</b>												
- Accounts Payable & Accrued Charges	12,024,079	12,379,987	13,350,373	16,200,702	16,090,658	15,512,918	16,329,069	15,374,410	16,856,358	17,251,546	17,694,714	18,140,207
- Current Portion of Long-Term Debt												
- Current Portion of Customer Deposits	242,900	262,600	266,000	316,900	266,000	313,000	313,000	266,000	313,000	313,000	313,000	313,000
- PILs Payable												
- Due to Affiliate												
<b>Total Current Liabilities</b>	<b>12,266,979</b>	<b>12,642,587</b>	<b>13,616,373</b>	<b>16,517,602</b>	<b>16,376,658</b>	<b>15,825,918</b>	<b>16,642,069</b>	<b>15,640,410</b>	<b>17,169,356</b>	<b>17,564,546</b>	<b>18,007,714</b>	<b>18,453,207</b>
<b>Long Term Debt</b>												
- Note Payable to Town of Milton	14,934,211	14,934,211	14,934,210	14,934,211	14,934,210	14,934,211	14,934,210	14,934,211	14,934,211	14,934,211	14,934,211	14,934,211
- New Long-Term Debt	10,276,642	14,973,661	17,466,810	28,554,539	35,851,524	37,050,313	39,902,949	41,774,485	42,615,242	45,194,422	47,533,927	49,927,287
	25,210,853	29,907,872	32,401,020	43,488,850	50,785,734	51,984,524	54,837,159	56,708,696	57,549,553	60,128,634	62,568,138	64,861,498
- Due to Milton Hydro Holdings												
	25,210,853	29,907,872	32,401,020	43,488,850	50,785,734	51,984,524	54,837,159	56,708,696	57,549,553	60,128,634	62,568,138	64,861,498
<b>Other</b>												
- Other Liabilities	3,685,647	4,685,514	4,453,314	4,386,240	4,453,314	5,115,764	5,115,764	4,453,314	5,115,764	5,115,764	5,115,764	5,115,764
- Vested Sick Leave & Employee Future Benefits	218,956	252,354	265,257	286,978	286,902	304,066	319,821	298,378	332,614	345,918	359,755	374,145
- Future payments in lieu of taxes												
- Development Charges Reserve												
- Regulatory Liabilities	260,029	(1,235,665)	(368,685)	(2,916,001)	(1,859,224)	(1,217,950)	48,698	(2,430,910)	(1,621,706)	(1,821,706)	(2,021,706)	(2,221,706)
<b>Total Other Liabilities</b>	<b>4,164,632</b>	<b>3,801,983</b>	<b>4,349,886</b>	<b>1,759,217</b>	<b>2,860,982</b>	<b>4,201,900</b>	<b>5,484,283</b>	<b>2,320,782</b>	<b>3,828,672</b>	<b>3,639,976</b>	<b>3,453,813</b>	<b>3,268,203</b>
<b>TOTAL LIABILITIES</b>	<b>41,841,864</b>	<b>46,452,652</b>	<b>50,387,279</b>	<b>61,765,669</b>	<b>70,043,374</b>	<b>72,012,342</b>	<b>76,963,511</b>	<b>74,689,898</b>	<b>78,545,583</b>	<b>81,333,157</b>	<b>84,029,665</b>	<b>86,592,908</b>
<b>EQUITY</b>												
- Total Retained Earnings, Beginning	13,630,051	15,019,360	16,339,646	18,326,859	19,847,314	20,018,600	20,601,553	20,222,752	21,222,055	22,297,792	23,660,312	25,263,357
- Current Year Net Income	2,389,310	2,320,296	3,237,253	2,941,701	1,572,312	1,582,953	2,120,502	3,420,359	2,575,737	2,862,520	3,103,044	3,355,686
- New Equity												
- Dividends Paid During the Year	(1,000,000)	(1,000,000)	(1,250,000)	(1,250,000)	(1,000,000)	(1,000,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
<b>Total Retained Earnings, Ending</b>	<b>15,019,360</b>	<b>16,339,646</b>	<b>18,326,899</b>	<b>20,018,600</b>	<b>20,419,626</b>	<b>20,601,553</b>	<b>21,222,055</b>	<b>22,143,111</b>	<b>22,297,792</b>	<b>23,660,312</b>	<b>25,263,357</b>	<b>27,119,243</b>
- Capital Stock	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908
<b>Total Equity</b>	<b>32,028,268</b>	<b>33,348,554</b>	<b>35,335,807</b>	<b>37,027,508</b>	<b>37,428,534</b>	<b>37,610,461</b>	<b>38,230,463</b>	<b>39,152,019</b>	<b>39,306,700</b>	<b>40,669,220</b>	<b>42,272,265</b>	<b>44,128,151</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>73,870,132</b>	<b>79,801,206</b>	<b>85,723,086</b>	<b>98,793,177</b>	<b>107,471,908</b>	<b>109,622,802</b>	<b>115,194,475</b>	<b>113,841,907</b>	<b>117,852,283</b>	<b>122,002,377</b>	<b>126,301,930</b>	<b>130,711,059</b>



**Milton Hydro Distribution Inc.**  
Summary of Financial Results

Schedule 2

As at December 31	Revised burdens & asset lives										
	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Budget	2015 Projected	2016 Budget	2016 T as Applied	2017 Budget	2018 Budget	2020 Budget
<b>TOTAL REVENUE</b>	78,872,894	87,942,828	97,680,132	105,849,315	106,661,449	103,531,379	109,110,378	-	113,099,260	118,059,804	122,547,347
<b>COST OF ENERGY</b>	66,017,450	74,266,765	83,153,242	90,675,253	90,728,833	87,637,123	92,014,870	-	94,937,110	97,076,206	101,941,562
<b>GROSS DISTRIBUTION REVENUE</b>	12,855,444	13,676,163	14,526,890	15,174,062	15,932,616	15,894,257	17,095,508	17,207,387	18,162,150	19,983,598	20,605,786
<b>OTHER INCOME</b>											
- Water, wastewater billing	517,574	477,035	519,884	552,475	588,075	583,970	617,536	652,655	657,726	698,709	785,069
- Miscellaneous (Pole Attach, Interest, etc.)	1,048,064	917,591	1,102,518	1,093,902	1,108,244	1,258,059	1,141,554	1,161,467	1,161,707	1,201,597	1,200,000
- Interest Earned	51,168	61,538	89,345	79,642	78,033	87,064	70,417	88,033	70,417	70,000	70,000
Smart Meter Disposition			138,778	(433,776)	(433,776)	(509,785)	-	-	-	-	-
- Regulatory Debit/Credit (Acct 4305/4310)			(433,776)	(536,720)	(433,776)	(509,785)	-	-	-	-	-
<b>Total Other Income</b>	1,616,806	1,456,163	1,414,749	1,189,289	1,340,576	1,399,307	1,829,507	1,902,155	1,889,850	1,970,722	2,055,069
<b>TOTAL REVENUES</b>	14,472,250	15,132,326	15,941,638	16,363,361	17,273,193	17,293,563	18,925,015	19,109,521	20,052,000	20,954,320	22,660,853
<b>EXPENDITURE</b>											
- Operation, Maintenance & Administration	6,396,763	6,761,992	8,435,973	9,043,897	9,819,761	10,028,886	10,122,448	9,903,387	10,426,121	10,738,905	11,061,072
- Interest Expense	1,489,595	1,686,542	1,846,313	1,954,915	2,494,819	2,239,304	2,590,057	2,237,077	2,722,742	2,873,228	3,017,866
- Dep'n & Amort'n of Contributed Capital	3,587,116	3,826,646	2,427,165	2,495,153	2,819,400	2,871,721	3,327,408	3,292,486	3,398,689	3,447,666	3,545,589
- Gain on Disposal of Equipment				0	0	0	0	0	0	0	0
- Z-Factor Allowance				(500,000)							
<b>TOTAL EXPENDITURES</b>	11,473,474	12,285,180	12,709,452	12,993,965	15,133,980	15,139,911	16,039,912	15,432,950	16,547,563	17,059,799	18,094,967
<b>EARNINGS BEFORE TAXES &amp; EXTRAORDINARY ITEMS</b>	2,998,776	2,847,146	3,232,187	3,369,396	2,139,212	2,153,653	2,885,102	3,676,571	3,504,437	3,894,520	4,565,886
P.L.S. (Payment in Lieu of Tax)											
- Current	11,443	186,690	50,971	40,557	566,900	570,700	764,600	256,212	928,700	1,032,000	1,210,000
- Deferred	598,023	340,170	(56,037)	387,138				256,212	928,700	1,032,000	1,210,000
	609,466	526,860	(5,066)	427,695	566,900	570,700	764,600	256,212	928,700	1,032,000	1,210,000
<b>NET EARNINGS BEFORE EXTRAORDINARY ITEMS</b>	2,389,310	2,320,286	3,237,253	2,941,701	1,572,312	1,582,953	2,120,502	3,420,359	2,575,737	2,862,520	3,355,886
<b>Statutory Tax Rate</b>	20.52% 31.0%	18.50% 31.0%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
<b>Actual Return on Actual Equity (Beg/End Balance Per B/S)</b>	7.63%	7.13%	9.43%	8.16%	4.34%	4.24%	5.61%	8.91%	6.64%	7.16%	7.77%



Schedule 3

**Milton Hydro Distribution Inc.**  
Summary of Cash Flows  
As at December 31

Revised burdens & asset lives

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Budget	2016 Projected	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget
<b>OPERATING ACTIVITIES</b>											
Operations	2,380,310	2,320,286	3,237,253	2,941,701	1,572,312	1,582,853	2,120,502	2,575,737	2,862,520	3,103,044	3,355,886
Net Income	5,302,635	5,640,187	3,483,695	3,854,759	4,053,403	4,147,038	4,716,838	4,868,730	4,976,297	5,097,863	5,217,430
Items not Affecting Working Capital	598,023	340,170	(929,573)	(1,028,777)	(1,055,806)	(1,101,657)	(1,183,311)	(1,233,911)	(1,304,511)	(1,375,111)	(1,445,711)
- Depreciation	(1,550,573)	(1,677,429)									
- Deferred Taxes											
- Amortization of Contributed Capital (post 01/01/00)											
- Amortization of Deferred Charges											
- (Gain)/Loss on Disposal of Property, Plant & Equipment											
- Other											
	6,739,395	6,623,214	5,791,374	5,567,683	4,569,909	4,628,333	5,674,030	6,200,556	6,536,306	6,825,787	7,127,605
Net Change in Non-Cash Working Capital Balances Related to Operations	(1,174,192)	(64,598)	(1,044,691)	1,643,605	(100,250)	(767,673)	(244,556)	(231,099)	(167,685)	(170,197)	(174,587)
Net Change in Other Non-Current Balance Sheet Items	195,459	1,233,265	(1,042,298)	937,585	11,035	744,632	(965,203)	12,793	13,305	13,837	14,390
<b>Cash Inflow (Outflow) from Operating Activities</b>	<b>5,760,662</b>	<b>7,791,860</b>	<b>3,704,387</b>	<b>8,148,673</b>	<b>4,480,694</b>	<b>4,595,292</b>	<b>4,464,271</b>	<b>5,982,250</b>	<b>6,361,926</b>	<b>6,669,437</b>	<b>6,967,408</b>
<b>INVESTING ACTIVITIES</b>											
- Transfer of Land & Building to Town (NC)	(2,445,174)	(1,337,317)	887,200	(2,547,316)	918,195	1,698,051	1,266,648	(1,670,404)	(200,000)	(200,000)	(200,000)
- Regulatory Assets											
- less smart/stranded meters (no cash impact)											
- Other Assets - Feeder Lines											
- Additions to Property, Plant & Equipment	(9,651,174)	(13,122,050)	(7,218,036)	(18,988,809)	(13,219,155)	(15,761,270)	(11,957,093)	(11,839,000)	(10,063,000)	(10,062,000)	(10,062,000)
- Proceeds on Disposal of Property, Plant & Equipment											
- Work in Progress - Building											
- Development Charges											
	(12,096,348)	(14,459,366)	(6,350,836)	(21,536,126)	(12,300,960)	(14,063,218)	(10,690,446)	(13,509,404)	(10,263,000)	(10,262,000)	(10,262,000)
<b>Cash from Investing Activities</b>	<b>3,803,872</b>	<b>6,018,805</b>	<b>4,103,789</b>	<b>5,302,522</b>	<b>4,273,720</b>	<b>2,179,035</b>	<b>4,808,361</b>	<b>4,530,000</b>	<b>4,530,000</b>	<b>4,530,000</b>	<b>4,530,000</b>
<b>FINANCING ACTIVITIES</b>											
- Contributions in Aid of Construction	(1,876,235)	(2,161,651)	(948,425)	(1,446,948)	(1,500,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
- Decrease in Existing Long Term Debt	(1,000,000)	(1,000,000)	(1,250,000)	(1,250,000)	(1,000,000)	(1,000,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
- Payments to Developers											
- Dividends Paid	3,487,200	5,100,000	3,044,000	11,700,000	8,100,000	9,300,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
- Cash Transferred to affiliate											
- Increase in New Debt - External Sources	(280,688)	(402,981)	(550,852)	(612,170)	(803,925)	(804,326)	(1,147,365)	(1,287,606)	(1,420,919)	(1,560,497)	(1,706,639)
- Loan from Holdco (Proceeds from Telecom sale)											
- Repayment of Long-Term Debt											
- Increase in New Equity											
- Increase in Restructuring Debt											
<b>Cash Inflow (Outflow) from Financing Activities</b>	<b>4,134,149</b>	<b>7,554,173</b>	<b>4,398,512</b>	<b>14,693,404</b>	<b>9,069,795</b>	<b>8,674,709</b>	<b>5,160,998</b>	<b>4,742,394</b>	<b>4,609,081</b>	<b>4,469,503</b>	<b>4,323,361</b>
<b>Net Cash Inflow (Outflow)</b>	<b>(2,201,536)</b>	<b>886,687</b>	<b>1,762,063</b>	<b>1,306,151</b>	<b>1,249,529</b>	<b>(823,218)</b>	<b>(1,065,178)</b>	<b>(2,784,760)</b>	<b>728,007</b>	<b>876,940</b>	<b>1,026,768</b>
<b>Cash &amp; Short-term Deposits, Beginning of Year</b>	<b>3,856,689</b>	<b>1,655,152</b>	<b>2,541,839</b>	<b>4,293,903</b>	<b>3,756,454</b>	<b>5,600,054</b>	<b>4,776,837</b>	<b>3,711,659</b>	<b>926,699</b>	<b>1,654,906</b>	<b>2,531,846</b>
<b>Cash &amp; Short-term Deposits, End of Year</b>	<b>1,655,152</b>	<b>2,541,839</b>	<b>4,293,903</b>	<b>5,600,054</b>	<b>5,005,984</b>	<b>4,776,837</b>	<b>3,711,659</b>	<b>926,699</b>	<b>1,654,906</b>	<b>2,531,846</b>	<b>3,560,614</b>



**MILTON HYDRO DISTRIBUTION INC.  
MISCELLANEOUS REVENUE**

	2014	2015	2015	2015	2016	2016	2017	2018
	Actual	Budget	Projected	Budget	TEST	Budget	Budget	Budget
POLE ATTACHMENT FEE	\$ 150,119	\$ 154,966	\$ 150,720	\$ 152,227	\$ 156,515	\$ 153,749	\$ 155,287	\$ 155,287
INTEREST CHARGE	\$ 174,673	\$ 182,084	\$ 169,520	\$ 177,995	\$ 191,188	\$ 186,895	\$ 196,240	\$ 196,240
REGION - WATER AND SEWAGE FEE								
COLLECTION CHARGE	\$ 552,475	\$ 588,075	\$ 583,970	\$ 617,536	\$ 626,579	\$ 657,726	\$ 698,709	\$ 698,709
RECONNECTION CHARGE	\$ 355,770	\$ 391,734	\$ 366,030	\$ 384,332	\$ 363,995	\$ 403,548	\$ 423,725	\$ 423,725
PURCHASE DISCOUNTS	\$ 17,310	\$ 16,814	\$ 13,838	\$ 14,529	\$ 18,525	\$ 15,256	\$ 16,019	\$ 16,019
SALE OF SCRAP MATERIAL	\$ 48,466	\$ 15,000	\$ 17,043	\$ 17,895	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
MISCELLANEOUS REVENUE	\$ 4,370	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
N.S.F. CHARGE	\$ 4,680	\$ 4,998	\$ 4,433	\$ 4,654	\$ 5,248	\$ 4,887	\$ 5,131	\$ 5,131
OCCUPANCY CHARGE	\$ 197,070	\$ 225,450	\$ 219,107	\$ 232,223	\$ 232,223	\$ 239,334	\$ 246,800	\$ 246,800
DISPOSAL OF FIXED ASSETS	\$ 1,200	\$ -	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -	\$ -
Disposal of Land	\$ 750	\$ 750	\$ 926	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
LAWYER'S CERTIFICATES								
BILLING FEE-MEGS	\$ 2,730	\$ 2,500	\$ 1,575	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
OFF CYCLE METER READ	\$ 45	\$ -	\$ 102	\$ -	\$ -	\$ -	\$ -	\$ -
STATEMENT OF ACCOUNT	\$ 66,780	\$ 60,000	\$ 77,355	\$ 81,223	\$ 60,000	\$ 81,223	\$ 81,223	\$ 81,223
INTERVAL METER READ	\$ 3,828	\$ 3,828	\$ 3,828	\$ 3,828	\$ 3,828	\$ 3,828	\$ 3,828	\$ 3,828
MHTI Billing Fee (Sentinel Lights)								
RETAILER - ONE TIME CHARGE	\$ 6,715	\$ 7,098	\$ 6,459	\$ 6,782	\$ 7,452	\$ 7,121	\$ 7,477	\$ 7,477
RETAILER - LDC CONSOL BILLING								
RETAILER - RETAILER CONSOL BILL	\$ 3,400	\$ 3,556	\$ 3,690	\$ 3,875	\$ 3,734	\$ 3,875	\$ 3,875	\$ 3,875
MONTHLY FIXED CHARGE	\$ 11,255	\$ 11,895	\$ 10,802	\$ 11,342	\$ 12,490	\$ 11,342	\$ 11,342	\$ 11,342
MONTHLY VARIABLE CHARGE	\$ 188	\$ 204	\$ 135	\$ 142	\$ 214	\$ 142	\$ 142	\$ 142
STR REQUEST FEE	\$ 335	\$ 368	\$ 246	\$ 258	\$ 386	\$ 258	\$ 258	\$ 258
STR PROCESSING FEE	\$ 44,219	\$ 25,000	\$ 46,253	\$ 30,000	\$ 10,000	\$ 30,000	\$ 30,000	\$ 30,000
Interest on RSVA accounts								
OPA Programs - received'	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OPA Programs - spent								
<b>TOTAL MISCELLANEOUS</b>	<b>\$ 1,646,377</b>	<b>\$ 1,696,319</b>	<b>\$ 1,842,028</b>	<b>\$ 1,759,090</b>	<b>\$ 1,712,627</b>	<b>\$ 1,819,433</b>	<b>\$ 1,900,306</b>	<b>\$ 1,900,306</b>
MISC. INTEREST INCOME	\$ 79,639	\$ 78,033	\$ 67,064	\$ 70,417	\$ 78,033	\$ 70,417	\$ 70,417	\$ 70,417
Total Other Revenue (Before Reg Adjustment)	\$ 1,726,016	\$ 1,774,352	\$ 1,909,092	\$ 1,829,507	\$ 1,790,660	\$ 1,889,850	\$ 1,970,722	\$ 1,970,722



**Milton Hydro Distribution Inc.  
Administration Expenses**

	2014 Actual	BUDGET 2015	Projected 2015	TEST 2016	BUDGET 2016	VARIANCE Proj15 - Bud15	VARIANCE Bud165 - Proj15	VARIANCE Bud16 - TEST16
Promotion/Community Relations	\$ 19,679	\$ 19,755	\$ 19,899	\$ 20,071	\$ 20,071	\$ 144	\$ 171	\$ -
Billing/Meter Reading	\$ 1,319,812	\$ 1,452,244	\$ 1,477,084	\$ 1,330,561	\$ 1,465,947	\$ 24,840	\$ (11,138)	\$ 135,386
Finals/Collections	\$ 751,379	\$ 834,300	\$ 735,999	\$ 864,138	\$ 859,063	\$ (98,301)	\$ 123,063	\$ (5,076)
General Administration	\$ 3,045,004	\$ 3,372,202	\$ 3,598,822	\$ 3,390,428	\$ 3,378,533	\$ 226,621	\$ (220,290)	\$ (11,895)
Board	\$ 143,310	\$ 143,917	\$ 114,474	\$ 157,225	\$ 118,791	\$ (29,443)	\$ 4,317	\$ (38,433)
Building	\$ 263,087	\$ 388,244	\$ 408,725	\$ 406,153	\$ 467,634	\$ 20,481	\$ 58,908	\$ 61,480
<b>TOTAL ADMINISTRATION</b>	<b>\$ 5,542,271</b>	<b>\$ 6,210,662</b>	<b>\$ 6,355,004</b>	<b>\$ 6,168,575</b>	<b>\$ 6,310,037</b>	<b>\$ 144,342</b>	<b>\$ 44,967</b>	<b>\$ 141,462</b>
% increase	14.8%							

2.10



**Milton Hydro Distribution Inc.  
Operating & Maintenance Expenses**

	ACTUAL 2014	BUDGET 2015	PROJECTED 2015	TEST 2016	BUDGET 2016	VARIANCE Proj15 - Bud15	VARIANCE Bud16 - Proj15	VARIANCE Bud16 - TEST16
Maintenance	\$ 1,417,166	\$ 2,465,915	\$ 2,543,286	\$ 2,600,456	\$ 2,619,760	\$ 77,371	\$ 76,473	\$ 19,304
Tree Trimming	\$ 473,021	\$ 520,184	\$ 518,212	\$ 530,722	\$ 530,722	\$ (1,972)	\$ 12,510	\$ -
Underground Locates	\$ 325,163	\$ 333,000	\$ 345,938	\$ 345,000	\$ 380,000	\$ 12,938	\$ 34,062	\$ 35,000
Customer Premises	\$ 286,277	\$ 281,999	\$ 266,445	\$ 258,634	\$ 258,653	\$ (15,554)	\$ (7,792)	\$ 19
Z Factor Reallocation	\$ 500,000							
<b>Total Operating Exp</b>	<b>\$ 3,001,627</b>	<b>\$ 3,601,098</b>	<b>\$ 3,673,882</b>	<b>\$ 3,734,812</b>	<b>\$ 3,789,135</b>	<b>\$ 72,783</b>	<b>\$ 115,253</b>	<b>\$ 54,323</b>

2.11



2.12

**Milton Hydro Distribution Inc.**  
**Summary of Capital Expenditures**  
As at December 31

Total Residential Units - per year									
	2013 Actual	2014 Actual	2015 Budget	2015 Projected	2016	2017	2018	2019	2020
Subdivision Capital Costs									
System Access (New Disclosure in 2015)		4,311,792	3,780,000	2,268,000	3,780,000	3,780,000	3,780,000	3,780,000	3,780,000
System Renewal (New Disclosure in 2015)		5,010,242	824,640	2,067,528	3,287,613	4,125,613	4,312,000	2,432,000	
System Service (New Disclosure in 2015)			2,387,300	1,182,889	2,473,400	1,953,400	1,821,000	1,790,000	
			1,870,900	689,552	1,519,900	1,133,000	1,225,000	1,350,000	
New Services (OH and UG)									
Metering	662,006	746,560	661,735						
Interest during Construction on PPE	684,786	281,820	285,365						
Land for New Headquarters/Disposal of existing land		15,519	(2,251,317)	(2,251,317)					
Building for New Headquarters		4,040,000	7,500,000	10,480,000					
Milton Hydro TS Installation (Tremaine)									
Total Transmission and Distribution Capital Expenditures	(1,449,306)								
	6,426,405	14,405,933	15,059,623	14,436,652	11,060,613	11,839,413	11,136,000	9,392,000	
General Plant (office eqmt, tools)									
	639,619	856,052	1,410,532	1,344,618	886,180	720,500	701,000	711,000	
TOTAL GROSS CAPITAL EXPENDITURES	7,066,024	15,261,985	16,469,155	15,781,270	11,957,093	11,839,413	11,839,000	10,083,000	
Less: Contributed Capital									
Refunds to Developers	948,425	1,298,769	1,500,000	1,000,000			1,000,000	1,000,000	
Capital Contributions Received	-4,103,789	-5,154,343	-4,273,720	-2,179,035	-4,808,361		-4,530,000	-4,530,000	
Total Capital Contributions - net	-3,155,364	-4,855,574	-2,773,720	-1,179,035	-3,808,361	-3,280,000	-3,530,000	-3,530,000	
Net Capital Expenditures - Net Impact on Cash Flow	3,910,660	10,406,411	13,695,435	14,602,235	8,148,732	8,559,413	8,309,000	6,553,000	
Adjustments:									
Work in Progress (building, meters & transformers)	-30,044	3,726,825	-3,250,000	-3,726,825					
Smart Meter Disposition									
Net Capital Expenditures - Net Impact on Cash Flow	3,880,616	14,133,236	10,445,435	10,875,410	8,148,732	8,559,413	8,309,000	6,553,000	
Less: Extraordinary Items Budgeted									
- Refund to Developer (timing difference)									
- Land/Building for New Headquarters/Disposal of excess land									
- Smart Meter Roll-out									
- TS Feeders									
- TS (Tremaine - built by Hydro One, shared with BH)									
- WIP									
- Other One Time Expenditures									
Annual Capital excluding extraordinary expenditures	1,449,306	(7,768,826)	(1,868,883)	(4,481,858)					
\$\$ variance from Budget - over/(under) budget									
% variance from Budget									

Next TS required by 2021

2016-2018 COS Application  
2016-2018 COS Application  
2016-2018 COS Application  
3% increase  
3% increase  
IO Construction Advance - 1.85% - \$7.3M on September 15, 2014  
Land - 200 Chiscolm  
Building - 200 Chiscolm  
\$1.22K will be depreciated

2016-2018 COS Application



2.13

**Milton Hydro Distribution Inc.**  
**Summary of Capital Expenditures**  
As at December 31

Total Residential Units - per year	1,695	2013 Actual	2014 Actual	2015 Budget	2015 Projected	2016 Actual	2016 Projected	2017 Actual	2017 Projected	2018 Actual	2018 Projected
Subdivision Capital Costs											
System Access (New Disclosure in 2015)		2,610,746	4,311,792	3,780,000	2,268,000	3,780,000	2,268,000	3,780,000	2,268,000	3,780,000	2,268,000
System Renewal (New Disclosure in 2015)			5,010,242	824,640	2,087,528	3,287,813	2,087,528	4,312,000	2,432,000	4,312,000	2,432,000
System Service (New Disclosure in 2015)				2,387,300	1,182,888	2,473,400	1,182,888	1,225,000	1,225,000	1,225,000	1,225,000
New Services (OH and UG)				1,870,900	689,552	1,519,900	689,552				
Metering		682,006	746,560	681,735							
Interest during Construction on PPE		884,786	281,820	285,365							
Land for New Headquarters/Disposal of existing land			15,519								
Building for New Headquarters			4,040,000	(2,251,317)	(2,251,317)						
Milton Hydro TS Installation (Tremaine)				7,500,000	10,460,000						
<b>Total Transmission and Distribution Capital Expenditures</b>		<b>(1,449,306)</b>	<b>14,405,933</b>	<b>15,068,623</b>	<b>14,436,652</b>	<b>11,060,913</b>	<b>10,909,913</b>	<b>11,130,000</b>	<b>9,352,000</b>		
General Plant (office eqmt, tools)		639,619	856,052	1,410,532	1,344,618	886,180	720,500	701,000	711,000		
<b>TOTAL GROSS CAPITAL EXPENDITURES</b>		<b>7,066,024</b>	<b>15,261,985</b>	<b>16,469,155</b>	<b>15,781,270</b>	<b>11,957,093</b>	<b>11,629,412</b>	<b>11,839,000</b>	<b>10,063,000</b>		
Less: Contributed Capital											
Refunds to Developers		948,425	1,298,769	1,500,000	1,000,000	1,000,000		1,000,000	1,000,000		
Capital Contributions Received		-4,103,789	-6,154,343	-4,273,720	-2,179,035	-4,808,361		-4,530,000	-4,530,000		
Total Capital Contributions - net		-3,155,364	-4,855,574	-2,773,720	-1,179,035	-3,808,361		-3,530,000	-3,530,000		
<b>Net Capital Expenditures - Net Impact on Cash Flow</b>		<b>3,910,660</b>	<b>10,406,411</b>	<b>13,695,435</b>	<b>14,602,235</b>	<b>8,148,732</b>	<b>8,349,413</b>	<b>8,309,000</b>	<b>6,533,000</b>		
Adjustments:											
Work in Progress (building, meters & transformers)		-30,044	3,728,825	-3,250,000	-3,728,825						
Smart Meter Disposition											
<b>Net Capital Expenditures - Net Impact on Cash Flow</b>		<b>3,880,616</b>	<b>14,133,236</b>	<b>10,445,435</b>	<b>10,873,410</b>	<b>8,148,732</b>	<b>8,349,413</b>	<b>8,309,000</b>	<b>6,533,000</b>		
Less: Extraordinary items budgeted											
- Refund to Developer (timing difference)											
- Land/Building for New Headquarters/Disposal of excess land											
- Smart Meter Roll-out											
- TS Feeders											
- TS (Tremaine - built by Hydro One; shared with BH)											
- WIP											
- Other One Time Expenditures											
Annual Capital excluding extraordinary expenditures											
\$ variance from Budget - over/(under) budget											
% variance from Budget											

Next TS required by 2021

2016-2018 COS Application  
2016-2018 COS Application  
2016-2018 COS Application  
3% increase  
3% increase  
IO Construction Advance - 1.85% - \$7.3M on September 15, 2014  
Land - 200 Chiselm  
Building - 200 Chiselm  
\$1.225K will be depreciated

2016-2018 COS Application



# Section 3



# Milton Hydro Distribution Inc.

## Key Assumptions

### Revenue

- Utilized the Town of Milton's growth projections for residential development adjusted for confirmations from major builders. These figures reflect the general slowdown in the housing market, the effect of new mortgage regulations and the uncertainty regarding development fees.
  - 2015P- 900 residential units (budgeted 1,500)
  - 2016 - 1,500 residential units
  - 2017 - 1,500 residential units
  - 2018 - 1,500 residential units
- Average monthly consumption figures for residential customers is trending downwards due to several factors – construction of more condo-type accommodation, more energy efficient new homes and appliances, and the impact of higher time-of-use pricing. The average kWh consumption for 2015 is projected at 764 kWh, reflecting a relatively cool spring/summer (2015 budget – 784 kWh). Average monthly residential consumption is forecast at 766 kWh for 2016 and 759 kWh and 751 kWh for 2017 and 2018 respectively.
- Growth in the General Service GS<50 kWh class is based on 35 new customers per year (average monthly consumption for 2016 is forecast at 2,917 kWh per month.) Actual for 2015P is projected to be 16 customers with estimated consumption at 2,956 kWh per month. Distribution revenue for GS<50kW class is based on consumption (kWh) and fixed monthly service charges.
- Growth for 2016 in the GS>50 kW to 999 kW class is based on 5 new customers per year with an average monthly demand of 154 kW (average growth in 2015P is 8 customers with an average monthly demand of 159 kW). Distribution revenue for GS>50 kW class is based on demand (kW) and fixed monthly service charges.
- Revenue for the GS>1000 kW class for 2015P is based on the 13 existing customers with projected demand of 1,722 kW per customer. One customer transitioned to the GS>1000 kW class in June 2015. Average monthly demand for 2016 is forecast at 1,692 kW and is based on historical figures adjusted by customer reclassifications over the last few years and its estimated demand. Distribution revenue for GS>1000 kW class is based on demand (kW) and fixed monthly service charges.
- Distribution rates for 2015P and 2016 have been adjusted based on Milton Hydro's rate filings to the OEB effective May 1, 2015 of 1.45%. Milton Hydro filed a Cost of Service Application for rates effective May 1, 2016; the budget assumes a revenue requirement (annual) adjustment of approximately \$1.0M effective May 1, 2016. Distribution rates for 2017 and 2018 are assumed to be consistent with 2016 rates with an inflationary increase that mirrors the inflationary increase in 2015 filing (1.45%).



- Effective November 1, 2014, the OEB approved MHDI's Z-factor application to recover the December 2013 Ice Storm costs of \$946,967 over an 18 month period ending on April 30, 2016.

### **Other Income**

- Effective June 1, 2011, Milton Energy and Generation Solutions Inc. (MEGS) signed a 5 year agreement between the Regional Municipality of Halton and the Halton LDCs regarding the continuation of meter reading, billing and customer service/collection services for water and wastewater. MEGS has contracted with MHDI to provide the billing and customer service/collection services. The 2015 projection and the forecast for 2016 reflects the terms of the contract. The budget assumes the contract has been extended for 2017 and 2018 on the same terms:
  - Effective June 1, 2016 MHDI is billing MEGS based on a fully allocated cost plus return of \$3.34 per bill reflecting an inflationary increase of 2% effective June 1 of each year of the forecast.
  - MEGS recognizes revenue over the term of the contract based on the following schedule. MEGS contracts for manual water meter reading services directly with the contractor; accordingly, the budget reflects that manual water meter reading costs are not borne by MHDI.

	June 1st 2014 to May 31st 2015	June 1st 2015 to May 31st 2016	June 1st 2016 to May 31st 2017	June 1st 2017 to May 31st 2018
Average Bill fee Charged to MEGS	\$ 3.21	\$ 3.27	\$ 3.34	\$ 3.42

### **Controllable Expenses**

- Compensation reflects an estimated increase and an estimate for total compensation relating to management staff (3.5%). For bargaining unit staff, the collective agreement signed in 2013 expires on December 31, 2016. The budget reflects the terms of the agreement with an increase of 1.5% in January and an increase of 1.2% in July for years 2015 and 2016 respectively. An inflationary increase is reflected for 2017 and 2018.
- Staff levels are monitored regularly against other utilities of similar size. Headcount at the end of 2015 is forecast to be 58 FTE (full time equivalents). Headcount is forecast as follows:
  - 2015P - 4 headcount increase over 2014- Communications Officer, AMI Operator and Engineering Technician (GIS), Network Administrator
  - 2016 - 4 headcount increase – CSR, Human Resource specialist, Engineering Technician (SCADA), Powerline Technician
  - 2017- 1 headcount increase - Health & Safety/Purchaser
  - 2018 No headcount increase
- On July 17, 2012, the OEB issued Regulatory accounting policy direction regarding changes to depreciation expense and capitalization policies, mandatory for 2013 for all



distributors. Milton Hydro elected to change its depreciation and capitalization policies effective January 1, 2013. A variance account has been authorized for distributors to record the financial differences between Canadian GAAP and IFRS arising from these accounting changes. In its 2016 Cost of Service (COS), Milton Hydro applied to dispose of the variance which totals \$ 1.48M plus interest over 1 year commencing May 1, 2016.

- In years subsequent to 2016, Controllable expenses have been adjusted for inflation and proposed head count changes (3.0%).
- Total lease costs for 2015P are estimated to be \$326,946 – which includes rent & property taxes, insurance & security (approximately \$38,000 annually; in 2015 there is a \$30,000 deposit that will be applied to last month's rent). Effective November 1, 2009, MHDI signed a 5 year lease for its current office site at 8069 Lawson Rd. MHDI has provided notice to the Landlord that it wished to extend the lease at the current site until December 15, 2015 at which time it will move to its new location at 200 Chisolm. The five year lease payments (excluding property taxes, insurance & security) are as follows:
  - November 21, 2009 to October 31, 2010 - \$261,946\*
  - November 1, 2010 to October 31, 2011 - \$269,424
  - November 1, 2011 to October 31, 2012 – \$311,582
  - November 1, 2012 to October 31, 2013 - \$315,798
  - November 1, 2013 to October 31, 2014 – \$320,534
  - November 1, 2014 to October 31, 2015 - \$326,946
  - November 1, 2015 to December 31, 2015 - \$ 54,490

*\*the lease granted 45 days rent-free from date of possession (October 9/09)*

- In September 2014, MHDI purchased land & building at 200 Chisholm Drive costing \$7,250,000 (land \$4.04M & building \$3.21M); it is planned that the building will be renovated during 2015 for a total building cost projected at \$10.5M with move in scheduled for December 2015.

### PILs

- Milton Hydro is subject to Payments in Lieu of Tax ("PILs"); tax rates assumed as follows:
  - 2015 - 26.5%
  - 2016 - 26.5%
  - 2017 - 26.5%
  - 2018 - 26.5%

### Interest

- Interest of 7.25% payable on the debt to the Town commenced on October 1, 2001. Payments are made to the Town on a quarterly basis. No principal payments of this promissory note have been made during the forecast period. The budget assumes that Milton Hydro will continue to pay the Town at a rate of 7.25%, however the OEB-approved deemed interest rate pursuant to the 2016 Cost of Service Rate filing on this demand facility is 4.77% which means that approximately \$370,000 of interest is being



paid annually to the Shareholder in excess of what has been approved by the OEB to be recovered in distribution rates.

- Milton Hydro signed financing agreements with Infrastructure Ontario to fund its multi-year capital program: November 12, 2009 (\$15.752M) and March 27, 2013 (\$20.044M). A new financing agreement is being negotiated to fund future capital projects.

To-date, Milton Hydro has drawn down the entire \$15,752,257 under the existing Financing Agreement No. 09Mil930079055FA with Infrastructure Ontario dated November 12, 2009.

	Debenture #1	Debenture #2	Debenture #3	Debenture #4	Debenture #5	Debenture #6	Total
Principal Amount	\$285,000	\$2,880,057	\$4,000,000	\$3,487,200	\$2,550,000	\$2,550,000	\$15,752,257
Closing Date	01-Apr-10	01-Apr-10	15-Jul-10	15-Sep-11	15-Feb-12	17-Sep-12	
Maturity Date	01-Apr-16	01-Apr-25	16-Jul-35	15-Sep-36	16-Feb-37	17-Sep-37	
Annual Interest Rate (fixed)	3.02%	4.49%	4.84%	4.33%	3.92%	3.87%	
Loan Term	5 years	15 years	25 years	25 years	25 years	25 years	
Payment Frequency	Semi Annual	Semi Annual	Semi Annual	Semi Annual	Semi Annual	Semi Annual	
Loan Type	Amortizing	Amortizing	Amortizing	Amortizing	Amortizing	Amortizing	

- By the end of 2014, Milton Hydro has drawn down \$14.744M under the Financing Agreement No. 12Mil9300712059FA with Infrastructure Ontario dated March 27, 2013. In 2015, Milton Hydro drew the remaining amount under the Financing Agreement of \$4.0M in July 15, 2015 and \$1.3M on September 1, 2015.

	Promissory Note	Promissory Note	Promissory Note	Promissory Note	Promissory Note	Total
Principal Amount	\$3,044,000	\$3,900,000	\$7,800,000	\$4,000,000	\$1,300,000	\$20,044,000
Closing Date	01-May-13	15-Jul-14	15-Sep-14	01-Jul-15	01-Sep-15	
Maturity Date	01-May-38	15-Jul-39	15-Sep-39	01-Jul-40	01-Sep-40	
Annual Interest Rate (fixed)	3.74%	3.97%	3.04%	3.55%	3.31%	
Loan Term	25 years	25 years	25 years	25 years	25 years	
Payment Frequency	Semi Annual	Semi Annual	Semi Annual	Semi Annual	Semi Annual	
Loan Type	Amortizing	Amortizing	Amortizing	Amortizing	Amortizing	

- The budget reflects an additional \$4.0M draw in December 2015 @ 3.65% for the renovation of the new office & operations centre at 200 Chisolm Drive. In 2016 and during the forecast period, the budget assumes a draw of \$4.0M in each year to fund ongoing capital projects.

## **Capital**

### **• Capital expenditures – Growth Related**

- New Residential connections
  - 2015P - 900 new residential connections
  - 2016 to 2018- 1,500 new residential connections in each year
  - cost per residential unit of \$2,520 which includes all capital costs, incremental overhead charges, external costs, secondary buses and meters.



- New General Service connections
  - 2016 – 40 new underground/overhead (traffic/streetlight) services.
  - Developers continue to pay for growth-related capital expenditures and Milton Hydro rebates the developer based on the number of connections to the distribution system. Refunds to the developer are made based on actual residential connections/load over the 5 year connection horizon allowed under the Distribution System Code; over the last 5 years, MHDI's contribution has been approximately 40% of total capital costs of completed subdivisions.
- Contributed Capital Policy
  - 100% contributed capital on new General Class services
  - New Residential services not associated with growth are funded through rates
  - New Residential services related to growth – MHDI contributes to developers of residential subdivisions based on an economic evaluation.
- Capital expenditures
  - MHDI System Access Projects (includes Subdivision costs)
    - 2015 projected \$4.36 million
    - 2016 - \$7.07 million
    - 2017 - \$8.09 million
  - MHDI System Renewal Projects
    - 2015 projected \$1.18 million
    - 2016 - \$2.47 million
    - 2017 - \$1.82 million
  - MHDI System Service Projects
    - 2015 projected \$690,000
    - 2016 - \$1.52 million
    - 2017 - \$1.23 million
  - General Plant Expenditures
    - 2015 Projected
      - Single Bucket truck - \$320,000
      - 1 Step Van - \$90,000
      - Full Size Van - \$28,000
      - Servucom (AMI) \$118,000
      - Outage Mgmt System - \$120,000
      - Office Furniture - \$400,000 (new office)
    - 2016
      - GIS - \$45,000
      - Single Bucket truck - \$325,000
      - Squirt Boom Aerial Truck - \$150,000
      - 1 Step Van - \$90,000
      - 4x4 Pick Up Truck - \$45,000
      - Full Size Van - \$35,000



- During 2015, MHDI will sell its property at 5<sup>th</sup> Line & Main for its appraised value of \$2.4M - a recent MPAC assessment supports the selling price. The property was originally purchased in 2009 as the future site for the office/operations centre. MHDI has been using the unserviced property for outside storage as its current leased premises does not have sufficient capacity for MHDI's requirements. For budget purposes, it is assumed that the gain on sale of \$149,000 is recognized in Other Income.



# Section 4



## Milton Hydro Distribution Inc. Variance Analysis

### FINANCIAL SUMMARY

#### *Results of Operations*

	2014 Actual	2015 Budget	2015 Projected	2016 Test (as applied)	2016 Budget
Net Distribution Revenue	\$ 15,174,062	\$ 15,932,616	\$ 15,894,257	\$ 17,207,367	\$ 17,095,508
Other Income	\$ 1,726,019	\$ 1,774,352	\$ 1,909,092	\$ 1,902,155	\$ 1,829,507
Regulatory change in burdens & asset lives	\$ (536,720)	\$ (433,776)	\$ (509,785)	\$ -	\$ -
Controllable Expenses	\$ 9,043,897	\$ 9,819,761	\$ 10,028,886	\$ 9,903,387	\$ 10,122,448
Depreciation	\$ 2,495,154	\$ 2,819,400	\$ 2,871,721	\$ 3,292,486	\$ 3,327,408
Interest	\$ 1,954,915	\$ 2,494,820	\$ 2,239,304	\$ 2,237,077	\$ 2,590,057
Z-Factor Allowance	\$ (500,000)				
Net Income Before Tax	\$ 3,369,395	\$ 2,139,212	\$ 2,153,653	\$ 3,676,572	\$ 2,885,102
Total PILs	\$ 427,695	\$ 566,900	\$ 570,700	\$ 256,213	\$ 764,600
Net Income After Tax	2,941,700	1,572,312	1,582,953	3,420,359	2,120,502

2015 Projected net earnings after tax of \$1,582,953 is estimated to be \$10,641 (0.6%) higher than 2015 Budget.

- o higher Other Income - \$135,000
- o lower Interest Expenses - \$256,000

Offset by:

- o lower Distribution Revenue – (\$38,000)
- o higher Controllable Expenses (\$209,000)
- o higher Depreciation (\$52,000)
- o higher Regulatory Adjustment for modified IFRS (\$76,000)

2016 Net earnings after tax of \$2,120,502 is forecast to be \$537,549 higher than 2015 Projected. The increase in net earnings reflects:

- o higher Distribution Revenue - \$1,201,000
- o No similar Regulatory Adjustment for modified IFRS - \$510,000

Offset by:

- o higher Interest Expense \$351,000
- o higher Depreciation Expense \$456,000
- o higher Taxes \$194,000
- o higher Controllable Expenses \$94,000
- o lower Other Income - \$80,000

2016 Net earnings after tax of \$2,120,502 is forecast to be \$1,299,857 lower than 2016 Test Year (as applied). The decrease in net earnings reflects:

- o lower Distribution Revenue - \$112,000
- o lower Other Revenue - \$73,000

Offset by:

- o higher Interest Expense \$353,000
- o higher Depreciation Expense \$35,000
- o higher Taxes (PILS) \$508,000
- o higher Controllable Expenses \$219,000



### 2016 TEST compared to 2016 Budget

- 2016 Test Distribution Revenue assumes new rates effective January 1, 2016 whereas 2016B reflects rates effective May 1, 2016.
- 2016 Test Other Income includes \$112,000 of Standard Supply Service (SSS) Administration Revenue which is included in 2016B Net Distribution Revenue, offset by lower Disposal FA (\$15,000) and lower Interval meter reads (\$21,000)
- 2016B Controllable expenses are higher than 2016 Test due to a higher than envisioned AMI Software Maintenance Contract with Trilliant (\$130,000), higher heating and contract maintenance expenses relating to the new building (\$60,000) and higher Locate costs (\$35,000)
- 2016 Test Interest calculates the interest on the Promissory Note to the Town using the maximum deemed interest rate of 4.77%. The 2016B includes the actual Interest rate of 7.25% resulting in a difference of \$370,000.
- 2016 Test Taxes (PILS) takes into consideration Tax Adjustments including the deduction of CCA (\$6.2M) and the addback of Depreciation (\$3.3M). 2016B assumes a tax rate of 26.5% of Net Income Before Tax.

### • Capital Expenditures –

As required by the OEB, distributors are now required to report investment projects and activities into one of four investment categories; System Access, System Renewal, System Service and General Plant. Milton Hydro, starting in 2015 has revised its budgeting of Capital to reflect these new categories.

- Milton Hydro is projected to spend \$10.9 million on net capital expenditures during 2015 compared to plan of \$10.4 million. 2015 includes the renovation of a building purchased in 2014 for a new office site (2014 - \$3.7M; 2015 - \$6.7M). The new office site is being renovated with move-in expected in December 2015.
  - 2015 Budget & Projection envisions the property owned by Milton Hydro at 5<sup>th</sup> & Main Street (6.3 acres purchased in 2009) to be sold for market value (\$2.4M)
  - Net Capital expenditures in 2016 are forecasted to be \$8.15 million including one-time expenditures of a purchase of a single bucket truck (\$325,000) and a Squirrt Boom Aerial Truck (\$150,000)
- The 2015 Budget envisioned a Net Cash inflow for 2015 of (\$1.25M) which included obtaining net third party financing in 2015 of \$8.10 million; it is projected for 2015 that there will be a Net Cash outflow of (\$823K) that includes total third party financing of \$9.3 million in 2015.

The results of the Corporation's operations are outlined in the following section.

	2014 Actual	2015 Budget	2015 Projected	2016 Test (as applied)	2016 Budget
Net Distribution Revenue	\$ 15,174,062	\$ 15,932,616	\$ 15,894,257	\$ 17,207,367	\$ 17,095,508
% increase (decrease)		5.0%	-0.2%	8.3%	7.6%

Projected Net Distribution Revenue for 2015 is expected to be \$15.89 million, \$38,359 or -0.2% under plan. The variance is attributable mainly to the following factors:

- Connections – it is expected that there will be 900 new residential connections for 2015 and the budget was for 1,500 new residential connections.



- Consumption – Actual consumption for the Residential and GS<50kW customers is forecast to be 3.1% below budget. TOU pricing, public awareness of energy saving practices and more energy efficient housing combined with more condo developments also appear to be reducing average consumption.
- Demand – Large Volume GS customers (>50KW) using demand as the determinant for variable distribution charges saw a 0.5% increase from 2015 budget and a 2.0% increase from 2014 actual demand. One GS>50 customer grew into a GS>1000 customer and there were more new GS>50 accounts than budgeted.
- Rates – In MHDI's 2015IRM, the OEB-approved net price cap adjustment was 1.45% which applied to both fixed and variable distribution charges. Rates were budgeted at 0.45% adjustment.

Net Distribution revenue for 2016 is expected to increase by \$1,201,251 or 7.6% over 2015 Projected to \$17.096 million. The increase is attributable to the following:

	# of Customers / Billing			Billing Determinants (kWh/kW)			Net Revenue		
	2015Proj	2016	Diff	2015Proj	2016	Diff	2015Proj	2016	Diff
Residential	32,922	34,422	1,500	297,768,911	309,555,467	4.0%	\$10,397,248	\$11,512,446	\$1,115,198
GS< 50kW	2,762	2,797	35	91,121,650	90,832,314	-0.3%	2,114,135	2,159,409	45,275
GS>50kW	291	296	5	545,692	542,630	-0.6%	1,639,402	1,950,765	311,363
GS>1000kW	13	13	0	258,281	263,889	2.2%	747,752	590,492	-157,259
Large Use	3	3	0	248,354	245,870	-1.0%	689,826	532,415	-157,411
Streetlight	0	0	0	21,308	21,106	-0.9%	265,997	295,239	29,242
Sent Light	0	0	0	429	418	-2.6%	15,122	27,462	12,340
MicroFit	0	0	0	n/a	n/a	n/a	24,775	27,279	2,504
	35,991	37,531	1,540				\$15,894,257	\$17,095,508	\$1,201,252

▪ **Distribution Volumes**

- Overall electricity distributed on the system is expected to increase in 2016 due primarily to the continued growth from residential development in the Town of Milton. There are expected to be 1,500 new residential units connected in 2016, with 1,500 expected in each of 2017 and 2018 respectively.
- It is also estimated that 16 new small commercial customers (GS < 50kW) with an average monthly consumption of 2,956 kWh will be connected in 2015. In 2016 and 2017, it is expected that GS<50kW will add 35 customers in 2016 & 30 customers in 2017 with an average consumption of 2,917 kWh and 2,888 kWh respectively.
- For the larger volume industrial/commercial accounts, the forecast is for 5 new GS>50 customers in each of 2016, 2017 and 2018 with average monthly demand of 154 kW. There are no new GS>1000 customers forecast in 2016 and demand is forecast to remain stable at 1,692 kW.
- The Large Use customer class is forecast to remain stable at an average demand of 6,830 kW. There are no new customers in the forecast.
- The total customer count is expected to be 35,991 by the end of 2015 (excluding streetlight and sentinel light customers), and increase to 37,531 or 1,540 customers in 2016.
- Consumption (kWh) for 2015 was affected by cooler than average summer temperatures for the second year in a row and has been forecast using 2013-2015 average consumption per customer



for 2016. Average consumption and demand have mostly been forecasted using the average figures for the last 3 years in an attempt to arrive at a balance between different weather patterns and conservation trends. For the Residential and GS<50 classes an approximate decrease of 1% has been incorporated into the forecast for 2016 and succeeding years to reflect changing consumption patterns and various CDM programs.

- Distribution rates are forecast to increase by an average 1.45% in May of 2015, reflecting the 2015 rate filing recently submitted/approved by the OEB.
- MHDI filed a Cost of Service application for rates effective May 1, 2016. The Revenue Deficiency has been calculated as \$990,647 (annualized); 2016 Distribution Revenue reflects a Revenue Deficiency of \$791,470.

Total 2016 distribution revenue composition is marginally different from the prior year with approximately 67.3% of revenue from residential customers, 27.4 % from general service customers, and 5.2% from large user and other customers. The composition is continuing to shift to residential class as this is where the largest customer growth has been. Milton Hydro's 3 largest customers account for 3.1% of Distribution Revenue.

	2014 Actual	2015 Budget	2015 Projected	2016 Test (as applied)	2016 Budget
Other Income (before Reg Adjustment)	\$ 1,726,019	\$ 1,774,352	\$ 1,909,092	\$ 1,902,155	\$ 1,829,507
Regulatory Adjustment	\$ (536,720)	\$ (433,776)	\$ (509,785)		
Total Other Income	\$ 1,189,299	\$ 1,340,576	\$ 1,399,307	\$ 1,902,155	\$ 1,829,507
% increase (decrease) - before Reg Adj		12.7%	4.4%	35.9%	30.7%

In 2015, Other Income is projected to be \$58,731 (4.4%) higher than 2015 budget. The increase is primarily attributable to:

- Disposal (gain) on sale of land (5<sup>th</sup> & Main)- \$149,000
- Interval Meter Reads \$17,000 higher than plan; in order to comply with OEB requirements, Milton Hydro implemented a policy to charge for weekly probing of meters for those commercial accounts who have not provided a phone line for meter reading purposes as required under Milton Hydro's Conditions of Service
- Higher Sale of Scrap & Disposal of Fixed Asset - \$17,000
- Higher Interest on Regulatory Accounts -\$21,000
- Offset by:
  - Higher Regulatory Adjustment due to Modified IFRS (\$76,000)
  - Lower Interest and Collection/Reconnection Charges (\$41,000)
  - Lower Occupancy Costs (\$6,000)
  - Lower Region Water Charges (\$10,000)
  - Lower Misc Interest Income (\$11,000)

Other Income for 2016 is forecast to increase by \$430,200 (30.7%) over 2015P. The increase is primarily attributable to:

- No similar Regulatory Adjustment for modified IFRS - \$510,000
- Effective June 1, 2011, the Region of Halton contracted MEGS for customer service/collection, meter reading and billing for water and wastewater services. MEGS subsequently contracted with MHDI to provide customer service/collection and water billing services – an increase in billing fees revenue from MEGS is anticipated for 2016 -\$49,000 in line with growth



- Interest and Collection are expected to increase by \$27,000 in line with continued customer growth
  - Higher Occupancy costs - \$13,000
  - Interval Meter Reads - \$4,000
- Offset by:
- no similar Disposal (gain) on sale of land (\$149,000)

The Regulatory Adjustment in 2015 captures the variance created by changes to depreciation expense and capitalization policies between Canadian GAAP and IFRS as required by the OEB. MHDI through its 2016 COS Application will dispose of this cumulative variance account totaling \$ 1,480,290 (for period January 1, 2013 to April 30, 2016) plus return effective in its May 1, 2016 rates; Milton Hydro recommended the variance account be disposed of over a period of one year.

## Operations & Maintenance Expense

	2014 Actual	2015 Budget	2015 Projected	2016 Test (as applied)	2016 Budget
Maintenance	\$ 2,417,166	\$ 2,496,180	\$ 2,543,286	\$ 2,600,456	\$ 2,643,036
Tree Trimming	\$ 473,021	\$ 489,919	\$ 518,212	\$ 530,722	\$ 530,722
Underground Locates	\$ 325,163	\$ 333,000	\$ 345,938	\$ 345,000	\$ 380,000
Customer Premises	\$ 286,277	\$ 281,999	\$ 266,445	\$ 258,634	\$ 258,653
Z-Factor Reallocation	\$ (500,000)				
<b>Total Operating Exp</b>	<b>\$ 3,001,627</b>	<b>\$ 3,601,098</b>	<b>\$ 3,673,882</b>	<b>\$ 3,734,811</b>	<b>\$ 3,812,411</b>
% increase (decrease)		20.0%	2.0%	1.7%	3.8%

Operations & Maintenance Expense for 2015 is projected to be \$72,784 above 2015 budget (2.0%). The increase is attributed to the following:

- Maintenance - \$ 78,000
- Tree Trimming - \$28,000 –Milton Hydro introduced revised tree specifications in Fall 2014
- Locates - \$13,000
- Engineering/Stores - \$53,000 – budget did not envision 3 Operation Supervisors

### OFFSET BY

- Customer Premises – (\$16,000)
- Control Room – (\$83,000) – contract with Guelph Hydro commenced in November 2014; originally envisioned in budget to move to 24/7 hours during 2015 but delayed until 2016

Operations & Maintenance Expense for 2016 is projected to be \$138,529 above 2015 Projected (3.8%).

- Compensation reflects an estimate for total compensation relating to management staff. For bargaining unit staff, the collective agreement signed in 2013 expires on December 31, 2016. The budget reflects the terms of the agreement with an increase of 1.5% in January and an increase of 1.2% in July for years 2015 and 2016 respectively. An inflationary increase is reflected in 2017;
- 2 additional Operations & Maintenance headcount - Engineering Technician (SCADA), Powerline Technician



- Underground Locates – increase of \$34,000 in line with growth
- Tree Trimming - \$13,000 - in line with Milton Hydro's revised tree specifications
- Control Room - \$95,000 for contract with Guelph Hydro to manage the control room activities transitioning to 24/7 hours in 2016
- Maintenance expense reduced to normal levels for 2015 (\$209,000)

## Administration Expense

Administration Expenses are comprised of the following:

	2014 Actual	2015 Budget	2015 Projected	2016 Test (as applied)	2016 Budget
Promotion/Community Relations	\$ 19,679	\$ 19,755	\$ 19,899	\$ 20,071	\$ 20,071
Billing/Meter Reading	\$ 1,319,811	\$ 1,452,244	\$ 1,477,084	\$ 1,330,561	\$ 1,465,947
Fnals/Collections	\$ 751,379	\$ 836,610	\$ 735,999	\$ 864,138	\$ 859,063
General Administration	\$ 3,062,016	\$ 3,372,202	\$ 3,598,822	\$ 3,390,428	\$ 3,378,533
Board	\$ 126,299	\$ 150,333	\$ 114,474	\$ 157,225	\$ 118,791
Building	\$ 263,086	\$ 387,519	\$ 408,725	\$ 406,153	\$ 467,634
<b>TOTAL ADMINISTRATION</b>	<b>\$ 5,542,270</b>	<b>\$ 6,218,663</b>	<b>\$ 6,355,004</b>	<b>\$ 6,168,575</b>	<b>\$ 6,310,037</b>
% increase (decrease)		12.2%	2.2%	-2.9%	-0.7%

Total Administration Expense for 2015 is expected to be \$136,341 higher than plan due to:

- **Billing/Meter Reading/Fnals/Collections** - overall \$75,770 lower than plan
  - Direct Labour costs (budget included a CSR) (\$118,000)
  - Hand-delivery of Collection notices (\$15,000)
  - Postage \$21,000
  - Bad Debt expense (Target) \$21,000
  - Credit Insurance \$23,000
- **General Administration** – overall \$43,653 higher than plan due to:
  - Moving Expenses – 200 Chisholm \$100,000
  - Audit & Legal costs \$6,000
  - Telephone \$12,000
  - Meetings/Conventions/Memberships/Dues \$10,000
  - Management Fee (MHFI) (\$13,000)
  - Direct Labour costs (\$48,000)
  - Incentive Plan/Employee future benefits (\$28,000)
- **Board** – overall \$29,443 lower than plan
- **Building** – overall \$20,481 higher than plan
  - Property Tax adjustment due to tax status change @ 200 Chisholm (\$110,000)
  - Hydro/Water@ 200 Chisholm \$34,000
  - Maintenance/Subcontracting at 200 Chisholm \$97,000



Total Administration Expense for 2016 is expected to be \$44,967 lower than 2015P (-0.7%) due to:

- Compensation reflects an estimated increase and an estimate for total compensation relating to management staff. For bargaining unit staff, the collective agreement signed in 2013 expires on December 31, 2016. The budget reflects the terms of the agreement with an increase of 1.5% in January and an increase of 1.2% in July for years 2015 and 2016 respectively. An inflationary increase is reflected in 2017.
- 2 new Administrative headcount: 2016 New hires - Customer Service Representative and HR Specialist, along with a Full Year Communication Specialist, Network Administrator and AMI Operator (\$475,000)
- PL&PD Insurance increase \$19,000 (2015 reflects a \$18,000 refund)
- Net increase in costs from expiry of Trilliant Meter Reading (AMI) contract offset by additional Software maintenance costs (Serviewcom) \$36,000
- Postage is increased by \$8,000 in line with growth taking into account ebill customers

Offset by:

- Net reduction of costs relating to move to new building including rent at 8069 Lawson, moving expenses and building expenses at 8069 Lawson; (\$368,000)
- MHDI filed its 2016 Cost of Service Application in August 2015; Net reduction in Regulatory expenses (\$61,000)
- Implementation of Cayenta Work Management System and Financial upgrade will be completed in 2015; no similar expense to be incurred in 2016 (\$160,000)



	2014 Actual	2015 Budget	2015 Projected	2016 Test (as applied)	2016 Budget
Interest (2016T - Deemed)	\$ 1,954,915	\$ 2,494,819	\$ 2,239,304	\$ 2,237,077	\$ 2,590,057
% increase (decrease)		27.6%	-10.2%	-0.1%	15.7%

Effective October 1, 2001, MHDI began paying interest of 7.25% on the promissory note (\$14,934,210) to the Shareholder in line with the deemed interest rate included in distribution rates. Effective May 1, 2016, MHDI filed its 2016 Cost of Service and the deemed interest rate included in distribution rates was adjusted to 4.77%; however, it was agreed that Milton Hydro would continue to pay interest on the promissory note to the Town at 7.25% (representing annually \$370,368 of interest in excess of what Milton Hydro is collecting in distribution rates).

Milton Hydro pays interest of 75 bps on the Letter of Credit (\$3.0 million) that is required to be posted with the Independent Electricity Market Operator (IESO) at the time of market opening as well as interest paid out on customer deposits.

Milton Hydro has financed its capital program to-date by signing Financing Agreements with Infrastructure Ontario.

To-date, Milton Hydro has drawn down the entire \$15,752,257 under the existing Financing Agreement No. 09Mil930079055FA with Infrastructure Ontario dated November 12, 2009.

	Debenture #1	Debenture #2	Debenture #3	Debenture #4	Debenture #5	Debenture #6	Total
Principal Amount	\$285,000	\$2,880,057	\$4,000,000	\$3,487,200	\$2,550,000	\$2,550,000	\$15,752,257
Closing Date	01-Apr-10	01-Apr-10	15-Jul-10	15-Sep-11	15-Feb-12	17-Sep-12	
Maturity Date	01-Apr-16	01-Apr-25	16-Jul-35	15-Sep-36	16-Feb-37	17-Sep-37	
Annual Interest Rate	3.02%	4.49%	4.84%	4.33%	3.92%	3.87%	
Loan Term	5 years	15 years	25 years	25 years	25 years	25 years	
Payment Frequency	Semi Annual	Semi Annual	Semi Annual	Semi Annual	Semi Annual	Semi Annual	
Loan Type	Amortizing	Amortizing	Amortizing	Amortizing	Amortizing	Amortizing	

By the end of 2014, Milton Hydro has drawn down \$14.744M under the Financing Agreement No. 12Mil9300712059FA with Infrastructure Ontario dated March 27, 2013 Milton Hydro's contribution for the Tremaine Transformer Station and capital projects from 2011-2015. In 2015, Milton Hydro drew \$4.0M in July 15, 2015 and \$1.3 M on September 1, 2015.

	Promissory Note	Promissory Note	Promissory Note	Promissory Note	Promissory Note	Total
Principal Amount	\$3,044,000	\$3,900,000	\$7,800,000	\$4,000,000	\$1,300,000	\$20,044,000
Closing Date	01-May-13	15-Jul-14	15-Sep-14	01-Jul-15	01-Sep-15	
Maturity Date	01-May-38	15-Jul-39	15-Sep-39	01-Jul-40	01-Sep-40	
Annual Interest Rate	3.74%	3.97%	3.04%	3.55%	3.31%	
Loan Term	25 years	25 years	25 years	25 years	25 years	
Payment Frequency	Semi Annual	Semi Annual	Semi Annual	Semi Annual	Semi Annual	
Loan Type	Amortizing	Amortizing	Amortizing	Amortizing	Amortizing	



Milton Hydro is in the process of finalizing a new financing agreement with Infrastructure Ontario and TD Bank. The budget envisions a draw of \$4M from TD in December 2015 for the renovation costs of the new building. The next draw will be in July 2016 for \$4M to fund capital projects and in each year thereafter

Milton Hydro continues to monitor its cash flow requirements and anticipates third party financing will continue to be required to fund the capital program. Interest is assumed at 4.0% for 2016 and 5.0% for 2017 and 2018;

- 2015B - \$8.1 million - \$804,000 principal repayment
- 2015P - \$9.3 million - \$804,000 principal repayment
- 2016 - \$4.0 million - \$1,147,000 principal repayment
- 2017 - \$4.0 million - \$1,287,000 principal repayment
- 2018 - \$4.0 million - \$1,420,000 principal repayment

	2014 Actual	2015 Budget	2015 Projected	2016 Test (as applied)	2016 Budget
Depreciation	\$ 2,495,154	\$ 2,819,400	\$ 2,871,721	\$ 3,292,486	\$ 3,327,408
%increase (decrease)		13.0%	1.9%	14.7%	15.9%

MHDI is projected to spend \$10.9 million on net capital expenditures during 2015. One-time costs include the following:

- Renovation of new building for new office site - \$6.7M (2014 - \$3.7M)
- Office furnishings and equipment for new office site - \$400,000
- Single Bucket truck - \$320,000
- 1 Step Van - \$90,000
- Full Size Van - \$28,000
- Serviewcom (AMI) \$118,000
- Outage Management System (Survalent) - \$120,000

Net Capital Expenditures in 2016 are expected to be \$8.15 million. Included in 2016 expenditures are one-time costs relating to the following:

- GIS - \$45,000
- Single Bucket truck - \$325,000
- Squirt Boom Aerial Truck - \$150,000
- 1 Step Van - \$90,000
- 4x4 Pick Up Truck - \$45,000
- Full Size Van - \$35,000

On July 17, 2012, the OEB issued Regulatory accounting policy direction regarding changes to depreciation expense policies in 2013 resulting from the one-year deferral option for IFRS. Milton Hydro elected to change its depreciation policy effective in 2013 in line with asset lives that were defined in the Kinectrics Asset Life study conducted on behalf of local LDCs. A new variance account has been authorized for distributors to record the financial differences arising from this accounting change.



	2014 Actual	2015 Budget	2015 Projected	2016 Test (as applied)	2016 Budget
PILs - current	\$ 40,557	\$ 566,900	\$ 531,200	\$ 256,212	\$ 764,600
PIL- deferred	\$ 387,138				
Total PILs	\$ 427,695	\$ 566,900	\$ 531,200	\$ 256,212	\$ 764,600
Effective tax rate	26.5%	26.5%	26.5%	26.5%	26.5%

The Corporation is required to make payments in lieu of income taxes and remit such amounts to the Ministry of Finance to be applied to reduce the stranded debt of the former Ontario Hydro. The amount of payments in lieu of tax will be approximately equivalent to the income and capital taxes that would have to be paid if the Company was a taxable corporation under the Income Tax Act (Canada).

Milton Hydro accounts for all significant timing differences as Deferred PILs on the balance sheet.

## CAPITAL RESOURCES AND LIQUIDITY

### *Capital Structure*

On the reorganization of Milton Hydro-Electric Commission to Milton Hydro Holdings Inc. in 2000, the Corporation of the Town of Milton received 2000 common shares in the amount of \$17.5 million, and an interest bearing promissory note (7.25% interest) in the amount of \$14.9 million. No principal payments have been made nor are expected to be made during the forecast period.

### *Dividends*

The budget anticipates dividend payments by MHDI to Milton Hydro Holdings Inc. (MHDI) as follows:

- 2015 - \$1.0 million from MHDI to MHDI; a special dividend of \$250,000 was paid by MHDI to MHDI in each of 2013 and 2014; MHDI will pay out the cumulative \$500,000 to the Shareholder in 2015 along with the regular dividend of \$1 million from MHDI
- 2016 - \$1.5 million
- 2017 - \$1.5 million
- 2018 - \$1.5 million

### *External Credit Facilities*

MHDI has arranged bank credit consisting of a \$4.0 million operating line to address working capital requirements and a \$3.0 million Letter of Credit that have been posted with the Independent Electricity Supply Operator ("IESO").

Third party borrowings (net of principle payments) totaling \$37.05 million are projected by the end of 2015 to fund capital expenditures. Additional borrowings of \$4.0 million annually will be required during the forecast period. Interest is estimated to be 4.0% in 2016 and 5% in 2017 and 2018.

### *Liquidity*

The Cash balance at the end of 2015 is projected to be \$4.776 million.

The Corporation continues to follow an aggressive capital spending plan in line with the significant residential development in the Town of Milton. The Corporation expects to spend



**\$10.9 million in net capital expenditures in 2015 which includes the renovation of the new building for a new office site for Milton Hydro and the sale of land at 5<sup>th</sup> and Main St. Net Capital spending of \$8.15 million is expected in 2016.**



# Section 5



## Rate Base Calculation

COS Year

Rate of Return Analysis	2014 Actual	2015 Budget	2015 P	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget
Deemed Debt ratio	60%	60%	0%	60%	60%	60%	60%	60%
Deemed CER	40%	40%	40%	40%	40%	40%	40%	40%
<b>Rate Base (Avg. Net Fixed Assets plus WC):</b>								
Net Fixed Assets (avg begin and end)	66,522,799	75,988,810	78,314,436	84,335,957	90,770,575	94,542,273	97,376,503	100,161,268
Less: Net Fixed Assets - Sent Lgt/Fibre Optic**	66,522,799	75,988,810	78,314,436	84,335,957	90,770,575	94,542,273	97,376,503	100,161,268
Working Capital Allowance:								
COP & Controllable Expenses	14,957,873	15,082,289	14,649,901	7,660,299	7,902,242	8,086,133	8,292,013	8,500,085
Less: Depr and Sent Lgt Exp incl in O&M **	99,719,150	100,548,593	97,666,009	102,137,317	105,363,231	107,815,111	110,560,179	113,334,466
15% of COP & Controllable Expenses	14,957,873	15,082,289	14,649,901	7,660,299	7,902,242	8,086,133	8,292,013	8,500,085
Effective (May 1, 2016- Working Capital 7.5%)								
Total Deemed Rate Base	81,480,672	91,071,099	92,964,337	91,996,256	98,672,817	102,628,406	105,668,517	108,661,353
Deemed Debt	48,888,403	54,642,660	-	55,197,754	59,203,690	61,577,044	63,401,110	65,196,812
Deemed Equity	32,592,269	36,428,440	37,185,735	36,798,502	39,469,127	41,051,362	42,267,407	43,464,541
Total debt and equity	81,480,672	91,071,100	37,185,735	91,996,256	98,672,817	102,628,406	105,668,517	108,661,353
Deemed debt interest rate	0	1	(55,778,602)	0	(0)	0	0	0
Deemed return on equity	4.85%	4.85%	4.85%	4.85%	4.06%	4.06%	4.06%	4.06%
	9.58%	9.58%	9.58%	9.58%	9.30%	9.30%	9.30%	9.30%



KEY PERFORMANCE INDICATORS	Explanation	2014 Actual	2015 Budget	2015 Projected	2016	2017	2018	2019	2020
Current Ratio	Current Assets divided by Current Liabilities	1.64	1.64	1.66	1.58	1.42	1.46	1.50	1.56
Debt Ratio	Total Liabilities divided by Total Assets	0.63	0.65	0.66	0.67	0.67	0.67	0.67	0.66
	Long Term Debt divided by Rate Base	53.4%	55.8%	55.9%	59.6%	58.3%	58.6%	59.2%	59.7%
	Long Term Debt divided by LTD + Equity	54.0%	57.6%	58.0%	58.9%	59.4%	59.7%	59.7%	59.5%
Operating Surplus as a percentage of Total Revenues from Energy Sale	Net Income divided by Total Revenues from Energy Sale	2.8%	1.5%	1.5%	1.9%	2.3%	2.5%	2.6%	2.7%
Working Capital to Net Expenses	Working Capital divided by the sum of Cost of Power and Controllable Expenses	10%	10%	10%	9%	6%	7%	8%	9%
Accounting Return on Equity (Net Income/Total Equity per B/S)	Net Return divided by Equity	7.9%	4.2%	4.2%	5.5%	6.6%	7.0%	7.3%	7.6%



## Debt Covenants

REVISED for new covenants

		2014 Actual	2015B	2015 Projected	2016	2017	2018	2019	2020
	New LTD	\$ 11,700,000	\$ 8,100,000	\$ 9,300,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
<p>Debt Service Coverage Ratio * shall be maintained at 1.15 to 1 or higher by borrower for the term of this financing. This ratio shall be tested annually upon receipt of borrower's year end audited financial statements.</p> <p>*Debt Service Coverage ratio is defined as Cash flow (EBITDA- Cash Taxes (PILS) - 40% of Net Capex) divided by principal payments plus total cash interest expense (ie. net of accrual of any shareholder debt interest)</p>	Earnings	\$ 2,941,701	\$ 1,572,312	\$ 1,582,953	\$ 2,120,502	\$ 2,575,737	\$ 2,862,520	\$ 3,103,044	\$ 3,355,886
	Interest	\$ 1,954,915	\$ 2,494,819	\$ 2,239,304	\$ 2,590,057	\$ 2,722,742	\$ 2,873,228	\$ 3,017,886	\$ 3,156,464
	Depreciation	\$ 2,625,982	\$ 2,997,597	\$ 3,045,381	\$ 3,553,527	\$ 3,624,819	\$ 3,673,786	\$ 3,722,752	\$ 3,771,719
	Taxes	\$ 427,695	\$ 566,900	\$ 570,700	\$ 764,600	\$ 928,700	\$ 1,032,000	\$ 1,118,800	\$ 1,210,000
	EBITDA	\$ 7,950,293	\$ 7,831,828	\$ 7,438,337	\$ 9,028,687	\$ 9,851,998	\$10,441,535	\$10,982,483	\$11,494,069
	Less: Cash Taxes (note to FS)	\$ 1,832,212	\$ (566,900)	\$ (570,700)	\$ (764,600)	\$ (928,700)	\$ (1,032,000)	\$ (1,118,800)	\$ (1,210,000)
	Less: 40% of Net Capex excluding new building costs								
	Net Capex	\$ 14,133,235	\$ 10,445,435	\$ 10,875,410	\$ 8,148,732	\$ 8,309,000	\$ 6,533,000	\$ 6,533,000	\$ 6,533,000
	Less: New building costs	\$ 7,782,344	\$ 4,260,000	\$ 6,733,175	\$ -	\$ -	\$ -	\$ -	\$ -
	Net Capex excl new bldg	\$ 6,350,891	\$ 6,185,435	\$ 4,142,235	\$ 8,148,732	\$ 8,309,000	\$ 6,533,000	\$ 6,533,000	\$ 6,533,000
<p>IO agreement excludes new/build costs; TD given notice to MH that they will exclude new building costs in 2014 and 2015</p>	Less: 40% of Net Capex	\$ 2,540,357	\$ 2,478,174	\$ 1,656,894	\$ 3,259,493	\$ 3,323,600	\$ 2,613,200	\$ 2,613,200	\$ 2,613,200
		\$ 3,577,724	\$ 5,720,354	\$ 6,352,143	\$ 6,533,794	\$ 7,457,098	\$ 8,860,335	\$ 9,468,083	\$10,090,869
	Cash Interest (per notes to FS)	\$ 1,892,000	\$ 2,494,819	\$ 2,239,304	\$ 2,590,057	\$ 2,722,742	\$ 2,873,228	\$ 3,017,886	\$ 3,156,464
	Principal	\$ 612,170	\$ 803,925	\$ 804,326	\$ 1,147,365	\$ 1,287,606	\$ 1,420,919	\$ 1,560,497	\$ 1,706,639
	Total Interest/Principal	\$ 2,504,170	\$ 3,298,744	\$ 3,043,630	\$ 3,737,422	\$ 4,010,348	\$ 4,294,147	\$ 4,578,382	\$ 4,863,103
	Subtotal	\$ 4,396,170	\$ 5,793,563	\$ 5,282,934	\$ 6,327,478	\$ 6,733,091	\$ 7,167,375	\$ 7,596,268	\$ 8,019,567
	Debt Service Coverage Ratio (1.15x)	1.43	1.73	2.09	1.75	1.88	2.06	2.07	2.07
	Covenant Test	OK	OK	OK	OK	OK	OK	OK	OK
	Debt	\$ 43,488,850	\$ 50,785,734	\$ 51,984,524	\$ 54,837,159	\$ 57,549,553	\$ 60,128,634	\$ 62,568,138	\$ 64,861,498
	Capital	\$ 37,027,508	\$ 37,428,534	\$ 37,610,461	\$ 38,230,963	\$ 39,306,700	\$ 40,669,220	\$ 42,272,265	\$ 44,128,151
<p>Debt to Capitalization Ratio* shall be maintained at 60% or lower by borrower for the term of this financing. This ratio shall be tested annually upon receipt of borrower's year end audited financial statements.</p> <p>*Debt to Capitalization Ratio is defined as: Debt - all interest bearing debt. Capitalization defined as the sum of total interest bearing debt, shareholder's equity, contributed capital, an d preference share capital net of any goodwill.</p>	Debt to Capital Ratio (60%)	54.0%	57.6%	58.0%	58.9%	59.42%	59.85%	59.88%	59.51%

??? Not sure what this Subtotal is? Looks like formula is incorrect?



	<b>Covenant Test</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>
<b>Current Ratio*</b> shall be maintained at 1.1:1 or higher by borrower for the term of this financing. This ratio shall be tested annually upon receipt of borrower's year end audited financial statements. *Current Ratio is defined as current assets divided by current liabilities. Current assets shall exclude any loans and/or receivables due from related companies, subsidiaries, officers, and employees etc.	<b>Current Assets</b>	\$ 27,073,855	\$ 26,804,644	\$ 26,346,626	\$ 26,342,156	\$ 24,315,783	\$ 25,606,664	\$ 27,096,968	\$ 28,745,817
	<b>Current Liabilities</b>	\$ 16,517,602	\$ 16,376,658	\$ 15,825,918	\$ 16,642,069	\$ 17,169,358	\$ 17,564,548	\$ 18,007,714	\$ 18,453,207
	<b>Current Ratio (1.10:1)</b>	<b>1.64</b>	<b>1.64</b>	<b>1.66</b>	<b>1.58</b>	<b>1.42</b>	<b>1.48</b>	<b>1.50</b>	<b>1.56</b>
	<b>Covenant Test</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>
No repayment of shareholder debt, beyond the permitted distributions, without the expressed written consent of the Bank. Distributions are to be limited to excess FCF to be defined as EBITDA less cash taxes less interest less unfinanced capex (net of contributed capital) less principal if any.									
EBITA	\$ 7,950,293	\$ 7,631,628	\$ 7,438,337	\$ 9,028,687	\$ 9,851,998	\$ 10,441,535	\$ 10,962,483	\$ 11,494,069	
Less: Cash Taxes	\$ 1,832,212	\$ (566,900)	\$ (570,700)	\$ (764,600)	\$ (928,700)	\$ (1,032,000)	\$ (1,118,800)	\$ (1,210,000)	
Less: Cash Interest	\$ 1,892,000	\$ 2,494,819	\$ 2,239,304	\$ 2,590,057	\$ 2,722,742	\$ 2,873,228	\$ 3,017,886	\$ 3,156,464	
Less: Unfinanced Capex (net of CC)	\$ 2,433,235	\$ 2,345,435	\$ 1,575,410	\$ 4,148,732	\$ 4,309,000	\$ 2,533,000	\$ 2,533,000	\$ 2,533,000	
Less Principal	\$ 612,170	\$ 803,925	\$ 804,326	\$ 1,147,365	\$ 1,287,606	\$ 1,420,919	\$ 1,560,497	\$ 1,706,639	
Free Cash Flow - total	\$ 1,180,676	\$ 2,554,350	\$ 3,389,997	\$ 1,907,133	\$ 2,461,350	\$ 4,646,387	\$ 4,969,900	\$ 5,307,966	
Dividends	\$ 1,250,000	\$ 1,000,000	\$ 1,000,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	
Surplus/Excess		<b>-69,324</b>	<b>1,554,350</b>	<b>2,389,997</b>	<b>407,133</b>	<b>961,380</b>	<b>3,146,387</b>	<b>3,469,900</b>	<b>3,807,966</b>
<b>Covenant Test</b>		<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>
Cash Position - at end of year (IO previous covenant)	\$ 5,600,054	\$ 5,005,984	\$ 4,776,837	\$ 3,711,659	\$ 926,899	\$ 1,654,906	\$ 2,531,846	\$ 3,560,614	



**Repayment of Principal & Interest (estimated)**

	Principal amount	Interest	Total
2010	\$ 94,926	\$ 68,961	\$ 163,887
2011	\$ 280,688	\$ 324,659	\$ 605,346
2012	\$ 402,845	\$ 512,302	\$ 915,146
2013	\$ 550,168	\$ 698,194	\$ 1,248,362
2014	\$ 611,362	\$ 730,802	\$ 1,342,164
2015	\$ 804,326	\$ 976,077	\$ 1,780,403
2016	\$ 1,147,365	\$ 1,387,638	\$ 2,535,003
2017	\$ 1,287,606	\$ 1,500,758	\$ 2,788,364
2018	\$ 1,420,919	\$ 1,648,049	\$ 3,068,968
2019	\$ 1,560,497	\$ 1,789,074	\$ 3,349,571
2020	\$ 1,706,639	\$ 1,923,535	\$ 3,630,174
2021	\$ 1,859,661	\$ 2,051,117	\$ 3,910,777
2022	\$ 1,937,414	\$ 1,973,363	\$ 3,910,777
2023	\$ 2,018,502	\$ 1,892,275	\$ 3,910,777
2024	\$ 2,103,070	\$ 1,807,707	\$ 3,910,777
2025	\$ 2,058,305	\$ 1,719,505	\$ 3,777,811
2026	\$ 2,008,311	\$ 1,636,533	\$ 3,644,844
2027	\$ 2,091,782	\$ 1,553,062	\$ 3,644,844
2028	\$ 2,178,820	\$ 1,466,024	\$ 3,644,844
2029	\$ 2,269,582	\$ 1,375,262	\$ 3,644,844
2030	\$ 2,364,232	\$ 1,280,612	\$ 3,644,844
2031	\$ 2,462,941	\$ 1,181,903	\$ 3,644,844
2032	\$ 2,565,887	\$ 1,078,957	\$ 3,644,844
2033	\$ 2,673,256	\$ 971,588	\$ 3,644,844
2034	\$ 2,785,244	\$ 859,600	\$ 3,644,844
2035	\$ 2,902,055	\$ 742,789	\$ 3,644,844
2036	\$ 2,821,889	\$ 625,467	\$ 3,447,356
2037	\$ 2,464,193	\$ 513,194	\$ 2,977,386
2038	\$ 2,309,085	\$ 415,170	\$ 2,724,255
2039	\$ 2,308,723	\$ 321,730	\$ 2,630,454
2040	\$ 1,930,038	\$ 231,257	\$ 2,161,295
2041	\$ 1,213,921	\$ 161,854	\$ 1,375,775
2042	\$ 1,015,385	\$ 107,028	\$ 1,122,413
2043	\$ 780,210	\$ 61,599	\$ 841,810

**Accrued Principal & Interest Schedule**

	Principal amount	Interest
2010	\$ 158,703	\$ 163,903
2011	\$ 303,256	\$ 359,519
2012	\$ 447,673	\$ 574,043
2013	\$ 562,101	\$ 701,895
2014	\$ 655,864	\$ 788,905
2015	\$ 905,034	\$ 1,096,389
2016	\$ 1,197,954	\$ 1,442,617
2017	\$ 1,334,958	\$ 1,570,324
2018	\$ 1,470,550	\$ 1,715,335
2019	\$ 1,612,519	\$ 1,853,970
2020	\$ 1,761,169	\$ 1,985,923
2021	\$ 1,882,954	\$ 2,027,823
2022	\$ 1,961,734	\$ 1,949,044
2023	\$ 2,043,894	\$ 1,866,884
2024	\$ 2,129,582	\$ 1,781,195
2025	\$ 2,040,671	\$ 1,692,818
2026	\$ 2,035,160	\$ 1,609,684
2027	\$ 2,119,816	\$ 1,525,028
2028	\$ 2,208,094	\$ 1,436,750
2029	\$ 2,300,151	\$ 1,344,693
2030	\$ 2,396,155	\$ 1,248,689
2031	\$ 2,496,279	\$ 1,148,565
2032	\$ 2,600,704	\$ 1,044,140
2033	\$ 2,709,620	\$ 935,224
2034	\$ 2,823,225	\$ 821,619
2035	\$ 2,837,569	\$ 703,185
2036	\$ 2,721,879	\$ 587,963
2037	\$ 2,470,329	\$ 480,573
2038	\$ 2,325,831	\$ 382,791
2039	\$ 2,238,965	\$ 288,883
2040	\$ 1,726,924	\$ 203,044
2041	\$ 1,132,100	\$ 138,107
2042	\$ 918,820	\$ 86,675
2043	\$ 678,704	\$ 46,187



**MILTON HYDRO DISTRIBUTION INC.  
MISCELLANEOUS REVENUE**

	2014	2015	2015	2016	2016	2017	2018
	Actual	Budget	Projected	Budget	TEST	Budget	Budget
POLE ATTACHMENT FEE	\$ 150,119	\$ 154,966	\$ 150,720	\$ 152,227	\$ 156,515	\$ 153,749	\$ 155,287
INTEREST CHARGE	\$ 174,673	\$ 182,084	\$ 169,520	\$ 177,995	\$ 191,188	\$ 186,895	\$ 196,240
REGION - WATER AND SEWAGE FEE							
COLLECTION CHARGE	\$ 552,475	\$ 588,075	\$ 583,970	\$ 617,536	\$ 626,579	\$ 657,726	\$ 698,709
RECONNECTION CHARGE	\$ 355,770	\$ 391,734	\$ 366,030	\$ 384,332	\$ 363,995	\$ 403,548	\$ 423,725
PURCHASE DISCOUNTS	\$ 17,310	\$ 16,814	\$ 13,838	\$ 14,529	\$ 18,525	\$ 15,256	\$ 16,019
SALE OF SCRAP MATERIAL	\$ 48,466	\$ 15,000	\$ 17,043	\$ 17,895	\$ 15,000	\$ 15,000	\$ 15,000
MISCELLANEOUS REVENUE	\$ 4,370	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
N.S.F. CHARGE	\$ 4,680	\$ 4,998	\$ 4,433	\$ 4,654	\$ 5,248	\$ 4,887	\$ 5,131
OCCUPANCY CHARGE	\$ 197,070	\$ 225,450	\$ 219,107	\$ 232,223	\$ 232,223	\$ 239,334	\$ 246,800
DISPOSAL OF FIXED ASSETS	\$ 1,200	\$ -	\$ 15,000	\$ 15,000	\$ -		
Disposal of Land			\$ 149,000				
LAWYER'S CERTIFICATES	\$ 750	\$ 750	\$ 926	\$ 750	\$ 750	\$ 750	\$ 750
BILLING FEE-MEGS							
OFF CYCLE METER READ	\$ 2,730	\$ 2,500	\$ 1,575	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
STATEMENT OF ACCOUNT	\$ 45	\$ -	\$ 102	\$ -			
INTERVAL METER READ	\$ 66,780	\$ 60,000	\$ 77,355	\$ 81,223	\$ 60,000	\$ 81,223	\$ 81,223
MHTI Billing Fee (Sentinel Lights)	\$ 3,828	\$ 3,828	\$ 3,828	\$ 3,828	\$ 3,828	\$ 3,828	\$ 3,828
RETAILER - ONE TIME CHARGE	\$ -	\$ -	\$ -	\$ -			
RETAILER - LDC CONSOL BILLING	\$ 6,715	\$ 7,098	\$ 6,459	\$ 6,782	\$ 7,452	\$ 7,121	\$ 7,477
RETAILER - RETAILER CONSOL BILL	\$ -	\$ -	\$ -	\$ -			
MONTHLY FIXED CHARGE	\$ 3,400	\$ 3,556	\$ 3,690	\$ 3,875	\$ 3,734	\$ 3,875	\$ 3,875
MONTHLY VARIABLE CHARGE	\$ 11,255	\$ 11,895	\$ 10,802	\$ 11,342	\$ 12,490	\$ 11,342	\$ 11,342
STR REQUEST FEE	\$ 188	\$ 204	\$ 135	\$ 142	\$ 214	\$ 142	\$ 142
STR PROCESSING FEE	\$ 335	\$ 368	\$ 246	\$ 258	\$ 386	\$ 258	\$ 258
Interest on RSVA accounts	\$ 44,219	\$ 25,000	\$ 46,253	\$ 30,000	\$ 10,000	\$ 30,000	\$ 30,000
OPA Programs - received'	\$ -	\$ -					
OPA Programs - spent							
<b>TOTAL MISCELLANEOUS</b>	<b>\$ 1,646,377</b>	<b>\$ 1,696,319</b>	<b>\$ 1,842,028</b>	<b>\$ 1,759,090</b>	<b>\$ 1,712,627</b>	<b>\$ 1,819,433</b>	<b>\$ 1,900,306</b>
MISC. INTEREST INCOME	\$ 79,639	\$ 78,033	\$ 67,064	\$ 70,417	\$ 78,033	\$ 70,417	\$ 70,417
Total Other Revenue (Before Reg Adjustment)	\$ 1,726,016	\$ 1,774,352	\$ 1,909,092	\$ 1,829,507	\$ 1,790,660	\$ 1,889,850	\$ 1,970,722



**Milton Hydro Distribution Inc.  
Operating & Maintenance Expenses**

	ACTUAL 2014	BUDGET 2015	PROJECTED 2015	2016 TEST	BUDGET 2016	VARIANCE Proj15 - Bud15	VARIANCE Budget16 - Proj15	VARIANCE Budget16 - TEST16
Transformer Station	\$ 42,556	\$ 47,161	\$ 46,825	\$ 49,228	\$ 48,528	\$ (336)	\$ 1,703	\$ 302
Overhead Lines	\$ (369,001)	\$ 488,334	\$ 613,809	\$ 512,290	\$ 526,287	\$ 145,475	\$ (87,522)	\$ 13,997
Underground Lines	\$ 50,594	\$ 39,010	\$ 109,971	\$ 38,714	\$ 39,714	\$ 70,961	\$ (70,257)	\$ -
Maintenance of Line Transformers	\$ 264,438	\$ 216,988	\$ 260,137	\$ 225,746	\$ 225,972	\$ 43,149	\$ (34,165)	\$ 226
Tree Trimming	\$ 473,021	\$ 520,184	\$ 518,212	\$ 530,722	\$ 530,722	\$ (1,972)	\$ 12,510	\$ -
Underground Locates	\$ 325,163	\$ 333,000	\$ 345,938	\$ 345,000	\$ 380,000	\$ 12,938	\$ 34,062	\$ 35,000
Meter Maintenance	\$ 389,529	\$ 457,999	\$ 307,598	\$ 469,161	\$ 369,161	\$ (150,401)	\$ 61,563	\$ (100,000)
Bell & Cable	\$ 7,993	\$ 9,569	\$ 7,769	\$ 9,984	\$ 9,993	\$ (1,800)	\$ 2,224	\$ 9
Customer Premises	\$ 286,277	\$ 281,999	\$ 266,445	\$ 258,634	\$ 258,653	\$ (15,554)	\$ (7,792)	\$ 19
Operations & P&C	\$ 94,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Engineering Administration	\$ 714,900	\$ 837,449	\$ 854,872	\$ 900,706	\$ 962,342	\$ 17,423	\$ 107,469	\$ 61,636
Stores Administration	\$ 214,373	\$ 232,904	\$ 268,546	\$ 244,629	\$ 269,163	\$ 35,642	\$ 617	\$ 24,534
Control Room contract services	\$ 6,884	\$ 156,501	\$ 73,759	\$ 150,000	\$ 168,600	\$ (82,742)	\$ 94,841	\$ 18,600
Smart Meter Disposition							\$ -	\$ -
Reverse Z Factor Allowance	\$ 500,000						\$ -	\$ -
<b>Total Operating Exp</b>	<b>\$ 3,001,627</b> -1.62%	<b>\$ 3,601,098</b> 19.97%	<b>\$ 3,673,882</b> 2.02%	<b>\$ 3,734,812</b>	<b>\$ 3,789,135</b> 3.14%	<b>\$ 72,783</b>	<b>\$ 115,253</b>	<b>\$ 54,323</b>



**MILTON HYDRO DISTRIBUTION INC**  
**2016 Budget**

SOURCE	PLANNED MAINT.			EMERGENCY		SUB-			TOTAL	
	CURRENT	REG	O.T.	REG	O.T.	MATERIAL	CONTRACT	OTHER		
TRANSFORMER STATION										
	UNALLOC	\$18,148	\$0	\$0	\$0	\$0	\$1,200	\$7,300	\$26,648	
	M.S.#1	\$0	\$0	\$0	\$0	\$0	\$0	\$4,668	\$4,668	
	M.S.#2	\$0	\$0	\$0	\$0	\$0	\$0	\$3,096	\$3,096	
	M.S.#3	\$0	\$0	\$0	\$0	\$0	\$0	\$3,479	\$3,479	
	M.S.#4	\$0	\$0	\$0	\$0	\$0	\$0	\$3,383	\$3,383	
	M.S.#5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	M.S.#6	\$0	\$0	\$0	\$0	\$0	\$0	\$2,265	\$2,265	
	M.S.#7	\$0	\$0	\$0	\$0	\$0	\$0	\$2,781	\$2,781	
	M.S.#8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	M.S.#9	\$0	\$0	\$0	\$0	\$0	\$0	\$2,208	\$2,208	
	M.S.#10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	SUB	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$48,528
OH LINES										
	UNALLOC	\$0	\$0	\$0	\$0	\$0	\$93,163	\$66,552	\$159,715	
	27.6	\$242,142	\$0	\$0	\$49,266	\$63,000	\$3,700	\$0	\$358,108	
	13.8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	8.32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	4.16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	TEMP	\$46,464	\$0	\$0	\$0	\$0	\$0	(\$38,000)	\$8,464	\$526,287
U.G. LINES										
	UNALLOC	\$0	\$0	\$0	\$0	\$0	\$18,000	\$0	\$18,000	
	27.6	\$8,584	\$0	\$0	\$6,630	\$6,500	\$0	\$0	\$21,714	
	13.8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	8.32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	4.16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,714
U.G. TRANS										
	27.6	\$60,193	\$0	\$0	\$18,666	\$15,000	\$0	\$0	\$93,859	
	13.8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	8.32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	4.16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$93,859
O.H. TRANS										
	UNALLOC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	27.6	\$76,105	\$0	\$0	\$31,008	\$25,000	\$0	\$0	\$132,113	
	13.8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	8.32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	4.16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$132,113
TREE TRIMMING										
		\$9,396	\$0	\$0	\$1,326	\$0	\$520,000	\$0	\$530,722	
U.G. LOCATES										
		\$0	\$0	\$0	\$0	\$0	\$380,000	\$0	\$380,000	
OIL/PCF										
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
METER MAINT										
		\$268,623	\$0	\$0	\$0	\$70,000	\$52,214	\$1,600	\$392,437	
BELL & CABLE										
		\$2,649	\$0	\$0	\$7,344	\$0	\$0	\$0	\$9,993	
SENT. LIGHT										
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
CUST PREM										
		\$211,121	\$0	\$0	\$47,532	\$0	\$0	\$0	\$258,653	
PROTECT & CONTROL										
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
MTCE SUPV & OPER										
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
ENGINEERING DIST EXPENSE										
		\$749,995	\$0	\$0	\$0	\$500	\$133,491	\$66,356	\$950,342	
STORES OPERATIONS										
		\$98,363	\$0	\$0	\$0	\$57,750	\$9,823	\$103,227	\$269,163	
CONTROL RM OPERATIONS										
		0					\$150,000	18,600	\$168,600	
TOTAL OPERATIONS										
		\$1,791,783	\$0	\$0	\$161,772	\$237,750	\$1,361,591	\$247,515	\$3,800,411	



**MILTON HYDRO DISTRIBUTION INC**  
**2016 Test Year (as applied)**

SOURCE	PLANNED MAINT.			EMERGENCY		SUB-			TOTAL	
	CURRENT	REG	O.T.	REG	O.T.	MATERIAL	CONTRACT	OTHER		
TRANSFORMER STATION										
	UNALLOC	\$17,846	\$0	\$0	\$0	\$0	\$1,200	\$7,300	\$26,346	
	M.S.#1	\$0	\$0	\$0	\$0	\$0	\$0	\$4,668	\$4,668	
	M.S.#2	\$0	\$0	\$0	\$0	\$0	\$0	\$3,096	\$3,096	
	M.S.#3	\$0	\$0	\$0	\$0	\$0	\$0	\$3,479	\$3,479	
	M.S.#4	\$0	\$0	\$0	\$0	\$0	\$0	\$3,383	\$3,383	
	M.S.#5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	M.S.#6	\$0	\$0	\$0	\$0	\$0	\$0	\$2,265	\$2,265	
	M.S.#7	\$0	\$0	\$0	\$0	\$0	\$0	\$2,781	\$2,781	
	M.S.#8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	M.S.#9	\$0	\$0	\$0	\$0	\$0	\$0	\$2,208	\$2,208	
	M.S.#10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	SUB	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$48,226
OH LINES										
	UNALLOC	\$0	\$0	\$0	\$0	\$0	\$67,000	\$66,552	\$133,552	
	27.6	\$241,791	\$0	\$0	\$49,266	\$63,000	\$16,217	\$0	\$370,274	
	13.8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	8.32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	4.16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	TEMP	\$46,464	\$0	\$0	\$0	\$0	\$0	(\$38,000)	\$8,464	\$512,290
U.G. LINES										
	UNALLOC	\$0	\$0	\$0	\$0	\$0	\$18,000	\$0	\$18,000	
	27.6	\$8,584	\$0	\$0	\$6,630	\$6,500	\$0	\$0	\$21,714	
	13.8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	8.32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	4.16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,714
U.G. TRANS										
	27.6	\$60,062	\$0	\$0	\$18,666	\$15,000	\$0	\$0	\$93,728	
	13.8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	8.32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	4.16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$93,728
O.H. TRANS										
	UNALLOC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	27.6	\$76,010	\$0	\$0	\$31,008	\$25,000	\$0	\$0	\$132,018	
	13.8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	8.32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	4.16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$132,018
TREE TRIMMING										
		\$9,396	\$0	\$0	\$1,326	\$0	\$520,000	\$0	\$530,722	
U.G. LOCATES										
		\$0	\$0	\$0	\$0	\$0	\$345,000	\$0	\$345,000	
OIL/PCB										
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
METER MAINT										
		\$345,347	\$0	\$0	\$0	\$70,000	\$52,214	\$1,600	\$469,161	
BELL & CABLE										
		\$2,640	\$0	\$0	\$7,344	\$0	\$0	\$0	\$9,984	
SENT. LIGHT										
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
CUST PREM										
		\$211,102	\$0	\$0	\$47,532	\$0	\$0	\$0	\$258,634	
PROTECT & CONTROL										
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
MTCE SUPV & OPER										
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
ENGINEERING DIST EXPENSE										
		\$749,995	\$0	\$0	\$0	\$500	\$83,855	\$66,356	\$900,706	
STORES OPERATIONS										
		\$76,743	\$0	\$0	\$0	\$57,750	\$9,702	\$100,434	\$244,629	
CONTROL RM OPERATIONS										
		0					\$150,000	0	\$150,000	
TOTAL OPERATIONS										
		\$1,845,980	\$0	\$0	\$161,772	\$237,750	\$1,263,188	\$226,122	\$3,734,812	



**MILTON HYDRO DISTRIBUTION INC**  
**2015 Projected**

SOURCE	PLANNED MAINT.			EMERGENCY		MATERIAL	SUB- CONTRACT	OTHER	TOTAL	
	CURRENT	REG	O.T.	REG	O.T.					
TRANSFORMER STATION										
	UNALLOC	\$0	\$0	\$0	\$0	\$0	\$512	\$7,298	\$7,810	
	M.S.#1	\$2,059	\$0	\$0	\$0	\$0	\$688	\$4,423	\$7,170	
	M.S.#2	\$0	\$0	\$0	\$0	\$0	\$0	\$2,934	\$2,934	
	M.S.#3	\$848	\$0	\$0	\$0	\$0	\$0	\$3,294	\$4,142	
	M.S.#4	\$2,548	\$0	\$0	\$0	\$0	\$888	\$3,203	\$6,639	
	M.S.#5	\$284	\$0	\$0	\$0	\$0	\$688	\$0	\$972	
	M.S.#6	\$2,218	\$0	\$0	\$0	\$0	\$904	\$2,145	\$5,266	
	M.S.#7	\$2,218	\$0	\$0	\$0	\$0	\$687	\$2,634	\$5,539	
	M.S.#8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	M.S.#9	\$3,683	\$0	\$0	\$0	\$0	\$579	\$2,091	\$6,353	
	M.S.#10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	SUB	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$46,825
OH LINES										
	UNALLOC	\$12,216	\$0	\$0	\$63	\$0	\$77,589	\$116,174	\$206,043	
	27.6	\$135,271	\$2,594	\$0	\$34,216	\$63,000	\$36,689	\$0	\$271,770	
	13.8	\$7,070	\$278	\$0	\$2,496	\$264	\$216	\$0	\$10,324	
	8.32	\$36,554	\$0	\$0	\$13,007	\$0	\$1,728	\$0	\$51,289	
	4.16	\$746	\$0	\$0	\$0	\$0	\$0	\$0	\$746	
	TEMP	\$74,268	\$0	\$0	\$0	\$67,099	\$13,412	(\$81,143)	\$73,636	\$613,809
U.G. LINES										
	UNALLOC	\$6,405	\$0	\$0	\$286	\$6,094	\$53,533	\$0	\$66,317	
	27.6	\$22,598	\$0	\$0	\$4,158	\$2,484	\$11,603	\$0	\$40,843	
	13.8	\$213	\$0	\$0	\$787	\$0	\$0	\$0	\$1,000	
	8.32	\$0	\$0	\$0	\$984	\$0	\$0	\$0	\$984	
	4.16	\$827	\$0	\$0	\$0	\$0	\$0	\$0	\$827	\$109,971
U.G. TRANS										
	27.6	\$77,720	\$731	\$0	\$12,011	\$32,117	\$10,415	\$0	\$132,995	
	13.8	\$558	\$0	\$0	\$1,046	\$0	\$0	\$0	\$1,604	
	8.32	\$229	\$0	\$0	\$333	\$0	\$0	\$0	\$562	
	4.16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$135,161
O.H. TRANS										
	UNALLOC	\$494	\$0	\$0	\$0	\$0	\$180	\$0	\$674	
	27.6	\$30,649	\$305	\$0	\$13,063	\$16,778	\$3,174	\$0	\$63,970	
	13.8	\$8,579	\$305	\$0	\$6,020	\$3,420	\$540	\$0	\$18,864	
	8.32	\$27,722	\$0	\$0	\$6,397	\$6,862	\$486	\$0	\$41,467	
	4.16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$124,976
TREE TRIMMING		\$4,811	\$0	\$0	\$2,170	\$3,336	\$507,895	\$0	\$518,212	
U.G. LOCATES		\$938	\$0	\$0	\$0	\$0	\$345,000	\$0	\$345,938	
OIL/PCB		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
METER MAINT		\$239,030	\$91	\$0	\$1,566	\$12,782	\$52,056	\$2,074	\$307,598	
BELL & CABLE		\$713	\$0	\$0	\$7,056	\$0	\$0	\$0	\$7,769	
SENT. LIGHT		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
CUST PREM		\$234,260	\$2,324	\$787	\$29,074	\$0	\$0	\$0	\$266,445	
PROTECT & CONTROL		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
MTCE SUPV & OPER		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
ENGINEERING DIST EXPENSE		\$684,247	\$0	\$0	\$0	\$118	\$128,877	\$41,630	\$854,872	
STORES OPERATIONS		\$86,442	\$0	\$0	\$0	\$55,000	\$9,013	\$118,091	\$268,546	
CONTROL RM OPERATIONS		7,959					\$50,000	15,800	\$73,759	
<b>TOTAL OPERATIONS</b>		<b>\$1,714,380</b>	<b>\$6,630</b>	<b>\$787</b>	<b>\$134,732</b>	<b>\$269,353</b>	<b>\$1,307,352</b>	<b>\$240,648</b>	<b>\$3,673,882</b>	



**MILTON HYDRO DISTRIBUTION INC**  
**2015 Budget**

SOURCE	PLANNED MAINT.			EMERGENCY		SUB-			TOTAL	
	CURRENT	REG	O.T.	REG	O.T.	MATERIAL	CONTRACT	OTHER		
TRANSFORMER STATION										
	UNALLOC	\$17,355	\$0	\$0	\$0	\$0	\$1,200	\$6,490	\$25,045	
	M.S.#1	\$0	\$0	\$0	\$0	\$0	\$0	\$4,520	\$4,520	
	M.S.#2	\$0	\$0	\$0	\$0	\$0	\$0	\$2,606	\$2,606	
	M.S.#3	\$0	\$0	\$0	\$0	\$0	\$0	\$3,169	\$3,169	
	M.S.#4	\$0	\$0	\$0	\$0	\$0	\$0	\$3,768	\$3,768	
	M.S.#5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	M.S.#6	\$0	\$0	\$0	\$0	\$0	\$0	\$2,514	\$2,514	
	M.S.#7	\$0	\$0	\$0	\$0	\$0	\$0	\$3,088	\$3,088	
	M.S.#8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	M.S.#9	\$0	\$0	\$0	\$0	\$0	\$0	\$2,451	\$2,451	
	M.S.#10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	SUB	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$47,161
OH LINES										
	UNALLOC	\$0	\$0	\$0	\$0	\$0	\$33,235	\$68,498	\$101,733	
	27.6	\$229,896	\$0	\$0	\$47,334	\$63,000	\$16,217	\$0	\$356,447	
	13.8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	8.32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	4.16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	TEMP	\$44,104	\$0	\$0	\$0	\$0	\$0	(\$33,950)	\$10,154	\$468,334
U.G. LINES										
	UNALLOC	\$0	\$0	\$0	\$0	\$0	\$18,000	\$0	\$18,000	
	27.6	\$8,140	\$0	\$0	\$6,370	\$6,500	\$0	\$0	\$21,010	
	13.8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	8.32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	4.16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,010
U.G. TRANS										
	27.6	\$57,088	\$0	\$0	\$17,934	\$15,000	\$0	\$0	\$90,022	
	13.8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	8.32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	4.16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$90,022
O.H. TRANS										
	UNALLOC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	27.6	\$72,174	\$0	\$0	\$29,792	\$25,000	\$0	\$0	\$126,966	
	13.8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	8.32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	4.16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$126,966
TREE TRIMMING										
		\$8,910	\$0	\$0	\$1,274	\$0	\$510,000	\$0	\$520,184	
U.G. LOCATES										
		\$0	\$0	\$0	\$0	\$0	\$333,000	\$0	\$333,000	
OIL/PCB										
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
METER MAINT										
		\$301,875	\$0	\$0	\$0	\$72,100	\$52,214	\$31,810	\$457,999	
BELL & CABLE										
		\$2,513	\$0	\$0	\$7,056	\$0	\$0	\$0	\$9,569	
SENT. LIGHT										
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
CUST PREM										
		\$233,831	\$0	\$0	\$45,668	\$0	\$2,500	\$0	\$281,999	
PROTECT & CONTROL										
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
MTCE SUPV & OPER										
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
ENGINEERING DIST EXPENSE										
		\$586,684	\$0	\$0	\$0	\$689	\$93,939	\$47,128	\$728,440	
STORES OPERATIONS										
		\$73,089	\$0	\$0	\$0	\$55,000	\$9,240	\$95,575	\$232,904	
CONTROL RM OPERATIONS										
		31,501					\$125,000		\$156,501	
TOTAL OPERATIONS										
		\$1,667,160	\$0	\$0	\$155,428	\$237,289	\$1,194,545	\$237,667	\$3,492,089	



**MILTON HYDRO DISTRIBUTION INC**  
**2014 Actual**

SOURCE	PLANNED MAINT.			EMERGENCY		SUB-			TOTAL	
	CURRENT	REG	O.T.	REG	O.T.	MATERIAL	CONTRACT	OTHER		
TRANSFORMER STATION										
	UNALLOC	\$0	\$0	\$0	\$0	-\$576	\$1,190	\$770	\$1,385	
	M.S.#1	-\$1,233	\$145	\$0	\$0	\$4	-\$14,545	\$225	-\$15,404	
	M.S.#2	\$0	\$0	\$0	\$0	\$0	\$0	-\$1,017	-\$1,017	
	M.S.#3	-\$896	\$0	\$0	\$0	-\$67	-\$536	\$286	-\$1,213	
	M.S.#4	\$4,076	\$0	\$0	\$0	\$942	-\$108	-\$255	\$4,656	
	M.S.#5	-\$2,083	\$0	\$0	\$0	\$14,230	-\$8,161	\$0	\$3,986	
	M.S.#6	-\$4,940	\$0	\$0	-\$233	-\$4,400	\$210	-\$146	-\$9,509	
	M.S.#7	-\$1,250	\$0	\$0	\$0	\$60	-\$54	-\$211	-\$1,455	
	M.S.#8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	M.S.#9	-\$13,063	-\$88	\$0	\$0	-\$3,406	-\$36,137	-\$3,942	-\$56,636	
	M.S.#10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	SUB	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
OH LINES										-\$75,207
	UNALLOC	-\$18,753	\$8	\$0	\$24	\$0	-\$36,677	\$49,479	-\$5,919	
	27.6	-\$10,576	\$4,461	\$0	\$32,307	\$22,908	\$561,609	\$0	\$610,709	
	13.8	-\$3,306	\$0	\$0	\$4,003	-\$218	\$3,750	\$0	\$4,229	
	8.32	-\$41,158	-\$153	\$0	\$2,625	-\$3,966	\$2,636	\$0	-\$40,017	
	4.16	\$0	\$0	\$0	\$0	\$0	-\$2,975	\$0	-\$2,975	
	TEMP	-\$25,072	\$0	\$0	-\$929	\$3,241	\$990	\$7,538	(\$14,233)	\$551,794
U.G. LINES										
	UNALLOC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	27.6	-\$16,601	-\$227	\$0	\$1,787	-\$24,766	-\$38	\$0	-\$39,845	
	13.8	-\$13,863	-\$304	\$0	-\$563	-\$283	-\$3,732	\$0	-\$18,745	
	8.32	-\$573	\$0	\$0	-\$299	-\$106	\$0	\$0	-\$978	
	4.16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
U.G. TRANS										-\$59,568
	27.6	\$3,160	-\$697	\$0	\$3,055	-\$41,664	\$35,515	\$0	-\$630	
	13.8	-\$6,916	\$63	\$0	-\$1,403	-\$5,094	-\$814	\$0	-\$14,165	
	8.32	-\$94	\$0	\$0	\$0	\$0	\$1,200	\$0	\$1,106	
	4.16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
O.H. TRANS										-\$13,690
	UNALLOC	-\$1,075	\$0	\$0	\$0	-\$362	\$23,444	\$0	\$22,008	
	27.6	\$1,924	-\$839	\$0	\$923	-\$7,690	-\$5,741	\$0	-\$11,423	
	13.8	\$3,864	-\$118	\$0	-\$762	\$5,802	\$180	\$0	\$8,966	
	8.32	-\$12,285	\$0	\$0	-\$525	-\$3,336	\$0	\$0	-\$16,146	
	4.16	-\$736	\$0	\$0	\$0	\$0	\$0	\$0	-\$736	
TREE TRIMMING		-\$17,013	-\$295	\$0	-\$191	\$0	-\$16,699	\$0	-\$34,198	
U.G. LOCATES		\$3,929	\$977	\$0	\$0	\$0	\$4,363	\$0	\$9,269	
OIL/PCB		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
METER MAINT		\$66,481	\$301	\$0	-\$5	\$65,344	\$15,512	\$15,186	\$162,820	
BELL & CABLE		-\$472	\$0	\$0	-\$1,541	\$0	\$0	\$0	-\$2,013	
SENT. LIGHT		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
CUST PREM		-\$58,822	-\$1,477	\$81	-\$1,143	\$1,854	\$288	\$0	-\$59,220	
PROTECT & CONTROL		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
MTCE SUPV & OPER		\$89,902	\$0	\$0	\$0	\$0	\$0	\$0	\$89,902	
ENGINEERING DIST EXPENSE		\$451,546	\$0	\$0	\$0	\$146	\$37,805	\$66,408	\$555,904	
STORES OPERATIONS		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
CONTROL RM OPERATIONS		0						0	\$0	
TOTAL OPERATIONS		\$374,103	\$1,757	\$81	\$37,129	\$18,597	\$562,474	\$134,323	\$1,128,463	



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**Milton Hydro Distribution Inc.****Administration Expenses**

	Actual 2014	BUDGET 2015	2015 Projected	TEST 2016	BUDGET 2016	VARIANCE Proj15 - Bud15	VARIANCE Bud16 - Proj15	VARIANCE Bud16- TEST16
Promotion/Community Relations	\$ 19,679	\$ 19,755	\$ 19,899	\$ 20,071	\$ 20,071	\$ 144	\$ 171	\$ -
Billing	\$ 1,049,931	\$ 1,101,553	\$ 1,181,342	\$ 1,142,749	\$ 1,173,284	\$ 79,788	\$ (8,057)	\$ 30,536
Meter Reading	\$ 269,882	\$ 350,691	\$ 295,742	\$ 187,812	\$ 292,662	\$ (54,948)	\$ (3,080)	\$ 104,850
Finals	\$ 372,668	\$ 458,760	\$ 370,622	\$ 472,340	\$ 469,406	\$ (88,138)	\$ 98,784	\$ (2,934)
Collections	\$ 378,711	\$ 375,540	\$ 365,378	\$ 391,798	\$ 389,657	\$ (10,162)	\$ 24,279	\$ (2,142)
General Administration	\$ 3,045,004	\$ 3,372,202	\$ 3,598,822	\$ 3,390,428	\$ 3,378,533	\$ 226,621	\$ (220,290)	\$ (11,895)
Board	\$ 143,310	\$ 143,917	\$ 114,474	\$ 157,225	\$ 118,791	\$ (29,443)	\$ 4,317	\$ (38,433)
Building	\$ 263,087	\$ 388,244	\$ 408,725	\$ 406,153	\$ 467,634	\$ 20,481	\$ 58,908	\$ 61,480
<b>TOTAL ADMINISTRATION</b>	<b>\$ 5,542,271</b>	<b>\$ 6,210,662</b>	<b>\$ 6,355,004</b>	<b>\$ 6,168,575</b>	<b>\$ 6,310,037</b>	<b>\$ 144,342</b>	<b>\$ 44,967</b>	<b>\$ 141,462</b>
% Increase								



	F	AS	AT	AV	AW	AX
		2014 Actual	2015 Budget	2015 Projected	2016 Test (as applied)	2016 Budget
1	Description					
2						
3	DIRECT LABOUR	556	500	323	500	500
4	DIRECT LABOUR	147	250	250	250	250
5	<b>TOTAL LABOUR</b>	<b>703</b>	<b>750</b>	<b>573</b>	<b>750</b>	<b>750</b>
6						
7	MATERIAL	-	-	-	0	-
8	<b>TOTAL MATERIAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>
9						
10	OUTSIDE CONTRACTS	10,380	9,350	9,500	9,000	9,000
11	<b>TOTAL SUBCONTRACT</b>	<b>10,380</b>	<b>9,350</b>	<b>9,500</b>	<b>9,000</b>	<b>9,000</b>
12						
13	PROMOTION COSTS					
14	GIFTS & DONATIONS					
15	SUBSCRIPTIONS/ADVERTISING	2,546	3,000	3,000	3,000	3,000
16	COMMUNITY SAFETY PROGRAM	6,050	6,655	6,826	7,321	7,321
17	CONVENTIONS & MEETINGS					
18	<b>TOTAL OTHER</b>	<b>8,596</b>	<b>9,655</b>	<b>9,826</b>	<b>10,321</b>	<b>10,321</b>
19	Reallocated to O&M per FS					
20	<b>TOTAL PROMOTION</b>	<b>19,679</b>	<b>19,755</b>	<b>19,899</b>	<b>20,071</b>	<b>20,071</b>
21						
22						
23	DIRECT LABOUR	417,158	463,137	503,814	477,031	477,489
24	PLANNED OVERTIME	29		0	0	
25	<b>TOTAL LABOUR</b>	<b>417,187</b>	<b>463,137</b>	<b>503,814</b>	<b>477,031</b>	<b>477,489</b>
28	SOFTWARE MTCE CONTRACT	165,840	159,471	161,955	167,445	171,038
29	COLLECTION AGENCY COMM	3,015	3,150	4,195	3,308	4,200
30	COURIER SERVICE	-	-	0	0	
31	MAILING MACHINE MTCE	8,131	8,571	8,877	9,000	9,000
32	CLERICAL SERVICES	-	-	-	0	
33	COMPUTER/CONSULTING SERVICES	111,775	105,072	104,402	104,685	106,985
34	EBT HUB SERVICES	9,618	10,413	9,453	10,934	10,934
35	<b>TOTAL SUBCONTRACT</b>	<b>298,378</b>	<b>286,678</b>	<b>288,683</b>	<b>295,371</b>	<b>302,157</b>
36						
37	MATERIAL	30	44	704	48	48
38	Advertising	350	513	513	565	565
39	MILEAGE & PARKING	810	2,900	2,900	2,900	2,900
40	CONFERENCES	1,198	4,000	4,000	4,000	4,000
41	TRAINING, SEMINARS, SCHOOL	2,300	4,900	2,448	4,900	4,900
42	FREIGHT	15	20	20	25	25
43	<b>RATE CARDS</b>	<b>-</b>	<b>6,090</b>	<b>4,770</b>	<b>6,699</b>	<b>6,699</b>
44	CUSTOMER BILLS	7,857	11,000	7,900	11,550	11,550
45	<b>CUSTOMER NOTICES</b>	<b>4,537</b>	<b>2,500</b>	<b>2,500</b>	<b>5,000</b>	<b>5,000</b>
46	CUSTOMER NOTICES					
47	METER READING SHEETS/CARD	-	-	-	0	
48	MAILING ENVELOPES	14,362	14,000	12,943	14,000	14,000
49	RETURN ENVELOPES	6,221	6,000	7,802	6,000	6,000
50	SUNDRY FORMS & LETTERS	-	-	0	0	
51	SUNDRY OFFICE SUPPLIES	6,716	8,444	5,928	8,866	8,866
52	SUNDRY OFFICE EQUIPMENT	-	2,000	2,000	2,000	2,000
53	POSTAGE	223,429	223,960	244,844	235,158	256,000
54	TELEPHONE	11,973	11,000	14,073	11,550	14,000
55	BAD DEBT EXPENSE	52,312	52,000	73,000	54,600	54,600
56	BLDG & CONTENT INSURANCE	2,255	2,368	2,300	2,487	2,487
57	TRANSITION COSTS				0	
58	<b>TOTAL OTHER</b>	<b>334,366</b>	<b>351,738</b>	<b>388,644</b>	<b>370,347</b>	<b>393,639</b>
59						
60	<b>TOTAL BILLING</b>	<b>1,049,931</b>	<b>1,101,553</b>	<b>1,181,342</b>	<b>1,142,749</b>	<b>1,173,284</b>
61						
62	DIRECT LABOUR					
63	DIRECT LABOUR	53,207	127,573	72,800	132,038	107,154
64	DIRECT LABOUR					
65	<b>TOTAL LABOUR</b>	<b>53,207</b>	<b>127,573</b>	<b>72,800</b>	<b>132,038</b>	<b>107,154</b>
70	OLAMETER - Probing	23,516	22,806	22,302	23,946	23,946
71	TRILLIANT - INTERVAL METER READING	164,289	170,000	168,277	0	
72	SOFTWARE MTCE CONTRACT	28,868	30,312	28,868	31,827	161,562
73	Savage Data - Mixed Mode support	-	-	-	0	
74	Subcontract	-	-	3,495	0	
75	<b>TOTAL SUBCONTRACT</b>	<b>216,674</b>	<b>223,118</b>	<b>222,942</b>	<b>55,774</b>	<b>185,508</b>
76						
77	SUNDRY FORMS & LETTERS	-	-	-	0	
78	<b>TOTAL OTHER</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>



	F	AS	AT	AV	AW	AX
1	Description	2014 Actual	2015 Budget	2015 Projected	2016 Test (as applied)	2016 Budget
79						
80	<b>TOTAL METER READING</b>	<b>269,882</b>	<b>350,691</b>	<b>295,742</b>	<b>187,812</b>	<b>292,682</b>
81						
82						
83						
84	DIRECT LABOUR	-			0	
85	DIRECT LABOUR	366,967	452,660	364,236	466,240	463,306
86	DIRECT LABOUR BURDEN	-			0	
87	PLANNED OVERTIME	27			0	
88	PLANNED OVERTIME	240			0	
89	<b>TOTAL LABOUR</b>	<b>367,235</b>	<b>452,660</b>	<b>364,236</b>	<b>466,240</b>	<b>463,306</b>
94	OLAMTER-FINAL READS	-				
96	CLERICAL SERVICES	-		863	0	
99	<b>TOTAL SUBCONTRACT</b>	<b>-</b>	<b>-</b>	<b>863</b>	<b>-</b>	<b>-</b>
100						
101	MILEAGE, PARKING	277	1,300	1,300	1,300	1,300
102	CONFERENCES	399	1,000	1,000	1,000	1,000
103	TRAINING, SEMINARS, SCHOOL	1,238				
104	TRAINING, SEMINARS, SCHOOL	3,520	3,800	2,342	3,800	3,800
105	SUNDY FORMS & LETTERS	-			0	
106	SUNDY FORMS & LETTERS	-			0	
107	SUNDY OFFICE SUPPLIES	-			0	
108	SUNDY OFFICE SUPPLIES	-		881	0	
109	<b>TOTAL OTHER</b>	<b>5,433</b>	<b>6,100</b>	<b>5,523</b>	<b>6,100</b>	<b>6,100</b>
110						
111	<b>TOTAL FINALS</b>	<b>372,668</b>	<b>458,760</b>	<b>370,622</b>	<b>472,340</b>	<b>469,406</b>
112						
113						
114	DIRECT LABOUR	148,567	149,663	134,455	156,532	130,463
115	PLANNED OVERTIME	350	500	500	500	500
116	DIRECT LABOUR-EMERGENCY					
117	EMERGENCY-OVERTIME	10,539	11,000	11,000	11,000	11,000
118	<b>TOTAL LABOUR</b>	<b>169,456</b>	<b>161,163</b>	<b>146,955</b>	<b>168,032</b>	<b>141,963</b>
123						
124	OLAMETER- HAND DELIVER	70,162	76,608	61,676	80,438	80,438
125	CLERICAL SERVICES	-		0	0	
126	EQUIFAX (SUBCONTRACT)	-		0	0	
127	CREDIT INSURANCE	78,567	64,238	86,740	87,450	91,077
128	SUBCONTRACT COLLECTIONS	64,320	66,250	64,320	68,237	68,237
129	<b>TOTAL SUBCONTRACT</b>	<b>213,049</b>	<b>207,095</b>	<b>212,736</b>	<b>216,125</b>	<b>239,762</b>
130						
131	MILEAGE & PARKING	506	0	91	0	0
132	CONVENTIONS & MEETINGS	-	0		0	0
133	TRAINING, SEMINARS, SCHOOL	350	0	661	0	300
134	CUSTOMER NOTICES (NEW 2009)	1,130	1,582	1,695	1,661	1,661
135	SUNDY OFFICE SUPPLIES	3,615	3,500	1,043	3,675	3,675
136	SUNDY OFFICE EQUIPMENT	178	1,500	2,696	1,575	1,575
137	TELEPHONE	257	600	600	630	630
138	CASH OVER/SHORT	169	100	-99	100	100
139	MASTERCARD/VISA DISCOUNTS	-			0	
140	<b>TOTAL OTHER</b>	<b>6,206</b>	<b>7,282</b>	<b>6,686</b>	<b>7,641</b>	<b>7,941</b>
141						
142	<b>TOTAL COLLECTIONS</b>	<b>378,711</b>	<b>375,540</b>	<b>385,378</b>	<b>391,798</b>	<b>389,657</b>
143						
144						
145	DIRECT LABOUR	895,893	927,348	1,102,975	1,096,150	1,136,317
146	CAR ALLOWANCE	9,239	9,420	9,239	9,420	9,420
147	MILEAGE, PARKING, AIRFARE	5,007	8,000	8,263	8,000	8,000
148	CONVENTIONS & MEETINGS	33,889	21,100	28,359	21,100	21,100
149	TRAINING, SEMINAR, SCHOOL	-	4,000	4,000	4,000	4,000
150	<b>TOTAL EXECUTIVE EXPENSES</b>	<b>944,027</b>	<b>969,868</b>	<b>1,182,835</b>	<b>1,138,670</b>	<b>1,178,837</b>
151	DIRECT LABOUR	682,904	739,931	691,597	1,109,709	1,063,878
152	ADMIN EXPENSES TRANSFERED	(16,560)	-16,560	-16,560	-16,560	-16,560
153	PLANNED OVERTIME	-			0	
154	CAR ALLOWANCE	-			0	
155	not in use	-			0	
156	<b>TOTAL LABOUR</b>	<b>666,344</b>	<b>723,371</b>	<b>675,037</b>	<b>1,093,149</b>	<b>1,047,318</b>
157						
158	PRINTER MTCE HDWR CONTRACT	-				
159	SOFTWARE MTCE CONTRACT	54,860	45,133	43,651	47,320	47,076
160	COURIER SERVICE	1,458	1,684	1,643	1,768	1,768
161	MAIL MACHINE	1,211	1,272	1,211	1,336	1,336
162	PHOTOCOPIER MTCE	6,637	6,969	6,637	7,317	7,317



	F	AS	AT	AV	AW	AX
1	Description	2014 Actual	2015 Budget	2015 Projected	2016 Test (as applied)	2016 Budget
163	AUDIT, LEGAL FEES	87,348	97,500	103,296	97,500	97,500
164	CLERICAL SERVICES	165			0	
165	CONSULTING FEES	291,391	338,575	330,080	166,021	166,021
166	LEGAL REGULATORY EXPENSES	-			0	
167	REGULATORY EXPENSES (OEB)	109,122	304,900	304,900	243,760	243,760
168	TRANSITION COSTS	-			0	
169	SUBCONTRACT	2,048	2,151	4,109	2,258	2,258
170	not in use	-			0	
171	OUTSIDE CONTRACTS	-			0	
172	TOTAL SUBCONTRACT	884,241	798,184	795,527	567,280	567,038
173						
175	MEMBERSHIPS & DUES	73,559	80,040	85,209	83,532	83,532
176	MEMBERSHIPS & DUES	-			0	
177	MATERIAL	260				
178	COFFEE SUPPLIES	3,441	3,581	3,800	3,760	3,760
179	GIFTS & DONATIONS	33,473	44,400	47,249	37,695	46,830
180	SUBSCRIPTIONS/ADVERTISING	1,725	2,060	3,166	2,074	2,074
181	SUBSCRIPTIONS/ADVERTISING	877	1,500	1,500	1,500	1,500
182	MILEAGE, PARKING, AIRFARE	1,577	3,750	3,547	3,750	3,750
183	CONVENTIONS & MEETINGS	16,473	11,250	16,261	11,250	11,250
184	TRAINING, SEMINAR, SCHOOL	-				
185	TRAINING, SEMINAR, SCHOOL	8,018	4,500	2,599	5,000	5,000
186	FREIGHT	10			0	
187	PENSION	-			0	
188	ENVELOPES & LETTERHEAD	1,580	1,834	1,569	1,925	1,925
189	SUNDRY FORMS & LETTERS	1,148	1,073	1,669	1,127	1,127
190	SUNDRY OFFICE SUPPLIES	11,089	9,944	12,403	10,441	10,441
191	SUNDRY OFFICE EQUIPMENT	4,913	4,242	5,576	4,455	4,455
192	POSTAGE	4,062	10,447	3,027	10,970	10,970
193	TELEPHONE	24,114	22,770	34,661	23,908	35,000
194	BANK CHARGES	24,977	26,625	28,984	59,956	30,433
195	not in use	-		0	0	
196	PL & PD INSURANCE	84,072	66,207	69,247	69,517	88,017
197	BLDG & CONTENT INSURANCE	2,580	2,710	2,708	2,845	2,845
198	PROP INSURANCE	6,169		0	0	
199	BOND INSURANCE	-		0	0	
200	INCENTIVE PLAN	160,517	166,719	158,514	183,080	182,898
201	LUMP SUM PAYMENT	-			0	
202	EMPLOYEE FUTURE BENEFITS	34,944	35,000	15,108	15,735	15,735
203	MANAGEMENT FEE	18,348	53,463	40,000	58,809	40,000
204	MOVING EXPENSES	-		100,000	0	
205	RENT ON 8069 LAWSON	359,359	328,664	326,946	0	
206	IMO LICENSE FEE	-			0	
207	OEB COST AWARD	2,308		10,881	0	3,000
208	OEB LICENSE FEE	800		800	0	800
209	HYDRO ONE LOAD TRANSFER	-			0	
210	LOAD TRANSFER RECONCILIATION	-			0	
211	PAY EQUITY ADJUSTMENT	-			0	
212	VACATION PAY ACCRUAL	-			0	
213	TOTAL OTHER	880,392	880,779	975,423	591,329	585,341
219	TOTAL GENERAL ADMIN	2,100,977	2,402,334	2,445,987	2,251,758	2,199,696
220						
221						
222	STIPENDS	49,946	53,819	51,367	54,993	53,936
223	PER DIEM	62,611	59,736	32,538	70,978	33,600
224	TOTAL LABOUR	112,557	113,555	83,905	125,969	87,536
225						
226	MILEAGE & PARKING	1,522	2,500	2,247	2,500	2,500
227	CONVENTIONS	12,219	10,000	11,097	10,000	10,000
228	SUNDRY FORMS & LETTERS	-		225	0	
229	LEGAL & ACCIDENT INS	17,012	17,862	17,000	18,756	18,756
230	LEGAL & ACCIDENT INS	-			0	
231	TOTAL OTHER	30,753	30,362	30,569	31,256	31,256
232						
233	TOTAL BOARD	143,310	143,917	114,474	157,225	118,791
234						
235						
236	DIRECT LABOUR	16,606	18,809	19,635	18,988	19,749
237	TOTAL LABOUR	16,606	18,809	19,635	18,988	19,749
238						
239	MATERIAL	18,926	20,891	19,524	21,935	21,935
240	TOTAL MATERIAL	18,926	20,891	19,524	21,935	21,935



	F	AS	AT	AV	AW	AX
1	Description	2014 Actual	2015 Budget	2015 Projected	2016 Test (as applied)	2016 Budget
241						
242	SNOW REMOVAL	7,550	12,100	15,848	10,000	10,000
243	LAWN MTCE	5,875	6,625	6,343	5,800	5,800
244	JANITORIAL SERVICE	24,600	26,000	26,400	38,000	45,000
245	HEATING, A/C, FIRE, SEPTIC	16,867	12,000	46,144	2,100	18,000
246	MUSIC CONTRACT	-	-	0	0	-
247	O/S CONTRACT-MAINTENANCE	40,301	12,000	71,090	2,100	25,000
248	SECURITY SYSTEM MTCE	1,957	2,240	2,469	2,400	2,400
249	<b>TOTAL SUBCONTRACT</b>	<b>97,150</b>	<b>70,965</b>	<b>168,293</b>	<b>58,200</b>	<b>108,000</b>
250						
253	TAXES	77,635	234,679	124,386	207,030	119,949
254	HYDRO, WATER, SEWAGE	52,771	42,900	76,888	100,000	200,000
255	ALLOCATION TO MHTI					
256	<b>TOTAL OTHER</b>	<b>130,406</b>	<b>277,579</b>	<b>201,273</b>	<b>307,030</b>	<b>319,949</b>
257	Maintenance General Plant					
258						
259	<b>TOTAL BUILDING</b>	<b>263,087</b>	<b>388,244</b>	<b>408,725</b>	<b>406,183</b>	<b>467,634</b>
265	<b>GRAND TOTAL</b>	<b>5,542,271</b>	<b>6,210,662</b>	<b>6,358,004</b>	<b>6,168,575</b>	<b>6,310,037</b>
278			<b>2015 Budget to 2014 Actual</b>	<b>2015P to 2015B</b>	<b>2016 TEST to 2016 Budget</b>	<b>2016 Budget to 2015 Projected</b>
279	Direct Labour		264,503	166,061.29	99,280.09	475,387.29
280	Direct Labour - executives/car		31,636	175,446	(40,168)	33,524
281	Incentive Plan		6,202	(8,206)	182	24,384
282	Employee Future Benefits		56	(19,892)	-	627
283	Rent		(30,694)	(1,719)	-	(326,946)
284	Management Fee		35,115	(13,463)	18,809	-
285	Total Board		607	(29,443)	38,433	4,317
286	Total Building		125,157	20,481	(61,480)	58,908
287	Regulatory Costs		192,670	(6,443)	(3,800)	(69,021)
288	General Admin Consulting Fees		47,184	(8,495)	-	(164,059)
289	General Admin Misc		8,062	15,170	9,541	7,413
290	Billing Consulting Fees		(6,703)	(670)	(2,300)	2,582
291	All Other Billing Costs		9,662	(1,645)	(2,450)	8,905
292	Postage		531	20,884	(20,842)	11,156
293	Olameter Probing /Hand deliver		5,735	(15,436)	-	20,406
294	Trilliant Meter Reading		5,711	(1,723)	-	(168,277)
295	EBT HUB Services		795	(960)	-	1,481
296	Insurance		(17,994)	3,042	(18,500)	18,908
297	Audit & Legal		10,152	5,796	-	(5,796)
298	Credit Insurance		(14,329)	22,502	(23,627)	4,337
299	Clerical		(165)	-	-	-
300	Software Mtnc + SM Metering		(4,925)	1,040	(133,327)	141,776
301	Mailing machine		441	306	-	123
302	Training Costs - others		735.11	(251)	(300)	1,051
303	Training/Conference - exec		5,795.60	7,522	-	(7,522)
304	Bad Debt Expense		(312)	21,000	-	(18,400)
305	Membership and Dues		6,482	5,168	-	(1,676)
306	Taxes		157,044	(110,294)	87,081	(4,437)
307	Total Promotion		76	144	-	171
308	Subcontract Collectins /Credit		2,065	(884)	(893)	3,922
309	Collections Other misc		1,589	(1,348)	-	1,677
310	Moving Expenses		-	100,000	-	(100,000)
311	Misc Diff		2,256	2,258	-	-
312			<b>833,547</b>	<b>13,828</b>	<b>(54,381)</b>	<b>(45,076)</b>



**MILTON HYDRO DISTRIBUTION INC**  
**CONSULTINGS FEES**

updated

Account #5630.8010.004.055 Administration - Consulting Services	2014 Actual	2015 Budget	2015 Projected	2016 Budget	2017 Budget
Aldaco Development of OPA Budgets		1,200	1,563	1,260	1,323
CCH Canadian					
HR Info Services					
Aegysis - Hot site Backup, Administration					
Ducharme McMillan & Associates-property tax consultants	2,445	2,000	2,000	2,000	2,000
Mearie Group - Post Retirement Benefits/HR Services	1,475	2,900	8,933	25,000	3,045
Redesign website- Modgraphic		25,000			
JEAP (Region of Halton)	836	2,000	2,000	2,000	2,000
Shepell - Violence in the Workplace Training					
Shepell - Employee Assistance Program	418		396		
Springboard	64,500	67,725	64,500	71,111	74,667
AGSI - DASHBOARD		150,000	150,000		
Cayenta Upgrade					
BDO - Microsoft Dynamics	28,650				
Strategic Planning Session - Optimus					
Aird & Bery - Control Room	11,927				
Refunds - OH, BH, Guelph, HI, Cambridge	(9,939)				
KPMG Regulatory Filing Review					
Mgmt Salary Survey (MEARIE HR)					
RC Whitney - negotiations, grievances, etc					
RC Whitney - pay equity		6,500	6,500	15,000	
Ron Flanagan Re: OILC consultation		20,000	20,000	20,000	20,000
Security Audit (Digital Boundaries Group)	43,100				
Brickworks Consulting - Communications Consulting Storm			350		
Lisser Technologies (University of Waterloo)					
AMEC Environmental - Grading site Alteration Plan					
ESC Corporation Services- filing services					
Mediays Corp - Examinations SMT	5,100	8,500	8,500	8,500	8,500
TA Networks - SIP Setup (Andrew Peers)					
Corporate Inquiry Systems- Jamie Dunne & ?	323	250	250	250	250
Doctor's Notes	175				
Entrust SSL Certificate 2 year Renewal					
Borden Ladner Gervais Consulting (Regulatory)					
Energy Probe (Z Factor Application)	3,382		5,000		
Organization Solutions - ST Disability Management					
Ontario Securities Commission re: Infrastructure Ontario					
System Lifeline - Support, Network Config					
Disaster Recovery/Documentation System Lifeline		39,500	39,500	30,000	30,000
Harris 50% Mcare, license					
EnviroVision- 365 Market Drive					
Cayenta Training					
Access - Inspection Vortex System (Troy Sprinkler)		3,000		3,000	3,000
Access 2 Network	2,808				
Domaine Name Registry and Corp name change	3,000				
Oakville Hydro Connection Agreement					
Miscellaneous	737	10,000	10,000	10,000	10,000
TD Visa	906				
Constant Contact.com - tracking of "opt-out" email blasts	374		2,647	2,779	
Drivers Exam - Chris Turnbull	155				
Albertyn Arbitration Hearing	1,750				
Wolters - Paysource Internet	1,230				
Itron- MV90 Server Migration	6,442				
GO GPS	825		50		
S. John Ambulance - first Aid					
Waterfedy base site visits					
Sartor & Associates (Assessments)	550				
Williams & Prior - Cabinet install	1,364				
Optimus/SBR - Prof Services - Strategic Planning	8,775		300		
Realtor Services - Phil Presti					
ICF International					
Colliers - Professional Services - 5th and Main			4,402		
Loris Technologies - File Nexus Upgrade Consultation			3,190		
<b>Total</b>	<b>181,306</b>	<b>338,575</b>	<b>330,080</b>	<b>193,601</b>	<b>154,785</b>



# MILTON HYDRO DISTRIBUTION INC

## CONSULTINGS FEES

Account #5315.7020.004.055 Billing - Computer Services	2014 Actual	2015 Budget	2015 Projected	2016 Budget	2017 Budget
Aegysis - Hot site backup & VPN connection					
Harris-Custom Mod's	2,400	-		-	-
Harris m-Care 50% Licence					
Harris U/G Service Completion					
Harris - Custom Mod's Deposit in Billing Journal (Bill Print)					
Harris-Version 6.4 upgrade			300	300	
Savage Web Tool Support Fee		16,437	16,329	17,254	18,081
Savage Data (Smart Meter Mixed Mode - \$0.04 per meter)	15,695	367		385	404
Sensus Data services	34,800	34,800	34,800	34,800	34,800
ERTH	8,800	2,500	2,000	2,000	-
ERTH Mcare custom Mod	49,730	50,969	50,973	52,246	52,246
Util-Assist					
Kinetic Canada - On Demand Custom Program					
Pitney Bowes - Settlement					
Loris-Server Migration					
Pegasus (CPC accuracy stmt) (2010 Data conversion setup)					
O'Connor Legal					
ITM Group;					
Purolator					
Total	111,774	105,072	104,402	106,985	105,531
	0				

updated

Account #5085.9080.004.055 Engineering - Consulting services	2014 Actual	2015 Budget	2015 Projected	2016 Budget	2017 Budget
Best Practice & Safety	5,400	0		0	1
ESA Fees	14,436	15,157	15,628	15,915	16,711
Canadian Standards	83	100	515	100	100
Cunningham McConnell - Topographic mapping					
AESI Acumen - ESA Audit					
AESI Acumen - Dist System Planning	2,318	2,500	2,640	2,500	2,500
Guelph Hydro - Implementation Services	17,135	10,000	12,780	13,419	
Hydro One Misc Fee	2,500		11,325		
Asset Management Mapping (one time fee)			500		
Service Ontario - Driver Registrations			228		
Durham Management					
Alternate Answering					
Costello Associates					
GIS/Asset management					
OEM Consulting Services - D. of Operations					
Ontario One Call - Area Notifications					
SupplyLevel - Safety Audit consulting					
SpringBoard Safety Project Executon					
Field audit for asset management					
Store Rite PSR Audit for Warehouse pallets					
Miscellaneous - Petty Cash	438			2,000	
Doctor's Notes					
Andrew Paul - Moving Expenses					
Total	42,310	27,757	43,616	33,934	19,312

S:\Accounting Department\2016 Budget\2015 P and 2016 Consulting fees\Consulting fees



## Legal and Audit Fees

<b>Account #5630.8010.04.51 Legal/Audit Fee</b>	<b>2014 Actual</b>	<b>2015 Budget</b>	<b>2015 Projection</b>	<b>2016 Budget</b>
KPMG - Audit Fees	54,520	45,000	45,000	45,000
KPMG - CRA Audit				
KPMG- IFRS Template			5,000	
KPMG - Tax Returns	7,200	7,500	7,500	7,500
KPMG - Amended Tax Returns				
KPMG - Legal Fees				
KPMG - SR & ED Claim				
O'Connor MacLeod- General Matters	10,429	25,000	15,000	25,000
O'Connor MacLeod- General Matters(mainly RaSolar)				
O'Connor MacLeod- Subdivisions				
O'Connor MacLeod- OPA				
O'Connor MacLeod- Baseload Option to Lease			3,200	
O'Connor MacLeod- Infrastructure Ontario - new Finance Agre	780	10,000	16,891	10,000
O'Connor MacLeod- Oakville Hydro Connection Agreement				
O'Connor MacLeod- Locate Agreement				
O'Connor MacLeod- Control Room Agreement	6,364			
O'Connor MacLeod- Canadian Microwave Inc				
TD Bank Legal Fees re: Loan			705	
R Flannagan - Easement Acquisition				
R Flannagan - General Legal Fees				
R Flannagan - Infrastructure Ontario				
Chitiz Pathak - General Matters				
Gowling LaFleur Henderson - Restructure				
Gowling LaFleur Henderson - Board Related Advice				
Gowling LaFleur Henderson - MGT/MH Affairs				
Ogilvy Renault - Labour Relations				
Larry Stein - Hearing				
Springboard				
Norton Rose LLP - Misc Labour Relations	9,676	10,000	10,000	10,000
Misc cash receipt - Retainer Refund from Incorporation	(1,619)			
Martin & Sheryl Teyletsy legal fees				
<b>Total</b>	<b>87,348</b>	<b>97,500</b>	<b>103,296</b>	<b>97,500</b>



**Membership & Dues**  
5620.8010.005.080

Description	2013 Actual	2014 Actual	2015 Budget	2015 Projected	2016 Budget	2017 Budget
Alliance Membership - CDN Energy						
MEA/EDA Membership	49,300.00	56,469.00	62,115.90	62,200.00	65,221.70	68,482.78
OEL Membership	1,250.00	1,250.00	1,312.50		1,378.13	1,447.03
Grid Smart Membership	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Conservation Halton				650.00		
Credit Bureau Outsource Program				5,360.00		
Georgian Bay Golf	300.00					
Milton Chamber of Commerce	380.00	530.00	556.50	556.00	584.33	613.54
Harris Membership OHUG	200.00	200.00	200.00	200.00	200.00	200.00
Harris Membership Dues	800.00	850.00	892.50	850.00	937.13	983.98
CGA Dues - C. McKenzie	801.00	742.51	779.64	804.19	818.62	859.55
CA Dues - MJ Corkum	960.00	960.00	1,008.00	1,084.80	1,058.40	1,111.32
CMA Dues - B. Tyers	940.00	720.00	756.00	960.00	793.80	833.49
Engineering Dues - Bruno	248.60	248.60	261.03	248.60	274.08	287.79
Engineering Dues - Aldo			261.03	248.60	274.08	274.08
Engineering Dues -Linda			261.03	261.03	274.08	274.08
Engineering Dues -Cordelia		248.60	261.03	261.03	274.08	274.08
Engineering Dues - Paul M						
CMA/Engineering Dues - F. Lasowski	1,496.71	1,309.81	1,375.30	1,524.37	1,444.07	1,516.27
Receiver General unclaimed Funds		30.00				
SupplyLevel Membership						
Hydro One 2000 Membership Dues	3,154.48					
BFI Canada						
<b>TOTAL</b>	<b>69,830.79</b>	<b>73,558.52</b>	<b>80,040.46</b>	<b>85,208.62</b>	<b>83,532.48</b>	<b>87,157.99</b>



Gifts and Donations 5620.8010.005.088						
Description	2013 Actual	2014 Actual	2015 Budget	2015 Projected	2016 Budget	2017
Gift - Phil Reid	500.00					
Gift - Answering Service	76.99					
E-Price Gift Card (staff)	25.00		100	100		
E-Billing Prize (\$1,000)	899.00		1,000.00	1000		
Gift for Retiring Board						
Flowers - Gary Gosse	132.74					
Flowers - Deb C.		132.74				
Retirement Gift - Jay Norland				449.95		
Retirement Gift - Randy Coulson				500		
Donation to Mario Belvedere Foundation		200				
Memorial Donation - Ray Alahie		100				
Gift - Barkley	116.00					
Gift - Reid Frank	574.95					
Gift - Aldo 25th Anniversary	415.82					
Miscellaneous - Petty Cash			500		1,500	1,500
Engineering Week Gala Sponsorship	600.00	600	600	600	630	650
Engineering Week Sponsorship	600.00					
Hamilton Halton Eng. Gala		800	800	800	800	800
Milton Canada Day Sponsorship	500.00	500	500	500	500	500
Milton District Hospital Gala	3,180.00		3,500.00	3,500.00	3,500.00	3,500.00
Milton District Hospital Haunted House						
Engineering Running Team		179.97				
Chamber of Commerce donation		950		149		
Destination Campbellville Banner		1,000				
Nassagaweya Publication Costs/Contrib						
OEL Golf Tournament						
Memorial Donation - West/Pyatt	200.00					
Miscellaneous Sponsorships			1000	1000	1000	1000
United Way Raffle/Auction	178.14					
Milton Run Team Sponsorship - BP, CR, LLC	402.55			250		
Crime Stoppers Golf Tournament						
United Way 5/10 K Run						
United Way Golf Tournament			2500	2500	2500	2500
United Way Curling Borspiel						
MHDI Safety Program - Gifts		4,231				
Milton Golf Tournament	381.10	392.75	400	400	400	400
Milton Christmas Parade						
Milton Staff Christmas gifts	4,529.33	4,396.55	3,500.00	3,500.00	4,000.00	4,000.00
Smart Business Gifts	394.67					
Region of Halton Donation (LEAP)						
Salvation Army LEAP	15,606.00	15,606	30,000.00	32,000.00	32,000.00	32,000.00
Peaksaver-Windsor Desk Master		969.39				
Storm Assistance re: Incident						
Region of Halton LEAP						
Safety Campaign/Safety Lunch		4,015				
Accrual						
Total	29,312.29	33,473.40	44,400.00	47,248.95	46,830.00	46,850.00



# Subscriptions / Advertising

5660.8010.005.089

5665.8010.005.089

Description	2013 Actual	2015 Budget	2015 Projected	2016 Budget	2017 Budget
Chamber of Commerce	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00
CEO Briefs - FL (250 usd x2)	\$ 513.93				
Milton Champion Bus. Directory					
Globe & Mail Subscription	\$ 225.90	\$ 284.63	\$ 491.28	\$ 298.87	\$ 313.81
Mearle Advertising Network Admin			\$ 700.00		
Mearle Advertising GIS Tech			\$ 350.00		
Chamber of Commerce Banner	\$ 149.00	\$ 150.00		\$ 150.00	\$ 150.00
Misc		\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
<b>Total</b>	<b>1,513.83</b>	<b>2,059.63</b>	<b>3,166.28</b>	<b>2,073.87</b>	<b>2,088.81</b>



# Section 6



**Milton Hydro Distribution Inc.**  
**Summary of Capital Expenditures**  
**As at December 31**

Total Residential Units - per year	959	2014 Actual	1,500	2015 Budget	900	2015 Projected	1,500	2016B	2016 Test	1,500	2017B	1,500	2018
Subdivision Capital Costs		4,311,792	3,780,000	3,780,000	2,268,000	3,780,000	3,780,000	3,780,000	3,780,000	3,780,000	3,780,000	3,780,000	3,780,000
System Access (New Disclosure in 2015)		5,010,242	824,640	824,640	2,087,528	3,287,613	3,287,613	4,126,513	4,126,513	4,312,000	4,312,000	2,432,000	2,432,000
System Renewal (New Disclosure in 2015)			2,387,300	2,387,300	1,182,889	2,473,400	2,473,400	1,863,400	1,863,400	1,821,000	1,821,000	1,790,000	1,790,000
System Service (New Disclosure in 2015)			1,870,900	1,870,900	689,552	1,519,900	1,519,900	1,139,000	1,139,000	1,225,000	1,225,000	1,350,000	1,350,000
New Services (OH and UG)		746,560	661,735	661,735									
Metering		281,820	285,365	285,365									
Interest during Construction on PPE		15,519											
Land for New Headquarters/Disposal of existing land													
Building for New Headquarters		4,040,000	(2,251,317)	(2,251,317)	(2,251,317)								
Milton Hydro TS instalment (Tremaine)			7,500,000	7,500,000	10,460,000								
<b>Total Transmission and Distribution Capital Expenditures</b>		<b>14,405,933</b>	<b>15,058,623</b>	<b>15,058,623</b>	<b>14,436,652</b>	<b>11,060,913</b>	<b>11,060,913</b>	<b>10,908,913</b>	<b>10,908,913</b>	<b>11,138,000</b>	<b>11,138,000</b>	<b>9,352,000</b>	<b>9,352,000</b>
General Plant (office eqmt, tools)		856,052	1,410,532	1,410,532	1,344,618	896,180	896,180	720,500	720,500	701,000	701,000	711,000	711,000
<b>TOTAL GROSS CAPITAL EXPENDITURES</b>		<b>15,261,985</b>	<b>16,469,155</b>	<b>16,469,155</b>	<b>15,781,270</b>	<b>11,957,093</b>	<b>11,957,093</b>	<b>11,629,413</b>	<b>11,629,413</b>	<b>11,839,000</b>	<b>11,839,000</b>	<b>10,063,000</b>	<b>10,063,000</b>
Less: Contributed Capital													
Refunds to Developers		1,298,769	1,500,000	1,500,000	1,000,000	1,000,000	1,000,000			1,000,000	1,000,000	1,000,000	1,000,000
Capital Contributions Received		-6,154,343	-4,273,720	-4,273,720	-2,179,035	-4,808,361	-4,808,361			-4,530,000	-4,530,000	-4,530,000	-4,530,000
Total Capital Contributions - net		-4,855,574	-2,773,720	-2,773,720	-1,179,035	-3,808,361	-3,808,361			-3,530,000	-3,530,000	-3,530,000	-3,530,000
<b>Net Capital Expenditures - Net Impact on Cash Flow</b>		<b>10,406,411</b>	<b>13,695,435</b>	<b>13,695,435</b>	<b>14,602,235</b>	<b>8,148,732</b>	<b>8,148,732</b>	<b>8,349,413</b>	<b>8,349,413</b>	<b>8,309,000</b>	<b>8,309,000</b>	<b>6,533,000</b>	<b>6,533,000</b>
Adjustments:													
Work in Progress (building, meters & transformers)		3,726,825	-3,250,000	-3,250,000	-3,726,825								
Smart Meter Disposition													
<b>Net Capital Expenditures - Net Impact on Cash Flow</b>	\$	<b>14,133,236</b>	<b>10,445,435</b>	<b>10,445,435</b>	<b>10,875,410</b>	<b>8,148,732</b>	<b>8,148,732</b>	<b>8,349,413</b>	<b>8,349,413</b>	<b>8,309,000</b>	<b>8,309,000</b>	<b>6,533,000</b>	<b>6,533,000</b>
Less: Extraordinary items budgeted													
- Refund to Developer (timing difference)													
- Land/Building for New Headquarters/Disposal of excess land		(7,766,825)	(1,998,683)	(1,998,683)	(4,481,858)								
- Smart Meter Roll-out													
- TS Feeders													
- TS (Tremaine - built by Hydro One, shared with BH)													
- WIP													
- Other One Time Expenditures													
<b>Annual Capex excluding extraordinary expenditures</b>		<b>6,366,411</b>	<b>8,446,752</b>	<b>8,446,752</b>	<b>6,393,552</b>	<b>8,148,732</b>	<b>8,148,732</b>	<b>8,349,413</b>	<b>8,349,413</b>	<b>8,309,000</b>	<b>8,309,000</b>	<b>6,533,000</b>	<b>6,533,000</b>



**Milton Hydro Distribution Inc.**  
**2015 Projected & 2016 Capital Budget**

(900 units per BP 2015P)

(1500 Units per BP)

	Ref.	2015 BUDGET			2015 Projected			2016 Budget		
		2015 COST	CONTRIB CAPITAL	NET TOTAL	2015 Projected	CONTRIB CAPITAL	NET TOTAL	2016 COST	CONTRIB CAPITAL	NET TOTAL
(New Disclosure - 2015)										
System Access										
See attached schedule		\$ 824,640	\$ 275,100	\$ 549,540	\$ 2,087,528	\$ 196,400	\$ 1,891,128	\$ 3,287,613	\$ 1,322,267	\$ 1,965,326
Capital Costs incl external costs										
Meters - Residential Subdivision		\$ 3,493,700	\$ 3,493,700	\$ -	\$ 1,982,635	\$ 1,982,635	\$ -	\$ 3,486,074	\$ 3,486,074	\$ -
(per units x \$2520)		\$ 286,300	\$ -	\$ 286,300	\$ 285,365	\$ -	\$ 285,365	\$ 293,926	\$ -	\$ 293,926
Total Subdivision Cost		\$ 3,780,000	\$ 3,493,700	\$ 286,300	\$ 2,268,000	\$ 1,982,635	\$ 285,365	\$ 3,780,000	\$ 3,486,074	\$ 293,926
Total System Access		\$ 4,604,640	\$ 3,768,800	\$ 835,840	\$ 4,355,528	\$ 2,179,035	\$ 2,176,493	\$ 7,067,613	\$ 4,808,361	\$ 2,259,252
System Renewal										
See attached schedule		\$ 2,387,300	\$ -	\$ 2,387,300	\$ 1,182,889	\$ -	\$ 1,182,889	\$ 2,473,400	\$ -	\$ 2,473,400
System Service										
See attached schedule		\$ 1,870,900	\$ -	\$ 1,870,900	\$ 689,552	\$ -	\$ 689,552	\$ 1,519,900	\$ -	\$ 1,519,900
TOTAL DISTRIBUTION PLANT		\$ 8,882,840	\$ 3,768,800	\$ 5,094,040	\$ 6,227,969	\$ 2,179,035	\$ 4,048,934	\$ 11,060,913	\$ 4,808,361	\$ 6,252,552
Building										
Design/Architech		\$ 7,500,000	\$ -	\$ 7,500,000	\$ 10,460,000	\$ -	\$ 10,460,000	\$ -	\$ -	\$ -
Interest during construction PPE		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land										
New Land purchase		\$ 7,500,000	\$ -	\$ 7,500,000	\$ 10,460,000	\$ -	\$ 10,460,000	\$ -	\$ -	\$ -
TOTAL LAND/BUILDING		\$ 15,000,000	\$ -	\$ 15,000,000	\$ 20,920,000	\$ -	\$ 20,920,000	\$ -	\$ -	\$ -
Other Capital Expenditures										
Office Equipment		\$ 500,000	\$ -	\$ 500,000	\$ 400,000	\$ -	\$ 400,000	\$ -	\$ -	\$ -
COMMUNICATION EQUIPMENT										
Phones		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER TANGIBLE PROPERTY										
Fire Suppression		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STORES EQUIPMENT										
Miscellaneous		\$ 117,032	\$ -	\$ 117,032	\$ 78,146	\$ -	\$ 78,146	\$ 43,680	\$ -	\$ 43,680
COMPUTER HARDWARE										
See attached schedule		\$ -	\$ -	\$ -	\$ 106,393	\$ -	\$ 106,393	\$ 98,000	\$ -	\$ 98,000
COMPUTER SOFTWARE										
See attached schedule		\$ -	\$ -	\$ -	\$ 291,170	\$ -	\$ 291,170	\$ 80,000	\$ -	\$ 80,000
ROLLING STOCK										
See attached schedule		\$ 530,000	\$ -	\$ 530,000	\$ 440,677	\$ -	\$ 440,677	\$ 645,000	\$ -	\$ 645,000
MEASUREMENT TOOLS										
See attached schedule		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MAJOR TOOLS										
See attached schedule		\$ 9,500	\$ -	\$ 9,500	\$ 28,232	\$ -	\$ 28,232	\$ 29,500	\$ -	\$ 29,500
TOTAL - OTHER CAPEX		\$ 1,410,532	\$ -	\$ 1,410,532	\$ 1,344,618	\$ -	\$ 1,344,618	\$ 896,180	\$ -	\$ 896,180
Less: Rebate to Developer of Capital Contribution during year ***		\$ 15,522,055	\$ 3,768,800	\$ 11,753,255	\$ 15,781,270	\$ 2,179,035	\$ 13,602,235	\$ 11,957,093	\$ 4,808,361	\$ 7,148,732
WIP - Building		\$ (3,250,000)	\$ 1,500,000	\$ 1,500,000	\$ (3,726,825)	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 1,000,000
Net Impact on Cash Flow Statement for 2014 & 2015		\$ 13,219,155	\$ 2,773,720	\$ 10,445,435	\$ 12,054,445	\$ 1,179,035	\$ 10,875,410	\$ 11,957,093	\$ 3,808,361	\$ 8,148,732

\*\*\* rebate based on MHI's policy of paying based on connections/load at anniversary of signing subdivision agreement



6.3

MHI Capital Works Projects - 2016				Investment Driver				Job Net	
Capital Works Budget Year 2016				Original 2016 Budget					
SYSTEM ACCESS - 2016 Regional, Municipal Driven Capital Projects									
POH: Steeles Av widening from Industrial Dr to Martin St 2 to 4 lanes									
POH: Britannia Rd from HRT 25 to JSP 2 to 4 lanes(2.5km)									
Town LSL from Yates Dr to HRT25									
Town Garden Lane, 400m total, 100m of which is 3 phase									
Town 5th Line from LSL to Derry Rd, 1.5km									
Town 5th Line from LSL to Britannia, 1.5km									
POH: Britannia from Trenchmere to HRT5 (0.8km)									
3rd party infrastructure									
\$98,300									
3rd party infrastructure									
\$398,900									
3rd party infrastructure									
\$95,200									
POH: Quash Line Reconstruction (1km North of Derry to Conservation)									
3rd party infrastructure									
\$0									
Motors									
Customer service request									
\$293,926									
Customer service request									
\$681,587									
Substation Development (1,500 units)									
\$0									
Customer Connections									
Customer service request									
\$0									
Customer service request									
\$1,786,300									
Sub Total									
\$4,411,026									
SYSTEM RENEWAL - 2016									
Failure Risk									
\$500,000									
Failure Risk									
\$150,000									
Failure Risk, System Efficiency									
\$155,000									
Failure Risk, System Efficiency									
\$322,000									
Failure Risk									
\$321,400									
Failure Risk									
\$65,000									
Failure Risk									
\$350,000									
Failure Risk									
\$0									
Failure Risk, System Efficiency									
\$0									
Failure Risk									
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6.4

Capital Works Budget Year 2015					BUDGET				
JOB #	MHI Capital Works Projects - 2015	Investment Driver	Job Total (Gross)	Capital Contribution	Job Net	Projected Gross Spend - 2015			
12-021	ROH: Campbellville Rd & Dublin	3rd party infrastructure	\$175,300	\$91,400	\$83,900	\$175,300			
13-016	ROH: Guelph Line Reconstruction (1km North of Derry to Conservation)	3rd party infrastructure	\$197,600	\$65,700	\$131,900	\$0			
13-008	ROH: New Tremaine Rd, 14th Side Road to Steeles	3rd party infrastructure	\$104,640	\$15,000	\$89,640	\$104,640			
15A	ROH: Derry Rd 2 Lane reconstruction from Millborough Townline to McNiven Rd	3rd party infrastructure	\$51,100	\$13,000	\$38,100	\$0			
14-021	MTO: HWY 25 & 401 Bridge Widening	3rd party infrastructure	\$296,000	\$90,000	\$206,000	\$287,722			
11-025	Town: Main St from Bronte to Whitmer		\$0	\$0	\$0	\$0			
11-001	RR25 407 to Britannia Relocation		\$0	\$0	\$0	\$19,160			
12-032	Tremaine and Louis St. Laurent		\$0	\$0	\$0	\$31,716			
12-042	Tremaine Rd Main to Steeles		\$0	\$0	\$0	\$12,435			
13-004	Tremaine Britannia to Derry		\$0	\$0	\$0	\$89,726			
14-015	Derry Rd 4th to JSP Rwy poles		\$0	\$0	\$0	\$46,601			
14-025	Framgard Temp Pole Line Brian		\$0	\$0	\$0	\$100,000			
15-007	Derry & Traillgar Widening ROH		\$0	\$0	\$0	\$37,000			
15-021	Town: Bruce St - Pine to Oak		\$0	\$0	\$0	\$31,000			
Meters						\$285,365			
Subdivisions						\$2,268,000			
Customer Connections						\$661,890			
Sub Total			\$824,640	\$275,100	\$549,540	\$4,355,528			
SYSTEM RENEWAL - 2015									
15-001	Pole Replacement Program - 75 poles	Failure Risk	\$375,000	\$0	\$375,000	\$300,000			
14-001									
15-003	Porcelain to Poly Program								
14-002		Failure Risk	\$150,000	\$0	\$150,000	\$135,000			
14-028	Derry Road - Tremaine to Appleby Line	Efficiency	\$204,300	\$0	\$204,300	\$200,000			
14-028	Derry Road - Appleby Line to Guelph Line	Efficiency	\$276,000	\$0	\$276,000	\$200,000			
14-026	U/G Rebuild: Hightside Dr & Ridge Dr	Failure Risk	\$240,000	\$0	\$240,000	\$6,370			
15-005	U/G Conversion: Bronte Meadows Conversion - Arena Transformers	Efficiency	\$90,000	\$0	\$90,000	\$878			
13-032	O/H Rebuild: Guelph Line North of 25 Side Road	Failure Risk	\$377,000	\$0	\$377,000	\$317,986			
15E	Misc System Renewal	Failure	\$375,000	\$0	\$375,000	\$49,756			
14-010	Mill St Conversion		\$0	\$0	\$0	\$0			
14-008	80 Ontario St		\$0	\$0	\$0	\$0			
15-019	610 Regional Rd 25		\$0	\$0	\$0	\$0			
Sub Total			\$2,087,300	\$0	\$2,087,300	\$1,182,889			
SYSTEM SERVICE - 2015									
12-010									
13-011									
14-004			\$120,000	\$0	\$120,000	\$300,000			
14-012	Wilmax - Automate Switches	Operational efficiency;							
15-026	Wilmax - 100 Meter Points	reliability	\$650,000	\$0	\$650,000	\$300,000			
15E	MS#4 Conversion --- Rabbit	System efficiency; reliability	\$300,000	\$0	\$300,000	\$100,000			
15-025	SCADA-Mates, Install Virelec Controller, 18 locations	reliability	\$270,000	\$0	\$270,000	\$100,000			
15-004	Automated Fault Indicator Installation - with WilMAX	reliability	\$175,000	\$0	\$175,000	\$0			
14-005	Automated Switches Campbellville Rd & Guelph Line Area	reliability	\$250,000	\$0	\$250,000	\$189,280			
15-010	Fiber Connection to New Building	reliability	\$200,000	\$0	\$200,000	\$271			
12-035	James Snow, extend to Campbellville (new Tremaine Rd)	Reliability; system flexibility	\$205,900	\$0	\$205,900	\$0			
Sub Total			\$2,170,900	\$0	\$2,170,900	\$689,552			
DISTRIBUTION PLANT SUB TOTAL									
			\$5,082,840	\$275,100	\$4,807,740	\$6,227,969			



6.5

Milton Hydro Distribution Inc. 2015P Hardware & Software Budget	2014 Actual	2015 Budget/Bridge	2016 Projected	2016 Budget	2016 Test
<b>Hardware</b>					
Tough Books (3)	\$ 22,993.00		\$ 2,531.92		
Docking Stations for Tough Books (3)					
Laptop (7)					
PC (4)					
Dell Latitude E6530 (6)	\$ 10,619.54				
Switch for VM Servers	\$ 2,334.00				
SCADA					
DR - SAN Failover					
Nimble GS220 (3 yr support)	\$ 34,975.93				
LCD Projector	\$ 1,190.00				
Neshaler SX Server Cabinet	\$ 1,100.00				
Optiplex	\$ 976.31				
Access 2 network	\$ 12,565.00				
Planner Touchscreen w/Mount	\$ 6,916.87				
CDW Printer	\$ 1,862.52				
Schweitzer NTP Server	\$ 2,703.38				
CDW Scanner, Surface Bundle Pro					
CDW USB Hub switch					
Samsung Monitors					
Toughbooks (3)					
PC (4)					
Servers					
Switches					
DR					
Linework Thin Clients (5)					
Printers					
Laptops					
<b>Software</b>					
Microsoft Licenses	\$ 35,000.00	\$ 35,000.00	\$ 692.07	\$ 15,000.00	
Elite Workshop - License			\$ 1,148.59		
Desktop Software			\$ 527.68		
SVC					
Linux Web License					
GIS					
GIS Quail Conversion	\$ 76,500.00	\$ 13,000.00	\$ 7,043.00	\$ 45,000.00	
Datavatch Modeler - (mat)					
East Canada - License					
Survallent - Outage Mgmt System					
Software ASP					
SCADA					
ServerCom					
Angus Geosolutions Exec Dashboard	\$ 41,642.50				
Adobe Lc	\$ 3,361.21				
V Care	\$ 20,887.81				
Spida Calc (Engineering Software)					
DR Software					
	\$ 142,391.52	\$ 174,000.00	\$ 291,170.09	\$ 80,000.00	\$ 50,000.00
	\$ 240,628.07	\$ 254,000.00	\$ 397,563.33	\$ 178,000.00	\$ 133,000.00



Capital Purchases for New Construction				
Account #	Category		Quantity	Unit Cost
	Residential - Socket Disconnect	New meters	1250	\$300
	Condo	New Meters	250	\$240
	Commercial & Industrial	New meters	130	\$750
	Commercial & Industrial	New meters	25	\$750
	Cts & Pts	Equip. for new meters	150	\$160
	Test Blocks	Equip. for new meters	25	\$110
				\$2,750
				Total

Account #	Category	Quantity	Unit Cost	Total
	Microfit meters	50	\$159	\$7,950
	New meters	4	\$5,000	\$20,000
	FT meter	24	\$160	\$3,840
	Cts & Pts	4	\$110	\$440
	Equip. for new meters			
	Testblock			

Account #	Category	Quantity	Unit Cost	Total
	RS485 Modems			
	Equip. for new meters	2	\$600	\$1,200
	Routers & Wireless bridge			
	Equip. for new meters	50	\$250	\$12,500

Account #	Category		Quantity	Unit Cost	Total
	Polegate	Replace obsolete gates	1	\$8,360	\$8,360
	Wi-Max Radio	For polegate communication	25	\$2,000	\$50,000
	Repeaters	For polegate communication	75	\$225	\$16,875
	Repeater antennas	For polegate communication	75	\$400	\$30,000
	Routers & Wireless bridge	Wimax conversion - mtr rm upgrade	15	\$250	\$3,750
	Non reachable mesh meters	New meters	0	\$500	\$0
	Non reachable commercial mtrs	Wimax conversion	15	\$2,000	\$30,000

**Total Capital \$762,915**



Milton Hydro Distribution Inc.  
2015P Major Tools and Stores Equipment

Major Tools (1940)

	2014 Actual	2015 Budget	2015 Projected	2016 Budget
HD Supply				
Altec Industry	\$ 14,250.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00
Fluidline	\$ 1,196.12			
Allan Fyfe			1,758.10	
Acklands			8,760.00	
			1,865.00	
			1,349.00	
			5,000.00	20,000.00
Miscellaneous				

Stores Equipment (1935)

	\$ 15,446.12	\$ 9,500.00	\$ 28,232.10	\$ 29,500.00
<b>Stores Equipment</b>				
4 Phasing Kits for each Bucket truck				
Cabinet Storage	\$ 5,532.00		1,277.77	
Narrow Aisle Stack Fork Truck			58,868.00	
Floor Scrubber	\$ 18,000.00		18,000.00	40,680.00
Shelving 3 D Storage				
Eraser - Wire Meter Counter/Dereeler	\$ 4,500.00			
Greenlee Hole Punch - Metering	\$ 2,000.00			
AED's for Metering vehicles (2)				
Optical Probes				
Greenlee Press	\$ 3,000.00			
Maxis Wire Puller	\$ 9,000.00			
Potential Indicator Kits	\$ 7,000.00			
<b>Tools</b>	\$ 65,000.00			
Contingency Items	\$ 3,000.00			3,000.00
	\$ 117,032.00	\$ 78,145.77	\$ 43,680.00	
	\$ 15,446.12	\$ 106,377.87	\$ 73,180.00	

6.7



Milton Hydro Distribution Inc.  
EB-2015-0089  
INTERROGATORY RESPONSES  
Filed: December 18, 2015  
Page 730 of 901



**Milton Hydro Distribution**

**2015P & 2016 Budget DEPRECIATION PROJECTION  
(based on IFRS & new Depreciation lives)**

	2015 EXISTING	PROJECTED 2015 ADDITIONS	DEPRN ON ADDITIONS	PROJECTED 2015 DEPRECIATION	2016 EXISTING	BUDGETED 2016 ADDITIONS	DEPRN ON ADDITIONS	BUDGETED 2016 DEPRECIATION
Leasehold Improvements	0	0	0	0	0	0	0	0
Other Tangible Property	13,301	0	0	13,301	13,301	0	0	13,301
Intangible Software	65,129	291,170	29,117	94,246	123,363	80,000	8,000	131,363
LAND		-2,251,317	0	0	0	0	0	0
BUILDING	0	10,460,000	174,333	174,333	348,667	0	0	348,667
COMP HDWE	76,919	106,393	10,639	87,558	98,197	98,000	9,800	107,997
COMP SOFTWARE **	46,472			46,472	46,472			46,472
SUBSTATIONS	23,011	0	0	23,011	23,011		0	23,011
CC Pd-TRANS STATION	3,059	0	0	3,059	3,059		0	3,059
SUB FEEDERS	0	0	0	0	0		0	0
O/H LINES	813,593	2,006,150	22,291	835,884	858,174	4,806,160	53,402	911,576
U/G LINES	911,123	2,057,163	25,715	936,838	962,552	2,944,544	36,807	999,359
O/H SERVICES/TRANS	153,858	158,330	1,979	155,837	157,816	149,620	1,870	159,687
U/G SERVICES/TRANS	547,648	732,516	9,156	556,804	565,961	981,144	12,264	578,225
METERS	468,674	285,365	9,512	478,186	487,698	293,926	9,798	497,496
SMART METERS	244,238		0	244,238	244,238			244,238
SUBDIVISIONS	235,810	628,445	7,856	243,666	251,521	1,080,520	13,507	265,028
PROJECTS			0	0	0		0	0
OFFICE & COMM EQUIP	27,247	360,000	18,000	45,247	63,247	805,000	40,250	103,497
OFFICE EQUIP NEW BUILD		400,000	20,000	20,000	40,000		0	40,000
STORES EQUIP	7,370	78,146	1,954	9,324	11,277	43,680	1,092	12,369
ROLLING STOCK *	138,600	440,677	18,869	157,469	176,338	645,000	31,667	208,004
MAJOR TOOLS *	15,250	28,232	941	16,191	17,132	29,500	983	18,115
SYS SUPER EQUIP	5,375		0	5,375	5,375			5,375
WATER HEATERS	0		0	0	0		0	0
SENT LIGHTS	0		0	0	0		0	0
DIST'N AUTO'N	0	0	0	0	0		0	0
<b>TOTAL</b>	<b>3,796,676</b>	<b>15,781,270</b>	<b>350,362</b>	<b>4,147,038</b>	<b>4,497,399</b>	<b>11,957,093</b>	<b>219,439</b>	<b>4,716,838</b>
smart meter disposition * DEPRECIATION INCLUDED IN CONTROLLABLE EXPENSES	-153,850		-19,810	-173,660	-193,470		-32,650	-226,120
<b>NET DEPRECIATION EXPENSE</b>				<b>3,973,378</b>				<b>4,490,719</b>
Amortization of Contributed Capital (2015 to Deferred Revenue)	-1,087,082	-1,179,035	-14,575	-1,101,657	-1,116,232	-3,808,361	-47,079	-1,163,311
<b>DEPRECIATION NET OF AMORTIZATION</b>		<b>14,602,235</b>		<b>2,871,721</b>		<b>8,148,732</b>		<b>3,327,408</b>

Amortization of  
Contributed Capital  
(2015 to Deferred Revenue)

-1,101,657

-1,163,311

**2015 P**

**2016B**

Distribution Depreciation 3,474,464  
Miscellaneous Deprecation 481,881  
CC-pd (Other Intangible) 3,059  
Other Tangible 13,301  
Leasehold Improvements 0  
Building 174,333  
4,147,038  
4,147,038  
-0

3,678,619  
673,193  
3,059  
13,301  
0  
348,667  
4,716,838  
4,716,838  
-0

\*\* See software amortization schedule



**ATTACHMENT 1-SEC-14**  
**RELOCATION COMMITTEE DOCUMENTS**



# MILTON HYDRO RELOCATION COMMITTEE MEETING

## MINUTES

---

DATE OF MEETING: Tuesday, November 22, 2011

TIME OF MEETING: 2:30 p.m.

PLACE OF MEETING: Milton Hydro Boardroom, 8069 Lawson Road, Milton, ON

PRESENT: Sharon Barkley - Chair, Director, MHHI, MHD  
Carl Kuhnke - Member, MHD Independent Director  
Reid Frank - Member, MHD Independent Director

Being a quorum of the Directors of the Corporation together with, by invitation of the Board:

Brian Penman (via telephone) – Chair, MHHI, MHD & MHSI  
Robert Pyatt – Vice-Chair, MHHI, MHD & Chair, MEGS  
Ian Bourke - MHD Independent Director

Frank Lasowski - President/CEO  
Mary-Jo Corkum - Vice-President, Finance  
Bruno Pereira - Director, Engineering  
Gene Allevato - Director, Operations  
Cynthia Murray - Recording Secretary

ABSENT WITH REGRETS:

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### CONSTITUTION OF MEETING

A quorum of the Directors being present and proper notice of the meeting having been given, the meeting was declared duly constituted for the transaction of business.

#### 1. REMARKS FROM THE CHAIR

##### 1.1 Call to Order

The meeting commenced at 2:35 p.m. and the meeting was called to order.

##### 1.2 Approval of Agenda

It was moved by Carl Kuhnke and seconded by Reid Frank that the agenda be approved as distributed.

CARRIED

##### 1.3 Declaration/Disclosure: Conflict of Interest

No conflict of interest was noted.

#### 2. APPOINTMENT OF RELOCATION COMMITTEE CHAIR

It was moved by Reid Frank and seconded by Carl Kuhnke that Sharon Barkley be appointed Chair of the Relocation Committee.



3. RELOCATION OF MILTON HYDRO

Discussion was held regarding the relocation of the Milton Hydro Service Centre including the following:

- Review of Potential Properties for New Office -green field site versus brown field site; new build versus renovation of existing building; currently, there is not a lot of serviced property available in Milton; sites discussed included Consumer's Glass location, 99 Peru Road, potential Milton Education Village (MEV) lands and Lawson Road;
- Financial Impact – 13M has been budgeted for new building; discussion on rate impacts for customers; staff was requested to investigate what costs per square foot would be for multi level building
- Building Size Discussion – will need to build with future customer base and staffing levels in mind; new builds of comparable size utilities discussed;
- Lot Size Discussion -- agreed that the Main Street & 5th Line property of 6 acres is not considered adequate for MH requirements; determined that MH will require 8 to 10 acres of serviced land with outdoor storage
- It was agreed that a decision should be made by March of 2012; new construction build time is a minimum of 18 – 24 months
- Discussion held regarding an "Expression of Interest" to be sent to prospective architects for a conceptual RFI (include architects used by the Town)
- It was agreed that the Senior Management Team (Frank Lasowski, Mary-Jo Corkum, Bruno Pereira and Gene Allevato) will visit the following locations: Waterloo North Hydro, PowerStream (Vaughan), Guelph Hydro, Veridian (Durham Region, Ajax) and Union Gas (Burlington).

4. LETTER OF SUPPORT-2015 PAN/PARAPAN AMERICAN GAMES-VELODROME FACILITY

The President/CEO reported regarding the Town of Milton application to host the velodrome facility for the 2015 Pan/Parapan American Games. It was noted that the Town has proposed a geothermal district heating solution for the velodrome and the adjacent Milton Education Village (MEV) lands of



which Milton Energy & Generation Solutions Inc. (MEGS) is potentially interested in being the supplier. The "letter of support" addressed to the Town of Milton was reviewed and approved.

**5. ADJOURNMENT**

There being no further business to discuss, it was moved by Reid Frank and seconded by Carl Kuhnke that the meeting be adjourned at 4:15 p.m.

CARRIED

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Mary-Jo Corkum, CA  
Secretary/Treasurer



## MILTON HYDRO RELOCATION COMMITTEE MEETING

### MINUTES

---

DATE OF MEETING: Monday, April 2, 2012

TIME OF MEETING: 12:30 p.m.

PLACE OF MEETING: Milton Hydro Boardroom, 8069 Lawson Road, Milton, ON

PRESENT: Sharon Barkley - Chair, Director, MHHI, MHD  
Carl Kuhnke - Member, MHD Independent Director  
Reid Frank - Member, MHD Independent Director

Being a quorum of the Directors of the Corporation together with, by invitation of the Board:

Brian Penman – Chair, MHHI, MHD & MHSI  
Frank Lasowski - President/CEO  
Mary-Jo Corkum - Vice-President, Finance  
Bruno Pereira - Director, Engineering  
Cameron McKenzie - Director, Regulatory Affairs  
Gene Allevato - Director, Operations  
Cynthia Murray - Recording Secretary

ABSENT WITH REGRETS:

---

#### CONSTITUTION OF MEETING

A quorum of the Directors being present and proper notice of the meeting having been given, the meeting was declared duly constituted for the transaction of business.

#### 1. REMARKS FROM THE CHAIR

##### 1.1 Call to Order

The meeting commenced at 12:43 p.m. and the Chair called the meeting to order.

##### 1.2 Approval of Agenda

It was moved by Reid Frank and seconded by Carl Kuhnke that the agenda be approved as distributed.

CARRIED

##### 1.3 Declaration/Disclosure: Conflict of Interest

Reid Frank declared a conflict of interest regarding the potential properties associated with Meritor/Mitsubishi.



2. MNUTES

2.1 Approval of the minutes of the meeting of the Milton Hydro Relocation Committee meeting held November 22, 2011

It was moved by Carl Kuhnke and seconded by Reid Frank that the minutes of the meeting of the Milton Hydro Relocation Committee meeting held November 22, 2011 be approved.

3. RELOCATION

3.1 Relocation Update Report

The Committee reviewed and discussion was held regarding the detailed update as of March 28, 2012 including the following:

- Relocation Update Report -- The President reported on potential sites as follows:
  - => Milton Education Village -- no guarantee that zoning or infrastructure can be in place to meet construction deadline
  - => Part Lot 2 - Con. 4 Esg. (Manheim Auto Auctions) -- advised March 27, 2012 that land is no longer on market
  - => Nexans Building (Lawson Road & Steeles Avenue) -- not viable due to cost, required renovations and timing
  - => MSSC building on Steeles Avenue West (owned by Mitsubishi) -- believe that it has been removed from the market
  - => 99 Peru Road -- advised by the Town of Milton to avoid this property as it is involved in a confidential dispute between Milton Heights Community and the OMB
  - => 2995 Peddie Road -- land acquisition is 60% of budget and therefore too expensive
  - => Halton Hills Banquet Center Lands -- asking price would be more suited to residential development (Price is at the top end of serviced industrial land for sale)
  - => Emery Investments - Escarpment Business Park 401/404 Interchange -- pricing not formally discussed but it is believed to be in the \$550,000/acre range
  - => PL Robertson Building (Bronte St. North) -- Building not currently listed for sale; Town wants land returned to residential; potential environmental issue with tailings pond
  - => 5th Line South of CP Rail Line (Shipp Investments) -- Shipp is in negotiations with 2 prospective buyers -- at this time Shipp is not interested in a severance
  - => Orlando Corporation 5th Line South of CP Rail Tracks -- discussion held with Orlando, was indicated that lands are being reserved for 580,000 sq. ft and up buildings
  - => High Point Business Park -- land is completely serviced and zoned as "Employment Lands" -- town of Milton would like to keep that zoning

The President advised the Board of 3 properties that Milton Hydro staff wish to pursue as follows:

- => CN Lands south of Britannia Road -- discussion held regarding "piggybacking" with Town of Milton Operations Centre -- preferred parcel of land is adjacent to the Town of Milton Operations Centre on Highway #25 but this option would make access for Milton Hydro trucks problematic; possible incorporation of Region of Halton leased lands; Staff directed to have discussions with Region of Halton regarding CN lands and encouraged to proceed with investigations including Town of Milton, Region of Halton and CN.
- => 100 Chisholm Drive (former Consumers Glass) -- would require severance but probably would be the quickest site to acquire/build
- => 7429 5th Line (former Taylor Nursery) -- awaiting reply from Milton Clean Energy Center who is the owner of these lands; servicing is scheduled for completion in 2013/14; extension of Main Street could potentially cut through parcel of land.



The committee requested that staff prepare the following for the next meeting of the Relocation Committee:

- 1) matrix including the top 3 sites
- 2) cost comparisons relating to 1, 2 and 3 storey buildings

The committee reviewed the following:

- Land requirements for new site
- Proposed new building project management time line
- Milton Hydro human capital projection planning worksheet

Subsequent to extensive discussion the following resolution was passed:

BE IT RESOLVED THAT:

The President/CEO be authorized to enter into detailed discussions regarding the potential purchase of the following parcels of land: 1) part of CN property south of Britannia; 2) 100 Chisholm Drive; 3) 7429 5<sup>th</sup> Line; and that he also be authorized to examine any other potential sites that become available.

Moved By: Carl Kuhnke  
Seconded By: Sharon Barkley  
CARRIED

4. OTHER BUSINESS

5. ADJOURNMENT

There being no further business to discuss, it was moved by Reid Frank and seconded by Carl Kuhnke that the meeting be adjourned at 2:00 p.m.

CARRIED

---

Mary-Jo Corkum, CA  
Secretary/Treasurer



## Relocation Committee Meeting - April 2, 2012

### Purpose:

To provide the Relocation Committee with a detailed update of building/site requirements, timelines and possible build locations along with supporting documents.

### Desired Outcome:

1. Relocation Committee recommendation and subsequent MHDI board resolution to move ahead with plans to purchase, build and relocate to a new site within the TOM.
2. Relocation Committee recommendation and subsequent MHDI board resolution to have MH staff conclude sites for considerations, recommend final site location and prepare conditional offers to purchase for April 30th board meeting.

### Items from November 22, 2011, Relocation Committee

- Item #4, bullet 5 agreed that a decision on site relocation be made by March 2012.  
MH senior management has determined that 2 major capital investments (new building and Capacity Expansion TS) are required in the next 6-8 years. As these individual investments can range from \$13 million to over \$20 million, it is recommended that both projects proceed concurrently. The need for additional transformation capacity will likely be required by 2018 in the form of a MH owned or Hydro One built TS and therefore could be budgeted for 2018. Since the Lawson Rd. site is not only temporary but insufficient for our needs beyond 2015, it would be prudent to construct the new building prior to the 2014 rebasing year which also coincides with the lease expiration at Lawson Rd.
- Item #4, bullet 4 regarding lot size, confirmation of land and building requirements.

Based on the attached MH Human Capital Requirement Plan and staffing comparison with other LDC's, MH senior management recommends the purchase of a minimum 12 - 15 acres of land to accommodate a building size of approximately 66,000 sq. ft.

### Milton Real Estate Market Observation:

Pricing in Milton for fully serviced industrial zoned land has been skewed upward since the August 8, 2011 sale to Target Corp. of 79.5 acres at \$578,365 / acre, a record amount for Milton. The large developers such as ORE, Emery and Orlando who have large tracts of land available are on record as not opening a site unless they can attract a 500,000 + sq. ft. tenant first especially now that Lowe's has confirmed construction of a 700,000 sq. ft. warehouse in the new Escarpment Business Community along with another 700,000 sq. ft. building in the same area to an undisclosed client. Serviced land cost could consume a considerable percentage of the budget.

What is concerning is that while developers are interested in our build, they are not prepared to make any offers for smaller parcels such as MH in holdings that have yet to be developed so as not to make their site holdings unattractive for the big DC score. (See attached email from Orlando Corp.) The result of this preference is that industrial clients such as Milton Hydro are relegated to a "fill in" status if and when the developers feel so inclined.



## A -Alternate site locations to be pursued

1. CN Lands south of Britannia  
 CN has approximately 1200 acres of land south of Britannia stretching between Hwy 25 and Bell School Rd. Various parcels along the track between Tremaine and First Line have been allocated for a train staging yard and spurs. They prefer not to sell any lands on either side of the tracks. They have offered 2 parcels (17 & 19 acres) at approximately \$150,000 /acre for our consideration. One parcel is right beside the new TOM Operations center off of Hwy 25 which is the better of the parcels there is a stream that runs through the southern portion of the lands which requires a set-back that could reduce the available lands to build on by 50%. The second parcel is off 1st Line which has no water or sewer capabilities. Again the property is very narrow at 107 M. Halton Region has a set-back from the waste site of 400 M from the property line which will not allow footings, wells, septic or geothermal therefore rendering this parcel of limited value.
2. 100 Chisholm Drive.  
 Originally a 50 acre site of the former Consumers Glass plant, it is now managed by Redcliff Property Management. The remaining 33 acre site is available for redevelopment of which 10-12 acres could be available to Milton Hydro. Asking price is \$560,000 /acre which includes the development charges and an existing 86,000 sq. Ft. Warehouse. This is an attractive location for the following reasons:
  - The site already has an existing 86,000 sq. ft. warehouse with no office. We could eliminate a portion of the warehouse, erect new offices and refurbish the warehouse portion at approximately 1/2 the cost of new construction.
  - The site already has storm water management ponds which means we would not have to give up property for this TOM requirement.
3. 7429 5th Line (former Taylor Nursery)  
 This land was purchased by Milton Clean Energy Center, a Calgary based energy consortium in 2007. This 22 acre site was originally supposed to be the site for the gas operated hydro generating plant that never materialized and was eventually built in Halton Hills. The site spans from 5th Line to 6th Line and has an "industrial" designation in the official plan however it has not been officially zoned as "industrial". We will not have details on the property until week of April 9th. The TOM has plans to extend Main St. through this parcel however, as all the land is not needed, this would work out well for both the Town and MH. A caution is noted that because the TOM rejected the proposed power plant, MCEC, which paid a premium for the property, may try to inflate the selling price beyond market value.

## B Other Sites Considered

1. MEV once the preferred relocation site which was a 10 acre parcel projected to be beside the Velodrome. This site is attractive for the following reasons:
  - a. The land component cost. The Town was negotiating a land transfer would reduce the land charges below the cost of serviced lands.
  - b. Given the possibility for MEGS to be the provider of district heating to MEV, it would make sense for Milton Hydro to be next door to the Velodrome for the first 2 applications.

Region approval was only committed for the Velodrome and therefore MH would have to wait for inclusion in the Secondary Plan which is not due to the Region before 2013. Based on this, there is no guarantee that the zoning or infrastructure can be in place to meet our building construction deadline.



2. Part Lot 2 (18 acres) – Con. 4 Esq. (Manheim Auto Auctions) fronts on to Lawson Rd. Zoned industrial M2 and serviced ready to go. They bought this property in January 2007 for future expansion. With advent of on-line auto auctions, this parcel of land could have been declared surplus. Records show that they paid \$7,562,410 = \$419,435 /acre. Developers are not interested in purchasing this type of small acreage to develop and therefore Manheim's only option would be to nominally mark this up and sell to an end user such as Milton Hydro. Recent developments indicate that Manheim is in negotiations with a developer in which this parcel is part of a larger deal. There is a 50/50 chance of the deal happening within the next 2-3 month window and should it fall through, they would entertain severance with Milton Hydro. Advised March 27 that the land is no longer in play.
3. Nexans Building - corner of Lawson Rd and Steeles Ave is available but not officially on the market. It is the only pre-existing building that roughly fits our needs. The building has 5000 sq. ft of office and 125,000 sq. ft of warehouse with 4 acres of concrete fenced yard on 10 acres zoned industrial M2. Nexans indicated that they would not consider a move any earlier than 2 years from the date of any agreement to sell. Initially the asking price was believed to be \$9,000,000, when formally asked, the price was \$13,000,000. For MH to consider this site, we would have to knock down a portion of the warehouse space and build new offices along with re-configuring the yard, parking and warehouse. At \$175 to \$200 /sq. ft. for new office construction plus renovations on top of the acquisition price, as well as the timing issue, this site should no longer be considered.
4. MSSC building on Steeles Ave W. is a 54 acre site owned by Mitsubishi. The building and lands are not for sale as the company has not concluded the vacant factory to be surplus. The land directly in front of the factory facing Steeles is believed to be available and that Mitsubishi would be willing to sever it at going industrial land rates of \$550,000/acre. We believe that *it has been removed from the market.*
5. 99 Peru Rd. This is an 11 acre serviced parcel is shown as industrial on the C.2.B TOM Official Plan and backs on to Magna. Property is owned by Mr. Peter Civiero (private) and is not currently listed on the market. He would be interested in leasing the land for a defined period of time with a negotiated buyout at lease end. It is currently being rented to a private individual for \$1400/mo with lease expiring September 2012. This is an attractive location for the following reasons:
  - Providing we could conclude a reasonable lease and buyout (potentially \$6,200,000), it would spread out the financial burden on the land component portion and eliminate real estate fees.
  - With the new Tremaine /401 interchange planned within the next 3-5 years, Peru Rd will be a dead end however site allows for easy access to all parts of the TOM.

*We were advised by TOM to avoid this property as it is involved in a confidential dispute between Milton Heights Community and the OMB of which there is no guarantee of industrial zoning.*
6. 2995 Peddie Rd. This is a 14.4 acre parcel that is serviced and zoned industrial. It is owned by Cooper Construction who would only be interested in doing a design build to Milton Hydro requirements. Asking price is \$565,000 per acre or \$8.1 million for the land component only. *Land acquisition cost is 60% of budget and therefore too expensive.*
7. Halton Hills Banquet Center Lands (35 acres) zoned "Green Lands" according to the TOM Official Plan Schedule "B" although they have a subsection rider that allows for the current owner to run commercial operations. We were advised that the owners would be interested in selling (\$20,000,000 or \$572,000 / acre). *At these numbers, the asking price would be more suited to residential development as the asking price is already at the top end of serviced industrial land for sale today.*



8. Emery Investments owns 5 properties of various acreages in the Escarpment Business Park located next to the new 401 / Tremaine interchange which is expected to be completed by 2014. This site would give us easy access in all directions. Although pricing had not been formally discussed, it is believed that it will go in the \$550,000/acre range. Preliminary discussions held in March found that Emery was fixated on large warehouse opportunities and while mildly interested, they indicated that our type of build would be a "fill in" once the large acreages were packaged off.
9. Robertson building on 10 acres of land on Bronte St. N. is currently zoned "Business Park". Building is not listed for sale. TOM wants this land returned to residential and there is potentially an environmental issue with the existing tailings pond to the north of the property.
10. East side of 5th Line south of the CP rail line. Land is designated industrial M2 zoning. Shipp Investments owns a 98 acre parcel currently for sale at \$20,000,000. Preliminary site plan has been submitted to TOM. This could be a good location as water and sewer will be constructed along 5th Line and completed by end of 2013. We understand that Shipp is in negotiations with 2 prospective buyers who are bidding on the property. At this time, they are not interested in a severance unless they can't complete a deal with a developer.
11. Orlando Corporation meeting held Friday March 9th with senior managers. They expressed initial interest in doing a package design build on property they own on 5th Line south of the CP rail tracks on the west side zoned future industrial. They have come back and told us that they can't fit us in at this time. The lands are being reserved for 580,000 sq. ft. and up buildings.
12. High Point Business Park. 3 parcels of land on Parkhill Drive of which 95% backs on to the Hwy 25 off-ramp from the 401 totaling 15.61 acres (2.67, 5.9, and 7.04) are available. The land was originally owned by TDI which has been in receivership for the past 4 months so any offer to purchase would be made with the receiver. The 2 larger parcels = 12.94 acres would be perfect for our application. The property possibly also has \$48,000 per acre of prepaid DC charges. The advertised price according to Graham Rice (TDI) is \$599,000 per acre plus the prepaid DC. The land is completely serviced and zoned as "Employment Lands"; we were informed that the TOM would like to keep that zoning.



## **General Information**

Once all permits are approved, construction is expected to take 14 – 16 months. Based on our site visits to NWH and Guelph Hydro, they suggest that we give ourselves a 3 month grace period for unexpected delays.

Construction budget will vary depending on site location. This is an approximation only

12 acres serviced land at \$550,000/acre	\$6,600,000
DC charges at \$22/ sq. ft. 53,000 sq. ft. <b>(2011 regional and TOM rates)</b>	\$1,166,000
Permits, Surveys, site plan approval, contingency, insurance etc (5%)	\$350,000
26,000sq. ft office, LEED construction build at \$175/ sq. ft.	\$4,550,000
40,000 sq. ft of warehouse at \$80 /sq.ft	\$3,200,000
Paving,fencing,landscape, storm water management	\$500,000
Architectural fees and Project Management (10%)	\$770,000
Communication tower	\$50,000
Office furnishings, warehouse racking, security, control room equipment, yard bunks, misc. general equipment	\$500,000
Total Estimated Construction Cost	<hr/> \$17,686,000

Original Estimated budget amounts

2013 = \$3,000,000 & \$10,000,000 in 2014 \$13,000,000

### Recommendations:

- A) The Relocation Committee recommends that MHDl Board commit to the construction of new office and service complex.
- B) That the Relocation Committee after the review of the options provided by Milton Hydro senior staff, recommends that the MHDl Board pass the following resolution:  
 "That the President is authorized to enter into detailed discussions regarding the potential purchase of the one of the following parcels of land:
  - 1) Part of CN Property south of Britannia
  - 2) 100 Chisholm Drive
  - 3) 74295th Line
 And that the final recommendation be presented at the April 30th Board meeting "



CONFIDENTIAL

## MILTON HYDRO RELOCATION COMMITTEE MEETING

### MINUTES

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DATE OF MEETING: Wednesday, November 14, 2012

TIME OF MEETING: 9:30 a.m.

PLACE OF MEETING: Milton Hydro Boardroom, 8069 Lawson Road, Milton, ON

PRESENT: Sharon Barkley - Chair, Director, MHHI, MHD  
Reid Frank - Member, MHD Independent Director  
Carl Kuhnke - Member, MHD Independent Director (via telephone)

Being a quorum of the Directors of the Corporation together with, by invitation of the Board:

Brian Penman - Chair, MHHI, MHD & MHS  
Frank Lasowski - President/CEO  
Mary-Jo Corkum - Vice-President, Finance  
Gene Allevato - Director, Operations  
Cynthia Murray - Recording Secretary

ABSENT WITH REGRETS:

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#### CONSTITUTION OF MEETING

A quorum of the Directors being present and proper notice of the meeting having been given, the meeting was declared duly constituted for the transaction of business.

#### 1. REMARKS FROM THE CHAIR

##### 1.1 Call to Order

The meeting commenced at 9:33 a.m. and the Chair called the meeting to order.

##### 1.2 Approval of Agenda

It was moved by Reid Frank and seconded by Carl Kuhnke that the agenda be approved as distributed.

CARRIED

##### 1.3 Declaration/Disclosure: Conflict of Interest

None.



2. MINUTES

2.1 Approval of the minutes of the meeting of the Milton Hydro Relocation Committee meeting held April 2, 2012

It was moved by Carl Kuhnke and seconded by Reid Frank that the minutes of the meeting of the Milton Hydro Relocation Committee meeting held April 2, 2012 be approved.

3. RELOCATION

3.1 Relocation Update Report

The Committee reviewed a PPT presentation by the President/CEO and discussion was held including the following:

- Relocation Update Report - The President reported on potential sites as follows:
  - :::> Britannia Road and 1st Line – property owned by Canadian National Railways; property is outside of urban boundary; severance of 15 acres would be required
  - => 8744 Boston Church Road -- property owned by Opszanski-Mieczyslaw, Barbara & Henry; property is outside of urban boundary; severance of 15 acres would be required
  - => Steels Avenue West east of James Snow Parkway – located in the Town of Halton Hills
- At its meeting of October 22, 2012, the Town of Milton granted Milton Hydro "public authority" status which will enable Milton Hydro to explore potential sites outside of Milton's urban boundary

The Committee reviewed and discussed the following:

- Base site plan – Britannia & 1st Line
- Base site plan -- 8744 Boston Church Road
- Properties analysis
- LDC comparisons
- Greenfield construction budget
- Project time line
- Critical time line

It was agreed that construction would need to commence by June 2013 for an occupancy date at the end of 2014 and the engagement of the architect and production of preliminary building plans needs to be considered.

The committee requested that the President/CEO proceed with the following actions:

- 1) Require confirmation from the landlord of 8069 Lawson Road regarding extension of current lease.
- 2) Milton Hydro legal counsel to draft documents for extension of lease (6 month opt out).
- 3) President/CEO to schedule meeting with the Acting CAO of the Town of Milton and the Senior Planner of the Region of Halton to discuss relocation outside of Milton's urban boundary and the associated amendments to the urban plan.
- 4) Milton Hydro staff to investigate available properties located in the town of Halton Hills.
- 5) Revisit potential properties within the urban boundary.



4. OTHER BUSINESS

None.

5. ADJOURNMENT

There being no further business to discuss, it was moved by Reid Frank and seconded by Carl Kuhnke that the meeting be adjourned at 10:58 a.m.

CARRIED

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Mary-Jo Corkum, CA  
Secretary/treasurer



# Relocation Committee Meeting November 14, 2012



# Index

- Preface
- Halton Region map
- LDC Comparisons
- Properties Analysis
- Base Site Plan - Britannia & 1st Line
- Base Site Plan - 8744 Boston Church Rd
- Greenfield Construction Budget
- Project Time Line
- Bidders Qualification Package
- Critical Time Line
- Sample - CCDC 5B Construction Management Contract
- Sample - Client / Architect Services Contract



## Preface

Milton Hydro Lease Agreement for 8069 Lawson Rd expires November 1, 2014. A written request for renewal with 6 month opt-out clause was forwarded to the landlord May 24, 2012. The landlord has verbally agreed to Frank Lasowski that he is willing to renew under these terms however at this time, we have not received a formal lease extension agreement from his realtor, Phil Prestige of Royal LePage. The landlord has also made it clear that he intends to re-develop 8069 Lawson Rd. for his own purposes.

For the past 18 months, we have searched all possible properties within the Town of Milton (Greenfield and Brownfield) for adequate acreage on which to build a new Head office and operations center. The only available Brownfield site at this time is 100 Chisholm Drive. This location involves rehabilitation of an existing warehouse and constructing a new office. The location is very poor from a traffic congestion perspective with only one road in and out. Furthermore, it is questionable that the investment would equal the return long term. We suspect that other prospective investors see the same issue which explains why the site is still for sale.

While the Town of Milton has an abundance of land scheduled for development that would suit Milton Hydro, the developers who own and control these lands are unwilling to sell a 12 – 15 acre parcel to Milton Hydro as it may negatively impact their land configuration and jeopardize their ability to attract mega warehouse clients such as Target, Lowes, etc.

In order for Milton Hydro to explore potential sites outside of the urban boundary the Town of Milton granted "Public Authority" status at the Town Council meeting of October 22, 2012. As such we have 2 sites from which to choose. Outside of this, the only other option at this time is to relocate just outside of the Milton town limits in the Town of Halton Hills.

The properties are as follows:

- > Britannia Rd. and 1st Line
- > 8744 Boston Church Rd.
- > Steeles Ave. W east of James Snow Parkway (Town of Halton Hills)



### **Next steps:**

1. Board approval to move on one of the above identified sites.
2. It is critical that we obtain written executive support from the Town of Milton prior to making application to Halton Region.
3. Application for Regional approval. Gaining approval is not guaranteed however Milton Hydro needs the TOM's unequivocal support recognizing the following:

Milton Hydro continues to grow as its customer base increases; the current leased property is already at near capacity and will not meet Milton Hydro's future growth requirements. Furthermore it is not a long term solution as the landlord has indicated that he wants to re-develop the property for his own use.

There is a scarcity of available land for purchase by Milton Hydro; available land is being held by developers for larger commitments

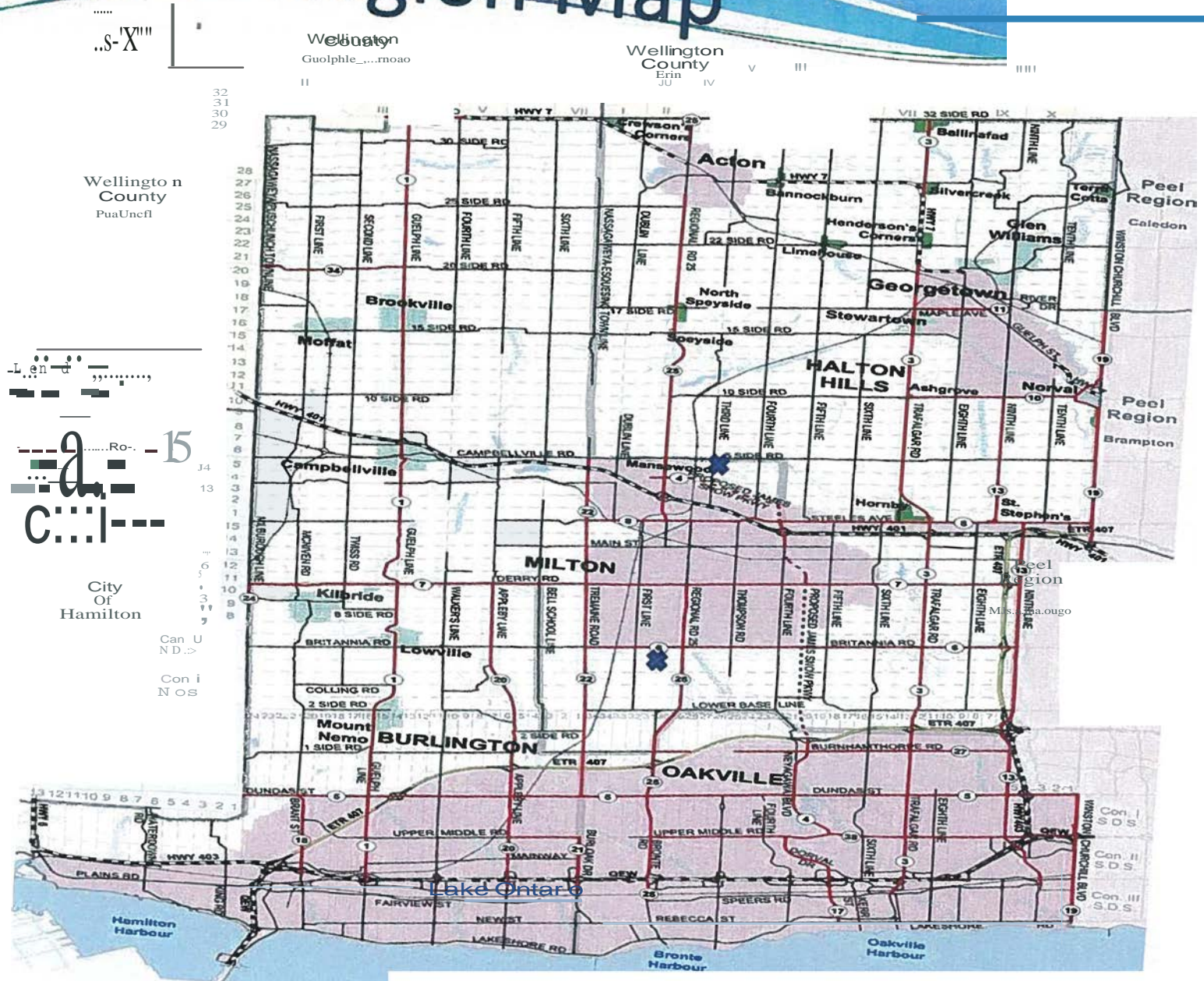
In its regulated environment, Milton Hydro is restricted as to the rate impact it can pass along to ratepayers;

Milton Hydro agreed (probably to its detriment) to a shortened 4 month notice period at its property at 55 Thompson to facilitate the Town's application for Infrastructure funding of its Performing Arts Centre.

The property at 55 Thompson was paid for by ratepayers of Milton Hydro; at the time of incorporation, the Town of Milton chose to retain ownership of the 10 acre property which is now home to the Performing Arts Centre/Library and the excess land sold off by the Town of Milton for future development - a windfall for the Town and its taxpayers.



# Halton Region Map





# LDC Comparisons

	Burlington Hydro	Oakville Hydro	Milton Hydro	Gu elph Hydro	Nort h Waterloo Hydro
<b>Status</b>	Owned	Owned	Leased	Owned	Owned
<b>Cons</b>	1960	1990	2009	2009	2009
<b>Customers</b>	140,000	51,000	29,200	51,000	116,000
<b>Office sq. ft.</b>	26,000	35,000	15,000	30,000	47,500
<b>Whse sq. ft.</b>	36,000	40,000	12,000	68,000	56,500
<b>Total Bldg. Size</b>	62,000	75,000	37,000	104,000	104,000
<b>Land Acreage</b>	n.o	7.7	5.0	13.8	24.0



# Property Analysis

Britannia & 1st Line

8744 Boston Church Rd

## Registered Owners

Canadian National Railways

Qpszanski - Mieczyslaw, Barbara, & Henry

## Original Registered Land

248 acres

38 acres

## Zoning

Outside of urban boundary

Outside of urban boundary

## Severance Required by seller

Yes - 15 acres

Yes - 15 acres

## current use

Agricultural

Agricultural

## Future designation

Industrial

Employment Lands

## Environmental Assessment Required

Yes

## Asking Price

\$225,000 - \$250,000 / acre

\$210,000 / acre

## Location - Positive

- Close to where all new growth is occurring
- Water and Sanitary sewer being added to Britannia Rd. during widening & ready or

- Access to JSP is beside the lands - great north / south corridor
- Close to north rural where 90% of outages occur
- More centrally located

## Location - Negative

2014  
Industrial future designation - fits MH  
Far away from where most outages occur  
Halton Waste Management site in backyard  
not easily accessible to north / south corridor road such as JSP  
Far away from retail, restaurants, etc

Far away from where new growth is occurring  
Water and Sanitary sewer end at Whirlpool Bldg.  
would have to pay Region to extend.  
Orlando has already tried to purchase this land and offered \$175,000 / acre - by asking \$210,000, they may be using our offer to prop up Orlando into paying more  
Due to Irregular shaped lot, no guaranty that owner will accept site plan

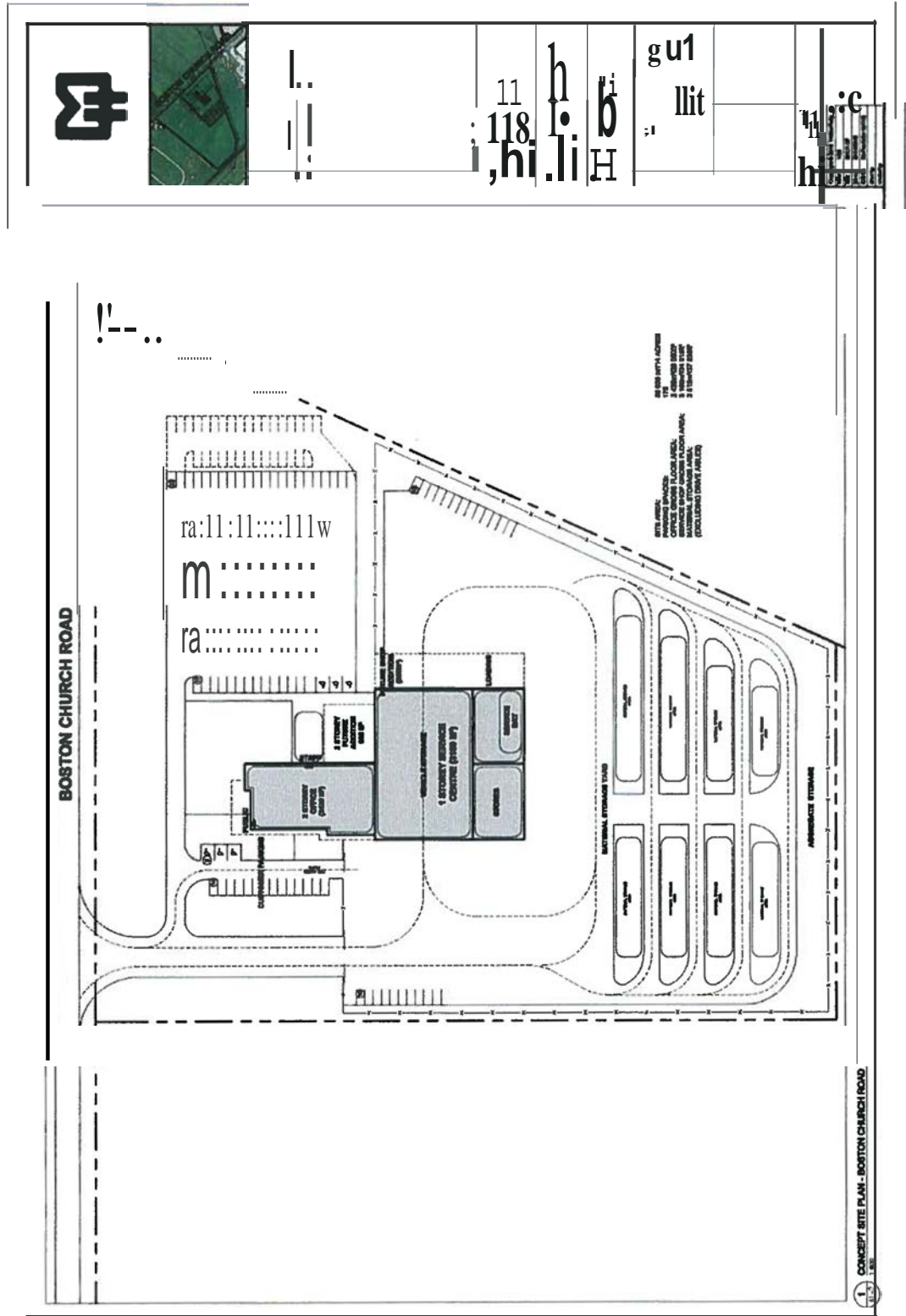


# Base Site Plan Britannia Rd & 1<sup>st</sup> Line





# Base Site Plan 8744 Boston Church Rd.





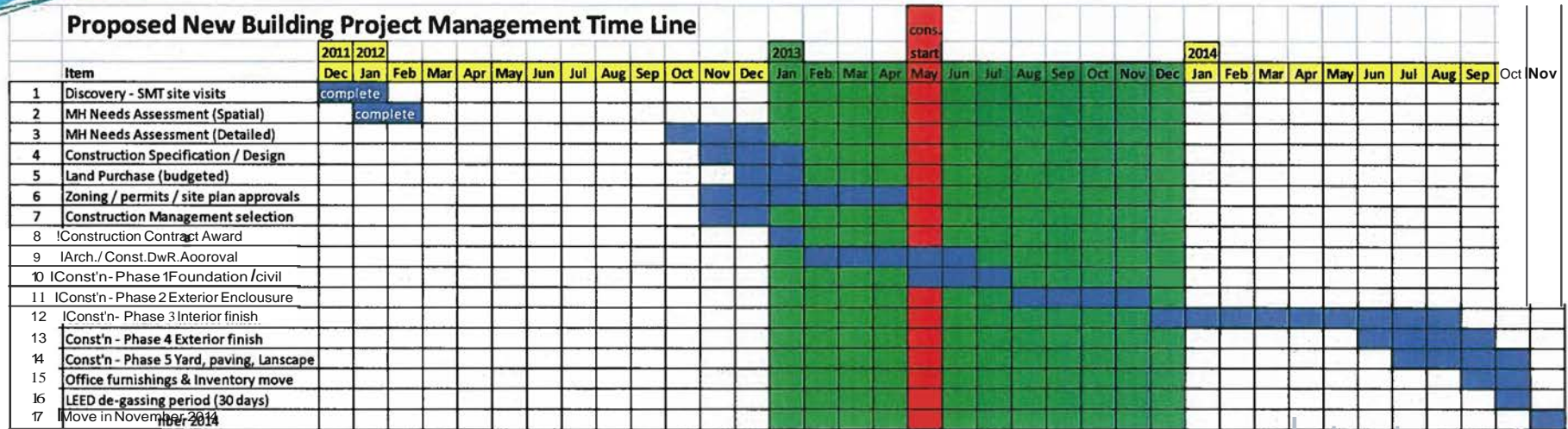
# Greenfield Construction Budget – 60,000 sq. ft.

	Budget	Britannia & 1 <sup>st</sup> Line	8744 Boston Church Rd.
14acre site (\$300,000/acre) -non serviced outside of urban boundary	4,200,000	\$240,000	\$3,360,000
Services, water, sanitary sewer, gas	\$450,000		\$150,000
Realtor fees @ 5%	\$210,000		\$168,000
Development Charges @ \$23 / sq. ft.	\$1,180,000	\$180.98/Sq. M	\$1,008,782
Office construction cost (26,000 sq. ft.) LEED Silver @ \$200 / sq.ft.	\$5,200,000		\$5,200,000
Warehouse construction cost (34,000 sq. ft) @ \$100 / sq. ft.	\$3,400,000		\$3,400,000
Permits @ 10% of construction costs	\$860,000		\$860,000
Architectural Fees & Project Management Fees @ 10% of construction costs	\$860,000		\$860,000
Paving, Fencing, Landscaping, storm water Mgt.	\$350,000		\$350,000
Communication Tower	\$85,000		\$85,000
Office Furnishings, whse. Racking, security, control room equip, AN, yard bunks, misc. general equipment	\$700,000		\$700,000
<b>Total Cost</b>	<b>\$17,695,000</b>		<b>\$16,141,782</b>
Less Future sale of 6 acres at Main and 5th Line @ \$450,000 / acre	(\$2,700,000)		(\$2,700,000)
<b>Final Construction Cost</b>	<b>\$14,995,000</b>		<b>\$13,441,782</b>



# Project Timeline

## Proposed New Building Project Management Time Line



1	Discovery - Site visits	Cuelph Hydro, Waterloo North Hydro, and Union Gas buildings are recently completed buildings built to Leeds standard construction. Objective is conclude site visits and report findings to the board by Jan 13, 11 > 12.	C:OMP
2	IMH Needs Assessment (Space)	Preliminary space requirements of office, warehouse and yard broken down by departmental ownership	COMPLETE
3	IMH Needs Assessment (Detailed)	Detailed listing of office, warehouse and yard requirements, broken down by departmental ownership	
4	Construction Tender Specification	Invitation to tender will be completed in 2 stages. Stage 1: All interested parties that meet the requirements will be asked to bid and display their recently completed projects. The intent is to ensure we have bidders with demonstrated ability to deliver our building on time and within budget. Stage 2: 3 or 4 bidders will be selected from Stage 1 to bid on detailed project to establish winning bid.	
5	Land purchase	Option #1 - CN Lands - Britannia & First Line Option #2 - 8744 Boston Church Rd	
6	Zoning / permits / site plan approvals	Application process for all required permits, zoning, site plan, etc.	
7	Gen. Contractor/Design Build Selection	Issue RFP to 4 qualified Construction Management Firms	
8	Construction Contract Award	Awarding of the contract - CCDC SB Construction Management contract with incentives	
9	Arch./ Const. Dwg. Approval	Detailed process to ensure architectural design and actual construction processes can be achieved.	
10	Building Construction	5 phases of construction that can be tracked and linked to progress payments	
15	Office furnishings & inventory move	New furnishings that have been identified will be bought, delivered, and installed	
16	LEED de-gassing period (30 days)	30 day moratorium prior to employees moving in to give the construction materials an opportunity to de-gas (paint, carpet, ceiling tile, stains etc)	
17	Move in November 2014	Physical move to the new building	



## Bidders Qualification Package

Milton Hydro Distribution Inc. serves over 30,000 customers within the Town of Milton. This beautiful historic town is one of the fastest growing communities in the country and located in south central Ontario within the Region of Halton.

Milton Hydro will be constructing a new 70,000 sq. ft. head office and operations center replacing our temporary leased facility at 8069 Lawson Rd.

Construction - LEED Silver standard and designed to use up to a maximum of 50% of energy consumption of a similar building designed to The Canadian Model National Energy Code for Buildings.

Office - 26,000 sq. ft. on 2 floors with a provision to expand 10,000 sq. ft. over 2 floors in future. Open office space design to allow for maximum flexibility with exposure to outdoor views for a minimum of 90% of regularly occupied work spaces.

The warehouse /garage - 34,000 sq. ft of one storey 28' clear precast construction with provision to expand by 10,000 sq. ft. in either direction in future. Extensive use of natural light with photometric ballast controlled motion detected lighting.

Significant features include; Geothermal HVAC system, rainwater harvesting collection system for all non potable applications, and flat roof stanchions to accommodate future solar panel installation.





Open office concept allowing 90% natural light



## **Bidder Selection Process**

All qualified bidders to submit a preliminary non-binding Guaranteed Maximum Price (GMP) bid based on the above building requirements and qualifications as listed below. Those bids will be evaluated on an overall ability to deliver the project. 3 or 4 bidders will be selected from the initial bid process.

Selected bidders will be asked to "final" tender the project on a more detailed basis including conceptual design renderings of both interior and exterior design based on Milton Hydro needs assessment and fully executed Architectural Services and CCDC 5B Construction Management contracts. Bids will be fully evaluated and 1 bidder will be awarded the contract.

### **Type of Contracts to be issued:**

Architectural Services Contract – covering architectural and engineering services

CCDC 5B Construction Management Contract with Guaranteed Maximum Price (GMP) plus % cost savings option. Open book cost management system where all services and construction costs are defined



## **Bidders Qualification:**

Must be a full service provider or have demonstrated successful relationships or partnerships covering:

- Architectural
- Engineering (Civil, Structural, Mechanical, Electrical and Communications)
- Project Management interface with owners Project Manager
- Contract Administration & Field Review
- Carry adequate insurance

## **Completed Projects:**

Minimum 20 years experience with recently completed Industrial, Commercial, and or institutional projects. Must be able to demonstrate ability to deliver projects on time and within budget. References with pictorial submission are required for our evaluation purposes.

## **Project Timeline:**

- Building to be move in ready by no later than November 30, 2014
- Preliminary bids based on owner supplied "base" site plan are due no later than November 30, 2012.
- Final bid submission for project due January 2, 2013 – contract award date January 16, 2013.

## **Point of Contact:**

Gene Allevato, Director of Operations  
Milton Hydro Distribution Inc.  
905-876-4611 ext 262  
[geneallevato@miltonhydro.com](mailto:geneallevato@miltonhydro.com) ;



# Milton Hydro Relocation Committee

## Minutes

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DATE OF MEETING: Friday, April 26, 2013

TIME OF MEETING: 9:00 a.m.

PLACE OF MEETING: Milton Hydro Boardroom, 8069 Lawson Road, Milton

PRESENT: Sharon Barkley - Chair  
Reid Frank - Director, Milton Hydro Distribution Inc.  
Carl Kuhnke - Director, Milton Hydro Distribution Inc.

Being a quorum of the Directors of the Committee together with, by invitation of the Relocation Committee:

Brian Penman – Chair, Milton Hydro Holdings Inc./Milton Hydro Distribution Inc.  
Don Alarie - Director, Milton Hydro Distribution Inc.  
Frank Lasowski - President/CEO  
Mary-Jo Corkum - VP Finance, Secretary/Treasurer  
Gene Allevato - Director of Operations

ABSENT WITH REGRETS:

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### CONSTITUTION OF MEETING

A quorum of the Committee being present and proper notice of the meeting having been given, the Chair declared the meeting duly constituted for the transaction of business.

#### 1. REMARKS FROM THE CHAIR

##### 1.1 Call to Order

The meeting commenced at 9:10 a.m. and the Chair called the meeting to order.

##### 1.2 Approval of Agenda

It was moved by Carl Kuhnke and seconded by Reid Frank that the agenda be approved as distributed.

CARRIED

##### 1.3 Declaration/Disclosure: Conflict of Interest

None.



## 2. MINUTES

- 2.1 It was moved by Reid Frank and seconded by Carl Kuhnke that the minutes of the meeting of the Milton Hydro Relocation Committee meeting held November 12, 2012 were approved as distributed.

## 3. RELOCATION

### 3.1 LOI April 19, 2013

The President & CEO discussed the highlights of the Letter of Intent regarding the Magna lands. It was noted that Magna (Granite) signed back the Letter of Intent with changes including:

- MHDl would be responsible for both Phase 1 and Phase 2 environmental assessments; the LOI was silent with respect to the financial responsibility, if any, for remedial work required as a result of the environmental assessment.
- Removal of the condition of financing approval by Infrastructure Ontario. It was noted that the agreement is conditional on board and Town of Milton approval.
- Magna wants to take responsibility for the preparation of the Purchase/Sale Agreement.
- MHDl cannot proceed with any work on the property until the Purchase/Sale Agreement has been executed.
- MHDl would be responsible for the cost of moving the guardhouse.

### 3.2 Next Steps

The President & CEO discussed the following items:

- 3.2.1 Legal Purchase Agreement to be finalized
- 3.2.2 90 day due diligence period regarding critical path items:
  - a. Environmental Study Phase I & II, and geotechnical
  - b. Cost to relocate or build new guardhouse for Modatek - 150+ meters from present location to allow a second driveway access for CVOR vehicle
  - c. Confirmation of existing services (storm water, sanitary, water and gas) in existing roadway for connection
- 3.2.3 Review of current budget
- 3.2.4 Estimated Project Time Line
- 3.2.5 Building footprint for site Plan Application approval
- 3.2.6 Construction contract type:
  - a. Design Build
  - b. Hire a separate Architectural firm to cover architectural and engineering services then bid the project to General Contractor
  - c. Hire an Architectural Services firm to cover architectural, engineering, and project Management services with a CCDC 5B Construction Management Contract. Open book cost management system where all services and construction costs are defined.
- 3.2.7 Method of payment

It was moved by Reid Frank and seconded by Carl Kuhnke that MHDl should continue to negotiate with Magna (Granite) and proceed with the due diligence work including to pay for the cost of the Phase 1 and Phase 2 environmental assessments.

CARRIED



Action by: MHDl Staff

The Relocation Committee identified action items for MHDl staff including:

- Investigate whether the 27,000 sq. ft. office space is the appropriate size; determine the advantages/disadvantages of doing the build out in stages versus on an as required basis
- Initiate an Expression of Interest (EOI) asap working through the Construction Association to seek out qualified bidders; process should be open to all types of construction (e.g. Design Build, Design Bid Build, Construction Management) including Pre Fab constructors.
- Based on the EOI, invite a short list to respond to a formal Request for Proposal
- Complete the Due Diligence requirements including the Phase 1 and Phase 2 environment assessments; it was agreed that MHDl would be responsible for the cost of the Phase 1 and Phase 2 (approximately \$20,000 commitment); once completed, if remedial work is required, MHDl can decide whether to proceed, negotiate more favourable pricing or hold Magna responsible for the cost of the remedial work.
- Investigate the water and sewage requirements ie. cost to extend
- Investigate the guard house and servicing requirements
- The President & CEO to discuss with Town of Milton Acting CAO the current requirement for a "berm" on the said property

4, OTHER BUSINESS

Next Meeting Date - will be at the call of the Chair on an as required basis.

5. ADJOURNMENT

There being no further business to discuss, it was moved by Reid Frank and seconded by Carl Kuhnke that the meeting be adjourned at 11:30 a.m.

CARRIED



# Milton Hydro Relocation Committee

## Minutes

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DATE OF MEETING: Monday June 10, 2013

TIME OF MEETING: 11:00 a.m.

PLACE OF MEETING: Milton Hydro Boardroom, 8069 Lawson Road, Milton

PRESENT: Sharon Barkley - Director, Milton Hydro Holdings/Distribution Inc.  
Don Alarie - Director, Milton Hydro Holdings/Distribution Inc.  
Brian Penman - Chair, Milton Hydro Holdings/Distribution Inc.

Being a quorum of the Directors of the Committee together with, by invitation of the Relocation Committee:

Frank Lasowski - President/CEO  
Mary-Jo Corkum - VP Finance, Secretary/Treasurer  
Gene Allevato - Director of Operations  
Cynthia Murray - Recording Secretary

ABSENT WITH REGRETS:

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### CONSTITUTION OF MEETING

A quorum of the Committee being present and proper notice of the meeting having been given, the Chair declared the meeting duly constituted for the transaction of business.

#### 1. REMARKS FROM THE CHAIR

##### 1.1 Call to Order

The meeting commenced at 11:09 a.m. and the Chair called the meeting to order.

##### 1.2 Approval of Agenda

It was moved by Don Alarie and seconded by Sharon Barkley that the agenda be approved as distributed.

CARRIED

##### 1.3 Declaration/Disclosure: Conflict of Interest

None.



2. MINUTES

- 2.1 It was moved by Don Alarie and seconded by Sharon Barkley that the minutes of the meeting of the Milton Hydro Relocation Committee meeting held April 26, 2013 were approved as amended.

3. RELOCATION

3.1 Magna Lands - Market Drive

The President/CEO updated the Committee as follows:

- Have a verbal agreement to MH LOI from Stronach Group, however they have not formally signed and returned the LOI that was sent April 15, 2013 opting to have their legal department commence drafting the Purchase Agreement
- In order to proceed with Environmental Phase 1 & 2 testing, a NDA and Access Agreement were signed off by both parties May 22, 2013.
- Milton Hydro commissioned Envirovision to conduct the Phase 1 & 2 drilling and sample work which was completed May 30, 2013 – awaiting results – ETA 4 to 5 weeks
- Met with Granite VP of Construction May 31, 2013 regarding a proposal to purchase Part 6 for \$1.00, and in turn, selling it and Part 10 to TOM as a dead end extension of Industrial Drive with a cul-de-sac in an attempt to alleviate traffic congestion and access issues to the property – awaiting Granite's response

3.2 Nexans Lands

The President/CEO updated the Committee as follows:

- Nexans SA is a French conglomerate headquartered in Paris France. North American manufacturing plants report to Mr. Frank Ryan, VP & General Counsel, Nexans – North Carolina
- MH toured Nexans building approximately 1 year ago. At the time, they were considering a sale of the building and moving the DC to a new warehouse to be constructed beside their manufacturing plant in Fergus. Asking price was \$13,000,000 however there wasn't any desire to move forward with any sort of negotiation.
- May 6, 2013 – advised that Nexans corporate is now serious about selling - MH staff toured the building May 10, 2013.
- May 10, 2013 -- Nexans came back with an asking price of \$12,000,000 and Milton Hydro countered at \$8,000,000 on May 16, 2013.
- May 30, 2013 -- Nexans countered at \$11,000,000 and MH countered back at \$9,500,000
- June 4, 2013 -- Nexans advised that they were interested in working with Milton Hydro to conclude a deal and wanted to know when possession was required.
- June 5, 2013 – MH advised Nexans that we needed to be moved in by October 2014 and proposed that we would conclude a purchase of the building by September 2013 – lease back the entire warehouse to Nexans with the exception of 30,000 sq. ft. so that we could commence new office construction. This would give them



ample time and the funds to build their new warehouse in Fergus.  
Awaiting response from Nexans.

Discussion was held by the Committee in regards to the pros and cons of the  
Magna and Nexans properties.

4. OTHER BUSINESS

The next meeting date will be at the call of the Chair on an as required basis.

5. ADJOURNMENT

There being no further business to discuss, it was moved by Don Alarie and  
seconded by Sharon Barkley that the meeting be adjourned at 12:22 p.m.

CARRIED





## **Relocation Committee Update Report**

June 10, 2013

### **Magna Lands:**

- We have a verbal agreement to our LOI from Stronach Group however they have not formally signed and returned the LOI that was sent April 15, 2013 opting to have their legal department commence drafting the Purchase Agreement
- In order to proceed with Environmental Phase 1&2 testing, an NDA and Access Agreement was signed off by both parties May 22, 2013.
- Milton Hydro commissioned Envirovision to conduct the Phase 1&2 drilling and sample work which was completed May 30, 2013 - awaiting results – ETA 4 to 5 weeks
- Met with Granite VP of Construction May 31, 2013 regarding a proposal to purchase Part 6 for \$1.00, and in turn, selling it and Part 10 to TOM as a dead end extension of Industrial Drive with a cul-de-sac (see attached). This would alleviate traffic congestion and access issues to the property – awaiting Granite's response

### **Nexans Building:**

Nexans SA is a French conglomerate headquartered in Paris France. North American manufacturing plants report to Mr. Frank Ryan, VP & General Counsel, Nexans – North Carolina

- We toured this building nearly 1 year ago. At the time, they were considering a sale of the building and moving the DC to a new warehouse to be constructed beside their manufacturing plant in Fergus. Asking price was \$13,000,000 however there wasn't any desire to move forward with any sort of negotiation.
- May 6, 2013 Reid Frank advised that corporate is now serious about selling - we toured the building May 10, 2013.
- May 10, 2013 they came back to us with an asking price of \$12,000,000. We countered at \$8,000,000 on May 16, 2013.
- May 30, 2013 they countered at \$11,000,000 and we countered back at \$9,500,000
- June 4, 2013 they advised that they were interested in working with us to conclude a deal and wanted to know when we wanted possession.
- June 5, 2013 we advised them that we needed to be moved in By October 2014 and proposed that we would conclude a purchase of the building by September 2013 – lease back the entire warehouse to Nexans with the exception of 30,000 sq. ft. so that we could commence new office construction. This would give them ample time and the funds to build their new warehouse in Fergus. Awaiting response from Nexans.



# Milton Hydro Relocation Committee

## Minutes

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DATE OF MEETING: Thursday, August 28, 2014

TIME OF MEETING: 4:00 p.m.

PLACE OF MEETING: Milton Hydro Boardroom, 8069 Lawson Road, Milton

PRESENT: Sharon Barkley - Chair, Relocation Committee  
Don Alarie - Member, Relocation Committee  
Ian Bourke - Member, Relocation Committee  
Robert Pyatt - Ex-Officio

Being a quorum of the Directors of the Committee together with, by invitation of the Relocation Committee:

Frank Lasowski - President/CEO  
Gene Allevato  
Cynthia Murray - Recording Secretary

ABSENT WITH REGRETS:

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### CONSTITUTION OF MEETING

A quorum of the Committee being present and proper notice of the meeting having been given, the Chair declared the meeting duly constituted for the transaction of business.

### 1. REMARKS FROM THE CHAIR

#### 1.1 Call to Order

The meeting commenced at 4:06 p.m. and the Chair called the meeting to order.

#### 1.2 Approval of Agenda

It was moved by Don Alarie and seconded by Ian Bourke that the agenda be approved as distributed.

CARRIED

#### 1.3 Declaration/Disclosure: Conflict of Interest

None.



2. ~~MINUTES~~

- 2.1 It was moved by Don Alarie and seconded by Ian Bourke that the minutes of the meeting of the Milton Hydro Relocation Committee meeting held June 10, 2014 be approved as circulated.

3. RELOCATION

3.1 Election of Chair of the Relocation Committee

The election of the Chair of the Relocation Committee was held. Subsequently, the following resolution was passed:

BE IT RESOLVED THAT:

Sharon Barkley be elected as Chair of the Relocation Committee of Milton Hydro Distribution Inc.

Moved by: Ian Bourke

Seconded by: Don Alarie

3.2 Segregation of Duties

It was agreed that a RFP would be issued for architectural services for the renovation of the office building at 200 Chisholm Road. Milton Hydro will oversee the modifications to the warehouse space as well as any yard modifications.

3.3 Geo Thermal

It was agreed that a Geo Thermal solution would be requested for the office and associated area.

3.4 Selection of Architect and RFP Process

The RFP for architectural services was reviewed. Suggestions will be incorporated in the final documents.

4. OTHER BUSINESS

None.

It was agreed that the next meeting date will be at the call of the Chair on an as required basis.

5. ADJOURNMENT

There being no further business to discuss, it was moved by Don Alarie and seconded by Ian Bourke that the meeting be adjourned at 6:10 p.m.

CARRIED



# Milton Hydro Relocation Committee

## Minutes

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DATE OF MEETING: Friday, October 31, 2014

TIME OF MEETING: 9:30 a.m.

PLACE OF MEETING: Milton Hydro Boardroom, 8069 Lawson Road, Milton

PRESENT: Sharon Barkley - Chair, Relocation Committee  
Don Alarie - Member, Relocation Committee  
Ian Bourke - Member, Relocation Committee

Being a quorum of the Directors of the Committee together with, by invitation of the Relocation Committee:

Robert Pyatt - Chair, Milton Hydro Holdings/Distribution Inc.  
Frank Lasowski - President/CEO  
Mary-Jo Corkum - VP, Finance  
Gene Allevato - Project Manager  
Cynthia Murray - Recording Secretary

ABSENT WITH REGRETS:

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### CONSTITUTION OF MEETING

A quorum of the Committee being present and proper notice of the meeting having been given, the Chair declared the meeting duly constituted for the transaction of business.

#### 1. REMARKS FROM THE CHAIR

##### 1.1 Call to Order

The meeting commenced at 9:45 a.m. and the Chair called the meeting to order.

##### 1.2 Approval of Agenda

It was moved by Don Alarie and seconded by Ian Bourke Barkley that the agenda be approved as distributed.

CARRIED

##### 1.3 Declaration/Disclosure: Conflict of Interest

None.

#### 2. MINUTES

It was moved by Don Alarie and seconded by Ian Bourke that the minutes of the meeting of the Milton Hydro Relocation Committee meeting held August 28, 2014 be approved as circulated.



3. REVIEW OF RFP SUBMISSIONS

The Relocation Committee reviewed the submissions from the following companies:

- VG Architects
- KNY Architects
- Green Propeller
- Walter Fedy
- Regional Architects
- McCallum Sather

4. REVIEW OF SCORING AND PRICING MATRIX

The Relocation Committee reviewed the scoring and pricing matrix as presented by the PresidenUCEO. A copy of the architectural evaluation summary is attached to these minutes. Extensive discussion debating the merits of each proposal was held by the Committee.

The list of proponents was narrowed down to include the following firms who will be requested to make a presentation to the Relocation Committee:

- VG Architects
- KNY Architects
- Green Propeller
- Walter Fedy

5. MOTION

Subsequent to the discussion held by the Relocation Committee, the following resolution was passed:

BE IT RESOLVED THAT:

After review of the submissions, that the following firms be requested to make a presentation to the Relocation Committee and invited guests:

- VG Architects
- KNY Architects
- Green Propeller
- Walter Fedy

Moved by: Don Alarie

Seconded by: Ian Bourke

CARRIED

6. INTERVIEW SCHEDULE

In preparation for the interview process the following was agreed upon:

- Interviews will allow 30 minutes of presentation time and 20 minutes for questions and answers
- PresidenUCEO to prepare a slate of interview questions
- Need to check references to check on cost containment
- Interviews will be scheduled for November 4 and 5
- Any interested Board members will be invited to attend the interviews with the understanding that if they attend one they will be required to attend all.



7. OTHER BUSINESS

None.

It was agreed that the next meeting will be held at the call of the Chair on an as required basis.

8. ADJOURNMENT

There being no further business to discuss, it was moved by Don Alarie and seconded by Ian Bourke that the meeting be adjourned at 10:30 a.m.

CARRIED



## **REPORTS TO THE BOARD OF DIRECTORS**



## REPORT TO THE BOARD OF DIRECTORS

- ☒ Milton Hydro Holdings Inc.
- ☐ Milton Hydro Distribution Inc.
- ☒ Milton Hydro Telecom Inc.
- ☒ Milton Hydro Services Inc.

Date of Report: May 17, 2009  
Submitted By: Frank Lasowski, CEO  
Subject: Facilities Report  
For Board Meeting: May 25, 2009  
Agenda Item: 9.1

☐ Standing Report                      ☒ Follow Up Report                      ☒ For Discussion  
☒ Resolution Required                      For Information Only

RECOMMENDATION / MOTION:

### LINKAGE TO STRATEGY:

New Office/Service Centre--Relocation Committee

### BACKGROUND:

The Town of Milton has signed the agreement of Purchase and Sale for the Hydro One property. and the expected closing date is August 13, 2009.

There was a meeting with the Distribution Board and the Town on May 15th wherein the Town explained the process completed to date and next possible steps.

The Board requested that a chart showing progress of the Town's application, Sale of the Hydro One property and potential temporary sites be prepared and updated on a regular basis. This chart showing the major steps is included for Board's information.

### ATTACHMENTS:

Progress Chart



## REPORT TO THE BOARD OF DIRECTORS

☒ Milton Hydro Holdings Inc.  
☒ Milton Hydro Distribution Inc.  
☒ Milton Hydro Telecom Inc.  
☒ Milton Hydro Services Inc.

Date of Report: June 17, 2009  
Submitted By: Frank Lasowski, CEO  
Subject: Facilities Report  
For Board Meeting: June 22, 2009  
Agenda Item: 9.1

☒ Standing Report      ☐ Follow Up Report      ☐ For Discussion  
☒ Resolution Required      ☒ For Information Only

### RECOMMENDATION / MOTION:

### LINKAGE TO STRATEGY:

New Office/Service Centre---Relocation Committee

### BACKGROUND:

The Town of Milton has received confirmation that the Federal and Provincial funding for the new Arts Centre Complex will be provided. The Town Council needs to approve their portion of the project costs which will be discussed at the next council meeting in June. Once the project is fully approved, Milton Hydro will receive the Notice to vacate the premises to permit the demolition of the existing buildings.

Staff has initiated the process to review the logistics of the proposed move and a meeting has been scheduled for an additional review of the potential location on Lawson Road. The discussions are being held with the group who has an accepted conditional offer with the existing property owners, the deal is expected to be finalized by the end of June and closed by the end of July.

The Progress Chart has been modified to include the latest news and timetables.

The Town of Milton has signed the agreement of Purchase and Sale for the Hydro One property and the expected closing date is August 13, 2009.

ATTACHMENTS: Progress Chart



## REPORT TO THE BOARD OF DIRECTORS

☒ Milton Hydro Holdings Inc.  
☒ [8] Milton Hydro Distribution Inc.  
☒ Milton Hydro Telecom Inc.  
☒ Milton Hydro Services Inc.

Date of Report: August 24, 2009  
Submitted By: Frank Lasowski, CEO  
Subject: Facilities Report  
For Board Meeting: Septemeber 2, 2009  
Agenda Item: 9.1

☒ Standing Report                      ☐ Follow Up Report                      ☐ For Discussion  
☐ Resolution Required                      181 For Information Only

### RECOMMENDATION / MOTION:

### LINKAGE TO STRATEGY:

New Office/Service Centre---Relocation Committee

### BACKGROUND:

Milton Hydro completed the purchase of the Hydro One property from the Town of Milton on August 14th. A copy of the agreement is attached. Milton Hydro has also made initial contact with the owner of the corner property at 5th and Main to determine their interest in selling.

The CEO has met with the prospective owner of the building on Lawson Rd to finalize the lease document. The current purchase is scheduled to close on September 30th, the current owner is currently completing the remedial actions specified in the PSA. As of August 21st, the outstanding item was a cost allowance to replace the carpet and painting of the walls. It is anticipated that a signed lease document will be available for the Board Meeting on September 2nd, 2009. A local firm Green Propeller Design has been recruited to complete the office layout and assist in the preparation of documents for some minor wall relocation and additions.

### ATTACHMENTS:



## REPORT TO THE BOARD OF DIRECTORS

**D** Milton Hydro Holdings Inc.  
**[Z]** Milton Hydro Distribution Inc.  
**D** Milton Hydro Telecom Inc.  
**D** Milton Hydro Services Inc.

Date of Report: November 3, 2009  
Submitted By: Frank Lasowski, CEO  
Subject: Facilities Report  
For Board Meeting: November 9, 2009  
Agenda item: 9.1

[8J Standing Report                      **D** Follow Up Report                      **D** For Discussion  
**D** Resolution Required                      [8J For Information Only

RECOMMENDATION / MOTION: N/A

LINKAGE TO STRATEGY: New Office/Service Centre

BACKGROUND:

Lawson Rd.

The move to the new building on Lawson Rd is almost complete. The office staff has relocated and has been operational since November 2, 2009. The customers have found the new location and there have been limited comments regarding the move to Lawson. We are currently using a Post Office style box for the afterhours deposits but should the box be vandalized, we will re-install the drop box into the wall. The outside staff has their lockers, vehicles and the equipment at Lawson Rd but we have temporarily stored the inventory on the warehouse floor area. The walls and ceiling are scheduled for washing the week of November 7<sup>th</sup>.

We are also reviewing the Lawson Rd site to see if we can establish the outside yard for poles and transformers.

The costs incurred for the move are approximately \$400,000 without the cost of a standby generator. The cost of the generator is approximately \$110, 000 and we would bring the generator to our new site. The cost is very comparable to our initial estimate. We will schedule a tour for the full board of the new facilities for the November Holdings board meeting.

Fifth and Main

We made another offer to the owner of the corner property for \$625,000 which represents a 35% premium over the per acre charge paid to Hydro One. The parcel will have road widening on the north and east sides of the property which will reduce the usable space to approximately 1.1 acres. The recommendation is that since the owner is expecting something close to \$750,000, Milton Hydro not pursue any other discussion with the land owner until summer of 2010.

ATTACHMENTS: N/A



## REPORT TO THE BOARD OF DIRECTORS

**D** Milton Hydro Holdings Inc.  
[g] Milton Hydro Distribution Inc.  
**D** Milton Hydro Telecom Inc.  
**D** Milton Hydro Services Inc.

Date of Report: December 3, 2009  
Submitted By: Frank Lasowski, CEO  
Subject: Facilities Report  
For Board Meeting: December 7, 2009  
Agenda Item: 9.1

[8J] Standing Report                      **D** Follow Up Report                      **D** For Discussion  
**D** Resolution Required                      [8J] For Information Only

RECOMMENDATION / MOTION: N/A

LINKAGE TO STRATEGY: New Office/Service Centre

BACKGROUND:

### Lawson Rd.

The move to the new building on Lawson Rd is almost complete. The office staff has relocated and has been operational since November 2, 2009. The customers have found the new location and there have been limited comments regarding the move to Lawson. We are currently using a Post Office style box for the after-hours deposits but should the box be vandalized, we will re-install the drop box into the wall.

We are also reviewing the Lawson Rd site to see if we can establish the outside yard for poles and transformers.

The costs incurred for the move are approximately \$510,000 excluding the cost of a standby generator (estimated at \$125,000 and included in the 2010 budget - the generator will be moved to our new site). The costs include Leasehold Improvements (\$358,000), Communication Equipment (\$13,000), Furniture & Fixtures (\$30,000), Computer Hardware (\$12,000) and Moving Costs (\$99,000). -updated MJC

### Fifth and Main

We made another offer to the owner of the corner property for \$625,000 which represents a 35% premium over the per acre charge paid to Hydro One. The parcel will have road widening on the north and east sides of the property which will reduce the usable space to approximately 1.1 acres. The recommendation is that since the owner is expecting something close to \$750,000, Milton Hydro not pursue any other discussion with the land owner until summer of 2010. We have included \$700,000 in the 2010 budget for this potential purchase -updated by MJC

ATTACHMENTS: N/A



## REPORT TO THE BOARD OF DIRECTORS

**D** Milton Hydro Holdings Inc.  
[8] Milton Hydro Distribution Inc.  
**D** Milton Hydro Telecom Inc.  
**D** Milton Hydro Services Inc.

Date of Report: January 19th 2010  
Submitted By: Frank Lasowski, CEO  
Subject: Facilities Report  
For Board Meeting: January 25th 2010  
Agenda Item: 9.1

[8J Standing Report                      **D** Follow Up Report                      **D** For Discussion  
**D** Resolution Required                      [8J For Information Only

RECOMMENDATION / MOTION: N/A

LINKAGE TO STRATEGY: New Office/Service Centre

BACKGROUND:

Lawson Rd.

The relocation of the poles has been completed and we have reviewed the site for the relocation of the transformers. The Town requires more space for staging at the Thompson Rd site and therefore we will need to move the transformers before we have the permits to move them to the Fifth Rd site.

The prices for the revised standby generator plans are due at the end of January and this is the last outstanding facility item.

Fifth and Main

There have been no further negotiations on this property

ATTACHMENTS: N/A



## REPORT TO THE BOARD OF DIRECTORS

D Milton Hydro Holdings Inc.  
t:8J Milton Hydro Distribution Inc.  
D Milton Hydro Telecom Inc.  
D Milton Hydro Services Inc.

Date of Report: February 10, 2010  
Submitted By: Frank Lasowski, CEO  
Subject: Facilities Report  
For Board Meeting: February 22, 2010  
Agenda Item: 9.1

181 Standing Report                      D Follow Up Report                      D For Discussion  
D Resolution Required                      181 For Information Only

RECOMMENDATION / MOTION: N/A

LINKAGE TO STRATEGY: New Office/Service Centre

BACKGROUND:

Lawson Rd.

The relocation of the poles has been completed and we have reviewed the site for the relocation of the transformers. The Town requires more space for staging at the Thompson Rd site and therefore we will need to move the transformers before we have the permits to move them to the Fifth Rd site.

The purchase order for the standby generator has been issued (approximately \$59,000). The budget for 2010 includes \$125,000 for a generator. The President will provide verbal update at the meeting.

Purchase orders have been issued with respect to the installation of an automated gate controller (approximately \$24,000) for the outside storage; no monies had been budgeted for this expenditure, however, savings with respect to the standby generator offset this cost. The President will provide verbal update at the meeting.

Fifth and Main

There have been no further negotiations on this property

ATTACHMENTS: N/A



## REPORT TO THE BOARD OF DIRECTORS

☒ Milton Hydro Holdings Inc.  
☒ Milton Hydro Distribution Inc.  
☒ Milton Hydro Telecom Inc.  
☒ Milton Hydro Services Inc.

Date of Report: March 19, 2010  
Submitted By: Frank Lasowski, CEO  
Subject: Facilities Report  
For Board Meeting: March 22, 2010  
Agenda Item: 9.1

☒ Standing Report      ☐ Follow Up Report      ☐ For Discussion  
☐ Resolution Required      ☒ For Information Only

RECOMMENDATION / MOTION: N/A

LINKAGE TO STRATEGY: New Office/Service Centre

BACKGROUND:

Lawson Rd.

The relocation of the poles has been completed and we have reviewed the site for the relocation of the transformers. The Town requires more space for staging at the Thompson Rd site and therefore we will need to move the transformers before we have the permits to move them to the Fifth Rd site.

The purchase order for the standby generator has been issued (approximately \$59,000). The budget for 2010 includes \$125,000 for a generator. The President will provide verbal update at the meeting.

Purchase orders have been issued with respect to the installation of an automated gate controller (approximately \$24,000) for the outside storage; no monies had been budgeted for this expenditure, however, savings with respect to the standby generator offset this cost. The President will provide verbal update at the meeting.

Fifth and Main

There have been no further negotiations on this property

ATTACHMENTS: N/A



## REPORT TO THE BOARD OF DIRECTORS

**D** Milton Hydro Holdings Inc.  
[8] Milton Hydro Distribution Inc.  
**D** Milton Hydro Telecom Inc.  
**D** Milton Hydro Services Inc.

Date of Report: April 16<sup>th</sup> 2010  
Submitted By: Frank Lasowski, CEO  
Subject: Facilities Report  
For Board Meeting: April 26th 2010  
Agenda Item: 9.1

[8J Standing Report                      **D** Follow Up Report                      **D** For Discussion  
**D** Resolution Required                      [8J For Information Only

RECOMMENDATION / MOTION: N/A

LINKAGE TO STRATEGY: New Office/Service Centre

### BACKGROUND:

#### Lawson Rd.

The standby generator has been commissioned and is operational if required. There is an additional certificate required limiting the use of the generator to emergencies only ie the monthly routine tests cannot be performed until the certificate is received.

The President met with the landlord to discuss the outstanding items such as parking lot, windows and cost sharing of utilities. The owner will install separate gas meters and Milton Hydro has installed additional electric meters so that a fair method of cost allocation can be implemented.

The possibility of Milton Hydro purchasing the Lawson Rd property was raised however the landlord was not very receptive. The discussion will continue.

#### Fifth and Main

There have been no further negotiations on this property

ATTACHMENTS : N/A



## REPORT TO THE BOARD OF DIRECTORS

- D Milton Hydro Holdings Inc.
- Milton Hydro Distribution Inc.
- D Milton Hydro Telecom Inc.
- D Milton Hydro Services Inc.

Date of Report: May 25, 2010  
Submitted By: Frank Lasowski, CEO  
Subject: Facilities Report  
For Board Meeting: May 31, 2010  
Agenda Item: 9.1

Standing Report                      D Follow Up Report                      D For Discussion  
D Resolution Required              D For Information Only

RECOMMENDATION / MOTION: N/A

LINKAGE TO STRATEGY: New Office/Service Centre

BACKGROUND:

Lawson Rd.

The Generator has been installed and tested. Also the electric gate is fully functional.

The landlord will be paving the parking lot adjacent to the main entrance the 1<sup>st</sup>/2<sup>nd</sup> week of June.

Fifth and Main

There have been no further negotiations on this property

ATTACHMENTS: N/A



## REPORT TO THE BOARD OF DIRECTORS

- ☒ Milton Hydro Holdings Inc.
- ☐ Milton Hydro Distribution Inc.
- ☒ Milton Hydro Telecom Inc.
- ☒ Milton Hydro Services Inc.

Date of Report: June 24, 2010  
Submitted By: Frank Lasowski, CEO  
Subject: Facilities Report  
For Board Meeting: June 28, 2010  
Agenda Item: 9.1

☒ Standing Report                      ☒ Follow Up Report                      ☒ For Discussion  
☐ Resolution Required                      ☒ For Information Only

RECOMMENDATION / MOTION: N/A

LINKAGE TO STRATEGY: New Office/Service Centre

BACKGROUND:

Lawson Rd.

The parking lot was repaved beginning June 10<sup>th</sup>, the cost to be borne by the landlord.

Fifth and Main

There have been no further negotiations on this property

ATTACHMENTS: N/A



## REPORT TO THE BOARD OF DIRECTORS

- ☐ Milton Hydro Holdings Inc.
- ☐ Milton Hydro Distribution Inc.
- ☐ Milton Hydro Telecom Inc.
- ☐ Milton Hydro Services Inc.

Date of Report: August 18, 2010

Submitted By: Frank Lasowski, CEO

Subject: Facilities Report

For Board Meeting: August 23, 2010

Agenda Item: 9.1

☐ Standing Report                      ☐ Follow Up Report                      ☐ For Discussion  
☐ Resolution Required                      For Information Only

RECOMMENDATION / MOTION: N/A

LINKAGE TO STRATEGY: New Office/Service Centre

BACKGROUND:

Lawson Rd.

No further information to report at this time.

Fifth and Main

There have been no further negotiations on this property

ATTACHMENTS: N/A



## REPORT TO THE BOARD OF DIRECTORS

D Milton Hydro Holdings Inc.  
[Z] Milton Hydro Distribution Inc.  
D Milton Hydro Telecom Inc.  
D Milton Hydro Services Inc.

Date of Report: September 17th 2010  
Submitted By: Frank Lasowski, CEO  
Subject: Building Updates  
For Board Meeting: September 27th 2010  
Agenda Item: 9.1

[gJ Standing Report      D Follow Up Report      D For Discussion  
D Resolution Required      [gJ For Information Only

RECOMMENDATION / MOTION: N/A

LINKAGE TO STRATEGY: New Office/Service Centre

BACKGROUND:

### Fifth and Main

The President has requested the assistance of Don Williams to provide valuation support for this property and determine the owners interest in selling.

ATTACHMENTS: N/A



## REPORT TO THE BOARD OF DIRECTORS

☒ Milton Hydro Holdings Inc.  
☐ Milton Hydro Distribution Inc.  
☒ Milton Hydro Telecom Inc.  
☒ Milton Hydro Services Inc.

Date of Report: October 27, 2010  
Submitted By: Frank Lasowski, CEO  
Subject: Facilities Report  
For Board Meeting: November 2, 2010  
Agenda item: 9.1

☒ Standing Report      ☒ Follow Up Report      ☐ For Discussion  
☐ Resolution Required      ☐ For Information Only

RECOMMENDATION / MOTION: N/A

LINKAGE TO STRATEGY: Facilities: Office/Service Centre Relocation

BACKGROUND:

Lawson Rd.

Negotiations have been ongoing with the Landlord regarding the amount owed by the Landlord for utilities (electricity, gas and water) and other miscellaneous charges. An invoice was sent to the landlord for \$48,000 – Milton Hydro offset \$24,000 against the October rent and will offset the balance against the November rent.

Fifth and Main

There have been no further negotiations on this property.

ATTACHMENTS: N/A



## REPORT TO THE BOARD OF DIRECTORS

**D** Milton Hydro Holdings Inc.  
Milton Hydro Distribution Inc.  
**D** Milton Hydro Telecom Inc.  
**D** Milton Hydro Services Inc.

Date of Report: December 8, 2010  
Submitted By: Frank Lasowski, CEO  
Subject: Facilities Report  
For Board Meeting: December 13, 2010  
Agenda Item: 9.1

Standing Report

**D** Follow Up Report

**D** For  
Discussion

**D** Resolution Required For Information Only

RECOMMENDATION / MOTION: N/A

LINKAGE TO STRATEGY: Facilities: Office/Service Centre Relocation

BACKGROUND:

Lawson Rd.

No further information to report at this time.

### Fifth and Main

Milton Hydro has had some recent discussions with the current owner of the corner property adjacent to the property that was recently purchased from Hydro One. The President & CEO met with the current owner and reached a potential agreement that has the selling price within the range based on a recent appraisal (\$600K to \$700K). The offer is conditional on obtaining Milton Hydro board approval by December 17th otherwise the offer becomes null and void.

Milton Hydro's Relocation Committee met on December 7th to discuss the transaction. The President & CEO will provide an update.

ATTACHMENTS: N/A



## REPORT TO THE BOARD OF DIRECTORS

☒ Milton Hydro Holdings Inc.  
☒ Milton Hydro Distribution Inc.  
☒ Milton Hydro Telecom Inc.  
☒ Milton Hydro Services Inc.

Date of Report: January 16<sup>th</sup>, 2011  
Submitted By: Frank Lasowski, CEO  
Subject: Facilities Report  
For Board Meeting: January 31<sup>st</sup>, 2011  
Agenda Item: 9.1

☒ Standing Report                      ☒ Follow Up Report                      ☐ For Discussion  
☐ Resolution Required                      ☒ For Information Only

RECOMMENDATION / MOTION: N/A

LINKAGE TO STRATEGY: Facilities: Office/Service Centre Relocation

BACKGROUND:

### Fifth and Main

Milton Hydro had submitted an "Offer to Purchase" to the current owner of the corner property adjacent to the property that was recently purchased from Hydro One. The offer was based on the criteria established by the Relocation Committee and the owner did not sign back the offer but verbally instructed the agent that he would not sell for less than \$750,000.00, which exceeds the upset limit. The offer has lapsed and an initial discussion has been held with Hydro 1 to examine the possibility of purchasing additional land from them.

We will also proceed with the installation of fencing to provide outside storage at this site. The fencing will be installed on the common property lines with the corner property. Once the owner sees that the Town will require land for road widening and that his acreage will shrink, perhaps he will be more agreeable to a lower price. At present it is recommended that no counter offers are made until late in 2011.

The real estate agent continues to be reviewing new listings to see if any would be viable options for Milton Hydro. Also the President has had preliminary discussions with the Town CAO, to determine the feasibility of Milton Hydro locating to the site of the new Operations center on Hwy #25. The President will provide a verbal update.

ATTACHMENTS: N/A



## REPORT TO THE BOARD OF DIRECTORS

D Milton Hydro Holdings Inc.  
C&J Milton Hydro Distribution Inc.  
D Milton Hydro Telecom Inc.  
D Milton Hydro Services Inc.

Date of Report: February 18th, 2011  
Submitted By: Frank Lasowski, CEO  
Subject: Facilities Report  
For Board Meeting: February 28th, 2011  
Agenda Item: 9.1

181 Standing Report                      D Follow Up Report                      D For Discussion  
D Resolution Required                      18] For Information Only

RECOMMENDATION / MOTION: N/A

LINKAGE TO STRATEGY: Facilities: Office/Service Centre Relocation

BACKGROUND:

### Fifth and Main

Milton Hydro has had an initial discussion with Hydro One to examine the possibility of purchasing additional land from them. There are two parcels one on the south and one on the west of current property that Milton Hydro has expressed interest, but Hydro One has already indicated the southern parcel is for a future tower line and would consider a license (a lease that cannot exceed 20 years) over this parcel.

Milton Hydro has initiated the application for the installation of fencing to provide outside storage at this site. The fencing will be installed on the common property lines with the corner property.

The real estate agent continues to review new listings to see if any would be viable options for Milton Hydro. Also the President has had preliminary discussions with the Town CAO, to determine the feasibility of Milton Hydro locating to the site of the new Operations center on Hwy #25. The President will provide a verbal update.

ATTACHMENTS: N/A



## REPORT TO THE BOARD OF DIRECTORS

☒ Milton Hydro Holdings Inc.  
☒ Milton Hydro Distribution Inc.  
☒ Milton Hydro Telecom Inc.  
☒ Milton Hydro Services Inc.

Date of Report: April 6 , 2011  
Submitted By: Frank Lasowski, CEO  
Subject: Facilities Report  
For Board Meeting: April 11, 2011  
Agenda Item: 9.1

☐ Standing Report                      ☒ Follow Up Report                      ☐ For Discussion  
☒ Resolution Required                      For Information Only

RECOMMENDATION / MOTION: N/A

LINKAGE TO STRATEGY: Facilities: Office/Service Centre Relocation

BACKGROUND:

### Fifth and Main

Milton Hydro has applied to the Town for rezoning of the property at 5th Line and Main Street.

The Town has approached Milton Hydro to see whether there is interest in Milton Hydro moving to the Town's new Operations Centre for an interim period until such time as the Town requires the entire premise (approximately 5- 10 years) for its use. The Town's new Operations Centre will be located on Bronte Road, south of Britannia.

Previously Reported to the Board: Milton Hydro has had an initial discussion with Hydro One to examine the possibility of purchasing additional land from them. There are two parcels one on the south and one on the west of current property that Milton Hydro has expressed interest, but Hydro One has already indicated the southern parcel is for a future tower line and would consider a license (a lease that cannot exceed 20 years) over this parcel.

Milton Hydro has initiated the application for the installation of fencing to provide outside storage at this site. The fencing will be installed on the common property lines with the corner property.

The real estate agent continues to review new listings to see if any would be viable options for Milton Hydro. Also the President has had preliminary discussions with the Town CAO, to determine the feasibility of Milton Hydro locating to the site of the new Operations center on Hwy #25. The President will provide a verbal update.

ATTACHMENTS: N/A



## REPORT TO THE BOARD OF DIRECTORS

**D** Milton Hydro Holdings Inc.  
**cg]** Milton Hydro Distribution Inc.  
**D** Milton Hydro Telecom Inc.  
**D** Milton Hydro Services Inc.

Date of Report: May 4th , 2011  
Submitted By: Frank Lasowski, CEO  
Subject: Facilities Report  
For Board Meeting: May 9th , 2011  
Agenda tem: 9.1

**I|Z|** Standing Report                      **D** Follow Up Report                      **D** For Discussion  
**D** Resolution Required                      **I|Z|** For Information Only

RECOMMENDATION / MOTION: N/A

LINKAGE TO STRATEGY: Facilities: Office/Service Centre Relocation

BACKGROUND:

### Fifth and Main

Milton Hydro has had discussions with the Town and their architect to examine the possibility of Milton Hydro locating to the site of the new Operations center on Hwy #25. The architect is preparing estimates for the incremental cost of the additional space and modifications for Milton Hydro to have segregated office space at the operation centre.

Milton Hydro has also prepared a preliminary layout for the proposed storage of equipment at Fifth and Main and will be submitted to the Town for permit approval.

ATTACHMENTS: N/A



## REPORT TO THE BOARD OF DIRECTORS

- ☒ Milton Hydro Holdings Inc.
- ☐ Milton Hydro Distribution Inc.
- ☒ Milton Hydro Telecom Inc.
- ☒ Milton Hydro Services Inc.

Date of Report: June 24<sup>th</sup> , 2011

Submitted By: Frank Lasowski, CEO

Subject: Facilities Report

For Board Meeting: June 27<sup>th</sup> , 2011

Agenda Item: 9.1

☐ Standing Report                      ☒ Follow Up Report                      ☒ For Discussion  
☒ Resolution Required                      ☐ For Information Only

RECOMMENDATION / MOTION: N/A

LINKAGE TO STRATEGY: Facilities: Office/Service Centre Relocation

BACKGROUND:

### Fifth and Main

Milton Hydro and the Town have determined that the possibility of Milton Hydro locating to the site of the new Operations center on Hwy #25 is not a viable option and will not be pursued.

Milton Hydro has also prepared a preliminary layout for the proposed storage of equipment at Fifth and Main and will be submitted to the Town for permit approval. The Town has confirmed that the site services to this property will not likely be available until 2016; however Milton Hydro can pre-pay if they are required prior to normal servicing dates.

The president is in discussions with the landlord regarding extensions of the current lease as well as reviewing other property options.

ATTACHMENTS: N/A



## REPORT TO THE BOARD OF DIRECTORS

- D** Milton Hydro Holdings Inc.
- Milton Hydro Distribution Inc.
- O** Milton Energy and Generation Services Inc.
- O** Milton Hydro Services Inc.

Date of Report: August 22 , 2011

Submitted By: Frank Lasowski, CEO

Subject: Facilities Report

For Board Meeting: August 29, 2011

Agenda Item: 9.1

1:8] Standing Report                      **D** Follow Up Report                      **D** For Discussion  
**D** Resolution Required                      1:8] For Information Only

RECOMMENDATION / MOTION: N/A

LINKAGE TO STRATEGY: Facilities: Office/Service Centre Relocation

BACKGROUND:

### Fifth and Main

Update - On July 29, 2011, Hydro One responded to Milton Hydro's request for additional property adjacent to our property at 5th Line and Main Street. Hydro One rejected our lease proposal for 3.2 acres south of our property and the 2.7 acres underneath the power lines noting that the storage would obstruct the access to the Hydro One facilities in order for their field crews to carry out routine maintenance. Hydro One agreed to lease the sharing of the driveway and an adjoining 0.5 acres. Milton Hydro currently owns 6.34 acres, the corner property which is not currently owned by Milton Hydro is 1.5 acre – in total with the Hydro One property, there would be approximately 8.3 acres available which is considerably smaller than 55 Thompson Rd. A follow-up site meeting with Hydro One will be held on September 1<sup>st</sup>.

The current lease agreement which expires in November 2014 includes a renewal clause before 180 days of expiration of the head lease (or by May1, 2014). The agreement states that the new lease payment cannot be less than the previous last payment which is \$320,535 per year. The renewal agreement provides a 6 month exit clause at any time. The current head lease has no escape clause.

Previously Reported to the Board: Milton Hydro has applied to the Town for rezoning of the property at 5th Line and Main Street. Milton Hydro has initiated the application for the installation of fencing to provide outside storage at this site. The fencing will be installed on the common property lines with the corner property.

The real estate agent continues to review new listings to see if any would be viable options for Milton Hydro. Also the President has had preliminary discussions with the Town CAO, and has determined that it is not the feasible for Milton Hydro to locate to the site of the new Operations center on Hwy #25. The President will provide a verbal update.

ATTACHMENTS: N/A



## REPORT TO THE BOARD OF DIRECTORS

- ☐ Milton Hydro Holdings Inc.
- ☐ Milton Hydro Distribution Inc.
- ☐ Milton Energy and Generation Services Inc.
- ☐ Milton Hydro Services Inc.

Date of Report: September 22 , 2011

Submitted By: Frank Lasowski, CEO

Subject: Facilities Report

For Board Meeting: September 26, 2011

Agenda Item: 9.1

☐ Standing Report                      ☐ Follow Up Report                      ☐ For Discussion  
☒ Resolution Required                      For Information Only

RECOMMENDATION / MOTION: N/A

LINKAGE TO STRATEGY: Facilities: Office/Service Centre Relocation

BACKGROUND:

### Fifth and Main

It has previously been reported that Hydro One dismissed Milton Hydro's request for additional property adjacent to our property at 5th Line and Main Street. Hydro One rejected our lease proposal for 3.2 acres south of our property and the 2.7 acres underneath the power lines noting that the storage would obstruct the access to the Hydro One facilities in order for their field crews to carry out routine maintenance. It was also reported that the President has had preliminary discussions with the Town CAO, regarding a potential site adjacent to the Milton Education Village.

The President and Director of Operations have made contact with other potential properties and the President will provide a verbal update at the meeting.

ATTACHMENTS: N/A



## REPORT TO THE BOARD OF DIRECTORS

**D** Milton Hydro Holdings Inc.  
**I** Milton Hydro Distribution Inc.  
**D** Milton Energy and Generation Services Inc.  
**D** Milton Hydro Services Inc.

Date of Report: November 22 , 2011  
Submitted By: Frank Lasowski, CEO  
Subject: Facilities Report  
For Board Meeting: November 28, 2011  
Agenda tem: 9.1

**181** Standing Report                      **D** Follow Up Report                      **D** For Discussion  
**O** Resolution Required                      **181** For Information Only

RECOMMENDATION / MOTION: N/A

LINKAGE TO STRATEGY: Facilities: Office/Service Centre Relocation

BACKGROUND:

The Relocation Committee held a meeting on November 22"d and the minutes of said meeting will be discussed at the board meeting. The President will provide a verbal update at the meeting.

ATTACHMENTS: N/A



## REPORT TO THE BOARD OF DIRECTORS

**D** Milton Hydro Holdings Inc.  
**[8]** Milton Hydro Distribution Inc.  
**D** Milton Energy and Generation Services Inc.  
**D** Milton Hydro Services Inc.

Date of Report: January 22 , 2012  
Submitted By: Frank Lasowski, CEO  
Subject: Facilities Report  
For Board Meeting: January 30<sup>th</sup> 2012  
Agenda Item: 9.1

**[8]** Standing Report                      **D** Follow Up Report                      **D** For Discussion  
**D** Resolution Required                      1:81 For Information Only

RECOMMENDATION / MOTION: N/A

LINKAGE TO STRATEGY: Facilities: Office/Service Centre Relocation

BACKGROUND:

The President will provide a verbal update for the building and District Heating for Velodrome at the meeting.

ATTACHMENTS:

Geothermal Article



## REPORT TO THE BOARD OF DIRECTORS

**D** Milton Hydro Holdings Inc.  
[g] Milton Hydro Distribution Inc.  
**D** Milton Energy and Generation Solutions Inc.  
**D** Milton Hydro Services Inc.

Date of Report: February 22 , 2012  
Submitted By: Frank Lasowski, CEO  
Subject: Facilities Report  
For Board Meeting: February 2ih 2012  
Agenda Item: 9.1

[8] Standing Report                      **D** Follow Up Report                      **D** For Discussion  
**D** Resolution Required                      [8] For Information Only

RECOMMENDATION / MOTION: N/A

LINKAGE TO STRATEGY: Facilities: Office/Service Centre Relocation

BACKGROUND:

The President will provide a verbal update for the building and District Heating for Velodrome at the meeting.

ATTACHMENTS:

Star Velodrome Articles



## REPORT TO THE BOARD OF DIRECTORS

**D** Milton Hydro Holdings Inc.  
Milton Hydro Distribution Inc.  
**D** Milton Energy and Generation Services Inc.  
**D** Milton Hydro Services Inc.

Date of Report: March 22 , 2012  
Submitted By: Frank Lasowski, CEO  
Subject: Facilities Report  
For Board Meeting: April 2nd 2012  
Agenda Item: 9.1

[g] Standing Report                      **D** Follow Up Report                      **D** For Discussion  
[g] Resolution Required                **D** For Information Only

### RECOMMENDATION / MOTION:

- 1) Based on the recommendation of the Relocation Committee, and subject to final negotiations, the Board approves the proposal for MHDl to construct a new building to house the Administration, Engineering and Operation staff and equipment, including outside storage areas.
  - 2) That Based on recommendations of the Relocation Committee after the review of the options provided by Milton Hydro senior staff, the Board authorizes the President to enter into detailed discussions regarding the potential purchase of the one of the following parcels of land:
    - 1) Part of CN Property south of Britannia
    - 2) 100 Chisholm Drive
    - 3) 7429 5th Line
    - 4) Any other potential property that would provide a satisfactory solution which may become available within the next two weeks
- And that the final recommendation be presented at the April 30th Board meeting "

LINKAGE TO STRATEGY: Facilities: Office/Service Centre Relocation

### BACKGROUND:

The President will provide a summary of the Relocation Committee meeting.

ATTACHMENTS: Relocation Committee Meeting Material



## REPORT TO THE BOARD OF DIRECTORS

- ☒ Milton Hydro Holdings Inc.
- ☒ Milton Hydro Distribution Inc.
- ☒ Milton Energy and Generation Solutions Inc.
- ☒ Milton Hydro Services Inc.

Date of Report: April 23, 2012  
Submitted By: Frank Lasowski  
Subject: Relocation Update  
For Board Meeting: April 30, 2012  
Agenda Item: 9.1

☐ Standing Report                      ☐ Follow Up Report                      ☐ For Discussion  
☒ Resolution Required                      For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

#### Relocation update of approved sites (April 26, 2012)

1. CN Lands south of Britannia  
Pat Moyle, CAO of Halton Region was on vacation but we met with him on April 24th to determine the probability of obtaining a favorable decision regarding relocation. He will discuss with the Region Planning group and a meeting with Region, Town of Milton and Milton Hydro will be arranged for the first week of May.
2. 100 Chisholm Drive  
Originally a 50 acre site of the former Consumers Glass plant, it is now managed by Redcliff Property Management. The remaining 33 acre site is available for redevelopment of which 10 – 12 acres could be available to Milton Hydro. Originally, under GPM, the asking price was \$560,000 / acre which includes the development charges and an existing 86,000 sq. Ft. Warehouse. A meeting was held with Vince Brown of Redcliff Realty on April 13 and they are still interested in doing a deal. They will be making 2 proposals:
  - Outright purchase by Milton
  - Build to suit – long term lease with buyout.

*Reply from Rede/iff is scheduled to arrive week of April 30th*

3. 7429 5th Line (former Taylor Nursery) Concession 6 NSPT Lot 13, RP20R5292 Part 12&5 (74.77 acres)  
This land was purchased by Milton Clean Energy Center a division of Veresen Energy Inc. a Calgary based energy company in 2007. The lands are comprised of:



- 22.03 acres zoned industrial (originally proposed as the site for the gas operated hydro generating plant that never materialized)
- 43.87 acres of flood plain
- 8.87 acres of future development land off of 6th Line

Land was purchased at a premium back in 2007 for \$9 million dollars and they have advised us that they are not interested in a sale for part of the lands or anything less than \$9 million. TOM plans to extend Main St which will further reduce the 22.03 acres of buildable land plus we understand that the Town has rezoned the lands to Commercial Business Park.

#### Lands that have been added since the board meeting

##### 1. Part Lot 5 Concession 2 – Dublin Line (13.49 acres Pettinella Family)

This is privately held land in the Escarpment Business Park They would prefer to sell to a direct end user for obviously more money. We met with Michael Pettinella on April 11th and he is interested in exploring a sale of his property to Milton Hydro and has given us a letter in writing indicating that MH has rights to discuss development of their property with all relevant developer parties. The Pettinella family has also struck a deal with Bell to erect a telecommunication tower on the south east corner of the property. The land is sandwiched between properties owned by Emery Investments. Emery recently purchased a similar sized property south of the Pettinella land for \$149,000/acre. We met with Rick Goldberg of Emery on April 24th to discuss the probability of MH purchasing the lands, then doing a land swap with Emery for an equivalent parcel within the same area. We believe that this would be of interest to Emery in that they would benefit by ending up with a larger unencumbered land mass for which to build large box distribution warehouses as indicated they would prefer to build. Emery countered by offering up to 20 acres south of the Pettinella land.

ATTACHMENTS:       None



## REPORT TO THE BOARD OF DIRECTORS

**D** Milton Hydro Holdings Inc.  
1.8.1 Milton Hydro Distribution Inc.  
**D** Milton Energy and Generation Solutions Inc.  
**D** Milton Hydro Services Inc.

Date of Report: June 19, 2012  
Submitted By: Frank Lasowski  
Subject: Relocation Update  
For Board Meeting: June 25, 2012  
Agenda Item: 9.1

[g] Standing Report                      **D** Follow Up Report                      **D** For Discussion  
**D** Resolution Required                      [g] For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

The latest update of approved sites (April 26, 2012) is shown as bold and italic:

#### 1. CN Lands south of Britannia

CN has approximately 1200 acres of land south of Britannia stretching between Hwy 25 and Bell School Rd. Various parcels along the track between Tremaine and First Line have been allocated for a train staging yard and spurs. Their preference is not to sell any lands on either side of the tracks. They have offered 2 parcels (17 & 19 acres) at approximately \$150,000 / acre for our consideration. One parcel is right beside the new TOM Operations center off of Hwy 25 which is the better of the parcels. I met with Paul Cripps, Director of Operations for TOM and based on the site plans for the new Operations Center, there is no room to create an internal access to this site. Furthermore, there is a stream that runs through the southern portion of the lands which requires a set-back that could reduce the available lands to build on by 50%. The second parcel is off 1st Line which has no water or sewer capabilities. Again the property is very narrow at 107 M. Halton Region has a set-back from the waste site of 400 M from the property line which will not allow footings, wells, septic or geothermal therefore rendering this parcel of no value. I spoke with Andrew Siltala, Economic Development for TOM and he indicated that the Region was not happy with the TOM decision to purchase lands outside of the urban boundaries for their new Operations building and compound. He was skeptical that the Region would approve a second site on these lands.

Frank Lasowski met with Pat Moyle, CAO of Halton Region April 24th to determine if there was a chance of obtaining a favorable decision regarding relocation. Without Regional approval, there would be no need in perusing alternate sites with CN.

*As we were unable to get the Region and TOM to confirm that building on this site could be completed by December 2014, at this time this site is no longer a candidate.*



2 100 Chisholm Drive

Originally a 50 acre site of the former Consumers Glass plant, it is now managed by Redcliff Property Management. The remaining 33 acre site is available for redevelopment of which 10-12 acres could be available to Milton Hydro. Originally, under GPM, the asking price was \$560,000/acre which includes the development charges and an existing 86,000 sq. Ft. Warehouse.

*We received a proposal April 27<sup>th</sup> from Rede/if/ on a build to suit with a 25 year lease arrangement. The offer would have Milton Hydro pay \$29,924,000 in lease payments over the term and still not own the building. Therefore we rejected this proposal.*

*We have entered into a non-binding letter of intent negotiation with Triovest (formally Rede/if/) regarding outright purchase of 12 acres. They are receptive to the sale and we should have a consensus agreement on purchase cost for board approval next month.*

3. 7429 5th Line (former Taylor Nursery) Concession 6 NSPT Lot 13, RP20RS292 Part 12, & 5 74.77 acres)

This land was purchased by Milton Clean Energy Center a division of Veresen Energy Inc. a Calgary based energy company in 2007. The lands are comprised of:

- 22.03 acres zoned industrial (originally proposed as the site for the gas operated hydro generating plant that never materialized)
- 43.87 acres of flood plain
- 8.87 acres of future development land off of 6<sup>th</sup> Line

Land was purchased at a premium back in 2007 for \$9 million dollars and they have advised us that they are not interested in a sale for part of the lands or anything less than \$9 million. TOM plans to extend Main St which will further reduce the 22.03 acres of buildable land plus we understand that the Town has rezoned the lands to Commercial Business Park.

*Based on this information, this site can no longer be considered.*

4. Part Lot 5 Concession 2 – Dublin Line {13.49 acres Pettinella Family}

This is the only privately held land in the Escarpment Business Park that is not owned by developers. They have refused to sell to developers and have opted instead to sell to a direct end user for obviously more money. We met with Michael Pettinella on April 1<sup>st</sup> and he is interested in exploring a sale of his property to Milton Hydro and has given us a letter in writing indicating that MH has rights to discuss development of their property with all relevant parties. Currently the land is zoned future development, and the road access off James Snow has not yet been determined. The Pettinella family has also struck a deal with Bell to erect a telecommunication tower on the south east corner of the property. The land is sandwiched between properties owned by Emery Investments. Emery recently purchased a similar sized property south of the Pettinella land for \$149,000/acre. We met with Rick Goldberg of Emery on April 24<sup>th</sup> to discuss the probability of MH purchasing the lands, then doing a land swap with Emery for an equivalent parcel within the same area. We believe that this would be of interest to Emery in that they would benefit by ending up with a larger unencumbered land mass for which to build large box distribution warehouses as indicated they would prefer to build. Emery countered by offering up to 20 acres south of the Pettinella land and although he hasn't quoted a price, we expect that it will be in the \$550,000/acre range. Although the selling price for the Pettinella land has



not been determined, we believe that it can be purchased well below the Emery asking price which would be more favorable for our budget.

Filed: December 18, 2015  
Page 809 of 901

*Although Milton Hydro received an offer from Emery, it did not come with a price, and we discovered that Emery did not own the lands outright. Emery was in the process of a land swap with ORE and subject to either easement or expropriation from MTO as the property was located next to the off ramp for the new proposed Tremaine interchange. We asked for clarification of the ownership and MTO before we could be in a position to make an offer. Emery did not respond to our request and therefore this site is no longer a candidate.*

*The Pettinella family is willing to sell the land with its existing boundaries but the parcel is inconsistent with the secondary plan. According to the TOM, infrastructure cost for roads, water, sewer, storm water management etc are \$250,000/acre which now puts the land cost to \$500,000/acre without zoning application costs. Emery owns all the lands surrounding the Pettinella lands and Emery would have the right to object to zoning and secondary plan changes. We could find ourselves in the middle of a conflict between the owner and Emery therefore we have rejected this site as well.*

ATTACHMENTS:



## REPORT TO THE BOARD OF DIRECTORS

- ☒ Milton Hydro Holdings Inc.
- ☐ Milton Hydro Distribution Inc.
- ☒ Milton Energy and Generation Solutions Inc.
- ☒ Milton Hydro Services Inc.

Date of Report: August 19, 2012  
Submitted By: Frank Lasowski  
Subject: Relocation Update  
For Board Meeting: August 27, 2012  
Agenda Item: 9.1

☒ Standing Report                      ☐ Follow Up Report                      ☒ For Discussion  
☐ Resolution Required                      ☒ For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

#### 1. 100 Chisholm Drive

Originally a 50 acre site of the former Consumers Glass plant, it is now managed by Redcliff Property Management. The remaining 33 acre site is available for redevelopment of which 10 – 12 acres could be available to Milton Hydro. The asking price was \$560,000 / acre which includes the development charges and an existing 86,000 sq. Ft. Warehouse.

This is the only property in Milton upon which a building can be completed by November 2014 with a large degree of confidence.

The President will provide a verbal update at the meeting

ATTACHMENTS: None



## REPORT TO THE BOARD OF DIRECTORS

**D** Milton Hydro Holdings Inc.  
**181** Milton Hydro Distribution Inc.  
**O** Milton Energy and Generation Solutions Inc.  
**O** Milton Hydro Services Inc.

Date of Report: September 9, 2012  
Submitted By: Frank Lasowski  
Subject: Relocation Update  
For Board Meeting: September 17, 2012  
Agenda Item: 9.1

**181** Standing Report                      **D** Follow Up Report                      **D** For Discussion  
**O** Resolution Required                      **181** For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

There have been some developments that impact on the timing and options for the relocation to new facilities.

- 1) We have received verbal confirmation that the landlord is willing to discuss the option to renew the lease for a second 5 year term with a 6 month notice opt out clause. We are working with Phil Prestidge, at the request of the landlord, to hammer out a deal.
- 2) The new Regulatory framework with the multiyear Cost of Service or annual inflationary index.
- 3) We were advised by TOM (Robin Campbell – Zoning Officer) that an amendment to the Zoning by-law is being tabled to include Milton Hydro as a "Public Authority" entity (see detail below) which will allow us to relocate to any zoned jurisdiction. This designation would allow us go to zoned agricultural lands or lands outside of the current urban boundary however we would have to apply to the Region and Halton Conservation (if necessary) for approval. Anything inside the urban boundary would be an automatic with TOM with minor adjustments depending on the site. This amendment is scheduled to go to council on October 22nd followed by a 20 day public moratorium. The earliest this amendment could be in place would be November 15, 2012. As a result of this change in status, it now opens the door to previous sites that were turned down by TOM due to zoning.

Therefore the following sites are being investigated

#### 1. 100 Chisholm Drive

We have had ongoing non-binding letter of intent negotiations with Triovest (formally Redcliff) regarding outright purchase of 12 acres. The latest sign back from Triovest is \$6,480,000 or \$540,000/acre which includes 40,450 sq. ft. of building credits. It is not the most ideal location because of traffic congestion and there is only one exit point for the entire area as Chisholm Road is a dead end. If this site is not acceptable, we need to advise Triovest.



2. Highpoint Business Park  
2 parcels of land on Parkhill Drive of which 95% backs on to the Hwy 25 off ramp from the 401 totaling 12.94 acres (5.9, and 7.04) are available. The land was originally owned by TOI which has been in receivership for the past 9 months so any offer to purchase would be made with the receiver. The property also has \$48,000 per acre of prepaid DC charges (TBD). The advertised price according to Graham Rice (TDI) is \$599,000 per acre plus the prepaid DC charges however it is widely held that the receiver is open to offers. While the land is completely serviced and zoned as "Employment Lands", it can now be in play with our new designation.
3. 8744 Boston Church Rd  
38 acre parcel located just north of the Hydro One right of way. Privately owned by the Opszanski family and was originally purchased in 1997 for \$230,338 or \$6,061/acre. We met with the owners Tuesday Sept 11 and floated an offer of \$150,000/acre. They will be getting back to us in 1 week if interested in moving forward on a deal. This parcel is currently zoned Agricultural and outside of the urban boundary but has a future "Employment Lands" designation. Orlando Corporation owns 262 acres that surround this parcel. It falls under the Sustainable Halton Plan and not scheduled for development until 2021. We would still require Regional approval with our new designation. What makes this parcel attractive is that it is bounded by Hydro One lines to the south, CN tracks to the west and Boston Church Rd to the east. Access to James Snow is beside the lands. Regional approval would have no bearing on the ultimate future secondary plan yet to be submitted. Furthermore, water and sanitary sewer are just a few hundred yards away at the Whirlpool DC building.
4. 5th Line – South of Derry (Part Lot 7 Concession 5 20R757 Part 4)  
25 acres recently listed under Re-Max – asking price is \$5,000,000. Land currently has no services. Unfortunately, this parcel sits just outside of the Derry Green urban boundary and is zoned Greenlands "A" Agricultural and not scheduled for development until 2021. There are waterways throughout this parcel and it is not certain how much of the 25 acres can be usable. We would have to get Region and Halton Conservation approval after we get our designation – Further investigation is required before this site can be a feasible candidate.
5. CN Lands (Britannia and Hwy 25)  
Spoke to Ernie Longo Sept 12, 2012 regarding alternate site on the lands bounded by Hwy 25 – Britannia Rd. - 1st Line – and Halton Region Municipal Waste Transfer Site. They are receptive to re-evaluate but stopped short of guaranteeing an alternative. We explained that the 2 original parcels of land that were offered were not conducive for access or foundation. We asked that they consider the corner of Britannia and 1st Line as our first choice and that we would be open to evaluating an alternate proposal from them.

The president will provide a verbal update at the meeting

ATTACHMENTS :



## REPORT TO THE BOARD OF DIRECTORS

**D** Milton Hydro Holdings Inc.  
[8] Milton Hydro Distribution Inc.  
**D** Milton Energy and Generation Solutions Inc.  
**D** Milton Hydro Services Inc.

Date of Report: October 24, 2012  
Submitted By: Frank Lasowski  
Subject: Relocation Update  
For Board Meeting: October 29, 2012  
Agenda Item: 9.1

[8J Standing Report                      **D** Follow Up Report                      **D** For Discussion  
**D** Resolution Required                      [8J For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

The public meeting regarding the inclusion of Milton Hydro Holdings as a public authority did not have any objectors and we expect that formal approval will be at the November 26th Town Council meeting. This designation would allow Milton Hydro to potentially relocate outside of the current urban boundary however we would have to apply to the Town, Halton Region and Halton Conservation (if necessary) for approval. Property inside the urban boundary, so long as it is not residential, would normally be approved by the Town of Milton with minor adjustments depending on the site.

We have re-initiated discussions with CN regarding their property at Britannia and First Line.

### Selection Process for architectural work

Our intent is to conduct the tender process in 2 stages:

1. Stage 1: Open invitation to all qualified participants who meet the selection criteria. The criteria will identify the type of construction contract, timelines, experience required, recently completed projects and references. Milton Hydro will evaluate each respondent and narrow down the field to a minimum of 3 prospective companies.
2. Stage 2: Selected companies will then be asked to bid on a detailed project.

A high level planning layout is being prepared for discussion at a relocation committee meeting to be scheduled in December.

ATTACHMENTS: none



## REPORT TO THE BOARD OF DIRECTORS

**D** Milton Hydro Holdings Inc.  
**[gl]** Milton Hydro Distribution Inc.  
**D** Milton Energy and Generation Solutions Inc.  
**D** Milton Hydro Services Inc.

Date of Report: December 3, 2012  
Submitted By: Frank Lasowski  
Subject: Relocation Update  
For Board Meeting: December 10, 2012  
Agenda Item: 9.1

**[gl]** Standing Report                      **D** Follow Up Report                      **D** For Discussion  
**D** Resolution Required                      **[gl]** For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

#### Relocation Committee Meeting

A Relocation Committee Meeting was held on November 14, 2012. Discussion points included:

- "Public Authority" Status  
On October 22, Milton Town Council approved a housekeeping amendment to add Milton Hydro Holdings Inc. and its affiliates to "Public Authority" status. The amendment is now permanent and thus allows Milton Hydro to relocate anywhere within the urban boundary except residential. Final approval is required by the Town of Milton with minor adjustments depending on the site.
- Potential properties outside the urban boundary
  - CN Lands (Britannia and Hwy 25) or 8744 Boston Church Rd
  - Boston Church Road

The President/CEO noted that he was meeting the Region CAO to discuss the process/likelihood of approval by the Region for building outside Milton's urban boundary (Footnote - At a meeting on November 20, 2012 attended by Region of Halton CAO and planning staff, and Mayor Gordon Krantz and Bill Mann, Town of Milton representatives and MHDl Chair, Brian Penman and President/CEO Frank Lasowski, it was confirmed that the Region will not allow construction outside of the urban boundary regardless of Milton Hydro's recent "Public Authority" designation. Although they understand our position, it has more to do with the contentious ROPA 38 and any application to build outside of the urban boundary would be appealed by lawyers representing developers.)



- **Extension of the Current Lease**

As previously reported to the Board in August 2012, Milton Hydro advised the Landlord on the option in our lease agreement to renew the lease for a second 5 year term commencing November 2014. Milton Hydro has forwarded a copy of the current lease to our legal counsel; they have been directed to prepare a Lease Extension document incorporating an annual inflationary increase of 2.0% for a 5 year extension with a 6 month notice period.

### **Budget Meeting-November 20,2012**

At the Budget Meeting, the Board was presented with the financial forecast with the land acquisition and construction of a building for completion by the end of 2014. It was agreed that with the recent acknowledgement that the Region would not approve any building outside Milton's urban boundary, and that construction would need to begin by May 1,2013 to ensure completion by the end of 2014.

The following sites have been deemed unacceptable:

- **CN Lands (Britannia and Hwy 25) or 8744 Boston Church Rd**

At a meeting on November 20, 2012 attended by Region of Halton CAO and planning staff, and Mayor Gordon Krantz and Bill Mann, Town of Milton representatives and MHD Chair, Brian Penman and President/CEO Frank Lasowski, it was confirmed that the Region will not allow construction outside of the urban boundary regardless of Milton Hydro's recent "Public Authority" designation. Although they understand our position, it has more to do with the contentious ROPA 38 and any application to build outside of the urban boundary would be appealed by lawyers representing developers.

- **5th Line – South of Derry (Part Lot 7 Concession 5 20R757 Part 4)**

25 acres recently listed under Re-Max – asking price is \$5,000,000. Land currently has no services. This parcel sits is partly in the urban boundary partly outside of the Derry Green urban boundary and currently zoned Greenlands "A" Agricultural and not scheduled for development until 2021. There are waterways throughout this parcel mostly in the urban boundary portion. Upon further investigation only half would be useable which may explain why it has not been purchased by a developer. This property is also subject to the same ROPA 38 issues as #1 above 5th Line south of Derry – plan of action – to investigate the cost and whether the lands were within the urban boundary

- **James Snow Parkway north of Steeles (west side - Halton Hills) – plan of action – to investigate the cost and whether the lands were within the urban boundary**

### **The following is a summary of other available sites:**

1. **100 Chisholm Drive**

We have had ongoing non-binding letter of intent negotiations with Triovest (formally Redcliff) regarding outright purchase of 12 acres. The latest sign back from Triovest is \$6,480,000 or \$540,000/acre which includes 40,450 sq. ft. of building credits. It is not the most ideal location because of traffic congestion and there is only one exit point for the entire area as Chisholm Road is a dead end. Counter offer has been in our possession since July 13 and has not been officially dismissed. We would want a secondary exit point off Market Drive however, they have been adamant throughout the negotiation that they wanted both access points for their own future development of the remaining 23 acres. No guarantee if we go back that the land is still available.



2. Highpoint Business Park

2 parcels of land on Parkhill Drive of which 95% backs on to the Hwy 25 off ramp from the 401 totaling 11.83 acres (5.9, and 5.93) are available. The land was originally owned by TOI which has been in receivership for the past 9 months so any offer to purchase would be made with the Receiver. The property also has \$48,000 per acre of prepaid DC charges (TBD). The Receiver is asking \$699,000 per acre all inclusive of prepaid DC charges however it is widely held that the receiver is open to offers. While the land is completely serviced and zoned as "Employment Lands" and now in play with our new designation.

3. 2995 Peddie Rd - Cooper Construction

This land is still available at \$575,000 per acre however it must be a design build project through Cooper. Our preference would be a construction management contract however, given the state of land availability in the TOM. As of this date we have not entered into any serious discussions with Cooper to determine the viability of this site with respect to the budget.

Additional sites

- Main St. and 5th Line - 6.3 acres (MH property)

Even if we purchase the corner 1 acre property totaling 7.3 acres, we would still need Hydro One to lease us approximately 3.0 acres directly south of our property up to the hydro lines; to-date they have refused to entertain a release of property. Further compounding this site, it was recently confirmed by the TOM that we would have to build a storm water management pond on our property which typically is an acre in size and would leave us with a 6 acre site if Hydro One does not release any further property.

- 6th Line and Derry Rd
- Meritor Property on Steeles
- Land on East side of 5th at the railway

The President will provide an update at the Board Meeting

ATTACHMENTS: None



## REPORT TO THE BOARD OF DIRECTORS

**D** Milton Hydro Holdings Inc.  
**rgj** Milton Hydro Distribution Inc.  
**D** Milton Energy and Generation Solutions Inc.  
**D** Milton Hydro Services Inc.

Date of Report: January 22, 2013

Submitted By: Frank Lasowski

Subject: Relocation Update

For Board Meeting: January 28, 2013

Agenda Item: 9.1

[81 Standing Report                      **D** Follow Up Report                      **D** For Discussion  
**D** Resolution Required                      [81 For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

At the Board Strategic Planning session on January 16, 2013, it was agreed that the board should initiate a meeting with the Town of Milton via the Liaison Committee to discuss the implications of the Report of the Ontario Distribution Sector Review Panel ("Panel") issued in December 2012.

It was agreed that in light of the Panel's report, a decision on the relocation of Milton Hydro's new office site would be held pending the direction by the Board and its Shareholder.

### Previously Reported to the Board

#### Relocation Committee Meeting

Discussion points included:

- "Public Authority" Status:  
On October 22, Milton Town Council approved a housekeeping amendment to add Milton Hydro Holdings Inc. and its affiliates to "Public Authority" status. The amendment became permanent December 28, 2012 and thus allows Milton Hydro to relocate anywhere within the urban boundary except residential. Final approval of any site is still required by the Town of Milton with minor adjustments depending on the site.
- Potential properties outside the urban boundary :  
At a meeting on November 20, 2012 attended by Region of Halton CAO and planning staff, and Mayor Gordon Krantz and Bill Mann, Town of Milton representatives and MHDl Chair, Brian Penman and President/CEO Frank Lasowski, it was confirmed that the Region will not allow construction outside of the urban boundary regardless of Milton Hydro's recent "Public Authority" designation.

ATTACHMENTS: None



## REPORT TO THE BOARD OF DIRECTORS

☒ Milton Hydro Holdings Inc.  
☐ Milton Hydro Distribution Inc.  
☒ Milton Energy and Generation Solutions Inc.  
☒ Milton Hydro Services Inc.

Date of Report: February 20, 2013

Submitted By: Frank Lasowski

Subject: Relocation Update

For Board Meeting: February 25, 2013

Agenda Item: 9.1

☐ Standing Report                      ☐ Follow Up Report                      ☒ For Discussion  
☐ Resolution Required                      ☐ For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

At the Board Strategic Planning session on January 16, 2013, it was agreed that the board should initiate a meeting with the Town of Milton via the Liaison Committee to discuss the implications of the Report of the Ontario Distribution Sector Review Panel ("Panel") issued in December 2012.

It was agreed that in light of the Panel's report, a decision on the relocation of Milton Hydro's new office site would be held pending the direction by the Board and its Shareholder.

The Liaison Committee met on February 20, 2013. The President & CEO will provide a verbal update.



## REPORT TO THE BOARD OF DIRECTORS

☒ Milton Hydro Holdings Inc.  
☒ Milton Hydro Distribution Inc.  
☒ Milton Energy and Generation Solutions Inc.  
☒ Milton Hydro Services Inc.

Date of Report: April 2, 2013  
Submitted By: Frank Lasowski  
Subject: Relocation Update  
For Board Meeting: April 9, 2013  
Agenda Item: 9.1

☒ Standing Report ☒ Follow Up Report ☐ For Discussion  
☐ Resolution Required ☒ For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

Based on the discussions of the Liaison Committee and comments by the Minister of Energy, staff has re-engaged in the selection of a proposed site. The preferred site is a parcel on Market Drive.

#### Magna-Market Drive

A 15.43 acre parcel has been made available through the Stronach Group. The property has not been listed on the open market. The lot is irregular in shape and includes 4 acres of easements and 2.53 acres of landscaped noise berming as outlined by Town of Milton which reduces the property size to 8.93 acres of usable land. A study was completed and it has been determined that the site can accommodate our current and future needs. On March 15, 2013 a Letter of Intent offer of \$4,000,000 was submitted. On April 2, 2013, it was signed back at \$4,650,000. At time of this report, we have yet to make a second counter offer. The President will provide a verbal update at the meeting.

### Previously Reported to the Board

At the Board Strategic Planning session on January 16, 2013, it was agreed that the board should initiate a meeting with the Town of Milton via the Liaison Committee to discuss the implications of the Report of the Ontario Distribution Sector Review Panel ("Panel") issued in December 2012.

It was agreed that in light of the Panel's report, a decision on the relocation of Milton Hydro's new office site would be held pending the direction by the Board and its Shareholder.

On February 20, 2013, the Liaison Committee upheld the previous direction as recommended in the Morrison Park Report of 2008 – do not sell or merge Milton Hydro. It was unanimously approved that Milton Hydro move forward with a plan to purchase a new site and construct a new building.



### "Public Authority" Status

On October 22, Milton Town Council approved a housekeeping amendment to add Milton Hydro Holdings Inc. and its affiliates to "Public Authority" status. The amendment became permanent December 28, 2012 and thus allows Milton Hydro to relocate anywhere within the urban boundary except residential. Final approval of any site is still required by the Town of Milton with minor adjustments depending on the site.

### Locations outside of established urban boundary

- CN Lands (Britannia and Hwy 25) or 8744 Boston Church Rd - 12 acres
- 5th Line - South of Derry (Part Lot 7 Concession 5 20R757 Part 4) - 25 acres

### Extension of the Current Lease

As previously reported to the Board in August 2012, Milton Hydro advised the Landlord in May 2012 to evoke the option of lease renewal for a second 5 year term commencing November 2014. The current lease has provisions for renewal with notice - Milton Hydro has forwarded a copy of the current lease to our legal counsel; they have been directed to prepare a Lease Extension document incorporating an annual inflationary increase of 2.0% for a 5 year extension with a 6 month opt-out notice period.

The following is a summary of other current available sites:

### Highpoint Business Park (Least cost effective option)

2 parcels of land on Parkhill Drive of which 95% backs on to the Hwy 25 off ramp from the 401 totaling 11.83 acres (5.9, and 5.93) are available. The land was originally owned by TOI which has been in receivership for the past 9 months so any offer to purchase would be made with the Receiver. The property also has \$48,000 per acre of prepaid DC charges (TBD). The Receiver is asking \$699,000 per acre all inclusive of prepaid DC charges however it is widely held that the receiver is open to offers. While the land is completely serviced and zoned as "Employment Lands" and now in play with our new designation.

### 2995 Peddie Rd - Cooper Construction

At the request of Reid Frank, information was forwarded to Colliers Realty on March 19, 2013 regarding outright purchase or build to suit & lease back. Numerous attempts have been made to follow up with Ron Jasinski (broker) yielding no response. MH has received a separate request from Cooper Construction to install power to the site. We can only assume that they are moving forward with other plans.

### Main St. and 5th Line - 6.3 acres (MH property)

Even if we purchase the corner 1 acre property it will give us a total of 7.3 acres and we would still need Hydro One to lease us additional lands up to 3.0 acres directly south of our property up to the hydro lines; to-date they have refused to entertain a release of property. Further compounding this site, it was confirmed by the TOM that we would have to build a storm water management pond on our property which typically is an acre in size and would leave us with a 6 acre site which is inadequate.

### 6th Line and Derry Rd - 19 acres

This land, while inside the urban boundary, is not serviced and currently in the stage 3 development plans for the Derry Green Business Park. The TOM discouraged Milton Hydro from considering the site as there are issues surrounding flood plain and future intended use as a "Gateway" property which may explain why the property has been for sale for a considerable length of time.



**100 Chisholm Drive**

We have had ongoing non-binding letter of intent negotiations with Triovest (formally Redcliff) regarding outright purchase of 12 acres. The latest sign back from Triovest is \$6,480,000 or \$540,000/acre which includes 40,450 sq. ft. of building credits. It is not the most ideal location because of traffic congestion and there is only one exit point for the entire area as Chisholm Road is a dead end. Counter offer has been in our possession since July 13, 2012 and has not been officially dismissed. We would want a secondary exit point off Market Drive however, they have been adamant throughout the negotiation that they wanted both access points for their own future development of the remaining 23 acres. No guarantee if we go back that the land is still available.

**ATTACHMENTS:** None



## REPORT TO THE BOARD OF DIRECTORS

D Milton Hydro Holdings Inc.  
I/Milton Hydro Distribution Inc.  
D Milton Energy and Generation Solutions Inc.  
D Milton Hydro Services Inc.

Date of Report: May 7, 2013  
Submitted By: Frank Lasowski  
Subject: Relocation Update  
For Board Meeting: May 13, 2013  
Agenda item: 9.1

181 Standing Report                      D Follow Up Report                      D For Discussion  
D Resolution Required                      181 For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

Based on the discussions of the Liaison Committee and comments by the Minister of Energy, staff has re-engaged in the selection of a proposed site. The preferred site is a parcel on Market Drive.

#### Magna-Market Drive

A 15.43 acre parcel has been made available through the Stronach Group. The property has not been listed on the open market. The lot is irregular in shape and includes 4 acres of easements and 2.53 acres of landscaped noise berming as outlined by Town of Milton which reduces the property size to 8.93 acres of usable land. We believe that the site can accommodate our current and future needs.

Milton Hydro has signed the Confidentiality Agreement and Permission to Enter documents which were prepared by Magna and reviewed by our legal counsel. Once received back from Magna, Milton Hydro will have permission to enter property to complete Phase land II environmental assessments.

On April 15, 2013 a revised Letter of Intent offer of \$4,050,000 was submitted by Milton Hydro and we have a tentative agreement with Magna. On April 26, 2013, a Relocation Committee meeting was held in which the following topics were discussed:

The President & CEO discussed the highlights of the Letter of Intent regarding the Magna lands. It was noted that Magna (Granite) signed back the Letter of Intent with changes including:

- MHDI would be responsible for both Phase 1 and Phase 2 environmental assessments; the LOI was silent with respect to the financial responsibility, if any, for remedial work required as a result of the environmental assessment. It was agreed that the Purchase Agreement must contain language that any costs associated with Phase II clean up is the responsibility of the Vendor.



- Removal of the condition of financing approval by Infrastructure Ontario. It was noted that the agreement is conditional on board and Town of Milton approval.
- Magna wants to take responsibility for the preparation of the Purchase/Sale Agreement.
- MHDl cannot proceed with any work on the property until the Purchase/Sale Agreement has been executed.
- MHDl would be responsible for the cost of moving the guardhouse

The President & CEO discussed the following items:

1. Legal Purchase Agreement to be finalized
2. 90 day due diligence period regarding critical path items:
  - o Environmental Study Phase I & II, and geotechnical
  - o Cost to relocate or build new guardhouse for Modatek – 150+ meters from present location to allow a second driveway access for CVOR vehicle
  - o Confirmation of existing services (storm water, sanitary, water and gas) in existing roadway for connection
3. Review of current budget
4. Estimated Project Time line
5. Building footprint for site Plan Application approval
6. The President and CEO would meet with Mill Mann to review original TOM landscape plan requirements for the site for acceptable alternate proposals that would reduce the 2.53 acre current bermming requirement
7. Construction contract type:
  - o Design Build
  - o Hire a separate Architectural firm to cover architectural and engineering services then bid the project to General Contractor
  - o Hire an Architectural Services firm to cover architectural, engineering, and project Management services with a CCDC SB Construction Management Contract. Open book cost management system where all services and construction costs are defined.

**ATTACHMENTS:** None



## REPORT TO THE BOARD OF DIRECTORS

- D Milton Hydro Holdings Inc.
- ☒ Milton Hydro Distribution Inc.
- D Milton Energy and Generation Solutions Inc.
- D Milton Hydro Services Inc.

Date of Report: June 14, 2013  
Submitted By: Frank Lasowski, President/CEO  
Subject: Relocation Update  
For Board Meeting: June 24, 2013  
Agenda Item: 9.1

☒ Standing Report                      D Follow Up Report                      D For Discussion  
D Resolution Required                      For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

#### Magna Lands: 15.43 acres - 8.93 acres usable

- We have a verbal agreement to our LOI from Stronach Group however they have not formally signed and returned the LOI that was sent April 15, 2013 opting to have their legal department commence drafting the Purchase Agreement
- In order to proceed with Environmental Phase 1 & 2 testing, a NOA and Access Agreement was signed off by both parties May 22, 2013.
- Milton Hydro commissioned Envirovision to conduct the Phase 1 & 2 drilling and sample work which was completed May 30, 2013 –awaiting results –ETA 4 to 5 weeks
- Met with Granite VP of Construction May 31, 2013 regarding a proposal to purchase Part 6 for \$1.00, and in turn, selling it and Part 10 to TOM as a dead end extension of Industrial Drive with a cul-de-sac (see attached). This would alleviate traffic congestion and access issues to the property – awaiting Granite's response

#### Nexans Building: 8000 Lawson Rd. - 10 acres - 132,000 sq. ft. warehouse and 5,000 sq. ft office

Nexans SA is a French conglomerate headquartered in Paris France. North American manufacturing plants report to Mr. Frank Ryan, VP & General Counsel, Nexans – North Carolina

- We toured this building nearly 1 year ago. At the time, they were considering a sale of the building and moving the DC to a new warehouse to be constructed beside their manufacturing plant in Fergus. Asking price was \$13,000,000 however there wasn't any desire to move forward with any sort of negotiation.
- May 6, 2013 we were advised by Colliers Realty that Nexans corporate is now serious about selling - we toured the building May 10, 2013.



- May 10, 2013 they came back to us with an asking price of \$12,000,000. We countered at \$8,000,000 on May 16, 2013.
- May 30, 2013 they countered at \$11,000,000 and we countered back at \$9,500,000
- June 4, 2013 they advised that they were interested in working with us to conclude a deal and wanted to know when we wanted possession.
- June 5, 2013 we advised them that we needed to be moved in by October 2014 and proposed that we would conclude a purchase of the building by September 2013 – lease back the entire warehouse to Nexans with the exception of 30,000 sq. ft. so that we could commence new office construction. This would give them ample time and the funds to build their new warehouse in Fergus. Awaiting response from Nexans.

Relocation Committee met on June 10 regarding the above status.

To evaluate the various locations, an analysis for each potential building site will be completed as per the following criteria.

A Risk Analysis Matrix will be completed to identify positive features and potential problems for each site. Potential problem Risk will be evaluated against:

- The probability of something going wrong (possible threats)
- The negative consequences that will happen if it does (likelihood of happening)
- Any mitigating alternatives

The Overall Criteria will be the following:

- A. Purchase agreement Difficulty and Pricing
- B. Property accessibility under all conditions
- C. Environmental Assessment Phase 1& 2 and Special property features
- D. Site Plan Approval (SPA) process including TOM landscape plan, storm water management and other requirements
- E. Status and age of building if buildings exist currently
- F. Potential for other business Income including rental income
- G. Public Visibility as Corporate Image
- H. Public and Staff Access including Public Transit
- I. OEB Implications
- J. Future Value of Property

A rating system of 1 – 10 will be used with 1 being low and 10 being high

ATTACHMENTS: None



## REPORT TO THE BOARD OF DIRECTORS

☐ Milton Hydro Holdings Inc.  
☐ Milton Hydro Distribution Inc.  
☐ Milton Energy and Generation Solutions Inc.  
☐ Milton Hydro Services Inc.

Date of Report: August 16, 2013  
Submitted By: Frank Lasowski  
Subject: Relocation Update  
For Board Meeting: August 26, 2013  
Agenda Item: 9.1

☐ Standing Report                      ☐ Follow Up Report                      ☐ For Discussion  
☐ Resolution Required                      ☐ For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

The President recently met with the landlord who verbally confirmed they still are prepared to enter into a 2<sup>nd</sup> 5 year lease with Milton Hydro at the end of 2014 with a 6 month out clause. Notification was initially made in writing by Milton Hydro back in May 2011.

Milton Hydro is currently reviewing 3 alternate options:

#### 1. Milton Hydro lands Main & 5th Line – 6 acres

18 months ago, Hydro One initially rejected our proposal to lease 3 acres of land from them. Based on that decision we concluded that we cannot erect a new building, allow for future growth and support a 1 acre storm water management pond on 7 acres.

The President recently met with senior Hydro One officials to see if there was a way they could be enticed into reopening discussion on long term leasing of 3 acres adjacent to the south of our lands. There appears to be an interest now because they want an access road to 5<sup>th</sup> Line. We submitted a proposal that shows a joint use connected roadway from 5th Line to their property, a storm water management pond, and a paved parking area only for Milton Hydro all on the subject 3 acres. We are awaiting their decision. If they agree in principle to this plan, we would make an offer to purchase the corner property which will give us our preferred long term requirement of 10 acres. This would be more cost effective than the Magna lands and thus become our number 1 preferred option.

#### 2. Magna - Market Drive. 15.43 acres (total) - 8.93 acres (Usable)

On April 15, 2013 a revised Letter of Intent offer of \$4,050,000 was submitted by Milton Hydro and we have a tentative agreement with Magna. The highlights of the Letter of Intent include:

- MHDl would be responsible for both Phase 1 and Phase 2 environmental assessments; the LOI was silent with respect to the financial responsibility, if any, for remedial work required as a result of the environmental assessment. It was agreed that the Purchase Agreement must contain language that any costs associated with Phase II clean up is the



responsibility of the Vendor. Phase I & II environmental assessments were completed June 6, 2013. Lands were found to be within acceptable MOE guidelines with no soil contamination.

- Removal of the condition of financing approval by Infrastructure Ontario. It was noted that the agreement is conditional on board and Town of Milton approval.
- Magna wants to take responsibility for the preparation of the Purchase/Sale Agreement.
- MHDl cannot proceed with any work on the property until the Purchase/Sale Agreement has been executed.
- MHDl would be responsible for the cost of moving the guardhouse

The following actions items are being reviewed:

1. Legal Purchase Agreement to be finalized
2. 90 day due diligence period regarding critical path items:
  - o Environmental Study Phase I & II, and geotechnical
  - o Cost to relocate or build new guardhouse for Modatek – 150+ meters from present location to allow a second driveway access for CVOR vehicle
  - o Confirmation of existing services (storm water, sanitary, water and gas) in existing roadway for connection. Confirmed by the Region that the services exist and that they have an easement to which Milton Hydro can connect.
3. The President and CEO would meet with Bill Mann to review original TOM landscape plan requirements for the site for acceptable alternate proposals that would reduce the 2.53 acre current bermming requirement

What's at issue is the way the original property was severed at the minimum allowable municipal frontage on to Market Drive of 40 meters which only allows us to apply for site plan application under M2 variance zoning. The Town of Milton, the residents backing on the Magna lands from east side of Peru Rd., Magna Plants (Modatek and Karmax) and the Developers on the west side of Peru Rd. are involved in a dispute. We firmly believe that if we move ahead under these conditions, a petition of variance will surely be opposed by one or more these groups. This concern was also shared by the TOM. We are exploring the possibility of Granite Corporation selling part 6 (roadway from part 10 to the property line) to Milton Hydro who would in turn would sell it plus part 10 to the TOM that would effectively extend Industrial Drive and give Milton Hydro an Industrial Drive address and 150 meters of frontage allowing us to make site plan application under Institutional "B" zoning with no variance required. Milton Hydro would be required to build a cul-de-sac at the end of the roadway as a condition by the TOM before they would take ownership. This would be our 2<sup>nd</sup> preferred option.

### 3. Nexans Building – Steels and Lawson Rd. - 10 acres

Nexans management has advised that they would be willing to sell their building and property to Milton Hydro for \$10.2 million. This property would require extensive renovation as there is no office component and the warehouse is not suited for garage storage of vehicles. They have stipulated that they would require occupancy until the end of 2014. At this point, this would be our 3<sup>rd</sup> option.

ATTACHMENTS: None



## REPORT TO THE BOARD OF DIRECTORS

- ☐ Milton Hydro Holdings Inc.
- ☐ Milton Hydro Distribution Inc.
- ☐ Milton Energy and Generation Solutions Inc.
- ☐ Milton Hydro Services Inc.

Date of Report: Septemeber 25, 2013

Submitted By: Frank Lasowski

Subject: Relocation Update

For Board Meeting: September 30, 2013

Agenda Item: 9.1

☐ Standing Report                      ☐ Follow Up Report                      ☐ For Discussion  
☐ Resolution Required                      For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

The President and CEO met with the landlord who verbally confirmed that Milton Hydro may enter into a 2"d 5 year lease at the end of 2014 with a 6 month out clause. Notification was made in writing by Milton Hydro May 2011.

#### 1. Milton Hydro lands Main & 5th Line – 6 acres

18 months ago, Hydro One initially rejected our proposal to lease 3 acres of land from them. Based on that decision we concluded that we cannot erect a new building, allow for future growth and support a 1 acre storm water management pond on 7 acres.

The President and CEO recently met with senior Hydro One officials to see if there was a way they could be enticed into reopening discussion on long term leasing of 3 acres adjacent to the south of our lands. There appears to be an interest now because they want an access road to 5th Line. We submitted a proposal that shows a joint use connected roadway from 5th Line to their property, a storm water management pond, and a paved parking area only for Milton Hydro all on the subject 3 acres. We are awaiting a meeting the week of September 30th . If they agree in principle to this plan, we would make an offer to purchase the corner property which will give us our preferred long term requirement of 10 acres. This would be more cost effective than the Magna lands and thus become our number 1 preferred option.

#### 2. Magna-Market Drive, 15.43 acres (total) -8.93 acres (Usable)

On April 15, 2013 a revised Letter of Intent offer of \$4,050,000 was submitted by Milton Hydro and we have a tentative agreement with Magna. On April 26, 2013, a Relocation Committee meeting was held in which the President & CEO discussed the highlights of the Letter of Intent. It was noted that Magna (Granite) signed back the Letter of Intent with changes including:

- Phase I& II environmental assessments were completed June 6, 2013. Lands were found to be within acceptable MOE guidelines with no soil contamination.



- Magna wants to take responsibility for the preparation of the Purchase/Sale Agreement.
- MHDl cannot proceed with any work on the property until the Purchase/Sale Agreement has been executed.
- MHDl would be responsible for the cost of moving the guardhouse

The President & CEO discussed the following items:

1. Legal Purchase Agreement to be finalized
2. 90 day due diligence period regarding critical path items:
  - o Environmental Study Phase I & II, and geotechnical
  - o Cost to relocate or build new guardhouse for Modatek – 150+ meters from present location to allow a second driveway access for CVOR vehicle
  - o **Confirmed by the Region that the services exist and that they have an easement to which Milton Hydro can connect.**
3. Review of current budget
4. Estimated Project Time Line
5. Building footprint for site Plan Application approval
6. The President and CEO would meet with Mill Mann to review original TOM landscape plan requirements for the site for acceptable alternate proposals that would reduce the 2.53 acre current berming requirement

At issue is the way the original property was severed at the minimum allowable municipal frontage on to Market Drive of 40 meters which only allows us to apply for site plan application under M2 variance zoning. We anticipate that if we move ahead under these conditions, a petition of variance will surely be opposed by one or more groups. This concern was also shared by the TOM. We are exploring the possibility of Granite Corporation selling part 6 (roadway from part 10 to the property line) to Milton Hydro who would in turn would sell it plus part 10 to the TOM that would effectively extend Industrial Drive and give Milton Hydro an Industrial Drive address and 150 meters of frontage allowing us to make site plan application under Institutional "B" zoning with no variance required. Milton Hydro would be required to build a cul-de-sac at the end of the roadway as a condition by the TOM before they would take ownership. Until we can reach an agreement in principle with Granite on Part 6 – we cannot move forward with a purchase agreement with Stronach. This would be our 2<sup>nd</sup> preferred option.

### **3. Nexans Building-Steels and Lawson Rd.- 10 acres**

Nexans management has advised that they would be willing to sell their building and property to Milton Hydro for \$10.2 million. This property would require extensive renovation as there is no office component and the warehouse is not suited for garage storage of vehicles. They have stipulated that they would require occupancy until the end of 2014. At this point, this would be our 3rd option.

**ATTACHMENTS:** None



## REPORT TO THE BOARD OF DIRECTORS

☒ Milton Hydro Holdings Inc.  
☐ Milton Hydro Distribution Inc.  
☒ Milton Energy and Generation Solutions Inc.  
☒ Milton Hydro Services Inc.

Date of Report: October 22, 2013  
Submitted By: Frank Lasowski  
Subject: Relocation Update (No change)  
For Board Meeting: October 28, 2013  
Agenda Item: 9.1

☒ Standing Report                      ☐ Follow Up Report                      ☐ For Discussion  
☐ Resolution Required                      ☒ For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

The President/CEO will provide a verbal update at the meeting.

### Previously Reported to the Board:

The President and CEO met with the landlord who verbally confirmed that Milton Hydro may enter into a 2<sup>nd</sup> 5 year lease at the end of 2014 with a 6 month out clause. Notification was made in writing by Milton Hydro May 2011.

Based on the discussions of the Liaison Committee and comments by the Minister of Energy, staff has re-engaged in the selection of a proposed site. To date we have 3 options:

#### 1. Milton Hydro lands Main & 5th Line – 6 acres

18 months ago, Hydro One initially rejected our proposal to lease 3 acres of land from them. Based on that decision we concluded that we cannot erect a new building, allow for future growth and support a 1 acre storm water management pond on 7 acres.

The President and CEO recently met with senior Hydro One officials to see if there was a way they could be enticed into reopening discussion on long term leasing of 3 acres adjacent to the south of our lands. There appears to be an interest now because they want an access road to 5th Line. The original proposal that showed a joint use connected roadway from 5th Line to their property, a storm water management pond, and a paved parking area only for Milton Hydro all on the subject 3 acres. They came back to us and asked that we re-locate the SWM pond further west away from the proposed new future 230,000KVA line. We brought the proposal to Amec to determine if the elevation would be conducive for the required drainage. It came back negative. At time of this report, we have proposed an underground cistern concept built entirely on the Milton Hydro lands along 5th Line property line as it is the lowest drainage point. We are awaiting their decision. If the underground cistern concept will work and can be cost effective to the Magna site, we would make an offer to purchase the corner property which will give us equivalent acreage (9) to the Magna site. This would become our number 1 preferred option.



2. **Magna - Market Drive. 15.43 acres (total) - 8.93 acres (Usable)**

On April 15, 2013 a revised Letter of Intent offer of \$4,050,000 was submitted by Milton Hydro and we have a tentative agreement with Magna. On April 26, 2013, a Relocation Committee meeting was held in which the President & CEO discussed the highlights of the Letter of Intent. It was noted that Magna (Granite) signed back the Letter of Intent with changes including:

- MHDH would be responsible for both Phase 1 and Phase 2 environmental assessments; the LOI was silent with respect to the financial responsibility, if any, for remedial work required as a result of the environmental assessment. It was agreed that the Purchase Agreement must contain language that any costs associated with Phase II clean up is the responsibility of the Vendor. **Phase I & II environmental assessments were completed June 6, 2013. Lands were found to be within acceptable MOE guidelines with no soil contamination.**
- Removal of the condition of financing approval by Infrastructure Ontario. It was noted that the agreement is conditional on board and Town of Milton approval.
- Magna wants to take responsibility for the preparation of the Purchase/Sale Agreement.
- MHDH cannot proceed with any work on the property until the Purchase/Sale Agreement has been executed.
- MHDH would be responsible for the cost of moving the guardhouse

The President & CEO discussed the following items:

1. Legal Purchase Agreement to be finalized
2. 90 day due diligence period regarding critical path items:
  - o Environmental Study Phase I & II, and geotechnical
  - o Cost to relocate or build new guardhouse for Modatek – 150+ meters from present location to allow a second driveway access for CVOR vehicle
  - o Confirmation of existing services (storm water, sanitary, water and gas) in existing roadway for connection. **Confirmed by the Region that the services exist and that they have an easement to which Milton Hydro can connect.**
3. Review of current budget
4. Estimated Project Time Line
5. Building footprint for site Plan Application approval
6. The President and CEO would meet with Mill Mann to review original TOM landscape plan requirements for the site for acceptable alternate proposals that would reduce the 2.53 acre current bermming requirement
7. Construction contract type:
  - o Design Build
  - o Hire a separate Architectural firm to cover architectural and engineering services then bid the project to General Contractor
- a. Hire an Architectural Services firm to cover architectural, engineering, and project Management services with a CCDC 5B Construction Management Contract. Open book cost management system where all services and construction costs are defined.

What's at issue is the way the original property was severed at the minimum allowable municipal frontage on to Market Drive of 40 meters which only allows us to apply for site plan application under M2 variance zoning. The Town of Milton, the residents backing on the Magna lands from east side of Peru Rd., Magna Plants (Modatek and Carmax) and the Developers on the west side of Peru Rd. are involved in a dispute. We firmly believe that if we move ahead under these conditions, a petition of variance will surely be opposed by one or more these groups. This



concern was also shared by the TOM. We are exploring the possibility of selling part 6 (roadway from part 10 to the property line) to Milton Hydro who would in turn would sell it plus part 10 to the TOM that would effectively extend Industrial Drive and give Milton Hydro an Industrial Drive address and 150 meters of frontage allowing us to make site plan application under Institutional "8" zoning with no variance required. Milton Hydro would be required to build a cul-de-sac at the end of the roadway as a condition by the TOM before they would take ownership. Until we can reach an agreement in principle with Granite on Part 6 – we cannot move forward with a purchase agreement with Stronach. **This would be our 2<sup>nd</sup> preferred option.**

### **3. Nexans Building - Steels and Lawson Rd. - 10 acres**

Nexans management has advised that they would be willing to sell their building and property to Milton Hydro for \$10.2 million. This property would require extensive renovation as there is no office component and the warehouse is not suited for garage storage of vehicles. They have stipulated that they would require occupancy until the end of 2014. At this point, this would be our 3<sup>rd</sup> option.

**ATTACHMENTS:** None



## REPORT TO THE BOARD OF DIRECTORS

- D Milton Hydro Holdings Inc.
- [8] Milton Hydro Distribution Inc.
- D Milton Energy and Generation Solutions Inc.
- D Milton Hydro Services Inc.

Date of Report: November 25, 2013

Submitted By: Frank Lasowski

Subject: Relocation Update

For Board Meeting: December 2, 2013

Agenda Item: 9.1

[gl] Standing Report                      D Follow Up Report                      D For Discussion  
D Resolution Required                      [gl] For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

1. Main & 5th Line – (6 acres, MDHI-2 acres, H1 and 1acre, corner property = 9 acres site)
  - Hydro One has agreed in principal to lease 2 acres of land directly to the south of our existing property in exchange for a mutual access roadway off 5th Line and an electric gate. Engineered drawings are scheduled to be submitted to H1 Realty w/o November 25. Upon final Operations approval, H1 Realty and MHDl will negotiate a long term lease arrangement document.
  - MOHi and AMEC met with TOM November 20 to discuss options regarding SWM. It was determined that the drainage area is less than 10 hectares and therefore an open style SWM pond could not be supported and as such, it was approved that MHDl can build an underground SWM vault which would serve 2 purposes:
    - o A) drain vault could be tapped for MHDl grey water use
    - o B) excess stored water would be flow controlled into the 5<sup>th</sup> Line road ditch or storm drains that tie into the Master Derry Green SWM plan
  - MOHi, AMEC and TOM are scheduled to meet with Conservation Halton week of December 2 to present SWM plan and gain their approval. We believe that they will accept our proposal as it is within accepted guidelines as set under Derry Green Area, Functional Stormwater and Environmental Management Strategy (FSEMS) as authored by AMEC for the TOM.
  - As directed by the TOM - MOHi, AMEC, TOM and MMM (5th Line road reconstruction management consultant) are scheduled to meet 2nd week in December to outline our proposal and insure our plans for SWM discharge are included in the road re-construction scheduled to begin in the spring of 2014. The roadway will be elevated from its current position with storm sewers, water, and sanitary scheduled to be added.



We are compiling budget costs and based on the original sunk cost of \$2.2 million for the 2015, we believe that the cost for the roadway, underground vault and corner property would not exceed \$1.5 million and therefore would be less expensive than Magna to develop for the same acreage. By having all the above approvals in place before site plan submission, it will certainly insure and expedite approval.

**2. Magna -Market Drive, 15.43 acres (total) - 8.93 acres (Usable)**

On April 15, 2013 a revised Letter of Intent offer of \$4,050,000 was submitted by Milton Hydro and we have a tentative agreement with Magna.

- This would be our 2<sup>nd</sup> preferred option.

**3. Nexans Building -Steels and Lawson Rd. - 10 acres**

This location has officially been eliminated.

**ATTACHMENTS:** None



## REPORT TO THE BOARD OF DIRECTORS

D Milton Hydro Holdings Inc.  
Milton Hydro Distribution Inc.  
D Milton Energy and Generation Solutions Inc.  
D Milton Hydro Services Inc.

Date of Report: January 14, 2014  
Submitted By: Frank Lasowski  
Subject: Relocation Update  
For Board Meeting: January 20, 2014  
Agenda item: 9.1

1:81 Standing Report                      D Follow Up Report                      D For Discussion  
D Resolution Required                      1:81 For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

1. Main & 5th Line – (6 acres, MOHi -2 acres, H1 and 1acre, corner property = 9 acres site)
  - Hydro One has agreed in principal to lease 2 acres of land directly to the south of our existing property in exchange for a mutual access roadway off 5th Line and an electric gate. Engineered drawings have been submitted to H1 Realty November 25 with tentative approval. We are awaiting final approval from Operations however we are moving forward with H1 Realty on a long term lease arrangement document which we are targeting completion by mid February.
  - MDHI and AMEC met with TOM November 20 to discuss options regarding SWM. It was determined that the drainage area is less than 10 hectares and therefore an open style SWM pond could not be supported and as such, it was approved that MHDl can build an underground SWM vault which would serve 2 purposes.
    - o A) drain vault could be tapped for MHDl grey water use
    - o B) excess stored water would be flow controlled into the 5th Line road ditch or storm drains that tie into the Master Derry Green SWM plan
  - MOHi, AMEC and TOM met with Conservation Halton December 17, 2013 to present SWM plan to gain approval. Our proposals were accepted with the caveat that Milton Hydro provides 3rd party supporting assessment which will be arranged through AMEC as part of our site plan application process. Our proposal is within accepted guidelines as set under Derry Green Area, Functional Stormwater and Environmental Management Strategy (FSEMS) as authored by AMEC for the TOM.
  - As directed by the TOM - MOHi, AMEC, TOM and MMM (5th Line road reconstruction management consultant) met December 5th to outline our proposal and insure our plans for SWM discharge are included in the road re-construction scheduled to begin in 2014 for completion in 2015. The roadway will be elevated from its current position with storm



sewers, water, and sanitary scheduled to be added. The preferred plan approved by TOM shows the widening of Main St and 5<sup>th</sup> Line intersection will be offset completely to the south so as to avoid interference with the church on the northwest side of the intersection. It was determined that 50% of the corner property would be required by the TOM in order to build the intersection according to plan. It was agreed by memo to TOM (Bill Mann, Paul Cripps and John Brophy) that the TOM would buy the entire corner property and trade off unused portion of the land with lands that the TOM needs from MH along Main St. for re-widening.

**2. Magna - Market Drive, 15.43 acres (total) - 8.93 acres (Usable)**

Based on our progress and perceived lower cost of development, we chose not to re-enter into another access agreement on the property; therefore should we decide otherwise, we can re-open negotiations. As of today, the land is available on the open market, however given the complexity of the site; we believe it will not move quickly if at all.

Our April 15, 2013 revised Letter of Intent offer for \$4,050,000 is still on the table and will remain there until either party wishes to either move forward or retract.

- This would be our 2<sup>nd</sup> preferred option.

**ATTACHMENTS:**     None



## REPORT TO THE BOARD OF DIRECTORS

**D** Milton Hydro Holdings Inc.  
**171** Milton Hydro Distribution Inc.  
**D** Milton Energy and Generation Solutions Inc.  
**D** Milton Hydro Services Inc.

Date of Report: February 18, 2014

Submitted By: Frank Lasowski

Subject: Relocation Update

For Board Meeting: February 24, 2014

Agenda Item: 9.1

cgJ Standing Report

**D** Follow Up Report

**D** For Discussion

**D** Resolution Required

cgJ For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

#### 1. Main & 5th Line -(6 acres, MDHI-2 acres, HI and 1acre, corner property =9 acres site)

- Hydro One has agreed in principal to lease 2 acres of land directly to the south of our existing property in exchange for a mutual access roadway off 5th Line and an electric gate. Engineered drawings were submitted to HI Realty November 25 with tentative approval. The Operations group has approved the plan and we are waiting on a land appraisal from HI Realty in order to finalize a long term lease arrangement document which we are targeting completion by end of February.
- MOHi and AMEC met with TOM February 6, 2014 for a pre-site plan meeting to go over required documentation. TOM will not proceed to review our application unless we provide :
  - o Lease agreement with Hydro One
  - o Written permission from owner of corner property 7472 5th Line. John Brophy has acknowledged in writing that he has spoken with Mr. Luciano Dal Bello regarding the purchase of the entire property and those negotiations to do so will be this year. Mr. Brophy could not provide a date.

#### 2 Magna – Market Drive, 15.43 acres (total) -8.93 acres (Usable)

The Stronach Group has advised Milton Hydro that they are entitled to the Environmental Phase I & II Reports as stipulated in the NOA and Access Agreement. We have forwarded that request to our legal counsel for direction.

**A** ATTACHMENTS: NONE



## REPORT TO THE BOARD OF DIRECTORS

D Milton Hydro Holdings Inc.  
[8] Milton Hydro Distribution Inc.  
D Milton Energy and Generation Solutions Inc.  
D Milton Hydro Services Inc.

Date of Report: March 19, 2014  
Submitted By: Frank Lasowski  
Subject: Relocation Update  
For Board Meeting: March 24, 2014  
Agenda Item: 9.1

[8] Standing Report                      D Follow Up Report                      D For Discussion  
D Resolution Required                      [8] For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

#### 1. Main & 5th Line – (6 acres, MOHi -2 acres, H1 and 1acre, corner property = 9 acres site)

- Hydro One has agreed in principal to lease 2 acres of land directly to the south of our existing property in exchange for a mutual access roadway off 5th Line and an electric gate. Engineered drawings were submitted to H1 Realty November 25 with tentative approval. H1 Realty has completed the land appraisal which came in at \$350,000/ acre. They have advised that the lease cost will be \$29,500 per year. We advised that the lease cost did not take into consideration that Milton Hydro was footing the bill for their roadway and asked them to re-evaluate the lease number. They replied that perhaps they didn't need the roadway and are waiting on Operations to confirm.
- MOHi and AMEC met with TOM February 6, 2014 for a pre-site plan meeting to go over required documentation. TOM will not proceed to review our application unless we provide :
  - o Lease agreement with Hydro One
  - o Written permission from owner of corner property 7472 5th Line. John Brophy has acknowledged in writing that he has spoken with Mr. Luciano Del Bello regarding the purchase of the entire property and those negotiations to do so will be this year. Mr. Brophy could not provide a date.

#### 2. Magna - Market Drive, 15.43 acres (total) - 8.93 acres (Usable)

The Stronach Group has advised Milton Hydro that they are entitled to the Environmental Phase I & II Reports as stipulated in the NOA and Access Agreement. Our legal counsel has advised that we are not obligated however as an act of good faith, in case we have to reconsider our options, we can do so because they cannot use the documents as they are owned by Milton Hydro. Legally they are required to do environmentals again to support any future sale.

ATTACHMENTS: None



## REPORT TO THE BOARD OF DIRECTORS

☒ Milton Hydro Holdings Inc.  
☒ Milton Hydro Distribution Inc.  
☒ Milton Energy and Generation Solutions Inc.  
☒ Milton Hydro Services Inc.

Date of Report: April 23, 2014  
Submitted By: Frank Lasowski  
Subject: Relocation Update  
For Board Meeting: April 28, 2014  
Agenda Item: 9.1

☒ Standing Report                      ☐ Follow Up Report                      ☐ For Discussion  
☐ Resolution Required                      ☒ For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

1. Main & 5th Line – (6 acres, MOHi – 3 acres, H1 and .5 acre, corner property = 9.5 acres site)
  - Hydro One has now said they no longer require a joint access roadway. As a result, we re-drew the boundary area which now covers 3 acres and Hydro One has agreed in principal to leasing the land upon final engineering topographical drawings. In order to provide those drawings as specified, it will cost MH \$18,000.00.
  - HI Realty has completed the land appraisal which came in at \$350,000/ acre. They have advised that the lease cost including property taxes will be \$60,900/yr. which would form part the our annual OM&A.
  - Potential Issues and Conditions:
    - o Although Derry Green Secondary Plan has been approved by TOM, it is in the appeals process and until all appeals have been rectified, no site plan approvals can be made.
    - o Before MH can present site plan drawings for approval, we must own the corner property and have a lease in place with HI.
    - o The TOM has had preliminary discussions with Mr. Luciano Del Bello regarding the purchase of the corner property 7472 5th Line and it is unknown at this time when the deal will be concluded.
    - o It was confirmed by the Region that construction of services for 5th Line will begin in the fall of 2014.
    - o TOM confirmed that it could require another 12 months after the regional work to complete the new intersection and road widening of both Main St. and 5th.



**Magna – Market Drive, 15.43 acres (total) - 8.93 acres (Usable)**

The Stronach Group requested the Environmental Phase I & II Reports as stipulated in the EIA and Access Agreement. Our legal counsel has advised that we are not obligated to provide however as an act of good faith, in case we have to reconsider our options, we can do so because they cannot use the documents as they are owned by MH. Legally they are required to do environmental testing again to support any future sale. MH sent copies of the originals to Stronach Group on March 27, 2014.

200 Chisholm Drive, 7 acres, 20,000 sf office, 12,800 sf mezzanine (suitable for offices) and 59,000 sf of warehouse totaling 91,800 sf (see attachment)

This new property has recently become available. This building is owned by H&R REIT and was originally built in 1991 for ABB, and is currently for sale or lease. Although the current property is only 7 acres, as much as 8 acres (2 acres Parker Hannifin and 6 acres ABM Plastics) of vacant land to the rear of the property could possibly be available. A LOI (see attached) for \$7,050,000 has been offered. With internal renovations, this building would meet our space needs and our Regulatory expectation of move in by end of 2015.

**ATTACHMENTS:**

- Colliers Real Estate prospectus
- LOI - 200 Chisholm Drive



## REPORT TO THE BOARD OF DIRECTORS

☐ Milton Hydro Holdings Inc.  
☐ Milton Hydro Distribution Inc.  
☐ Milton Energy and Generation Solutions Inc.  
☐ Milton Hydro Services Inc.

Date of Report: May 21, 2014  
 Submitted By: Frank Lasowski  
 Subject: Relocation Update  
 For Board Meeting: May 26, 2014  
 Agenda Item: 9.1

☐ Standing Report      ☐ Follow Up Report      ☐ For Discussion  
☐ Resolution Required      ☐ For Information Only

RECOMMENDATION / MOTION:LINKAGE TO STRATEGY: FinancialBACKGROUND:

- 1) 200 Chisholm Drive, 7 acres, 20,000 sf office, 12,800 sf mezzanine (suitable for offices) and 59,000 sf of warehouse totaling 91,800 sf

Milton Hydro and H&R REIT have agreed to an LOI for \$7,300,000.

H&R solicitors are in the process of drafting a Purchase Agreement

The two main items among 7 listed in the agreed LOI of the Purchaser's Conditions are:

- i. Milton Hydro's ability to purchase additional acres of land behind the building either from Parker Hannifin or ABM Canada or both. ABM has indicated they are willing to sell some lands and MH has made initial offer. Preliminary discussions with Parker were both sale and/or a land swap proposal, it should be noted that without a Parker agreement there is no access to ABM lands and we cannot move forward with an offer to ABM.
- ii. Environmental Phase 1&11 supplied by vendor

Upon signed agreement of the Purchase Agreement, Milton Hydro will have 60 days to complete due diligence. When we have completed due diligence and sign off on the conditions, closing would take another 60 days. Based on the above, we estimate that if all goes well, the earliest we would have occupancy would be September 1st.

- 2) Main & 5th Line – (6 acres, MOHi – 3 acres, H1 and .5 acre, corner property = 9.5 acres site) NO CHANGE

3)

- HI Realty has completed the land appraisal which came in at \$350,000/acre. They have advised that the lease cost including property taxes will be \$60,900/yr. which would form part of our annual OM&A.



- Potential Issues and Conditions:
  - o Although Derry Green Secondary Plan has been approved by TOM, it is in the appeals process and until all appeals have been rectified, no site plan approvals can be made.
  - o Before MH can present site plan drawings for approval, we must own the corner property and have a lease in place with HI.
  - o The TOM has had preliminary discussions with Mr. Luciano Del Bello regarding the purchase of the corner property 7472 5th Line and it is unknown at this time when the deal will be concluded.
  - o It was confirmed by the Region that construction of services for 5th Line will begin in the fall of 2014.
  - o TOM confirmed that it could require another 12 months after the regional work to complete the new intersection and road widening of both Main St. and 5th.

we have put a hold on any further negotiations regarding this property

4) Magna – Market Drive, 15.43 acres (total) - 8.93 acres (Usable) **NO CHANGE**

The Stronach Group requested the Environmental Phase I & II Reports as stipulated in the NOA and Access Agreement. Our legal counsel has advised that we are not obligated to provide however as an act of good faith, in case we have to reconsider our options, we can do so because they cannot use the documents as they are owned by MH. Legally they are required to do environmental testing again to support any future sale. MH sent copies of the originals to Stronach Group on March 27, 2014.

ATTACHMENTS: None



## REPORT TO THE BOARD OF DIRECTORS

☐ Milton Hydro Holdings Inc.  
☒ Milton Hydro Distribution Inc.  
☐ Milton Energy and Generation Solutions Inc.  
☐ Milton Hydro Services Inc.

Date of Report: June 17, 2014  
Submitted By: Frank Lasowski  
Subject: Relocation Update  
For Board Meeting: June 23, 2014  
Agenda Item: 9.1

☒ Standing Report      ☐ Follow Up Report      ☐ For Discussion  
☐ Resolution Required      ☒ For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

- 1) 200 Chisholm Drive, 7 acres, 20,000 sf office, 12,800 sf mezzanine (suitable for offices) and 59,000 sf of warehouse totaling 91,800 sf

Milton Hydro and H&R REIT have agreed to an LOI for \$7,300,000.

H&R solicitors and OMH have drafted a Purchase Agreement – both sides are in the process of fine tuning and a final agreement is expected within the next 7 days. Upon signed agreement of the Purchase Agreement, Milton Hydro will have 60 days to complete due diligence. When we have completed due diligence and sign off on the conditions, closing would take another 30 days.

ABM has indicated they are willing to sell some lands and MH has made initial offer. Preliminary discussions with Parker were both sale and/or a land swap proposal, it should be noted that without a Parker agreement there is no access to ABM lands and we cannot move forward with an offer to ABM.

#### 2) Main & 5th Line – NO CHANGE

- H1 Realty has completed the land appraisal which came in at \$350,000/ acre. They have advised that the lease cost including property taxes will be \$60,900/yr. which would form part of our annual OM&A.
- Potential Issues and Conditions:
  - o Although Derry Green Secondary Plan has been approved by TOM, it is in the appeals process and until all appeals have been rectified, no site plan approvals can be made.
  - o Before MH can present site plan drawings for approval, we must own the corner property and have a lease in place with H1.
  - o The TOM has had preliminary discussions with Mr. Luciano Del Bello regarding the purchase of the corner property 7472 5th Line and it is unknown at this time when the deal will be concluded.
  - o It was confirmed by the Region that construction of services for 5th Line will begin in the fall of 2014.



- o TOM confirmed that it could require another 12 months after the regional work to complete the new intersection and road widening of both Main St. and Page St.

Filed: December 16, 2015

Page 15 of 90

**We have put a hold on any further negotiations regarding this property.**

**3) Magna – Market Drive NOCHANGE**

The Stronach Group requested the Environmental Phase I & II Reports as stipulated in the NOA and Access Agreement. Our legal counsel has advised that we are not obligated to provide however as an act of good faith, in case we have to reconsider our options, we can do so because they cannot use the documents as they are owned by MH. Legally they are required to do environmental testing again to support any future sale. MH sent copies of the originals to Stronach Group on March 27, 2014.

**ATTACHMENTS:** None



**REPORT TO THE BOARD OF DIRECTORS****D** Milton Hydro Holdings Inc.~~181~~ Milton Hydro Distribution Inc.**D** Milton Energy and Generation Solutions Inc.**D** Milton Hydro Services Inc.

Date of Report: August 21, 2014

Submitted By: Frank Lasowski

Subject: Relocation Update

For Board Meeting: August 25, 2014

Agenda Item: 9.1

~~181~~ Standing Report~~181~~ Follow Up Report**D** For Discussion**D** Resolution Required~~181~~ For Information Only

## RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

## BACKGROUND:

- 1) 200 Chisholm Drive, 7 acres, 20,000 sf office, 12,800 sf mezzanine (suitable for offices) and 59,000 sf of warehouse totaling 91,800 sf

The Purchase Agreement between 200 Chisholm Properties and MH was signed with a due diligence period until August 25th. Summary of due diligence is as follows:

- Purchase Sale Agreement signed June 25, 2014 at \$7,300,000
- First deposit of \$250,000 has been made and is in trust with Vendors solicitor
- 60 day Due Diligence Period ends August 25, 2014
- Second deposit of \$150,000 is required to be paid within 2 business days following delivery by the Purchaser of notice that the Conditions have been satisfied or waived in accordance with Section 5.1

## Conditions Status

The Purchaser's obligation to complete the agreement shall be conditional until the expiry of the Conditional Period upon the Purchaser either satisfying, in its sole and unfettered discretion, or fulfilling or waiving, the following:

- (a) the Purchaser being satisfied with the results of all Phase I and Phase II environmental studies either: delivered to the Purchaser by the Vendor pursuant to Section 4.1 (including having same reviewed by an environmental consultant retained by the Purchaser), or arranged directly by the Purchaser pursuant to Section 4.2. For clarity, as aforesaid, the



Vendor shall have no obligation to provide a Phase II environmental study unless same is required pursuant to the Phase I environmental report delivered to the Purchaser;

Contracted Envirovision to do an independent Phase I and II Environmental Assessment. The building has only been occupied by 2 tenants in 23 years (ABB and NuTech) and both were registered with M.O.E. as generators of hazardous materials. Because Parker Hannifin to the east and Modatek and Karmax to the west were also identified as generators of hazardous materials, the Phase I recommendation was to do a Phase II borehole sampling assessment to check for containments as listed in the M.O.E. records. The report came back clean with identified minor containments well below M.O.E. guidelines.

- (b) the Purchaser determining that it can negotiate an acceptable purchase agreement with the landowner directly south and adjacent to the rear of the property for additional acres;

ABM has indicated they would be willing to sell or lease some lands and MH has made initial offer. Preliminary discussions with Parker were both sale and/or a land swap proposal. It should be noted that without a Parker agreement there is no access to ABM lands and we cannot move forward with an offer to ABM. This will take some time to finalize however it cannot be completed before the due diligence period ends. It has been determined that the site as it stands without any additional lands, will suit Milton Hydro for the next 25 years. In previous meetings, the Board has approved that we move forward with purchase and continue to work on acquisition of the additional lands.

- (c) the Purchaser determining that it is satisfied with an engineering report supplied by the vendor on the mezzanine loading capacity;

Engineered drawings for the mezzanine were obtained with loading values. The initial purpose of the mezzanine was for heavy parts storage. The current mezzanine already contains 1600 sq. ft. of offices therefore we are satisfied that the mezzanine may be converted to future office space.

- (d) the Purchaser determining in its sole discretion that it is satisfied with an industrial building inspection conducted at the Purchaser's cost;

Contracted Westbrook Building Inspections to do a comprehensive report on the basic structure and found no major structural issues with the concrete curtain walls, foundation, drainage, windows, backflow preventer, etc. The front atrium lobby consisting entirely of glass panels encased in extruded box channels, while architecturally pleasing, it is functionally poor in that the structure has visible signs of leakage and multiple layers of silicone sealant that had been applied in an attempt to prevent leakage. There are a number of panels that have lost their seal as evidenced in cloudy appearance. Furthermore the drainage from the sloped roof funnels to an undersized gutter just above the entrance doors. In winter, this will cause icicles and in summer, with heavy rainfall, the gutters will overflow on to the sidewalk. Cost of repair is \$68,000 and while it will solve the problem today, it will still be a problem up the road due to poor design. Because we are taking out a building permit to renovate the building we will be required to bring the entrance doors up to Ontario Accessibility Code anyway. The recommendation is to replace the lobby atrium in its entirety.

Contracted Elite Roofing to do an independent roof evaluation. The 10,000 sq. ft. office roof is a Thermoplastic Polyolefin (TPO) type system and was replaced 2 years



ago and is in excellent condition with 25-30 years of life. The 60,000 sq. ft. warehouse roof is an *Ethylene Propylene Diene Monomer* (EDPM) type system that lies flat on the insulation of the roof and held down by 10 lbs. / sq.ft of ballast (river rock). This is the original roof that was installed in 1991, 23 years ago. The remaining life of the roof is 6 to 7 years and the ballast has begun to breakdown creating sharp shards that can easily penetrate the membrane and cause leakage. Roof replacement cost is \$295,750 and was recommended that ballasted roof systems are no longer common and rarely used. The quoted system is a 60 gauge loose laid EDPM membrane.

Contracted Premi-air to do a complete evaluation of the existing HVAC equipment. A heat loss analysis was done on the warehouse and it was determined that it requires 3,500,000 BTU's to adequately heat. There are currently 4 new 250,000 BTU units installed plus 3 original 1991 units generating 240,000 BTU's each totaling 1,750,000 BTU's. At a typical 82% efficiency, the warehouse would need another 8 – 250,000 BTU units at a cost of \$44,000. There are also 3 other 6 Ton Heat/Cool units on the office roof that are original 1991 to the building that are end of life – replacement cost is \$30,000 for all 3 units.

- (e) the Purchaser obtaining the approval of its board of directors to the terms of this Agreement and the transaction contemplated herein;

Board approval to move forward as per the Purchase Sale Agreement was made at the June 23, 2014 Board meeting

- (f) the Purchaser obtaining financing to complete the transaction contemplated in this Agreement as well as financing for its working capital requirements in amounts and on terms and conditions which are satisfactory to the Purchaser; and

A preliminary approved financing package meeting the above was negotiated between Milton Hydro and Infrastructure Ontario.

- (g) the Purchaser obtaining the approval of The Council for the Town of Milton to the terms of this Agreement and the transaction contemplated herein;

Relocation budget was included in Milton Hydro's 2014 Debt Financing proposal submitted to TOM Council and approved in December 2013.

- (h) the Purchaser examining title to the Property at its own expense and satisfying itself that there are no outstanding municipal work orders or deficiency notices affecting the Property, that its present use may be lawfully continued, that it is satisfied with the Permitted Encumbrances and that the Building may be insured against the risk of fire;

James McAskill, Milton Hydro's Solicitor has completed title search and no issues were discovered.

- (i) the Purchaser satisfying itself that present and future Applicable Laws and restrictions will not impact the Purchaser's intended use (namely, the existing operations of a Local Hydro Distribution Company which includes, head office, warehousing and outside storage of hydro electric equipment) (items (a) to (i) being collectively the "Conditions").

The current zoning for this property is M2 industrial (outside storage permitted). Milton Hydro was re-designated as an essential municipal service and approved by



council in 2012 effectively allowing Milton Hydro to relocate to any zoning jurisdiction other than Residential. There are no municipal issues with relocating our business to this location.

In the event that the Purchaser does not notify the Vendor in writing prior to the expiry of the Conditional Period that it has satisfied, fulfilled or waived each of the foregoing Conditions, then this Agreement shall become null and void and the Deposits, together with any accrued interest thereon, shall be returned forthwith to the Purchaser without deduction and neither party shall have any further obligations to the other hereunder except for those obligations which are stipulated to survive the termination of this Agreement. The parties agree that the Conditions have been included for the sole and exclusive benefit of the Purchaser, and notwithstanding that same may be a true condition precedent, the Purchaser may waive any or all of the Conditions at any time prior to the expiry of the Conditional Period.

In the event the Purchaser requires additional time to satisfy, fulfill or waive the condition contained in Subsection 5.1(a) above, to the extent that the Purchaser chooses to obtain its own Phase II environmental study, the Purchaser shall be permitted to extend the Conditional Period as it relates to said subsection one (1) or more times by notice in writing to the Vendor, delivered at least three (3) days prior to the expiry of the Conditional Period or any permitted extension thereof, such extension(s) not to exceed thirty (30) days in the aggregate. For greater clarity, the Purchaser shall not be permitted to extend the Conditional Period for the conditions contained in Subsections 5.1(b) through(i), inclusive, and said conditions must be satisfied, fulfilled or waived within the original 60 day Conditional Period.

This notification of extension will not be required as the Environmental Reports have been completed and received. See (a) above.

Milton Hydro is purchasing a building that is 23 years old; however it is in very good condition structurally. Building was constructed with heavier foundations, exterior curtain walls, structural steel and thicker floors (6"). There will be a certain amount of reasonable "wear and tear" as this was acknowledged the terms in the PSA. Based on the findings of the building inspection with regards to the atrium, end of life of the warehouse roof, and HVAC deficiencies, the building will require approximately \$450,000 to update these items. We have established a \$12,000,000 budget which should be sufficient to cover these costs as well as the costs to update the internal office space.

In negotiations with the owner re above costs, the selling price has been reduced by \$50,000.00

As the board has given prior approval, the due diligence conditions will be waived and purchase price reduced to \$7,250,000. It is expected that the deal will close within 30 days.

ATTACHMENTS: None



## REPORT TO THE BOARD OF DIRECTORS

**D** Milton Hydro Holdings Inc.  
**igJ** Milton Hydro Distribution Inc.  
**D** Milton Energy and Generation Solutions Inc.  
**D** Milton Hydro Services Inc.

Date of Report: September 21, 2014

Submitted By: Frank Lasowski

Subject: Relocation Update

For Board Meeting: September 29, 2014

Agenda Item: 9.1

**igJ** Standing Report                      **D** Follow Up Report                      **D** For Discussion  
**D** Resolution Required                      **D** For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

- 1) 200 Chisholm Drive, 7 acres, 20,000 sf office, 12,800 sf mezzanine (suitable for offices) and 59,000 sf of warehouse totaling 91,800 sf

The Purchase Agreement between 200 Chisholm Properties and MH was finalized and property transferred at \$7,250,000 on September 24<sup>th</sup>. The next steps are

- Issue RFP for architectural services
- Commence work on internal and external modifications that will be managed by Milton Hydro.

ATTACHMENTS: None



## REPORT TO THE BOARD OF DIRECTORS

**D** Milton Hydro Holdings Inc.  
[8] Milton Hydro Distribution Inc.  
**D** Milton Energy and Generation Solutions Inc.  
**D** Milton Hydro Services Inc.

Date of Report: October 29, 2014  
Submitted By: Frank Lasowski  
Subject: Relocation Update  
For Board Meeting: November 3, 2014  
Agenda Item: 9.1

181 Standing Report **D** Follow Up Report **D** For Discussion  
**D** Resolution Required **D** For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

#### 200 Chisholm Drive

The RFP for architectural services were evaluated by staff and a summary was presented to the Relocation Committee on Friday Oct 31st, 2014. The recommendations from the committee will be presented at the Board meeting.

Work on internal and external modifications, managed by Milton Hydro has commenced.

The VP will provide a verbal update on the Infrastructure Ontario financing agreement.

ATTACHMENTS: None



## REPORT TO THE BOARD OF DIRECTORS

**D** Milton Hydro Holdings Inc.  
**1:8:1** Milton Hydro Distribution Inc.  
**D** Milton Energy and Generation Solutions Inc.  
**D** Milton Hydro Services Inc.

Date of Report: November 27, 2014  
Submitted By: Frank Lasowski  
Subject: Relocation Update  
For Board Meeting: December 8, 2014  
Agenda Item: 9.1

**181** Standing Report                      **D** Follow Up Report                      **D** For Discussion  
**D** Resolution Required                      **D** For Information Only

### RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

### BACKGROUND:

#### 200 Chisholm Drive

The Ventin Group (+VG) has been selected as the firm to provide architectural services. Preliminary meetings have been held and initially space requirements were provided. +VG will provide a draft proposal for the office layout.

Preliminary estimates are being prepared for the solar and geo thermal solutions.

An update on the Infrastructure Ontario financing agreement will be provided at the meeting.

ATTACHMENTS: None



## REPORT TO THE BOARD OF DIRECTORS

- ☒ Milton Hydro Holdings Inc.
- ☐ Milton Hydro Distribution Inc.
- ☒ Milton Energy and Generation Solutions Inc.
- ☒ Milton Hydro Services Inc.

Date of Report: February 17, 2015

Submitted By: Frank Lasowski

Subject: Relocation Update

For Board Meeting: February 23, 2015

Agenda Item: 9.1

☐ Standing Report                      ☐ Follow Up Report                      ☒ For Discussion  
☐ Resolution Required                      ☐ For Information Only

RECOMMENDATION / MOTION:

LINKAGE TO STRATEGY: Financial

BACKGROUND:

200 Chisholm Drive,

The Ventin Group (+VG) has held preliminary meetings with the Senior Management regarding space requirements. +VG is to provide a draft proposal for the office layout this week.

Preliminary estimates are being prepared for the solar and geo thermal solutions.

An update on the Infrastructure Ontario financing agreement will be provided at the meeting.

ATTACHMENTS: None



## REPORT TO THE BOARD OF DIRECTORS

☐ Milton Hydro Holdings Inc.  
Milton Hydro Distribution Inc.  
☐ Milton Energy and Generation Solutions Inc.  
☐ Milton Hydro Services Inc.

Date of Report: April 23 , 2015  
Submitted By: Frank Lasowski  
Subject: Relocation Update  
For Board Meeting: April 27, 2015  
Agenda Item: 9.1

1:8:1 Standing Report ☐ Follow Up Report ☐ For Discussion  
☐ Resolution Required ☐ For Information Only

LINKAGE TO STRATEGY: Financial

RECOMMENDATION / MOTION: None

### BACKGROUND:

200 Chisholm Drive,

The Ventin Group (+VG) has prepared a proposal for the office layout.

The President will provide updates on:

Preliminary estimates for the solar and geo thermal solutions as well as the building

Infrastructure Ontario financing agreement.

ATTACHMENTS: None



## REPORT TO THE BOARD OF DIRECTORS

**D** Milton Hydro Holdings Inc.  
**[8]** Milton Hydro Distribution Inc.  
**D** Milton Energy and Generation Solutions Inc.  
**D** Milton Hydro Services Inc.

Date of Report: July 15, 2015  
Submitted By: Frank Lasowski  
Subject: Relocation Update  
For Board Meeting: July 20, 2015  
Agenda item: 9.1

**[8]** Standing Report                      **D** Follow Up Report                      **[8]** For Discussion  
**[8]** Resolution Required                **D** For Information Only

LINKAGE TO STRATEGY: Financial

RECOMMENDATION / MOTION:

BE IT RESOLVED:

That the President be authorized to issue a Purchase Order to \_\_\_\_\_ **for** the  
renovations to the office area of 200 Chisholm at a cost of \$ \_\_\_\_\_ upon satisfactory completion  
of due diligence and negotiations.

Moved by: \_\_\_\_\_ Seconded by: \_\_\_\_\_

BACKGROUND:

200 Chisholm Drive:

The tenders for the renovations at 200 Chisholm closed on July 15th.

The President will provide updates on the tender and financing agreement.

ATTACHMENTS: None



## REPORT TO THE BOARD OF DIRECTORS

**D** Milton Hydro Holdings Inc.  
**I** Milton Hydro Distribution Inc.  
**D** Milton Energy and Generation Solutions Inc.  
**D** Milton Hydro Services Inc.

Date of Report: August 26, 2015  
 Submitted By: Frank Lasowski  
 Subject: Relocation Update  
 For Board Meeting: August 31, 2015  
 Agenda Item: 9.1

**I** Standing Report **D** Follow Up Report **D** For Discussion

**I** Resolution Required **D** For Information Only

### RECOMMENDATION / MOTION:

BE IT RESOLVED THAT:

The President/CEO be authorized to proceed with the sale of the property at Fifth and Main Street to Milton Energy & Generation Solutions Inc. (MEGS) at fair market value.

### LINKAGE TO STRATEGY: Financial

### BACKGROUND:

1) 200 Chisholm Drive,

The President will provide updates on the building and financing agreement.

2) Fifth and Main Property

This property was purchased as the site for our new building when 55 Thompson was being rebuilt for the new Arts Centre. This land is being partially used as a storage site for MHD. It was anticipated that additional lands could be purchased from Hydro One, however that deal could not be finalized.

Now that the building at 200 Chisholm is undergoing renovations, this land will be surplus to the needs and since one half of the property is in rate base, the transaction had to be included in our current Cost of Service application.

It is recommended that the land be sold to MEGS until a decision regarding final disposition or use has been made.

ATTACHMENTS: None.



## REPORT TO THE BOARD OF DIRECTORS

D Milton Hydro Holdings Inc.  
[8] Milton Hydro Distribution Inc.  
D Milton Energy and Generation Solutions Inc.  
D Milton Hydro Services Inc.

Date of Report: December 1, 2015

Submitted By: Frank Lasowski

Subject: Relocation Update

For Board Meeting: December 7, 2015

Agenda Item: 9.1

181 Standing Report                      D Follow Up Report                      D For Discussion

D Resolution Required                      D For Information Only

LINKAGE TO STRATEGY: Financial

RECOMMENDATION / MOTION: None

### BACKGROUND:

The move to the new location at 200 Chisholm Drive is scheduled for Friday, December 11, 2015.  
The President/CEO will provide a verbal update.

ATTACHMENTS: None.



**ATTACHMENT 3.0-VECC -19 a) & b)**

**2011-2014 FINAL RESULTS REPORT MILTON HYDRO DISTRIBUTION INC**





**Message from the Vice President:**

The IESO is pleased to provide the enclosed 2011-2014 Final Results Report. This report is designed to help populate LDC Annual Reports that will be submitted to the Ontario Energy Board (OEB) in September 2015.

**2011-2014 Conservation Framework Highlights:**

- LDCs have made significant achievements against dual energy and peak demand savings targets. Collectively, the LDCs have achieved 109% of the energy target and 70% of the peak demand target.
- Momentum has built as we transition to the Conservation First Framework. 2014 demonstrated an achievement of over 1 TWh of net incremental energy savings, positioning us well for average net incremental energy savings of 1.2 TWh required in the new framework to meet our 2020 CDM targets.
- Throughout the past framework, program results have become more predictable year over year as noted in the increasingly smaller variance between quarterly preliminary results and verified final results.
- Customer engagement continued to increase in both the Consumer and Business Programs. Between 2011 - 2014 consumers have purchased over 10 million energy efficient products through the saveONenergy COUPONS program. Customers in RETROFIT continue to declare a positive experience participating in the program with 86% likely to recommend.
- saveONenergy has seen a steady and significant increase in unaided brand awareness by 33% from 2011-2014
- Conservation is becoming even more cost-effective as programs become more efficient and effective. 2014 proved early investments in long lead time projects will pay off with the high savings now being realized in programs like PROCESS & SYSTEMS and RETROFIT. Within 4 cents per kWh, Conservation programs continue to be a valuable and cost effective resource for customers across the province.

The 2011-2014 Final Results within this report vary from the Draft 2011-2014 Final Results Report for the following reasons:

- Savings from Time of Use pricing are included in the Final Results Report. Overall the province saved 55 MWs from Time-of-Use pricing in 2014, or 0.73% of residential summer peak demand.
- Between August 4th and August 28th, the IESO and LDCs have worked collaboratively to reconcile projects from 2011-2014 Final Results Report to ensure every eligible project was captured and accurately reported.
- Verified savings from Innovation Fund pilots are also included for participating LDCs.

All results will be considered final for the 2011-2014 Conservation Framework. Any additional program activity not captured in the 2011-2014 Final Results Report will not be included as part of a future adjustment process.

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

We appreciate your collaboration and cooperation throughout the reporting and evaluation process and we look forward to the success ahead in the Conservation First Framework.

Sincerely,

Terry Young



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Table 2	LDC Adjustments to Net Verified Results	Provides LDC-specific initiative level adjustments from previous years' (activity, net peak demand and energy savings).	<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>
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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>



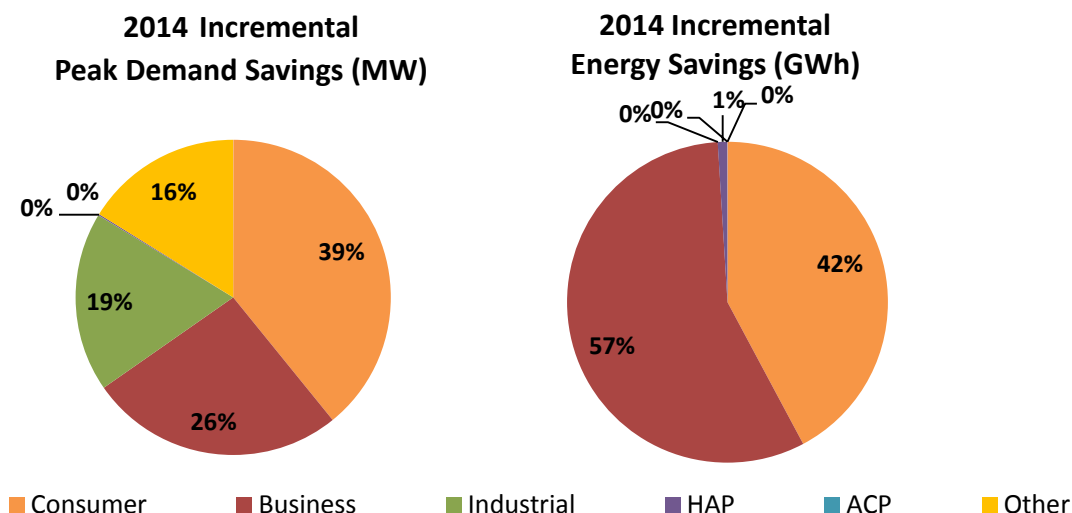
## IESO-Contracted Province-Wide CDM Programs: 2011-2014 Final Results Report

**LDC:** Milton Hydro Distribution Inc.

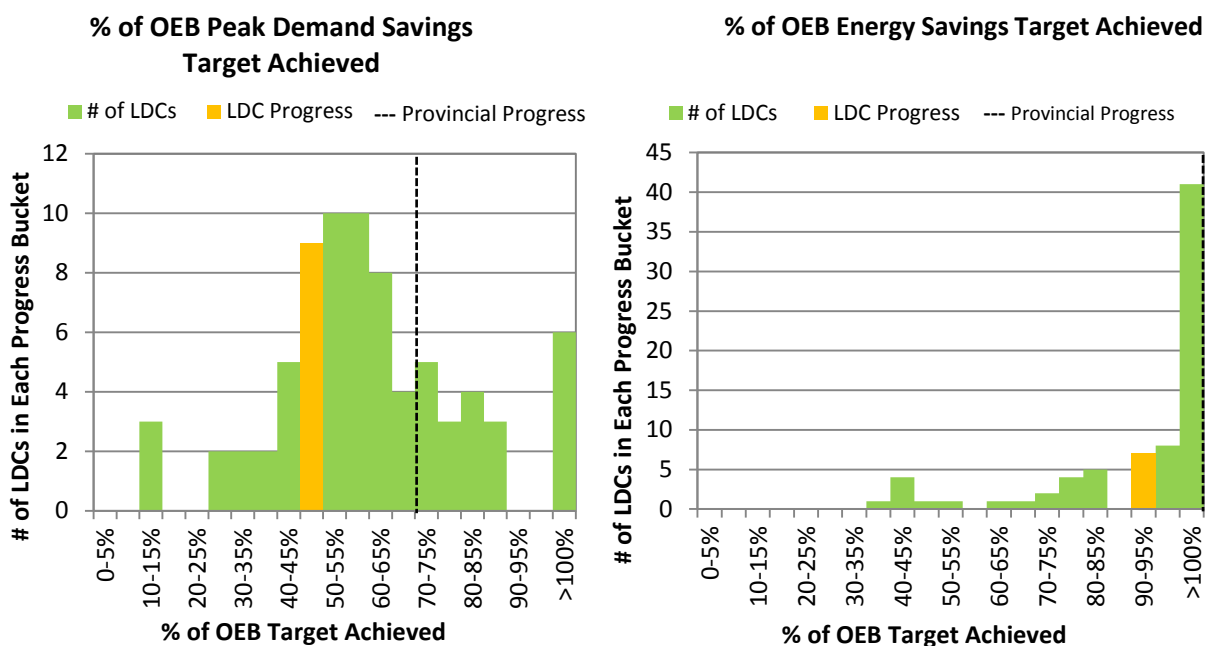
Final 2014 Achievement Against Targets	2014 Incremental	2011-2014	
		Achievement Against Target	% of Target Achieved
<b>Net Annual Peak Demand Savings (MW)</b>	2.3	3.9	<b>47.9%</b>
<b>Net Energy Savings (GWh)</b>	5.1	30.9	<b>92.2%</b>

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)





## INTERROGATORY RESPONSES

Table 1: Milton Hydro Distribution Inc. Initiative and Program Level Net Savings by Year

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Progress to Target (includes 90% of 2014 Net Annual Peak Demand Savings (kW) and 2011-2014 Net Cumulative Energy Savings (kWh))	
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	172	127	84	51	10	7	5	3	71,041	50,944	35,954	22,677	25	531,174
Appliance Exchange	Appliances	20	14	16	20	2	2	3	4	3,453	3,731	5,911	7,389	11	43,470
HVAC Incentives	Equipment	292	333	425	541	103	68	84	94	186,935	114,519	143,381	168,598	349	1,546,658
Conservation Instant Coupon Booklet	Items	4,357	176	1,982	5,882	9	1	3	12	156,127	7,963	43,898	160,368	25	896,564
Bi-Annual Retailer Event	Items	5,423	6,042	5,381	27,479	10	8	7	46	167,376	152,535	97,848	699,991	71	2,022,794
Retailer Co-op	Items	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential Demand Response	Devices	0	0	0	1,330	0	0	0	468	0	0	0	0	468	0
Residential Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential New Construction	Homes	0	0	0	479	0	0	0	177	0	0	0	495,916	177	495,916
Consumer Program Total						134	88	102	803	584,932	329,692	326,992	1,554,940	1,126	5,536,577
Business Program															
Retrofit	Projects	3	28	42	60	113	239	228	341	613,680	1,427,328	1,498,670	1,844,739	922	11,578,781
Direct Install Lighting	Projects	8	1	3	11	10	0	3	14	25,882	1,250	10,212	58,779	27	186,485
Building Commissioning	Buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Construction	Buildings	0	0	2	2	0	0	0	94	0	0	0	126,995	94	126,995
Energy Audit	Audits	0	0	1	1	0	0	0	13	0	0	0	65,274	13	65,274
Small Commercial Demand Response	Devices	0	0	0	4	0	0	0	2	0	0	0	0	2	0
Small Commercial Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	1	1	1	1	98	98	100	72	3,820	1,426	1,329	0	72	6,575
Business Program Total						221	338	331	537	643,382	1,430,005	1,510,211	2,095,786	1,131	11,964,110
Industrial Program															
Process & System Upgrades	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monitoring & Targeting	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Energy Manager	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retrofit	Projects	9	0	0	0	19	0	0	0	131,306	0	0	0	19	525,226
Demand Response 3	Facilities	1	2	2	2	162	142	282	378	9,498	3,429	6,411	0	378	19,339
Industrial Program Total						180	142	282	378	140,805	3,429	6,411	0	397	544,565
Home Assistance Program															
Home Assistance Program	Homes	0	1	51	88	0	0	2	3	0	0	25,977	35,660	4	86,818
Home Assistance Program Total						0	0	2	3	0	0	25,977	35,660	4	86,818
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	14	0	0	0	233	0	0	0	1,113,991	0	0	0	233	4,455,964
High Performance New Construction	Projects	3	0	0	1	317	1	0	31	1,630,079	624	0	159,216	349	6,681,402
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						550	1	0	31	2,744,070	624	0	159,216	582	11,137,366
Other															
Program Enabled Savings	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Time-of-Use Savings	Homes	0	0	0	n/a	0	0	0	332	0	0	0	0	332	0
LDC Pilots	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Total						0	0	0	332	0	0	0	0	332	0
Adjustments to 2011 Verified Results															
Adjustments to 2012 Verified Results															
Adjustments to 2013 Verified Results															
Energy Efficiency Total						826	328	336	1,164	4,099,870	1,758,894	1,861,852	3,845,602	2,652	29,243,521
Demand Response Total (Scenario 1)						260	240	381	920	13,318	4,856	7,740	0	920	25,914
Adjustments to Previous Years' Verified Results Total						0	21	7	254	0	-364,864	147,889	1,285,409	282	1,628,361
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						1,086	589	724	2,338	4,113,188	1,398,885	2,017,481	5,131,011	3,854	30,897,796
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:	
														8,050	33,500,000
Results presented using scenario 1 which assumes that demand response resources have a residence rate of 1 year.														% of Full OEB Target Achieved to Date (Scenario 1):	
														47.9%	92.2%

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

% of Full OEB Target Achieved to Date (Scenario 1):



## INTERROGATORY RESPONSES

Table 2: Adjustments to Milton Hydro Distribution Inc. Net Verified Results due to Variances

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				2014 Net Annual Peak Demand Savings (kW)		2011-2014 Net Cumulative Energy Savings (kWh)	
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014		
Consumer Program																	
Appliance Retirement	Appliances	0	0	0		0	0	0		0	0	0		0	0		
Appliance Exchange	Appliances	0	0	0		0	0	0		0	0	0		0	0		
HVAC Incentives	Equipment	-89	4	22		-23	1	4		-41,951	1,822	6,833		-18	-148,673		
Conservation Instant Coupon Booklet	Items	47	0	6		0	0	0		1,570	0	134		0	6,548		
Bi-Annual Retailer Event	Items	466	0	0		1	0	0		12,435	0	0		1	49,742		
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						-23	1	4		-27,946	1,822	6,967		-17	-92,383		
Business Program																	
Retrofit	Projects	0	4	2		0	18	38		0	214,149	178,751		56	998,011		
Direct Install Lighting	Projects	0	0	0		0	0	0		0	0	0		0	0		
Building Commissioning	Buildings	0	0	0		0	0	0		0	0	0		0	0		
New Construction	Buildings	0	0	2		0	0	191		0	0	975,442		191	1,950,885		
Energy Audit	Audits	0	0	1		0	0	9		0	0	48,483		9	96,966		
Small Commercial Demand Response	Devices	0	0	0		0	0	0		0	0	0		0	0		
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0		0	0	0		0	0		
Demand Response 3	Facilities	0	0	0		0	0	0		0	0	0		0	0		
Business Program Total						0	18	238		0	214,149	1,202,677		255	3,045,861		
Industrial Program																	
Process & System Upgrades	Projects	0	0	0		0	0	0		0	0	0		0	0		
Monitoring & Targeting	Projects	0	0	0		0	0	0		0	0	0		0	0		
Energy Manager	Projects	0	0	0		0	0	0		0	0	0		0	0		
Retrofit	Projects	0	0	0		0	0	0		0	0	0		0	0		
Demand Response 3	Facilities	0	0	0		0	0	0		0	0	0		0	0		
Industrial Program Total						0	0	0		0	0	0		0	0		
Home Assistance Program																	
Home Assistance Program	Homes	0	1	8		0	0	1		0	3,100	6,732		1	22,556		
Home Assistance Program Total						0	0	1		0	3,100	6,732		1	22,556		
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		43	0	0		-336,918	0	0		43	-1,347,674		
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						43	0	0		-336,918	0	0		43	-1,347,674		
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						21				-364,864				21	-1,459,457		
Adjustments to 2012 Verified Results							19				219,072			19	657,122		
Adjustments to 2013 Verified Results								243				1,216,376		242	2,430,695		
Total Adjustments to Previous Years' Verified Results						21	19	243		-364,864	219,072	1,216,376		282	1,628,361		

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.



Filed: December 18, 2015

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement	1.00	1.00	n/a	n/a	0.51	0.46	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	1.69	1.00	1.00	1.00	1.00	1.11	1.05	1.13	1.73
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	0.96	n/a	n/a	n/a	0.63	n/a	n/a	n/a	0.50	n/a	n/a	n/a	0.63
Business Program																
Retrofit	0.93	0.96	0.91	0.84	0.75	0.78	0.74	0.72	1.34	1.14	1.03	1.06	0.76	0.79	0.74	0.73
Direct Install Lighting	1.08	0.68	0.81	0.78	0.93	0.94	0.94	0.94	0.90	0.85	0.84	0.83	0.93	0.94	0.94	0.94
Building Commissioning	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
New Construction	n/a	n/a	n/a	0.84	n/a	n/a	n/a	0.54	n/a	n/a	n/a	0.85	n/a	n/a	n/a	0.54
Energy Audit	n/a	n/a	n/a	0.96	n/a	n/a	n/a	0.68	n/a	n/a	n/a	1.00	n/a	n/a	n/a	0.67
Small Commercial Demand Response	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Small Commercial Demand Response (IHD)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Demand Response 3	0.76	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Industrial Program																
Process & System Upgrades	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Monitoring & Targeting	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Energy Manager	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Retrofit																
Demand Response 3	0.84	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Home Assistance Program																
Home Assistance Program	n/a	n/a	1.15	0.82	n/a	n/a	1.00	1.00	n/a	n/a	0.76	0.73	n/a	n/a	1.00	1.00
Aboriginal Program																
Home Assistance Program	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Direct Install Lighting	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program	0.77	n/a	n/a	n/a	0.52	n/a	n/a	n/a	0.77	n/a	n/a	n/a	0.52	n/a	n/a	n/a
High Performance New Construction	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50
Toronto Comprehensive	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Multifamily Energy Efficiency Rebates	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Custom Programs	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other																
Program Enabled Savings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Time-of-Use Savings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Pilots	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a



**Summary Achievement Against CDM Targets**

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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	1.1	0.8	0.8	0.8
2012 - Verified†	0.0	0.6	0.3	0.3
2013 - Verified†	0.0	0.0	0.7	0.3
2014 - Verified†	0.0	0.0	0.3	2.3
Verified Net Annual Peak Demand Savings Persisting in 2014:				3.9
Milton Hydro Distribution Inc. 2014 Annual CDM Capacity Target:				8.1
Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):				47.9%

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

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011 - Verified	4.1	4.1	4.1	4.1	16.4
2012 - Verified†	-0.4	1.4	1.4	1.4	3.8
2013 - Verified†	0.0	0.1	2.0	2.0	4.2
2014 - Verified†	0.0	0.1	1.29	5.1	6.5
Verified Net Cumulative Energy Savings 2011-2014:					30.9
Milton Hydro Distribution Inc. 2011-2014 Annual CDM Energy Target:					33.5
Verified Portion of Cumulative Energy Target Achieved in 2014 (%):					92.2%

†Includes adjustments to previous years' verified results

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year



## INTERROGATORY RESPONSES

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)				Progress to Target			
		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	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).												*Includes adjustments after Final Reports were issued		Full OEB Target:		1,330,000	6,000,000,000
Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year.												% of Full OEB Target Achieved to Date (Scenario 1):		70%	109%		



## INTERROGATORY RESPONSES

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)				2014 Net Annual Peak Demand Savings (kW)		2011-2014 Net Cumulative Energy Savings (kWh)	
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014		
Consumer Program																	
Appliance Retirement	Appliances	0	0	0		0	0	0		0	0	0		0	0		
Appliance Exchange	Appliances	0	0	0		0	0	0		0	0	0		0	0		
HVAC Incentives	Equipment	-18,839	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.



### Peak Demand Savings

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement	1.00	1.00	1.00	1.00	0.51	0.46	0.42	0.45	1.00	1.00	1.00	1.00	0.46	0.47	0.44	0.47
Appliance Exchange	1.00	1.00	1.00	1.00	0.51	0.52	0.53	0.53	1.00	1.00	1.00	1.00	0.52	0.52	0.53	0.53
HVAC Incentives	1.00	1.00	1.00	1.00	0.60	0.50	0.48	0.48	1.00	1.00	1.00	1.00	0.50	0.49	0.48	0.48
Conservation Instant Coupon Booklet	1.00	1.00	1.00	1.00	1.14	1.00	1.11	1.69	1.00	1.00	1.00	1.00	1.00	1.05	1.13	1.73
Bi-Annual Retailer Event	1.00	1.00	1.00	1.00	1.12	0.91	1.04	1.74	1.00	1.00	1.00	1.00	0.91	0.92	1.04	1.75
Retailer Co-op	1.00	n/a	n/a	n/a	0.68	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential Demand Response	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential Demand Response (IHD)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential New Construction	1.00	3.65	0.78	1.03	0.41	0.49	0.63	0.63	3.65	7.17	3.09	0.62	0.49	0.49	0.63	0.63
Business Program																
Retrofit	1.06	0.93	0.92	0.84	0.72	0.75	0.73	0.71	0.93	1.05	1.01	0.98	0.75	0.76	0.73	0.72
Direct Install Lighting	1.08	0.69	0.82	0.78	1.08	0.94	0.94	0.94	0.69	0.85	0.84	0.83	0.94	0.94	0.94	0.94
Building Commissioning	n/a	n/a	n/a	1.97	n/a	n/a	n/a	1.00	n/a	n/a	n/a	1.16	n/a	n/a	n/a	1.00
New Construction	0.50	0.98	0.68	0.71	0.50	0.49	0.54	0.54	0.98	0.99	0.76	0.79	0.49	0.49	0.54	0.54
Energy Audit	n/a	n/a	1.02	0.96	n/a	n/a	0.66	0.68	n/a	n/a	0.97	1.00	n/a	n/a	0.66	0.67
Small Commercial Demand Response	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Small Commercial Demand Response (IHD)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Demand Response 3	0.76	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Industrial Program																
Process & System Upgrades	n/a	n/a	0.85	0.96	n/a	n/a	0.94	0.79	n/a	n/a	0.87	0.96	n/a	n/a	0.93	0.80
Monitoring & Targeting	n/a	n/a	n/a	0.59	n/a	n/a	n/a	1.00	n/a	n/a	n/a	0.36	n/a	n/a	n/a	1.00
Energy Manager	n/a	1.16	0.90	0.91	n/a	0.90	0.90	0.90	1.16	1.16	0.90	0.96	0.90	0.90	0.90	0.85
Retrofit	1.11	n/a	n/a	n/a	0.72	n/a	n/a	n/a	0.91	n/a	n/a	n/a	0.75	n/a	n/a	n/a
Demand Response 3	0.84	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Home Assistance Program																
Home Assistance Program	1.00	0.32	0.26	0.49	0.70	1.00	1.00	1.00	0.32	0.99	0.88	0.78	1.00	1.00	1.00	1.00
Aboriginal Program																
Home Assistance Program	n/a	n/a	0.05	0.15	n/a	n/a	1.00	1.00	n/a	n/a	0.95	0.97	n/a	n/a	1.00	1.00
Direct Install Lighting	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program	0.80	n/a	n/a	n/a	0.54	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
High Performance New Construction	1.00	1.00	1.00	n/a	0.49	0.50	0.50	0.50	1.00	1.00	1.00	n/a	0.50	0.50	0.50	0.50
Toronto Comprehensive	1.13	n/a	n/a	n/a	0.50	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Multifamily Energy Efficiency Rebates	0.93	n/a	n/a	n/a	0.78	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Custom Programs	1.00	n/a	n/a	n/a	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other																
Program Enabled Savings	n/a	1.06	1.00	0.86	n/a	1.00	1.00	1.00	n/a	2.26	1.00	0.98	n/a	1.00	1.00	1.00
Time-of-Use Savings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Pilots	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a



## Summary Provincial Progress Towards CDM Targets

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

Implementation Period	Annual			
	2011	2012	2013	2014
<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).



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Gross Incremental Energy Savings (kWh)  
(new energy savings from activity within the specified reporting period)

Table 11: Milton Hydro Distribution Inc. Initiative and Program Level Gross Savings by Year

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement**	Appliances	20	7	12	7	141,076	50,944	76,103	47,915
Appliance Exchange**	Appliances	5	2	6	8	6,700	3,731	11,231	14,038
HVAC Incentives	Equipment	171	137	173	196	312,322	232,941	300,302	354,088
Conservation Instant Coupon Booklet	Items	8	1	3	7	141,621	7,552	38,970	92,892
Bi-Annual Retailer Event	Items	9	9	7	26	153,204	166,434	93,641	400,133
Retailer Co-op	Items	0	0	0	0	0	0	0	0
Residential Demand Response	Devices	0	0	0	468	0	0	0	0
Residential Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Residential New Construction	Homes	0	0	0	280	0	0	0	787,169
Consumer Program Total		212	157	200	992	754,924	461,600	520,247	1,696,236
Business Program									
Retrofit	Projects	151	276	307	470	807,072	1,548,007	2,033,424	2,473,486
Direct Install Lighting	Projects	10	0	3	14	27,874	1,503	10,820	62,274
Building Commissioning	Buildings	0	0	0	0	0	0	0	0
New Construction	Buildings	0	0	0	175	0	0	0	235,176
Energy Audit	Audits	0	0	0	20	0	0	0	97,278
Small Commercial Demand Response	Devices	0	0	0	2	0	0	0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	98	98	100	72	3,820	1,426	1,329	0
Business Program Total		258	375	410	753	838,767	1,550,936	2,045,573	2,868,215
Industrial Program									
Process & System Upgrades	Projects	0	0	0	0	0	0	0	0
Monitoring & Targeting	Projects	0	0	0	0	0	0	0	0
Energy Manager	Projects	0	0	0	0	0	0	0	0
Retrofit	Projects	25	0	0	0	171,840	0	0	0
Demand Response 3	Facilities	162	142	282	378	9,498	3,429	6,411	0
Industrial Program Total		187	142	282	378	181,338	3,429	6,411	0
Home Assistance Program									
Home Assistance Program	Homes	0	0	2	3	0	0	25,977	35,660
Home Assistance Program Total		0	0	2	3	0	0	25,977	35,660
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	448	0	0	0	2,142,290	0	0	0
High Performance New Construction	Projects	635	1	0	62	3,260,158	1,247	0	318,432
Toronto Comprehensive	Projects	0	0	0	0	0	0	0	0
Multifamily Energy Efficiency Rebates	Projects	0	0	0	0	0	0	0	0
LDC Custom Programs	Projects	0	0	0	0	0	0	0	0
Pre-2011 Programs completed in 2011 Total		1,083	1	0	62	5,402,448	1,247	0	318,432
Other									
Program Enabled Savings	Projects	0	0	0	0	0	0	0	0
Time-of-Use Savings	Homes	0	0	0	332	0	0	0	0
LDC Pilots	Projects	0	0	0	0	0	0	0	0
Other Total		0	0	0	332	0	0	0	0
Adjustments to 2011 Verified Results			683	0	0		2,531,090	0	0
Adjustments to 2012 Verified Results				11	15			203,149	87,998
Adjustments to 2013 Verified Results					429				2,148,703
Energy Efficiency Total		1,480	435	512	1,599	7,164,158	2,012,357	2,590,468	4,918,543
Demand Response Total		260	240	381	920	13,318	4,856	7,740	0
Adjustments to Previous Years' Verified Results Total		0	683	11	444	0	2,531,090	203,149	2,236,700
OPA-Contracted LDC Portfolio Total (inc. Adjustments)		1,740	1,359	904	2,964	7,177,477	4,548,303	2,801,357	7,155,243

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 Milton Hydro Distribution Inc. Gross Verified Results due to Variances

Initiative		Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
			2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program										
Appliance Retirement	Appliances	0	0	0		0	0	0		
Appliance Exchange	Appliances	0	0	0		0	0	0		
HVAC Incentives	Equipment	-39	1	9		-70,208	3,723	14,159		
Conservation Instant Coupon Booklet	Items	0	0	0		1,458	0	118		
Bi-Annual Retailer Event	Items	1	0	0		13,519	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			-38	1	9	-55,231	3,723	14,277		
Business Program										
Retrofit	Projects	0	9	54		0	284,416	250,797		
Direct Install Lighting	Projects	0	0	0		0	0	0		
Building Commissioning	Buildings	0	0	0		0	0	0		
New Construction	Buildings	0	0	354		0	0	1,806,375		
Energy Audit	Audits	0	0	13		0	0	73,359		
Small Commercial Demand Response	Devices	0	0	0		0	0	0		
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0		
Demand Response 3	Facilities	0	0	0		0	0	0		
Business Program Total			0	9	421	0	284,416	2,130,531		
Industrial Program										
Process & System Upgrades	Projects	0	0	0		0	0	0		
Monitoring & Targeting	Projects	0	0	0		0	0	0		
Energy Manager	Projects	0	0	0		0	0	0		
Retrofit	Projects	0	0	0		0	0	0		
Demand Response 3	Facilities	0	0	0		0	0	0		
Industrial Program Total			0	0	0	0	0	0		
Home Assistance Program										
Home Assistance Program	Homes	0	0	1		0	3,100	6,732		
Home Assistance Program Total			0	0	1	0	3,100	6,732		
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	721	0	0		2,586,321	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			721	0	0	2,586,321	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			683			2,531,090				
Adjustments to 2012 Verified Results				11			291,239			
Adjustments to 2013 Verified Results					430			2,151,541		
Total Adjustments to Previous Years' Verified Results			683	11	430	2,531,090	291,239	2,151,541		

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

Gross results are presented for informational purposes only and are not considered official 2014 Final Verified Results



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

Initiative		Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
			2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program										
Appliance Retirement**	Appliances	6,750	2,011	3,151	3,579	45,971,627	13,424,518	18,616,239	20,315,770	
Appliance Exchange**	Appliances	719	556	2,101	2,238	873,531	974,621	3,746,106	3,990,372	
HVAC Incentives	Equipment	53,209	38,346	40,418	48,467	99,413,430	66,929,213	71,225,037	90,274,814	
Conservation Instant Coupon Booklet	Items	1,184	231	464	1,442	19,192,453	1,325,898	6,842,244	19,000,254	
Bi-Annual Retailer Event	Items	1,504	1,622	1,142	4,626	26,899,265	29,222,072	16,441,329	70,254,471	
Retailer Co-op	Items	0	0	0	0	3,917	0	0	0	
Residential Demand Response	Devices	10,390	49,038	93,076	117,513	23,597	359,408	390,303	8,379	
Residential Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0	
Residential New Construction	Homes	0	1	29	587	1,813	4,884	259,826	3,699,786	
Consumer Program Total			73,757	91,805	140,380	178,452	192,379,633	112,240,615	117,521,084	207,543,846
Business Program										
Retrofit	Projects	34,201	78,965	82,896	98,849	184,070,265	387,817,248	478,410,896	642,515,421	
Direct Install Lighting	Projects	22,155	20,469	19,807	24,794	65,777,197	68,896,046	68,140,249	89,528,509	
Building Commissioning	Buildings	0	0	0	988	0	0	0	1,513,377	
New Construction	Buildings	247	1,596	2,934	11,911	823,434	3,755,869	9,183,826	37,742,970	
Energy Audit	Audits	0	1,450	4,283	9,367	0	7,049,351	23,386,108	46,012,517	
Small Commercial Demand Response	Devices	55	187	773	2,116	131	1,068	373	319	
Small Commercial Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0	
Demand Response 3	Facilities	21,390	19,389	23,706	23,380	633,421	281,823	346,659	0	
Business Program Total			78,048	122,056	134,399	171,405	251,304,448	467,801,406	579,468,111	817,313,113
Industrial Program										
Process & System Upgrades	Projects	0	0	313	12,287	0	0	2,799,746	90,463,617	
Monitoring & Targeting	Projects	0	0	0	102	0	0	0	502,517	
Energy Manager	Projects	0	1,034	3,953	5,767	0	7,067,535	24,438,070	44,929,364	
Retrofit	Projects	6,372	0	0	0	38,412,408	0	0	0	
Demand Response 3	Facilities	176,180	74,056	162,543	166,082	4,243,958	1,784,712	4,309,160	0	
Industrial Program Total			182,552	75,090	166,809	184,238	42,656,366	8,852,247	31,546,976	135,895,498
Home Assistance Program										
Home Assistance Program	Homes	4	1,777	2,361	2,466	56,119	5,524,230	20,987,275	19,582,658	
Home Assistance Program Total			4	1,777	2,361	2,466	56,119	5,524,230	20,987,275	19,582,658
Aboriginal Program										
Home Assistance Program	Homes	0	0	267	549	0	0	1,609,393	3,101,207	
Direct Install Lighting	Projects	0	0	0	0	0	0	0	0	
Aboriginal Program Total			0	0	267	549	0	0	1,609,393	3,101,207
Pre-2011 Programs completed in 2011										
Electricity Retrofit Incentive Program	Projects	40,418	0	0	0	223,956,390	0	0	0	
High Performance New Construction	Projects	10,197	6,501	772	268	52,371,183	23,803,888	3,522,240	1,377,475	
Toronto Comprehensive	Projects	33,467	0	0	802	174,070,574	0	0	7,085,257	
Multifamily Energy Efficiency Rebates	Projects	2,553	0	0	0	9,774,792	0	0	0	
LDC Custom Programs	Projects	534	0	0	0	649,140	0	0	0	
Pre-2011 Programs completed in 2011 Total			87,169	6,501	772	1,070	460,822,079	23,803,888	3,522,240	8,462,733
Other										
Program Enabled Savings	Projects	0	2,177	3,692	5,500	0	525,011	4,075,382	19,035,337	
Time-of-Use Savings	Homes	0	0	0	54,795	0	0	0	0	
LDC Pilots	Projects	0	0	0	1,170	0	0	0	5,061,522	
Other Total			0	2,177	3,692	60,296	0	525,011	4,075,382	19,035,337
Adjustments to 2011 Verified Results				13,266	645	1,601		48,705,294	20,581	6,028
Adjustments to 2012 Verified Results					8,632	13,449			54,301,893	59,098,939
Adjustments to 2013 Verified Results						34,727				206,413,158
Energy Efficiency Total			213,515	156,735	168,583	289,384	942,317,539	616,320,385	753,683,966	1,210,925,694
Demand Response Total			208,015	142,670	280,099	309,091	4,901,107	2,427,011	5,046,495	8,698
Adjustments to Previous Years' Verified Results Total			0	13,266	9,277	49,777	0	48,705,294	54,322,474	265,518,125
OPA-Contracted LDC Portfolio Total (inc. Adjustments)			421,530	312,671	457,958	648,252	947,218,646	667,452,690	813,052,934	1,476,452,516

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

Gross results are presented for informational purposes only and are not considered official 2014 Final Verified Results

\*\*Net results substituted for gross results due to unavailability of data



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

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement	Appliances	0	0	0		0	0	0	
Appliance Exchange	Appliances	0	0	0		0	0	0	
HVAC Incentives	Equipment	-8,759	1,091	2,157		-16,241,086	1,952,473	3,873,449	
Conservation Instant Coupon Booklet	Items	15	0	1		255,975	0	20,668	
Bi-Annual Retailer Event	Items	117	0	0		2,373,616	0	0	
Retailer Co-op	Items	0	0	0		0	0	0	
Residential Demand Response	Devices	0	0	0		0	0	0	
Residential Demand Response (IHD)	Devices	0	0	0		0	0	0	
Residential New Construction	Homes	1	1	115		330,093	2,009	701,488	
Consumer Program Total		-8,628	1,092	2,273		-13,281,402	1,954,483	4,595,605	
Business Program									
Retrofit	Projects	4,511	10,114	16,584		22,046,931	58,528,789	108,677,566	
Direct Install Lighting	Projects	541	217	49		1,346,618	781,858	174,460	
Building Commissioning	Buildings	0	0	0		0	0	0	
New Construction	Buildings	3,287	2,673	4,151		11,323,593	9,884,305	15,992,924	
Energy Audit	Audits	656	488	3,631		2,391,744	2,386,374	19,822,524	
Small Commercial Demand Response	Devices	0	0	0		0	0	0	
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0	
Demand Response 3	Facilities	0	0	0		0	0	0	
Business Program Total		8,996	13,491	24,414		37,108,886	71,581,326	144,667,473	
Industrial Program									
Process & System Upgrades	Projects	0	0	426		0	0	1,232,785	
Monitoring & Targeting	Projects	0	0	54		0	528,000	639,348	
Energy Manager	Projects	29	1,071	2,687		0	8,968,007	28,893,596	
Retrofit	Projects	0	0	0		0	0	0	
Demand Response 3	Facilities	0	0	0		0	0	0	
Industrial Program Total		29	1,071	3,168		0	9,496,007	30,765,729	
Home Assistance Program									
Home Assistance Program	Homes	0	222	791		0	1,316,749	4,321,794	
Home Assistance Program Total		0	222	791		0	1,316,749	4,321,794	
Aboriginal Program									
Home Assistance Program	Homes	0	0	134		0	0	563,715	
Direct Install Lighting	Projects	0	0	0		0	0	0	
Aboriginal Program Total		0	0	134		0	0	563,715	
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	266	0	0		1,049,108	0	0	
High Performance New Construction	Projects	13,072	727	405		23,905,663	5,665,066	1,535,048	
Toronto Comprehensive	Projects	0	1,920	529		0	12,924,335	3,783,965	
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0	
LDC Custom Programs	Projects	0	0	0		0	0	0	
Pre-2011 Programs completed in 2011 Total		13,337	2,647	934		24,954,771	18,589,400	5,319,013	
Other									
Program Enabled Savings	Projects	1,776	3,712	2,020		1,673,712	11,481,687	10,688,564	
Time-of-Use Savings	Homes	0	0	0		0	0	0	
LDC Pilots	Projects	0	0	0		0	0	0	
Other Total		1,776	3,712	2,020		1,673,712	11,481,687	10,688,564	
Adjustments to 2011 Verified Results		15,511				50,455,967			
Adjustments to 2012 Verified Results			22,235				114,419,652		
Adjustments to 2013 Verified Results				33,734				200,921,892	
Adjustments to Previous Years' Verified Results Total		15,511	22,235	33,734		50,455,967	114,419,652	200,921,892	

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

\*Includes adjustments after Final Reports were issued

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

Gross results are presented for informational purposes only and are not considered official 2014 Final Verified Results



**ATTACHMENT 3.0-VECC -19 c)**

**2015-2020 CDM PLAN FINAL**



OVERVIEW OF CDM PLAN
This CDM Plan must be used by the LDC in submitting a CDM Plan to the IESO under the Energy Conservation Agreement between the LDC and the IESO The CDM Plan will consist of the information provided in this document and any additional information and supporting documents provided by the LDC to the IESO in support of this CDM Plan. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Energy Conservation Agreement as may be applicable.
Complete all fields within the CDM Plan that are applicable. Where additional space is required to complete a section of the CDM Plan, please append additional pages as required. The LDC should indicate that additional information has been attached in the related question field on the CDM Plan. Please refer to the CDM Plan Submission and Review Criteria Rules for further information.

A. General Information

1.	CDM Plan Submission Date: (DD-Mon-YYYY)	28-Apr-2015
	CDM Plan Version	Version 2

2.	LDC INFORMATION									
	LDC 1	LDC 2	LDC 3	LDC 4	LDC 5	LCD 6	LCD 7	LCD 8	LCD 9	LCD 10
	LDC Name:	Halton Hills Hydro Inc.	Milton Hydro Distribution Inc.							
	Company Representative:									
	Name:	Art Skidmore	Frank Lasowski							
	Title:	President and CEO	President and CEO							
	Email Address:	askidmore@haltonhillshydro.com	lasowski@miltonhydro.com							
	Phone Number (XXX-XXX-XXXX):	519-853-3700	905-876-4611 ext 227							

3.	Primary Contact for CDM Plan	
	Name:	Linda Boyer
	LDC Name:	Halton Hills Hydro Inc.
	Title:	Conservation and Demand Management Officer
	Email Address:	lindab@haltonhillshydro.com
	Phone Number (XXX-XXX-XXXX):	519-853-3700 x239

Estimated Start Date of CDM Plan: (DD-Mon-YYYY)	1-Nov-2015
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LDC CONFIRMATION FOR CDM PLAN	
Each LDC to this CDM Plan has executed the Energy Conservation Agreement.	Yes
A completed Cost-Effectiveness Tool is attached and forms part of the CDM Plan.	Yes
A completed Achievable Potential Tool is attached and forms part of the CDM Plan.	Yes
All customer segments in each LDC's service area are served by the Programs set out in this CDM Plan.	Yes
The CDM Plan includes all electricity savings attributable to all Programs and pilot programs that have in-service dates between Jan 1, 2015 and December 31, 2020.	Yes
The CDM Plan Budget for each LDC includes all eligible funding under the full cost recovery and pay-for-performance mechanisms for Programs under its CDM Plan.	Yes
Frequency of LDC Invoicing to IESO (subsequent changes to the frequency should be notified to us by email).	Monthly

COMPLETE FOR CDM PLAN AMENDMENTS ONLY		
Select the reason(s) for CDM Plan amendment, as per ECA.		
One time each calendar year of the term		
LDC wishes to request an adjustment to the CDM Plan Budget		
The amendments to a provision of the ECA or any Rules will have a material effect on the CDM Plan		
LDC's actual spending under CDM Plan has exceeded (or is reasonably expected to exceed) the portion of the CDM Plan Budget allocated to the current year of the term		
Under a joint CDM Plan, LDCs that are parties to a joint CDM Plan reallocate any portion of their respective CDM Plan Targets and CDM Plan Budgets [Reallocation not subject to IESO approval]		
IESO has triggered remedies under Article 5 of the ECA		
LDC seeking to change its selection of the type of funding that it wishes to receive for each Program in the CDM Plan [ECA, section 4.1]		
Other (Please specify reason)		



B. LDC Authorization

LDC DECLARATION	
Please complete the declaration for each LDC that is listed in this CDM Plan. A separate page with each LDC's signed declaration should be included as part of the CDM Plan submission.	

LDC	
<i>I represent that the information contained in this CDM Plan as it relates to the LDC is complete, true, and accurate in all respects. I acknowledge and agree to the following terms and conditions: (1) if this CDM Plan is approved by the IESO and accepted by each LDC to this CDM Plan, the CDM Plan together with any conditions to that approval is incorporated by reference into the Energy Conservation Agreement between the LDC and the IESO (2) the LDC will offer the Programs set out in Table 2 of this CDM Plan to customers in its service area; and (3) the LDC of will implement this CDM Plan in accordance with the CDM Plan Budget.</i>	
LDC's Legal Name:	Halton Hills Hydro Inc.
Company Representative:	Art Skidmore, President and CEO
Signature	
	<i>I/We have the authority to bind the Corporation.</i>
Date (DD-Mon-YYYY)	21-May-2015



### C. CDM Plan Summary

		CDM PLAN TOTAL	LDC 1	LDC 2	LDC 3	LDC 4	LDC 5	LCD 6	LCD 7	LCD 8	LCD 9	LCD 10
a.	Allocated LDC CDM Plan Target (MWh) <i>Indicate total CDM Plan Target allocated to LDC(s)</i>	76,300	30,940.0	45,360.0								
b.	CDM Plan MWh Savings <i>Calculated as part of CDM Plan</i>	76,326	30,963	45,364	0	0	0	0	0	0	0	0
c.	Allocated LDC CDM Plan Budget (\$) <i>Indicate total budget allocated to LDC</i>	\$20,299,424	\$8,387,497.00	\$11,911,927.00								
d.	Total CDM Plan Budget (\$) <i>Calculated as part of CDM Plan</i>	\$20,295,620	\$8,387,497	11,908,123	0	0	0	0	0	0	0	0
f.	CDM Plan Cost Effectiveness  <i>Indicate annual portfolio-level Cost Effectiveness for CDM Plan as determined by LDC(s) using output from Cost-Effectiveness Tool</i>		Total Resource Cost (TRC)			Program Administrator Cost (PAC)			Levelized Cost (\$/kWh)			
			Program Year	Benefits (\$)	Costs (\$)	Ratio	Benefits (\$)	Costs (\$)				
		2015	6,088,361	2,317,891	2.6	5,113,896	302,616	16.9	0.003			
		2016	7,798,621	3,815,498	2.0	6,585,289	3,299,626	2.0	0.031			
		2017	5,432,395	3,096,651	1.8	4,576,692	2,691,984	1.7	0.036			
		2018	29,830,455	19,058,388	1.6	25,831,878	5,867,390	4.4	0.017			
		2019	13,370,975	6,713,772	2.0	11,519,287	3,506,355	3.3	0.027			
		2020	13,832,016	6,636,396	2.1	11,920,192	3,449,510	3.5	0.026			
		CDM Plan Total	\$76,352,822	\$41,638,597	1.8	\$65,547,235	\$19,117,481	3.4	0.022			
g	Plan Cost Effectiveness-Exceptions Rationale <i>Complete this section if proposed plan <u>does not</u> meet minimum Cost-Effectiveness Thresholds set out in CDM Plan Submission and Review Criteria Rules.</i>											



#### D. CDM Plan Detailed List of Programs, Election of Funding Mechanism, and Annual Milestones

NOTES	
1. CDM Plan	Complete Table 2 for all Programs for which will contribute towards the CDM Plan Target.
2. Program Name	Province-wide LDC Program names are found in the applicable Program Rules. Regional & local Program names should be consistent with those included in approved business cases (if applicable) and consistent throughout this CDM Plan.
3. Anticipated Annual Budget	Include annual budgets for each Program to be allocated against the CDM Plan Budget by funding mechanism. Note: LDC Eligible Expenses incurred in 2014 for programs delivered in 2015 (and not funded as part of the 2011-2014 Master CDM Program Agreement) should be included in 2015 Annual anticipated budget amounts.
4. Target Gap	Portion of the CDM Plan Target that the LDC reasonably expects, based on qualified independent third party analysis as accepted by the IESO could only be achieved with funding in addition to the CDM Plan Budget.

LDC 1:	Halton Hills Hydro Inc.
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[illegible]



[illegible]



LDC 2: Milton Hydro Distribution Inc.

TABLE 2. PROGRAM AND MILESTONE SCHEDULE																										
Funding Mechanism	Approved Province Wide Programs	Approved Local, Regional, or Pilot Programs	Proposed Pilots or Programs	Program Start Date (DD-Mon-YYYY)	Customer Segments Targeted by Program								Program Implementation Schedule (Annual Anticipated Budget & Incremental Annual Milestones by Program)													
					Residential	Low-Income	Small Business	Commercial (Inc. Multi-F)	Agricultural	Institutional	Industrial	2015		2016		2017		2018		2019		2020		Total 2015 - 2020		
												Anticipated Annual Budget (\$)	Energy Savings (MWh)	Anticipated Annual Budget (\$)	Energy Savings (MWh)	Anticipated Annual Budget (\$)	Energy Savings (MWh)	Anticipated Annual Budget (\$)	Energy Savings (MWh)	Anticipated Annual Budget (\$)	Energy Savings (MWh)	Anticipated Annual Budget (\$)	Energy Savings (MWh)	Total CDM Plan Budget (\$)	Total Persisting Energy Savings in 2020 (MWh)	
Full Cost Recovery Programs	Retrofit Heating and Cooling			1-Nov-2015			Yes	Yes	Yes	Yes	Yes	Yes	\$154,013	697.4	\$1,086,091	4,130.3	\$895,052	3,144.7	\$717,414	1,987.6	\$724,358	1,987.6	\$731,442	1,987.6	\$4,308,370	13,935.3
	Coupon Program			1-Jan-2016	Yes	Yes							\$0	0.0	\$157,960	165.1	\$17,564	0.0	\$0	0.0	\$0	0.0	\$0	0.0	\$375,523	165.1
	New Construction Program			1-Jan-2016	Yes	Yes							\$0	0.0	\$111,910	278.9	\$106,921	278.9	\$107,997	278.9	\$113,028	278.9	\$114,122	278.9	\$553,979	1,384.6
	Home Assistance Program			1-Jan-2016		Yes							\$0	0.0	\$35,200	36.9	\$34,887	36.9	\$35,072	36.9	\$35,261	36.9	\$35,454	36.9	\$175,874	184.3
	High Performance New Construction			1-Jan-2016			Yes	Yes	Yes	Yes	Yes	Yes	\$0	0.0	\$141,070	114.0	\$201,441	171.0	\$136,570	114.0	\$201,701	171.0	\$136,835	114.0	\$817,617	684.0
	Audit Funding Program			1-Jan-2016				Yes	Yes	Yes	Yes	Yes	\$0	0.0	\$33,515	151.7	\$33,240	151.7	\$33,445	151.7	\$33,654	151.7	\$33,867	151.7	\$167,722	606.8
	Process and Systems Upgrades Program			1-Jan-2016				Yes	Yes	Yes	Yes	Yes	\$0	0.0	\$135,607	475.0	\$107,708	0.0	\$2,506,745	16,245.0	\$56,560	0.0	\$67,692	0.0	\$2,874,312	16,720.0
	Monitoring and Targeting Program			1-Jan-2016					Yes	Yes	Yes	Yes	\$0	0.0	\$0	0.0	\$0	0.0	\$0	0.0	\$0	0.0	\$0	0.0	\$0	0.0
													\$0	0.0	\$9,205	7.2	\$12,069	14.4	\$12,435	28.8	\$15,804	43.2	\$15,925	43.2	\$65,438	136.9
								Yes	Yes				\$0	0.0	\$0	0.0	\$0	0.0	\$238,564	775.3	\$238,564	775.3	\$238,564	775.3	\$715,693	2,325.8
								Yes	Yes	Yes	Yes	Yes	\$0	0.0	\$0	0.0	\$0	0.0	\$102,242	1,163.2	\$102,242	1,163.2	\$102,242	1,163.2	\$306,725	3,489.5
	Energy Manager Program								Yes	Yes	Yes	Yes	\$0	40.4	\$0	40.4	\$0	40.4	\$0	0.0	\$0	0.0	\$0	0.0	\$0	0.0
										Yes	Yes	Yes	\$0	0.0	\$0	0.0	\$0	0.0	\$0	0.0	\$0	0.0	\$0	0.0	\$0	0.0
										Yes		Yes	\$0	0.0	\$0	0.0	\$0	0.0	\$19,185	49.3	\$16,289	49.3	\$16,394	49.3	\$51,868	147.972



#### D. CDM Plan Detailed List of Programs, Election of Funding Mechanism, and Annual Milestones

NOTES	
1. CDM Plan	Complete Table 2 for all Programs for which will contribute towards the CDM Plan Target.
2. Program Name	Province-wide LDC Program names are found in the applicable Program Rules. Regional & local Program names should be consistent with those included in approved business cases (if applicable) and consistent throughout this CDM Plan.
3. Anticipated Annual Budget	Include annual budgets for each Program to be allocated against the CDM Plan Budget by funding mechanism. Note: LDC Eligible Expenses incurred in 2014 for programs delivered in 2015 (and not funded as part of the 2011-2014 Master CDM Program Agreement) should be included in 2015 Annual anticipated budget amounts.
4. Target Gap	Portion of the CDM Plan Target that the LDC reasonably expects, based on qualified independent third party analysis as accepted by the IESO, could only be achieved with funding in addition to the CDM Plan Budget.

LDC 3:	
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[illegible]



#### D. CDM Plan Detailed List of Programs, Election of Funding Mechanism, and Annual Milestones

NOTES	
1. CDM Plan	Complete Table 2 for all Programs for which will contribute towards the CDM Plan Target.
2. Program Name	Province-wide LDC Program names are found in the applicable Program Rules. Regional & local Program names should be consistent with those included in approved business cases (if applicable) and consistent throughout this CDM Plan.
3. Anticipated Annual Budget	Include annual budgets for each Program to be allocated against the CDM Plan Budget by funding mechanism. Note: LDC Eligible Expenses incurred in 2014 for programs delivered in 2015 (and not funded as part of the 2011-2014 Master CDM Program Agreement) should be included in 2015 Annual anticipated budget amounts.
4. Target Gap	Portion of the CDM Plan Target that the LDC reasonably expects, based on qualified independent third party analysis as accepted by the IESO, could only be achieved with funding in addition to the CDM Plan Budget.

LDC 4:	
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[illegible]



#### D. CDM Plan Detailed List of Programs, Election of Funding Mechanism, and Annual Milestones

NOTES	
1. CDM Plan	Complete Table 2 for all Programs for which will contribute towards the CDM Plan Target.
2. Program Name	Province-wide LDC Program names are found in the applicable Program Rules. Regional & local Program names should be consistent with those included in approved business cases (if applicable) and consistent throughout this CDM Plan.
3. Anticipated Annual Budgeted	Include annual budgets for each Program to be allocated against the CDM Plan Budget by funding mechanism. Note: LDC Eligible Expenses incurred in 2014 for programs delivered in 2015 (and not funded as part of the 2011-2014 Master CDM Program Agreement) should be included in 2015 Annual anticipated budget amounts.
4. Target Gap	Portion of the CDM Plan Target that the LDC reasonably expects, based on qualified independent third party analysis as accepted by the IESO, could only be achieved with funding in addition to the CDM Plan Budget.

LDC 5:	
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[illegible]



#### D. CDM Plan Detailed List of Programs, Election of Funding Mechanism, and Annual Milestones

NOTES	
1. CDM Plan	Complete Table 2 for all Programs for which will contribute towards the CDM Plan Target.
2. Program Name	Province-wide LDC Program names are found in the applicable Program Rules. Regional & local Program names should be consistent with those included in approved business cases (if applicable) and consistent throughout this CDM Plan.
3. Anticipated Annual Budget	Include annual budgets for each Program to be allocated against the CDM Plan Budget by funding mechanism. Note: LDC Eligible Expenses incurred in 2014 for programs delivered in 2015 (and not funded as part of the 2011-2014 Master CDM Program Agreement) should be included in 2015 Annual anticipated budget amounts.
4. Target Gap	Portion of the CDM Plan Target that the LDC reasonably expects, based on qualified independent third party analysis as accepted by the IESO, could only be achieved with funding in addition to the CDM Plan Budget.
LDC 6:	

TABLE 2. PROGRAM AND MILESTONE SCHEDULE

[illegible]



#### D. CDM Plan Detailed List of Programs, Election of Funding Mechanism, and Annual Milestones

NOTES	
1. CDM Plan	Complete Table 2 for all Programs for which will contribute towards the CDM Plan Target.
2. Program Name	Province-wide LDC Program names are found in the applicable Program Rules. Regional & local Program names should be consistent with those included in approved business cases (if applicable) and consistent throughout this CDM Plan.
3. Anticipated Annual Budget	Include annual budgets for each Program to be allocated against the CDM Plan Budget by funding mechanism. Note: LDC Eligible Expenses incurred in 2014 for programs delivered in 2015 (and not funded as part of the 2011-2014 Master CDM Program Agreement) should be included in 2015 Annual anticipated budget amounts.
4. Target Gap	Portion of the CDM Plan Target that the LDC reasonably expects, based on qualified independent third party analysis as accepted by the IESO, could only be achieved with funding in addition to the CDM Plan Budget.
LDC 7:	

TABLE 2. PROGRAM AND MILESTONE SCHEDULE

[illegible]



#### D. CDM Plan Detailed List of Programs, Election of Funding Mechanism, and Annual Milestones

NOTES	
1. CDM Plan	Complete Table 2 for all Programs for which will contribute towards the CDM Plan Target.
2. Program Name	Province-wide LDC Program names are found in the applicable Program Rules. Regional & local Program names should be consistent with those included in approved business cases (if applicable) and consistent throughout this CDM Plan.
3. Anticipated Annual Budget	Include annual budgets for each Program to be allocated against the CDM Plan Budget by funding mechanism. Note: LDC Eligible Expenses incurred in 2014 for programs delivered in 2015 (and not funded as part of the 2011-2014 Master CDM Program Agreement) should be included in 2015 Annual anticipated budget amounts.
4. Target Gap	Portion of the CDM Plan Target that the LDC reasonably expects, based on qualified independent third party analysis as accepted by the IESO, could only be achieved with funding in addition to the CDM Plan Budget.
LDC 8:	

TABLE 2. PROGRAM AND MILESTONE SCHEDULE

[illegible]



#### D. CDM Plan Detailed List of Programs, Election of Funding Mechanism, and Annual Milestones

NOTES	
1. CDM Plan	Complete Table 2 for all Programs for which will contribute towards the CDM Plan Target.
2. Program Name	Province-wide LDC Program names are found in the applicable Program Rules. Regional & local Program names should be consistent with those included in approved business cases (if applicable) and consistent throughout this CDM Plan.
3. Anticipated Annual Budget	Include annual budgets for each Program to be allocated against the CDM Plan Budget by funding mechanism. Note: LDC Eligible Expenses incurred in 2014 for programs delivered in 2015 (and not funded as part of the 2011-2014 Master CDM Program Agreement) should be included in 2015 Annual anticipated budget amounts.
4. Target Gap	Portion of the CDM Plan Target that the LDC reasonably expects, based on qualified independent third party analysis as accepted by the IESO, could only be achieved with funding in addition to the CDM Plan Budget.
LDC 9:	

TABLE 2. PROGRAM AND MILESTONE SCHEDULE

[illegible]



#### D. CDM Plan Detailed List of Programs, Election of Funding Mechanism, and Annual Milestones

NOTES	
1. CDM Plan	Complete Table 2 for all Programs for which will contribute towards the CDM Plan Target.
2. Program Name	Province-wide LDC Program names are found in the applicable Program Rules. Regional & local Program names should be consistent with those included in approved business cases (if applicable) and consistent throughout this CDM Plan.
3. Anticipated Annual Budget	Include annual budgets for each Program to be allocated against the CDM Plan Budget by funding mechanism. Note: LDC Eligible Expenses incurred in 2014 for programs delivered in 2015 (and not funded as part of the 2011-2014 Master CDM Program Agreement) should be included in 2015 Annual anticipated budget amounts.
4. Target Gap	Portion of the CDM Plan Target that the LDC reasonably expects, based on qualified independent third party analysis as accepted by the IESO, could only be achieved with funding in addition to the CDM Plan Budget.
LDC 10:	

TABLE 2. PROGRAM AND MILESTONE SCHEDULE

[illegible]



E. Proposed Local and Regional Pilot CDM Programs

Notes			
Complete the following Table(s) for each proposed local and regional Program or Pilot Program in the CDM Plan for which a business case has NOT previously been approved by the IESO. Please refer to the Program Development and Rule Revision Guideline and the Business Case Template for full details on requirements and submission of a business case for approval of a local or regional Program. For the process for receiving funding for a Pilot Program, refer to the LDC Program Innovation Guideline.			

TABLE 3a. PROPOSED LOCAL AND REGIONAL CDM PROGRAMS / PILOTS			
a. Program Name	New Small Business Direct Install Program	Use same "Program name" included in other worksheets	
b. Program Type	Proposed Regional Program		
b. Estimated Business Case Submission Date (DD-Mon-YYYY)	01-Jan-16		
c. Customer Segment(s) Served by Programs	Small Business		
d. Participating LDCs (if applicable)	Halton Hills Hydro Inc.		
	Milton Hydro Distribution Inc.		
e. Overview of Proposed Program or Pilot	Cell b. Program Type should be "Proposed Provincial Program", however it is not a choice in the drop down menu. Halton Hills Hydro Inc. and Milton Hydro Distribution Inc. expect that a new province-wide program will replace the previous small business 'Direct Install Lighting' program early in 2016. The program is assumed to remain similar to the old version, targeting small businesses with direct install measures, but will likely include an updated list of qualifying measures. Halton Hills Hydro Inc. and Milton Hydro Distribution Inc. plan to launch such a program when it becomes provincially approved, not to develop it themselves.		
	Provide overview of key objectives and elements of proposed program or pilot.		

TABLE 3c. PROPOSED LOCAL AND REGIONAL CDM PROGRAMS / PILOTS			
a. Program Name	Performance Based Conservation Pilot	Use same "Program name" included in other worksheets	
b. Program Type	Proposed Regional Program		
b. Estimated Business Case Submission Date (DD-Mon-YYYY)	1-Jan-2015		
c. Customer Segment(s) Served by Programs	Other		
d. Participating LDCs (if applicable)	Halton Hills Hydro Inc.	Hydro One Brampton Networks Inc.	
	Milton Hydro Distribution Inc.		
e. Overview of Proposed Program or Pilot	Led by TRCA, this 3-year Conservation Fund pilot includes the benchmarking of a set of commercial buildings in Halton Hills Hydro, Milton Hydro and Hydro One Brampton service territories. The participating buildings have yet to be determined.The benchmarking will lead to a set of energy efficiency actions that the building can implement, and will track progress. Note that this is an APPROVED pilot.		
	Provide overview of key objectives and elements of proposed program or pilot.		

TABLE 3e. PROPOSED LOCAL AND REGIONAL CDM PROGRAMS / PILOTS			
a. Program Name		Use same "Program name" included in other worksheets	
b. Program Type			
b. Estimated Business Case Submission Date (DD-Mon-YYYY)			
c. Customer Segment(s) Served by Programs			
d. Participating LDCs (if applicable)			
e. Overview of Proposed Program or Pilot			
	Provide overview of key objectives and elements of proposed program or pilot.		

TABLE 3b. PROPOSED LOCAL AND REGIONAL CDM PROGRAMS / PILOTS			
a. Program Name	Performance Based Conservation Program	Use same "Program name" included in other worksheets	
b. Program Type	Proposed Regional Program		
b. Estimated Business Case Submission Date (DD-Mon-YYYY)	2-Sep-2017		
c. Customer Segment(s) Served by Programs	Other		
d. Participating LDCs (if applicable)	Halton Hills Hydro Inc.	Hydro One Brampton Networks Inc.	
	Milton Hydro Distribution Inc.		
e. Overview of Proposed Program or Pilot	This program is intended to be an extension of the Performance Based Conservation Pilot led by TRCA. t includes the benchmarking of a set of commercial buildings in Halton Hills Hydro, Milton Hydro and Hydro One Brampton service territories. The participating buildings have yet to be determined.The benchmarking will lead to a set of energy efficiency actions that the building can implement, and will track progress.		
	Provide overview of key objectives and elements of proposed program or pilot.		

TABLE 3d. PROPOSED LOCAL AND REGIONAL CDM PROGRAMS / PILOTS			
a. Program Name		Use same "Program name" included in other worksheets	
b. Program Type			
b. Estimated Business Case Submission Date (DD-Mon-YYYY)			
c. Customer Segment(s) Served by Programs			
d. Participating LDCs (if applicable)			
e. Overview of Proposed Program or Pilot			
	Provide overview of key objectives and elements of proposed program or pilot.		

TABLE 3f. PROPOSED LOCAL AND REGIONAL CDM PROGRAMS / PILOTS			
a. Program Name		Use same "Program name" included in other worksheets	
b. Program Type			
b. Estimated Business Case Submission Date (DD-Mon-YYYY)			
c. Customer Segment(s) Served by Programs			
d. Participating LDCs (if applicable)			
e. Overview of Proposed Program or Pilot			
	Provide overview of key objectives and elements of proposed program or pilot.		



E. Proposed Local and Regional Pilot CDM Programs

Notes			
Complete the following Table(s) for each proposed local and regional Program or Pilot Program in the CDM Plan for which a business case has NOT previously been approved by the IESO. Please refer to the Program Development and Rule Revision Guideline and the Business Case Template for full details on requirements and submission of a business case for approval of a local or regional Program. For the process for receiving funding for a Pilot Program, refer to the LDC Program Innovation Guideline.			

TABLE 3g. PROPOSED LOCAL AND REGIONAL CDM PROGRAMS / PILOTS			
a. Program Name		Use same "Program name" included in other worksheets	
b. Program Type			
b. Estimated Business Case Submission Date (DD-Mon-YYYY)			
c. Customer Segment(s) Served by Programs			
d. Participating LDCs (if applicable)			
e. Overview of Proposed Program or Pilot			
Provide overview of key objectives and elements of proposed program or pilot.			

TABLE 3i. PROPOSED LOCAL AND REGIONAL CDM PROGRAMS / PILOTS			
a. Program Name		Use same "Program name" included in other worksheets	
b. Program Type			
b. Estimated Business Case Submission Date (DD-Mon-YYYY)			
c. Customer Segment(s) Served by Programs			
d. Participating LDCs (if applicable)			
e. Overview of Proposed Program or Pilot			
Provide overview of key objectives and elements of proposed program or pilot.			

TABLE 3h. PROPOSED LOCAL AND REGIONAL CDM PROGRAMS / PILOTS			
a. Program Name		Use same "Program name" included in other worksheets	
b. Program Type			
b. Estimated Business Case Submission Date (DD-Mon-YYYY)			
c. Customer Segment(s) Served by Programs			
d. Participating LDCs (if applicable)			
e. Overview of Proposed Program or Pilot			
Provide overview of key objectives and elements of proposed program or pilot.			

TABLE 3j. PROPOSED LOCAL AND REGIONAL CDM PROGRAMS / PILOTS			
a. Program Name		Use same "Program name" included in other worksheets	
b. Program Type			
b. Estimated Business Case Submission Date (DD-Mon-YYYY)			
c. Customer Segment(s) Served by Programs			
d. Participating LDCs (if applicable)			
e. Overview of Proposed Program or Pilot			
Provide overview of key objectives and elements of proposed program or pilot.			



## F. Detailed Information on Collaboration and Regional Planning

ADDITIONAL DETAILED INFORMATION	
<b>Regional LDC(s) Collaboration</b> <i>Description of how the LDC(s) will collaborate with other LDCs. If collaboration will not occur, description of why it will not occur.</i>	<p>In addition to submitting the Joint CDM Plan, and sharing a new key account manager resource, both utilities are actively working with other utilities in the province, and pursuing further collaborative opportunities. Both HHH and MH are participating in the Performance Based Conservation Pilot being led by the Toronto and Region Conservation Authority, which targets commercial and institutional sector building performance via customer engagement, project identification and savings verification, and in addition to HHH and MH, includes participation of Hydro One Brampton, Peel Region, Halton Region, Union Gas, Enbridge Gas Distribution, and the Real Property Association of Canada.</p> <p>Additionally, Halton Hills Hydro intends to retain an Energy Manger resource to be shared with Hydro One, in order to support energy efficiency efforts in the Town of Halton Hills and in the Town of Caledon.</p> <p>Both HHH and MH are also actively investigating opportunities to collaborate with neighboring LDCs, including Hydro One, Hydro One Brampton, Burlington Hydro, Oakville Hydro and Enersource. In addition, HHH is currently discussing a potential partnership with Union Gas to deliver two conservation programs in HHH's service territory. In addition, both HHH and MH are investigating opportunities to access the Collaboration and Innovation Funds to bring forth pilots and collaboration efforts that will meet the specific needs of customers in HHH's and MH's combined service territories.</p>
<b>Gas Collaboration</b> <i>Description of how the LDC(s) will collaborate with other gas utility programs delivered in service area (if applicable). If collaboration will not occur, description of why it will not occur.</i>	<p>Both utilities are pursuing opportunities to partner with Union Gas and Enbridge Gas Distribution to pilot and deliver CDM programs. As described above, both utilities are already participating in the Performance Based Conservation Pilot, which involves both of the natural gas utilities.</p> <p>In addition, HHH is currently discussing a potential partnership with Union Gas to deliver two conservation programs (the Home Assistance Program and the High Performance New Construction Program) in HHH's service territory.</p>
<b>CDM Contribution to Regional Planning</b> <i>Description of how the CDM Plan considers the electricity needs and investments identified in other plans or planned initiatives, completed or underway within the LDC(s)' service area or region. This may include Integrated Regional Resource Plans or Municipal Community Energy Plans.</i>	<p>CDM will play a significant role in meeting future load growth within the Region of Halton. To help meet conservation goals under the new conservation framework in Ontario for 2015-2020, HHH and MH each recently completed an achievable potential study, which is helping to guide the development of the Joint CDM Plan, and which will provide guidance on targeted marketing efforts and pilot programs. Both utilities are participating in a potential pilot program, led by the Toronto and Region Conservation Authority to participate in a Performance Based Conservation Pilot in institutional and commercial buildings, funded by the IESO.</p> <p>To meet the Joint Plan's savings target, HHH and MH will be active participants in all provincial programs for residential, commercial and industrial sectors, including the Retrofit; HVAC Initiative; Coupons; Residential New Construction; Home Assistance Program; Small Business Lighting; High Performance New Construction; Energy Audits; Existing Building Commissioning; and the Process &amp; System Upgrades Initiative Programs.</p> <p>To ensure that the provincial programs are as effective as possible, HHH and MH are exploring targeted marketing options to deliver the provincial programs, and could accommodate targeted geographic marketing in each service territory. HHH is also fostering partnerships with Union Gas (for the Home Assistance, Residential New Construction and High Performance New Construction Programs), and is also actively investigating a partnership with the Town of Caledon to hire an Embedded Energy Manager.</p> <p>Both utilities took part in the development of an Integrated Regional Resource Plan (IRRP) for the Northwest Greater Toronto, part of the GTA West IESO region. The IRRP includes conservation through peak demand reduction as an effective method of meeting near and long term needs. The IRRP calls for the utilities to encourage customer participation in FIT, MicroFit and other procurement (CHP) processes of the IESO to address the peak demand issues, all of which are outside of the scope of the Joint CDM Plan.</p> <p>The NW GTA Region Working Group will continue to meet regularly throughout the implementation of the plan to monitor progress and developments in the area, and will produce annual update reports that will be posted on the IESO website. HHH and MH are committed to supporting the implementation of the IRRP through the delivery of the Joint CDM Plan. Linda Boyer, Conservation and Demand Management Officer for HHH, and Cameron McKenzie, Director of Regulatory Affairs for MH have been identified as utility staff who can support the implementation of the IRRP.</p> <p>Halton Hills Hydro worked closely with the Town of Halton Hills to develop the Community Energy Plan and the Corporate Energy Plan. Regarding the latter, this assistance and the ongoing relationship with the municipality that it has strengthened will enable Halton Hills Hydro to encourage the Town to choose energy efficient options in capital investments and Town operating expenditures. Milton Hydro has worked closely with the Town of Milton for many years, helping the Town to choose energy efficient options and this relationship will continue during the implementation of the CDM Plan.</p>



G. Additional Documentation for CDM Plan (If applicable)

ADDITIONAL INFORMATION AND DOCUMENTATION	
<b>Programs</b> <i>Opportunity to provide any additional information on assumptions used for budgets and/or savings for approved 2015-2020 province-wide programs</i>	
<b>Approved Local and/or Regional Programs and Pilot Programs</b> <i>Opportunity to provide any additional information on assumptions used for budgets and/or savings for approved 2015-2020 local or regional programs or pilot programs</i>	
<b>Proposed Local and/or Regional Programs and Pilot Programs</b> <i>Opportunity to provide additional information on assumptions used for forecast budgets and/or savings for proposed programs or pilot programs</i>	
<b>Programs from 2011-2014/2015 CDM Framework</b> <i>Opportunity to provide any additional information on assumptions used for budgets and/or savings from existing 2011-2014/2015 CDM Programs</i>	Halton Hills Hydro Inc. has requested a 2015 PAB budget of \$247,906.95 dollars. Milton Hydro Distribution Inc. has requested a 2015 PAB budget of 435,825.00 dollars.
<b>Programs funded through Pay-for-Performance</b> <i>Opportunity to provide any additional information on assumptions used for budgets and/or savings for Pay for Performance Programs</i>	No P4P programs have been identified in the Joint Plan.
<b>Other</b> <i>Additional assumptions used in the CDM Plan</i>	



## Summary of Changes to CDM Template

Version No.	Date	Tab	Change Summary
2	20-Jan-15	A. General Information	Inclusion of "Company Name" for Primary Contact
			Inclusion of frequency of invoicing (monthly vs. quarterly)
			Update date format to eliminate confusion
			Change reference to OPA
			Additional LDCs for joint plan
		B. LDC Authorization	Update date format to eliminate confusion
		D. CDM Plan Milestone LDC 1-10	Additional line items for FRC program names
			Additional LDCs for joint plan
			Update on the program names
			Update date format to eliminate confusion
			Update column headers: - "Province Wide Program Name" - "Proposed Regional or Local CDM Program or Pilot Program Name"
			Change reference to OPA
			Update Header and Footer
		E.. Proposed Program&Pilots	Additional boxes for proposed programs
			Update date format to eliminate confusion
		O. Detailed Information	Clarify if it is primary LDC or all LDCs in a joint CDM Plan.