

EXHIBIT 4 – OPERATING EXPENSES

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EXHIBIT 4 – OPERATING EXPENSES

OVERVIEW

Grimsby Power has proudly served the Town of Grimsby since 1943 and looks forward to continuing to play an integral role in the success, development and prosperity of our community.

In this Exhibit, the operating costs consist of the required expenditures necessary to maintain and operate Grimsby Power's distribution system assets, the costs associated with metering, billing, collecting from its customers, the costs associated with ensuring all stakeholders safety (general public, employees, and customers) and costs to maintain the distribution business service quality and reliability standards in compliance with the Distribution System Code and other regulatory bodies (IESO, Ministry of Energy, ESA etc.). Overall, these are on-going costs associated in providing distribution services in alignment with customer's expectations. Grimsby Power's 2016 Test Year operating costs are \$5,657,433 with Operating, Maintenance and Administration (OM&A) costs comprising of \$3,925,363 excluding LEAP, property taxes, depreciation, PILS, and interest as summarized in Table 4-1 below.

Table 4-1
Summary of OM&A Increases
2012 Actual – 2016 Test Year

OM&A	2012 Board Approved	2012 Actuals	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
Operations, Maintenance and Administration	2,407,163	2,935,572	2,681,286	2,779,744	3,233,500	3,925,363
LEAP	4,117	4,662	4,662	4,662	4,662	7,528
Property Tax	27,540	24,915	25,586	25,780	27,000	27,594
Depreciation	692,103	564,326	553,677	626,207	853,578	1,000,584
PILs	37,898	343,820	283,579	175,829		69,211
Interest	436,171	344,453	376,118	402,892	649,708	627,153
TOTAL	3,604,992	4,217,749	3,924,907	4,015,115	4,768,448	5,657,433

Grimsby Power has followed Modified International Financial Reporting Standards (MIFRS) since 2012 and therefore, all financial information presented is in MIFRS format.

OM&A Test Year Levels

Grimsby Power's 2016 Test Year operating OM&A costs are \$3,925,363. Please refer to Table 4-2 for details on changes to OM&A costs since Grimsby Power's last Board approved cost of service application in 2012. These include actual costs incurred from 2012 to 2014 and budgeted expenses for the 2015 Bridge Year and 2016 Test Year. Table 4-2 is intended to present significant changes only; minor changes have been included in the other miscellaneous category.

Table 4-2
Test Year OM&A Expenditures
2016

OM&A	2012 Board Approved	2015 Bridge Year
Opening Comparative OM&A	2,407,163	3,233,500
Operations	224,179	(9,388)
Maintenance	37,233	28,290
Billing and Collecting	200,361	42,916
Administrative and General Expenses	19,400	52,500
Human Resources	1,064,671	621,530
Other Miscellaneous Programs	(27,643)	(43,984)
2016 Test Year	3,925,363	3,925,363

The OM&A costs in the 2016 Test Year reflect the execution of Grimsby Power's succession plan, expenses related to operation of the Niagara West MTS (included in 2015 Test Year as well), and investments required to meet customer expectations & broader public policy requirements for the duration of the 4th Generation IRM plan term. The OM&A costs included for the 2016 Test Year will enable Grimsby Power to meet its full needs from an internal and external context. Any shortfalls in approval of full OM&A cost will result in severe gaps in knowledge transfer (execution of full succession plan) and a deterioration of service in trying to fulfill the needs of Grimsby Power customers.

Associated Cost Drivers and Significant Changes

Since its last rebasing in 2012, the main factors driving the changes in Grimsby Power's costs relate to:

1. Human Resource Requirements
2. The Amalgamation of Grimsby Power and NWTC
3. Base Compensation Changes

OM&A expenditures totaling \$3,925,363 in the 2016 Test Year represent an increase of \$1,518,200 over the 2012 Board approved OM&A expenditures of \$2,407,163. This represents a total percentage increase of 63.4% over this period. The main factors causing the increase in costs are related to Human Resource requirements and payroll factors as follows:

- The need to deploy a comprehensive succession planning program to provide for business continuity in the light of a significant number of retirements over the training horizon.
- The requirement for new FTEs to support the significant growth in Grimsby Power's customer base and to support government mandated initiatives such as the need to be more customer centric.
- Negotiated and salary progression increases arising from collective bargaining with the union and a rebasing of management salaries and incentives based on comparators to the market.

Human Resource Requirements

In the next five years to 2020 it is expected that four of Grimsby Power's existing staff will retire. This includes the positions of CEO, Executive Assistant, Director of Customer Accounts, and Foreman. Also within this period a Journeyman Lineman will be eligible for retirement. Within the Operations line crew staff this represents 50% of the four man line crew.

1 Through careful planning Grimsby Power has recognized the need to rebuild an experienced
2 workforce ahead of these retirements in order to ensure proper training, to ensure
3 knowledge transfer, to allow the company to operate effectively and efficiently while
4 maintaining safety. This is especially important with the Journeyman Lineman positions
5 where training lasts 4-5 years in the apprenticeship period and 4-5 years to reach a fully
6 competent and skilled Journeyman Lineman. As a result, in 2016 Grimsby Power plans to
7 hire two apprentice linespersons, a Customer Accounts Supervisor, and an Executive
8 Assistant as part of the succession planning ahead of anticipated retirements. Some of
9 these replacements are temporary. For example Grimsby Power's long range plan for the
10 Journeyman Lineman staff is to have a compliment of four. The number of Journeyman
11 Lineman will temporarily rise to six for the period of time until retirements become reality.
12 The same is true for the Customer Accounts Supervisor position. Within the Executive
13 Assistant position one half an FTE has been added which provides for succession planning
14 and workload issues. One half of an FTE will be funded by Grimsby Power's affiliates NPI
15 and GEI through a services agreement.

16 In 2015 Grimsby Power and NWTC amalgamated. This transaction transferred the
17 transmission assets of NWTC into the distribution assets of Grimsby Power. Essentially the
18 Niagara West MTS a 230kV to 27.6kV transformer station was moved into Grimsby Power.
19 In preparation for this Grimsby Power recognized the need to add resources to provide
20 internal expertise to operate the station. The organizational structure was changed in
21 2014/15. The former Director of Engineering and Operations position was split in two by
22 creating a Director of Asset Management and an Engineering Supervisor position. The
23 purpose of this change was to provide specialized resources to focus on the regulatory
24 requirements of asset management (for example the need to create a DSP) (the Director of
25 Asset Management position) and to increase Grimsby Power's engineering skill set by hiring
26 a Professional Engineer (Engineering Supervisor). The engineering skill set is required to
27 support the operation of the Niagara West MTS, to assist with the integration of smart grid,
28 and to support the requirements of Grimsby Power's new DSP.

29 In addition to planning for retirements Grimsby Power's succession plan also plans for the
30 future and identifies additional positions required to meet business objectives. These
31 positions include Accounting Supervisor, Applications/Systems Support Professional,
32 Customer Service Representative, and Storekeeper.

Applications/Systems Support Professional

With technology being a critical element of future success, consolidation of information technology tasks into an internal resource represented an opportunity for increased efficiencies. Thus, the creation of the Applications/Systems Support Professional position. This position was planned in 2015's budget. Prior to the creation of this position Grimsby Power relied heavily on a third party service provider and the Engineering Technician position to provide technical support. However, some of the IT functions were simply not being addressed and there was no spare capacity to deal with future IT initiatives. With time Grimsby Power intends to reduce its dependence on third party vendors.

Customer Service Representative

The customer services team consists of 2 ½ FTE's and this structure has been in existence since prior to the restructuring in the early 2000's. Since this time, Grimsby Power's customer count has increased from 7268 in January 1999 to the present customer count of just over 11,000 a 51% increase. This coupled with the customers every increasing need for information has stretched the customer service resources to the limit.

Further analysis of the activity from 2012 indicates a continued increase in activity in the following areas:

- Collection Activity – 119% increase
- Move Out/In Activity – 24% increase
- Correspondence – 21% increase
- Phone Calls – 21% increase
- New Services – 153% Increase

In addition to these existing services noted, additional work is required to track final collection notices and act as a helpdesk to those customers using e-billing or the MyHydroEye product. It is unknown as to the effect of potential on bill financing for CDM and the Ontario Electricity Support Program for eligible customers being introduced in 2016 but the constant is that additional resources will be necessary to provide the level of service customers are demanding. One additional position is added to the Customer Accounts Department in the 2016 Test Year.

Storekeeper

In 2014 the resource responsible for the Stores function was changed from a full time to part time resource. To facilitate this change locates and collection activities were outsourced. Also during this time period JOMAR ERP was implemented. Over the course of time from approximately July 2014 to present staff and particularly the Supply Chain Representative have struggled to keep up with the data management transactional processes required of the new system. The next steps in the implementation of the JOMAR ERP are to integrate the materials resource planning and scheduling modules provided with the software. This will drive efficiencies in the procurement of materials for projects and maintenance activities with the ultimate goal of being close to just in time delivery. These functions will be new to the business and will require ongoing resources to execute. Timing of additional resources coincides with the expected integration of the additional JOMAR ERP modules. A change from part time to full time is included in the 2016 Test Year.

Accounting Supervisor

The Director of Finance position should be focused on the more strategic functions associated with financial cost drivers, cash flow, budgets, rate applications, collective bargaining, affiliate financial reporting, and the financial impact of regulatory changes. In other words more of an oversight function as opposed to a task driven function. In addition to this, Grimsby Power has identified gaps in the processes between billing and finance. The financial processes flowing out of billing need to be consistent with the needs of the information flowing into the financial system. In order to solve these issues the addition of an Accounting Supervisor is needed. This position would relieve the Director of Finance of daily routine task oriented items associated with the accounting function.

The Accounting Supervisor would take over all day to day accounting functions currently performed by the Director of Finance. In addition to this, all journal entries and reconciliations would come into the finance department as they have direct impact on financial accuracy. The Accounting Supervisor would take on the responsibility of reviewing the flow of information to finance. Currently finance deals with the end result of this information flow without having input into the derivation of the output – this mostly occurs in the information from billing, payroll, and benefits calculations. Finance should have responsibility for this information as it feeds into the financial reports. Continued demands

from the OEB, Ministry of Finance, Ministry of Energy and the IESO means continued focus on regulatory matters and how they impact the LDC financially moving forward. With a more efficient working environment in the finance department as provided by the additional resource more focus can be made on accurate reporting and information flow to other departments. Also, on the current horizon there are a number of initiatives such as:

- OEB review of pensions and other benefits
- Reduced working capital percentage and the necessity of conducting a lead-lag study
- Economic evaluations with expanded growth expected in Grimsby
- Fixed distribution rates and the removal of the variable rate for both residential and potentially commercial classes

Customer Focused outcomes through RRFE

One additional position is added to the Finance Department in the 2016 Test Year.

The Amalgamation of Grimsby Power and NWTC

As mentioned above Grimsby Power and NWTC amalgamated on October 1, 2015 and the costs to operate the Niagara West MTS are now included in Grimsby Power's annual expenses. Both the 2015 Bridge Year and 2016 Test Year include these costs. In 2012 the Niagara West MTS operated under its own entity Niagara West Transformation Corporation – a licensed transmitter in Ontario.

Base Compensation Changes

In 2011 a comprehensive review of management wages and incentives took place. Changes to management wages and incentives were implemented with an effective date of January 1, 2012 and these changes were not included in Grimsby Power's 2012 rate application. The results of the review indicated that total management base rate wages (in 2011) were 17.2% lower than the median of other LDC's with under 20,000 customers. A recommendation to reset management compensation to meet the median wages of other comparable LDCs in the same customer category was made and accepted by Grimsby Power's Board of Directors in 2012.

1 In parallel with the review of management wages a separate analysis was conducted to
2 determine the best way to proceed with performance metrics and a bonus or short term
3 incentive program. This program was approved by the Grimsby Power Board in 2012
4 provides a comprehensive methodology to set performance metrics/measures and the
5 resulting bonus or short term incentives paid to the management team at Grimsby Power.

6 **Overall Trends in Costs**

7 The OM&A costs from 2012 Board Approved to 2014 increased a total of 15% or on average
8 5% per year and from 2012 Board Approved to 2016 increased a total of 63% or on
9 average 15 3/4% per year.

10 **Inflation Rate Assumed: General OM&A and Wages/Benefits**

11 Grimsby Power uses a bottom-up, detailed, line by line costing approach to determine
12 increases in OM&A costs in the 2015 Bridge Year and 2016 Test Year budgets. Inflation
13 rates assumed for building the 2015 Bridge Year and 2016 Test Year are noted as follows:

- 14 • Union - 1.95% across the board increase effective June 1, 2015 to May 31, 2016
15 based on a 2 year Collective Agreement expiring in May 31, 2016. Estimated 2.2%
16 across the board increase effective June 1, 2016 to end of 2016.
- 17 • Grimsby Power's Part Time Employee(s) wage increases are effective January 1 of
18 the year - 2.2% effective January 1, 2015 & 0.7% effective January 1, 2016. 0.7%
19 is the forecasted consumer price index increase for 2015 based on the TD Banks
20 forecast dated April 10, 2015.
- 21 • Management wage increases are effective January 1 of the year 0.0% effective
22 January 1, 2015 & 1.5% effective January 1, 2016. Changes in management job
23 rates year over year since they were reset in 2012 has averaged 0.88%. 1.5% is a
24 conservative estimate between the CPI forecast and this historical average.
- 25 • An inflation rate of 2.2% has been used for the Union wage rate increase and for
26 direct costs where expense increases were unknown. This inflationary rate of 2.2%
27 is the estimated consumer price index increase for 2016 based on the TD Banks
28 forecast dated April 10, 2015.

Business Environment Changes

Since Grimsby Power's last Cost of Service application in 2012 there has been very little stability in the LDC environment. The only constant has been the constant of continuous change in which utilities have had to respond. These changes have primarily been driven by the Ministry of Energy and the Ontario Energy Board. Much of the change has centred on the increased regulatory requirements with triple R reporting, scorecard, and rate application filing requirements. There has also been much change impacting customer's bills and this requires constant changes to the billing system. All of this change requires increased resources and thus increases in expenses.

SUMMARY AND COST DRIVER TABLES

Appendix 2-J (A, B, C) summarizes the variance between OM&A expenses in the 2016 Test Year as compared to the 2012 Board approved rebasing year and actual expenses for 2012, 2013, and 2014. The data in the appendix shows that expenses are forecast to increase by 63% from 2012 rebasing to the 2016 Test Year. This increase includes one-fifth of the one-time costs, which are not anticipated to re-occur on a regular basis and other normalized costs which occur in the Test Year but occur on a schedule such as every other year. The one-time costs include one-time regulatory costs of \$60,765.

Table 4-3
Appendix 2-JA
Summary of Recoverable OM&A Expenses
2012 OEB Approved to 2016 Test Year

	Last Rebasings Year (2012 Board-Actuals)	Last Rebasings Year (2012 Actuals)	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
<i>Reporting Basis</i>	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Operations	453,574	411,623	522,827	594,775	831,285	885,613
Maintenance	431,965	726,934	519,678	436,218	593,216	757,383
SubTotal	885,539	1,138,556	1,042,505	1,030,993	1,424,500	1,642,996
%Change (year over year)			-8.4%	-1.1%	38.2%	15.3%
%Change (Test Year vs Last Rebasings Year - Actual)						44.3%
Billing and Collecting	507,013	517,463	512,576	534,276	559,426	686,380
Community Relations	12,500	471	6,250	500	-	2,044
Administrative and General	1,002,111	1,279,082	1,119,954	1,213,975	1,249,574	1,593,943
SubTotal	1,521,624	1,797,016	1,638,780	1,748,751	1,809,000	2,282,367
%Change (year over year)			-8.8%	6.7%	3.4%	26.2%
%Change (Test Year vs Last Rebasings Year - Actual)						27.0%
Total	2,407,163	2,935,572	2,681,285	2,779,745	3,233,500	3,925,363
%Change (year over year)			-8.7%	3.7%	16.3%	21.4%

	Last Rebasings Year (2012 Board-Approved)	Last Rebasings Year (2012 Actuals)	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
Operations	453,574	411,623	522,827	594,775	831,285	885,613
Maintenance	431,965	726,934	519,678	436,218	593,216	757,383
Billing and Collecting	507,013	517,463	512,576	534,276	559,426	686,380
Community Relations	12,500	471	6,250	500	-	2,044
Administrative and General	1,002,111	1,279,082	1,119,954	1,213,975	1,249,574	1,593,943
Total	2,407,163	2,935,572	2,681,285	2,779,745	3,233,500	3,925,363
%Change (year over year)			-8.7%	3.7%	16.3%	21.4%

	Last Rebasings Year (2012 Board- Approved)	Last Rebasings Year (2012 Actuals)	Variance 2012 BA – 2012 Actuals	2013 Actuals	Variance 2013 Actuals vs. 2012 Actuals	2014 Actuals	Variance 2014 Actuals vs. 2013 Actuals	2015 Bridge Year	Variance 2015 Bridge vs. 2014 Actuals	2016 Test Year	Variance 2016 Test vs. 2015 Bridge
Operations	453,574	411,623	41,951	522,827	111,204	594,775	71,948	831,285	236,509	885,613	54,328
Maintenance	431,965	726,934	(294,969)	519,678	(207,256)	436,218	(83,460)	593,216	156,998	757,383	164,168
Billing and Collecting	507,013	517,463	(10,450)	512,576	(4,887)	534,276	21,700	559,426	25,150	686,380	126,954
Community Relations	12,500	471	12,029	6,250	5,779	500	(5,750)	-	(500)	2,044	2,044
Administrative and General	1,002,111	1,279,082	(276,971)	1,119,954	(159,128)	1,213,975	94,021	1,249,574	35,599	1,593,943	344,369
Total OM&A Expenses	2,407,163	2,935,572	(528,409)	2,681,285	(254,288)	2,779,745	98,460	3,233,500	453,756	3,925,363	691,863
Adjustments for Total non-recoverable items (from Appendices 2-JA and 2-JB)											
Total Recoverable OM&A Expenses	2,407,163	2,935,572	(528,409)	2,681,285	(254,288)	2,779,745	98,460	3,233,500	453,756	3,925,363	691,863
Variance from previous year				(254,288)		98,460		453,756		691,863	
Percent change (year over year)				-8.7%		3.7%		16.3%		21.4%	
Percent Change: Test year vs. Most Current Actual						41.2%					
Simple average of % variance for all years						33.7%					8.2%
Compound Annual Growth Rate for all years											6.0%
Compound Growth Rate (2014 Actuals vs. 2012 Actuals)						-1.8%					

1 **Cost Drivers**

2 Grimsby Power's year over year cost drivers are outlined in Appendix 2-JB

Table 4-4
Appendix 2-JB
Recoverable OM&A Cost Driver Table
2012 OEB Approved to 2016 Test Year

OM&A	Last Rebasing Year (2012 Actuals)	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
<i>Reporting Basis</i>					
Opening Balance	2,407,163	2,935,572	2,681,285	2,779,745	3,233,500
Decommission 8KV Stations			\$ 8,065	\$ (8,065)	\$ -
Cable Locates Services			\$ 44,397	\$ 39,603	\$ (11,924)
Maintenance Expenses Transferred from Reg Acc - Smart Meter Project	\$ 155,528	\$ (155,528)			
Customer Information System SAP Fixed and Variable Fees	\$ 51,762	\$ (16,021)	\$ 3,644	\$ 11,795	\$ 2,136
Automated Meter Readings and Verifications	\$ 77,554	\$ 14,952	\$ 4,973	\$ (6,713)	\$ 18,232
Use of Recruiting and Talent Search Specialists			\$ 21,750	\$ (21,750)	
Legal & Consulting Fees (Economic Evaluation, Promissory Note, Regulatory Accounts Review)	\$ 16,101	\$ (27,197)	\$ 3,808	\$ (13,062)	\$ 1,535
Cost of Service Application Costs	\$ 173,368	\$ (198,368)			\$ 60,765
Customer Surveys			\$ 20,500	\$ (20,500)	\$ 22,075
Niagara West MTS Operational and Maintenance Expenses				\$ 158,510	\$ 30,825
Repairs to the Main Gate				\$ 12,250	\$ (9,800)
Management Wages, Incentives & Benefits	\$ 39,484	\$ 64,815	\$ 24,384	\$ 33,050	\$ 154,397
Non-Management Wages, Overtime and Benefits	\$ (15,821)	\$ 73,466	\$ (1,019)	\$ 19,566	\$ 59,066
Additional Staff - New FTE - Wages, Incentives, Overtime & Benefits				\$ 205,215	\$ (827)
Succession Plan - Additional Staff - Partial FTE - Wages, Incentives, Overtime & Benefits					\$ 408,894
Bad Debts Expenses	\$ 4,208	\$ 8,731	\$ (14,588)	\$ 17,149	\$ 473
Miscellaneous Items	\$ 26,224	\$ (19,137)	\$ (17,453)	\$ 26,707	\$ (43,984)
Closing Balance	2,935,572	2,681,285	2,779,745	3,233,500	3,925,363

Table 4-5
Appendix 2-JC
OM&A Programs Table with Variances
2012 OEB Approved to 2016 Test Year

Programs	Last Rebasings Year (2012 Board-Approved)	Last Rebasings Year (2012 Actuals)	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year	Variance (Test Year vs. 2014 Actuals)	Variance (Test Year vs. Last Rebasings Year (2012)
Reporting Basis								
OPERATIONS								
Overhead Distribution Lines and Feeders	\$ 2,960	\$ 5,093	\$ 5,834	\$ 5,533	\$ 5,212	\$ 5,316	(217)	2,356
Underground Distribution Lines and Feeders	\$ 2,200	\$ 4,132	\$ 4,846	\$ 3,634	\$ 1,595	\$ 1,627	(2,007)	(573)
Distribution Meters	\$ 62,263	\$ 88,622	\$ 89,805	\$ 95,793	\$ 96,201	\$ 96,812	1,019	34,549
Customer Premises	\$ 1,960	\$ 2,250	\$ 2,546	\$ 2,359	\$ 2,359	\$ 2,522	(24)	562
Miscellaneous Operations	\$ 6,712	\$ 21,590	\$ 21,578	\$ 22,169	\$ 20,903	\$ 21,384	(785)	14,672
Decommission 8KV Substations				\$ 8,065			(8,065)	-
Cable Locates Services				\$ 44,397	\$ 84,000	\$ 72,076	27,679	72,076
Niagara West MTS Operational Expenses					\$ 149,567	\$ 152,103	152,103	152,103
Sub-Total	\$ 76,095	\$ 119,437	\$ 124,313	\$ 182,136	\$ 359,837	\$ 351,840	169,703	275,745
MAINTENANCE								
Maintenance of Poles, Towers & Fixtures	\$ 23,870	\$ 22,856	\$ 17,783	\$ 17,760	\$ 17,180	\$ 17,524	(236)	(6,346)
Maintenance Overhead	\$ 103,753	\$ 95,104	\$ 66,608	\$ 58,945	\$ 56,305	\$ 57,701	(1,244)	(46,052)
Maintenance Underground	\$ 8,297	\$ 15,007	\$ 16,055	\$ 16,724	\$ 11,950	\$ 12,492	(4,232)	4,195
Maintenance Line Transformers	\$ 23,379	\$ 23,230	\$ 23,712	\$ 25,540	\$ 21,873	\$ 22,256	(3,284)	(1,123)
Maintenance Expenses Transferred from Reg Acc - Smart Meter Project		\$ 155,528					-	-
Niagara West MTS Maintenance Expenses					\$ 8,943	\$ 37,233	37,233	37,233
Sub-Total	\$ 159,299	\$ 311,725	\$ 124,158	\$ 118,969	\$ 116,251	\$ 147,206	28,237	(12,094)
BILLING & COLLECTING								
Customer Service and Billing	\$ 34,074	\$ 33,337	\$ 39,869	\$ 41,901	\$ 53,694	\$ 51,462	9,562	17,389
Customer Information System SAP Fixed and Variable Fees	\$ 45,900	\$ 97,662	\$ 81,641	\$ 85,285	\$ 97,080	\$ 99,216	13,931	53,316
Automated Meter Reading & Verification	\$ 31,824	\$ 109,378	\$ 124,330	\$ 129,302	\$ 122,589	\$ 140,821	11,518	108,997
Bad Debts Expenses	\$ 6,000	\$ 10,208	\$ 18,939	\$ 4,351	\$ 21,500	\$ 21,973	17,622	15,973
Sub-Total	117,798	250,585	264,778	260,838	294,863	313,472	52,633	195,674
ADMINISTRATIVE & GENERAL EXPENSES								
General Expenses	\$ 361,609	\$ 322,106	\$ 342,737	\$ 340,533	\$ 343,805	\$ 341,980	1,448	(19,629)
Use of Recruiting and Talent Search Specialists				\$ 21,750			(21,750)	-
Legal & Consulting Fees (Economic Evaluation, Promissory Note, Regulatory Accounts Review)	\$ 26,330	\$ 42,431	\$ 15,234	\$ 19,042	\$ 5,980	\$ 7,515	(11,527)	(18,815)
Cost of Service Application Costs	\$ 25,000	\$ 198,368				\$ 60,765	60,765	35,765
Customer Surveys				\$ 20,500		\$ 22,075	1,575	22,075
Repairs to the Main Gate					\$ 12,250	\$ 2,450	2,450	2,450
Sub-Total	\$ 412,939	\$ 562,905	\$ 357,971	\$ 401,825	\$ 362,035	\$ 434,785	32,961	21,846
HUMAN RESOURCES								
Management Wages, Incentives and Benefits	\$ 725,693	\$ 765,177	\$ 829,992	\$ 854,377	\$ 887,427	\$ 1,041,823	187,447	316,131
Non-Management Wages, Overtime and Benefits	\$ 915,339	\$ 899,519	\$ 972,985	\$ 971,965	\$ 991,532	\$ 1,050,598	78,633	135,259
Additional Staff - New Management FTE - Wages, Incentives & Benefits					\$ 205,215	\$ 134,662	134,662	134,662
Additional Staff - New Non-Management FTE - Wages, Overtime & Benefits						\$ 69,726	69,726	69,726
Succession Plan - Additional Management Staff - Partial FTE - Wages, Incentives & Benefits						\$ 183,916	183,916	183,916
Succession Plan - Additional Non-Management Staff - Partial FTE - Wages, Overtime & Benefits						\$ 224,977	224,977	224,977
Sub-Total	\$ 1,641,032	\$ 1,664,696	\$ 1,802,977	\$ 1,826,342	\$ 2,084,173	\$ 2,705,703	879,361	1,064,671
Miscellaneous		\$ 26,224	\$ 7,087	\$ (10,366)	\$ 16,341	\$ (27,643)	(17,277)	(27,643)
Total	\$ 2,407,163	\$ 2,935,572	\$ 2,681,285	\$ 2,779,745	\$ 3,233,500	\$ 3,925,363	\$1,145,618	\$ 1,518,200

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Recoverable OM&A Cost Per Customer and Per Full Time Equivalent

Table 4-6 below presents the OM&A cost per customer/connection including street lighting and unmetered scattered load connections.

Table 4-6
Appendix 2-L
Recoverable OM&A Cost per Customer and per FTE
(including Street Lighting and Unmetered Scattered Load Connections)
2012 OEB Approved to 2016 Test Year

	Last Rebas Year - 2012- Board Approved	Last Rebas Year - 2012- Actual	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
Reporting Basis						
Number of Customers ^{2,4}	13,114	13,088	13,208	13,531	13,725	13,923
Total Recoverable OM&A from Appendix 2-JB	\$ 2,407,163	\$ 2,935,572	\$ 2,681,285	\$ 2,779,745	\$ 3,233,500	\$ 3,925,363
OM&A cost per customer	\$ 183.56	\$ 224.29	\$ 203.00	\$ 205.44	\$ 235.59	\$ 281.93
Number of FTEs ^{3,4}	18.50	18.47	18.51	18.10	19.81	25.15
Customers/FTEs	708.86	708.61	713.56	747.57	692.83	553.60
OM&A Cost per FTE	130,117	158,937	144,856	153,577	163,226	156,078

Capitalized Overhead

Table 4.7, Appendix 2-D Overhead Expense provides a breakdown of OM&A before capitalization. In any given year the percentage of OM&A that is capitalized is dependent where Grimsby Power's Line staff spends there working hours – either on capital work or OM&A work. The allocation percentage for Lineman Expenses (capital vrs. OM&A) is calculated by taking the sum total of hours for the Lines staff booked to capital and OM&A and deriving the percentage split between the two. For example if Lines staff booked 1000 hours to capital and 1000 hours to OM&A the percentage split used to allocate the expense would be 50% capital and 50% OM&A. The same logic is used to calculate the Truck Expenses by utilizing booked truck hours. The percentage of OM&A capitalized varies from a low in 2013 of 35% to a high of 55% in 2014. This range reflects the actual work performed in any given year.

Table 4-7
Appendix 2-D
Overhead Expense – OM&A Before Capitalization
2012 to 2016 Test Year

OM&A Before Capitalization	2012 Historical Year	2013 Historical Year	2014 Historical Year	2015 Bridge Year	2016 Test Year
Lineman's Expenses	\$ 105,167	\$ 178,866	\$ 196,219	\$ 169,257	\$ 244,475
Truck Expenses	\$ 53,719	\$ 82,648	\$ 99,510	\$ 93,526	\$ 95,791
Total OM&A Before Capitalization (B)	\$ 158,886	\$ 261,514	\$ 295,729	\$ 262,783	\$ 340,266

Table 4-8
Appendix 2-D
Overhead Expense – Capitalized OM&A
2012 to 2016 Test Year

Capitalized OM&A	2012 Historical Year	2013 Historical Year	2014 Historical Year	2015 Bridge Year	2016 Test Year	Directly Attributable? (Y/N)
Labour	\$ 45,092	\$ 68,252	\$ 109,032	\$ 90,923	\$ 136,191	Y
Truck	\$ 19,331	\$ 24,582	\$ 54,589	\$ 46,549	\$ 34,102	Y
Insert description of additional item(s) and new rows if needed						
Total Capitalized OM&A (A)	\$ 64,422	\$ 92,834	\$ 163,621	\$ 137,471	\$ 170,292	

% of Capitalized OM&A (=A/B)	41%	35%	55%	52%	50%	
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PROGRAM DELIVERY COSTS WITH VARIANCE ANALYSIS

OM&A Program Descriptions

OM&A costs in this Exhibit represent Grimsby Power's integrated set of asset maintenance and customer activity required to meet public and employee safety objectives; to comply with the Distribution System Code, environmental requirements and government direction; and to maintain distribution business service quality and reliability at or exceeding existing historic levels. OM&A costs include expenditures required to provide services to customers connected to Grimsby Power's distribution system, and to meet the requirements of the OEB's Standard Supply Service Code and Retail Settlement Code.

1 The proposed OM&A cost expenditures for the 2016 Test Year are the result of a business
2 planning and work prioritization process that ensures that the most appropriate, cost
3 effective solutions are implemented.

4 Grimsby Power is proposing recovery of 2016 Test Year OM&A costs totaling \$3,925,563
5 excluding LEAP, property tax, depreciation, PIL's and interest.

6 Grimsby Power has grouped the OM&A costs into programs which are described as follows.

7 ***Operations Programs***

8 Operations programs include the day to day tasks and procedures necessary to operate and
9 maintain the Grimsby Power distribution system. This includes labour, truck, material, and
10 third party services to support scheduled and reactive operations activities. Detail of each
11 program is described in the commentary below.

12 **Overhead Distribution Lines and Feeders**

13 A significant portion of Grimsby Power's distribution system includes overhead lines. The
14 entire overhead system is inspected annually on a rotational basis and would include
15 ultrasonic scanning and pole testing where required. Action items resulting from the
16 inspection are then integrated into Grimsby Power's capital and maintenance programs.

17 **Underground Distribution Lines and Feeders**

18 A significant portion of Grimsby Power's distribution system includes underground lines.
19 The entire underground system is inspected annually on a rotational basis and would include
20 pad mounted transformer & switch inspections. Action items resulting from the inspection
21 are then integrated into Grimsby Power's capital and maintenance programs.

22 **Distribution Meters**

23 The Engineering Department is responsible for the installation, testing, and commissioning
24 of existing and new, simple (eg. residential smart meter) and complex revenue metering
25 installations (eg. wholesale primary metering point). This includes the operation and
26 support of Grimsby Power's Automated Meter Infrastructure (AMI) smart meter system.

Customer Premises

Grimsby Power's Operations and Engineering staff are the first responders when power outages or power quality issues affect a customer. Expenses are incurred when the issue is related to customer equipment as opposed to distribution equipment.

Miscellaneous Operations

The power distribution system for Grimsby Power's service territory is operated by Grimsby Power's Operations and Engineering staff. These staff members oversee all aspects of the power distribution system including power outage restoration, event recording, establishing safe work areas, and preparing switching orders for load transfers. Operations with respect to Niagara West MTS are currently contracted to third party service providers. Grimsby Power's intent is to slowly migrate some of these services to Grimsby Power staff as training and knowledge of the station is increased.

Decommission 8kV Substations

For many years Grimsby Power's distribution system strategy was to convert its 8kV lines to 27.6kV for the purposes of rendering its two aged (at end of life) substations obsolete. This was accomplished in 2014 with the removal of all electrical equipment from the substations.

Cable Locates Services

Cable locates are performed to ensure excavators have a clear understanding of the buried electrical assets in their excavation areas. Prior to mid 2014 locates were performed in house by the Storekeeper. In 2014 the Storekeeper position became vacant and this was an opportunity to review the position. With this review a decision was made to outsource the locates to take advantage of third party service provider locate efficiencies.

Niagara West MTS Operational Expenses

These expenses are incurred in the operation of Niagara West MTS 66MVA 230kV to 27.6kV transformer station. Expenses are only shown for the 2015 Bridge Year and 2016 Test Year.

Maintenance Programs

Grimsby Power's Distribution System Maintenance and Inspection Program is a key component to system reliability, customer/public safety and worker safety. The purpose of the written program documentation is to document the requirements for the maintenance or inspection of all key distribution system assets. Each distribution system asset has its own program and within each program a procedure is identified as to how the maintenance and inspection will be performed. The procedure identifies the specific asset and assigns responsibility for the delivery of the program.

Grimsby Power's main maintenance and inspection activities are as follows:

Line Clearing and Tree Trimming Maintenance Program - The purpose of this program is to clear all lines from the encroachment of trees and branches to eliminate, as best as possible, tree contact with lines. This is a major contributor to improved reliability.

Distribution System Plant Inspections and Ground Level Maintenance - Distribution System Plant Inspections are regulated under the OEB Distribution System Code. The code specifies the minimum requirements to inspect urban areas on a 3 year cycle and rural areas on a 3 year cycle.

Ultrasound Inspection Program - Ultrasound inspection has proven to be an excellent tool to identify current leakage on insulators. The purpose of the Ultrasound Inspection Program is to identify any issues and remediate them as quickly as possible to ensure continuous operation of the distribution system.

Switch Maintenance Program - The purpose of the Switch Maintenance Program is to ensure the continued reliability of all switching devices in the electrical distribution system. The goal of the program will be to maintain all switches on a three year rotational basis. This program consists of physically cleaning, lubricating, and ensuring the switch operates smoothly. This program applies to three phase gang operated switches only (pole and pad-mounted).

Grimsby Power's customer responsiveness and system reliability are monitored continually to ensure the effectiveness of the company's maintenance strategy. This effort is coordinated with Grimsby Power's capital program and project work, so that the company

can adjust capital spending priorities to deal with asset replacements as identified by the maintenance programs.

Maintenance of Poles, Towers, and Fixtures

As described above in Overhead Distribution Lines and Feeders. Minor components of poles, towers, and fixtures are often identified for replacement due to poor condition. This work is performed under maintenance. In addition to minor component replacement regular maintenance to maintain the asset in good working order is performed under maintenance.

Maintenance Overhead

Maintenance of overhead conductors including primary, secondary, and secondary services. Includes annual tree trimming to lower outages.

Maintenance Underground

Maintenance of the underground system includes the cleaning of pad mounted switchgear and the repair of secondary "burn offs" where underground service conductors have faulted and require excavation to expose the problem area and repair.

Maintenance of Line Transformers

Transformers are inspected as part of the inspection program and where issues are identified, repairs are made on site or equipment is scheduled for replacement.

Maintenance Expenses Transferred from Regulatory Accounts – Smart Meter Project

The smart meter project expenses were recognized in Grimsby Power's 2012 rate application. The maintenance expenses of this project were recognized in 2012.

Niagara West MTS Maintenance Expenses

These expenses are incurred in the maintenance of Niagara West MTS 66MVA 230kV to 27.6kV transformer station. They include a comprehensive program which includes ultrasonic surveys, thermographic inspection, mechanical inspection, electrical inspection, tap changer inspection, insulating fluid analysis, switchgear cleaning and testing, 230kV

inspection and cleaning, relay setting verifications, and DC battery bank inspection and testing. Expenses are only shown for the 2015 Bridge Year and 2016 Test Year.

Billing and Collecting

Customer Service and Billing

The Customer Accounts Department is responsible for the customer care activities of Grimsby Power's customers. These activities include meter reading, billing, call centre, payment processing, move-in move-out requests, retailer settlement functions, processing meter change requests, and other back office functions. Grimsby Power has experienced an increase in annual call volumes as a result of increased new customer connections, an increase in collection activity, and an increase in move-in/move-out activity. Grimsby Power offers customers a number of billing and payment options including equal payment plan, electronic billing (e-billing), and preauthorized payment plans. Grimsby Power must notify customers of overdue accounts and if remain unpaid the potential of a service disconnection. Prior to mid 2014 this task was performed by the Storekeeper. When the Storekeeper position was reorganized from a full time to part time position in 2014 the delivery of collection notices was outsourced to a third party.

Customer Information System - SAP Fixed and Variable Fees

Grimsby Power's customer information system is contracted to a third party service provider – Grimsby Power is a specified client on the vendors system and fees are broken down into fixed and variable components.

Automated Meter Reading & Verification

Sync Operator Service

Grimsby Power has contracted with a third party service provider to monitor the flow of data between the CIS, AMI, ODS and the provincial governments MDM/R. This service ensures that Grimsby Power is up to date on the market rules and regulations established for the processing of smart meter data and that Grimsby Power is not exposed to any AMI performance risks from an operational or financial perspective. This service constantly

1 verifies that the AMI network is meeting industry service level agreements, is accurately
2 synchronizing between systems, and that exceptions are promptly analyzed and resolved.

3 TGB Cost

4 TGB is short form for Tower Gateway Base Station of which Grimsby Power has two serving
5 its service territory. This base station serves as the gateway between all smart meters and
6 the AMI network. This expense represents the cost to operate and maintain the base
7 station.

8 Meter Service Provider Expense

9 The introduction of the meter inside the settlement timeframe (MIST) interval meter
10 implementation for all General Service customers above 50kW requires that all existing non-
11 interval meters within this class be replaced with interval meters. This item represents the
12 communications cost to communicate with the meter. Grimsby Power must convert
13 approximately 50 meters planned for 2016.

14 Bad Debts Expenses

15 When Grimsby Power has exhausted all efforts to collect overdue amounts from customers
16 these amounts are written off as a "bad debt".

17 Administrative & General Expenses

18 General Expenses

19 These expenses include expenses incurred for the general administration of Grimsby
20 Power's operations including such items as insurance, OEB fixed cost assessment,
21 memberships, legal fees, audit fees, property taxes, retirement life policy premium, repairs
22 to building & fixtures, building utilities, bank charges, IT expenses etc.

23 Use of Recruiting and Talent Search Specialists

24 The use of third party recruiters to assist with the identification of good candidates to fill
25 vacant positions at Grimsby Power.

Legal and Consulting Fees

Grimsby Power utilizes the services of third parties to provide expert advice on a wide range of issues including economic evaluation, promissory note, regulatory accounts review, etc.

Cost of Service Application Costs

Third party costs incurred to meet the OEB requirements of the cost of service application. Representing one fifth of the total cost.

Customer Surveys

Grimsby Power proposes to perform a number of customer surveys on a regular basis but not annually. This would include a customer satisfaction survey, a customer investment survey, and a public awareness of electrical safety survey. These survey's are conducted every other year by a third party service provider that has the expertise to deliver statistically valid survey results, beginning in 2016. Costs are averaged over the five year rate period.

Software – Health and Safety Compliance

Annual fees to maintain a software as a service product to assist with tracking health and safety compliance including training, policies and procedures, and alike.

Human Resources

Management Wages, Incentives and Benefits

Management wages, short term incentives, and benefits are included in this program. Includes positions of Chief Executive Officer, Executive Assistant (1/2 FTE), Director of Asset Management, Director of Finance, Operations Supervisor, Finance and Regulatory Analyst, and Director of Customer Accounts. From 2015 onward includes Engineering Supervisor and Applications/Systems Support Professional.

Non-Management Wages, Overtime, and Benefits

Wages (regular and overtime) and benefits of all employees in the collective bargaining unit and part time employees.

Additional Staff – New Management FTE – Wages, Incentives & Benefits

Wages, short term incentives, and benefits are included in this program. Includes positions of Accounting Supervisor and Executive Assistant.

Additional Staff – New Non-Management FTE – Wages, Overtime & Benefits

Wages (regular and overtime) and benefits of employees in the collective bargaining unit. Includes positions of Customer Accounts Representative.

Succession Plan – Additional Management Staff – Partial FTE – Wages, Incentives, and Benefits

Wages, short term incentives, and benefits are included in this program. Includes positions of Executive Assistant and Customer Accounts Supervisor.

Succession Plan – Additional Non-Management Staff – Partial FTE – Wages, Overtime & Benefits

Wages (regular and overtime) and benefits of all employees in the collective bargaining unit. Includes positions of Journeyman Lineman (two).

Program Delivery Costs with Variance Analysis

Consistent with the outcomes-based approach as prescribed in the Report of the Board Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach (the "RRFE"), Grimsby Power is summarizing its OM&A costs on a program basis. These programs are aligned with the major functions performed by Grimsby Power and are derived from Grimsby Power's annual budget.

1 In accordance with the Filing Requirements last revised on July 18, 2014, Grimsby Power is
2 presenting a variance analysis between the 2016 Test Year costs and the last Board
3 approved costs and the most recent actual in the following Tables from Table 4-9 to 4-18.

4 These OM&A costs exclude LEAP, property tax, depreciation, PILs, and interest.

5 *Materiality*

6 Grimsby Power's materiality threshold based on the OEB's criteria is \$50,000. The OM&A
7 Programs Table includes many costs below this threshold. This is accounted for this way so
8 that, at a program level the list of programs is complete. Only those variances which
9 exceed the threshold will be discussed.

10 *OM&A Program Costs Variance Analysis*

11 In Appendix 2-JC Grimsby Power presents a listing of its annual OM&A expenditures by
12 Program, for the period from the last Board approved rebasing year in 2012, to the 2016
13 Test Year. This schedule is located earlier in this Exhibit. For each Program, variances are
14 calculated between the 2016 Test Year and the 2012 Board Approved last rebasing year and
15 between the 2016 Test Year and the 2014 Actual year.

16 In the following section, Grimsby Power has completed an analysis related to OM&A
17 program costs whose variances impact the year to year differential. Discussion of these
18 particular variance follows the order in which they appear on Appendix 2-JC.

2016 Test Year vs. 2012 Board-Approved Last Rebasing Year

Operations

Table 4-9
Appendix 2-JC
OM&A Programs – Operations
2012 Board Approved vs. 2016

Programs	Last Rebasing Year (2012 Board- Approved)	Variance (Test Year vs. Last Rebasing Year (2012 Board- Approved)
<i>Reporting Basis</i>		
OPERATIONS		
Overhead Distribution Lines and Feeders	\$ 2,960	2,356
Underground Distribution Lines and Feeders	\$ 2,200	(573)
Distribution Meters	\$ 62,263	34,549
Customer Premises	\$ 1,960	562
Miscellaneous Operations	\$ 6,712	14,672
Cable Locates Services		72,076
Niagara West MTS Operational Expenses		152,103
Sub-Total	\$ 76,095	275,745

The increase in Operations program costs from the 2012 Board approved amount to the 2016 Test Year amount is primarily due to the addition of Niagara West MTS Operational Expenses and the contracting out of the cable locate function. As mentioned above Grimsby Power and NWTC amalgamated on October 1, 2015 and the costs to operate the Niagara West MTS are now included in Grimsby Power's annual expenses. In 2012 the Niagara West MTS operated under its own entity Niagara West Transformation Corporation – a licensed transmitter in Ontario. In 2012 cable locates were performed internally as part of the Storekeepers responsibilities. Due to an organizational change with the Storekeeper (full time to part time) the locate function was contracted to a third party.

Maintenance

Table 4-10
Appendix 2-JC
OM&A Programs – Maintenance
2012 Board Approved vs. 2016

	Last Rebasing Year (2012 Board- Approved)	Variance (Test Year vs. Last Rebasing Year (2012 Board- Approved))
Programs		
<i>Reporting Basis</i>		
MAINTENANCE		
Maintenance of Poles, Towers & Fixtures	\$ 23,870	(6,346)
Maintenance Overhead	\$ 103,753	(46,052)
Maintenance Underground	\$ 8,297	4,195
Maintenance Line Transformers	\$ 23,379	(1,123)
Niagara West MTS Maintenance Expenses		37,233
Sub-Total	\$ 159,299	(12,094)

None of the Maintenance program cost variances exceed the threshold.

Billing and Collecting

Table 4-11
Appendix 2-JC
OM&A Programs – Billing and Collecting
2012 Board Approved vs. 2016

	Last Rebasing Year (2012 Board- Approved)	Variance (Test Year vs. Last Rebasing Year (2012 Board- Approved))
Programs		
<i>Reporting Basis</i>		
BILLING & COLLECTING		
Customer Service and Billing	\$ 34,074	17,389
Customer Information System SAP Fixed and Variable Fees	\$ 45,900	53,316
Automated Meter Reading & Verification	\$ 31,824	108,997
Bad Debts Expenses	\$ 6,000	15,973
Sub-Total	117,798	195,674

1 The increase in Billing and Collecting program costs from the 2012 Board approved amount
2 to the 2016 Test Year amount is due to an increase in third party costs to support Grimsby
3 Power's Customer Information System (CIS) and the addition of costs associated with
4 Automated Meter Reading & Verification.

5 Grimsby Power has a services agreement with a third party to provide and support Grimsby
6 Power's CIS. The services agreement specifies the methodology to determine both fixed
7 and variable fees. As a result of heavy investments in the system in 2011 the fixed fees
8 increased substantially. This increase was unknown at the time of filing Grimsby Power's
9 2012 cost of service rate application.

10 The automated meter reading and verification costs contain three distinct services. These
11 are related to a Sync Operator Service, a TGB service, and Meter Service Provider Expenses.
12 The Sync Operator Service was contracted to a third party as Grimsby Power did not have
13 internal expertise to perform the necessary checks and balances required to maintain the
14 smart meter data system integrity. This increase became known during the later stages of
15 Grimsby Power's 2012 cost of service rate application process and was not included in
16 revenue requirement. The TGB service was originally designed with one base station tower
17 in Grimsby Power's service territory. Once operational it became clear that this one tower
18 would not be able to maintain the service levels necessary to maintain the data integrity of
19 the AMI systems. Therefore, a second tower was added to provide adequate coverage to
20 read all smart meters. The increase in costs for the second tower became known during the
21 later stages of Grimsby Power's 2012 cost of service rate application process and was not
22 included in revenue requirement. The introduction of the meter inside the settlement
23 timeframe (MIST) interval meter implementation for all General Service customers above
24 50kW requires that all existing non-interval meters within this class be replaced with
25 interval meters. This item represents the communications cost to communicate with the
26 meter. Grimsby Power must convert approximately 50 meters planned for 2016 increasing
27 costs substantially.

Administration and General Expenses

Table 4-12
Appendix 2-JC
OM&A Programs – Administration and General Expenses
2012 Board Approved vs. 2016

	Last Rebasing Year (2012 Board- Approved)	Variance (Test Year vs. Last Rebasing Year (2012)
Programs		
<i>Reporting Basis</i>		
ADMINISTRATIVE & GENERAL EXPENSES		
General Expenses	\$ 361,609	(19,629)
Legal & Consulting Fees (Economic Evaluation, Promissory Note, Regulatory Accounts Review)	\$ 26,330	(18,815)
Cost of Service Application Costs	\$ 25,000	35,765
Customer Surveys		22,075
Repairs to the Main Gate		2,450
Sub-Total	\$ 412,939	21,846

None of the Administration and General Expense program cost variances exceed the threshold.

Human Resources

Table 4-13
Appendix 2-JC
OM&A Programs – Human Resources
2012 Board Approved vs. 2016

	Last Rebasing Year (2012 Board- Approved)	Variance (Test Year vs. Last Rebasing Year (2012)
Programs		
<i>Reporting Basis</i>		
HUMAN RESOURCES		
Management Wages, Incentives and Benefits	\$ 725,693	316,131
Non-Management Wages, Overtime and Benefits	\$ 915,339	135,259
Additional Staff - New Management FTE - Wages, Incentives & Benefits		134,662
Additional Staff - New Non-Management FTE - Wages, Overtime & Benefits		69,726
Succession Plan - Additional Management Staff - Partial FTE - Wages, Incentives & Benefits		183,916
Succession Plan - Additional Non-Management Staff - Partial FTE - Wages, Overtime & Benefits		224,977
Sub-Total	\$ 1,641,032	1,064,671

The increase in Human Resources program costs from the 2012 Board approved amount to the 2016 Test Year amount is due to an increase in wages, incentives, benefits and additional staff. Additional staff includes staff to fill new positions or to support the knowledge transfer from employees expected to retire.

Management Wages, Incentives and Benefits

This line represents the same resources available as proposed during Grimsby Power's 2012 rebasing. Costs have increased substantially due to two factors – a rebasing of wages and changes to short term incentives. In 2011 a comprehensive review of management wages and incentives took place. Changes to management wages and incentives were implemented with an effective date of January 1, 2012 and these changes were not included in Grimsby Power's 2012 rate application. The results of the review indicated that total management base rate wages (in 2011) were 17.2% lower than the median of other LDC's with under 20,000 customers. A recommendation to reset management compensation to meet the median wages of other comparable LDCs in the same customer category was made and accepted by Grimsby Power's Board of Directors in 2012 retroactive to January 1, 2012. Increases in wages from the existing 2011 rates to the new Job Rates were graduated over a three year period to reduce the financial impact to the company. An annual review is conducted to ensure wages remain consistent with the latest LDC comparators. Since resetting wage rates in 2012 Management wages have increased 1.6% in 2013, 0.4% in 2014, 0.7% in 2015 and estimated at 1.5% in 2016.

In parallel with the review of management wages a separate analysis was conducted to determine the best way to proceed with performance metrics and a bonus or short term incentive program. This program approved by the Grimsby Power Board in 2012 provides a comprehensive methodology to set performance metrics/measures and the resulting bonus or short term incentives paid to the management team at Grimsby Power. The main elements of this program are as follows:

- Metrics incorporate weighted measures for Financial, Customer Service, Safety, and Reliability
- Metrics are set for both the corporation and individuals
- Short term incentives are based on the attainment of a minimum (50%), target (100%), or maximum (150%) within each metric

1 This program was phased in over a three year period to reduce the financial impact to the
2 company.

3 Increases in base compensation and the implementation of a short term incentive plan are
4 aimed at:

- 5 • Retaining existing staff – reduces the temptation to migrate to other LDC's who have
6 better compensation
- 7 • Attracting new staff – increases the attractiveness of Grimsby Power to prospective
8 employees
- 9 • Driving increased performance – performance directly tied to compensation

10 Non-Management Wages, Overtime and Benefits

11 Under the terms of Grimsby Power's collective agreement with its unionized employees
12 negotiated increases were/are as follows:

- 13 • 2.8% across the board increase effective June 1, 2012 to May 31, 2013 based on a 3
14 year Collective Agreement expiring in May 31, 2014.
- 15 • 2.8% across the board increase effective June 1, 2013 to May 31, 2014 based on a 3
16 year Collective Agreement expiring in May 31, 2014.
- 17 • 1.95% across the board increase effective June 1, 2014 to May 31, 2015 based on a
18 2 year Collective Agreement expiring in May 31, 2016.
- 19 • 1.95% across the board increase effective June 1, 2015 to May 31, 2016 based on a
20 2 year Collective Agreement expiring in May 31, 2016.
- 21 • Estimated 2.2% across the board increase effective June 1, 2016 to end of 2016.

22 Grimsby Power's part time employee(s) wage increases are effective January 1 in any given
23 year and are as follows

- 24 • 0.0% in 2012
- 25 • 0.0% in 2013
- 26 • 6.8% January 1, 2014
- 27 • 2.2% January 1, 2015
- 28 • 0.7% January 1, 2016 (estimated)

1 A methodology to establish a wage increase for the part time positions was approved by
2 Grimsby Power's Board in 2013. Part time wages are adjusted by the estimated CPI for the
3 prior year (eg – 2015's wage increase is based on the estimated CPI for 2014).

4 Additional Staff – New Management FTE – Wages, Incentives, and Benefits

5 This program contains additional staff in the positions of Accounting Supervisor, Engineering
6 Supervisor, and Applications/Systems Support Professional. The Engineering Supervisor
7 and Applications/Systems Support Professional costs are moved to the Management Wages,
8 Incentives and Benefits for 2016. The justification for these additions is as detailed earlier
9 in this exhibit in the section Associated Cost Drivers and Significant Changes.

10 Additional Staff – New Non-Management FTE – Wages, Overtime, and Benefits

11 This program contains additional staff in the position of Customer Account Representative.
12 The justification for this addition is as detailed earlier in this exhibit in the section
13 Associated Cost Drivers and Significant Changes.

14 Succession Plan – Additional Management Staff – Partial FTE – Wages, Incentives, and
15 Benefits

16 This program includes staff hired to backfill for those positions which will become vacant
17 due to a planned retirement. Includes positions of Executive Assistant and Customer
18 Accounts Supervisor.

19 Succession Plan – Additional Non-Management Staff – Partial FTE – Wages, Overtime &
20 Benefits

21 This program includes staff hired to backfill for those positions which will become vacant
22 due to a planned retirement. Includes positions of Journeyman Lineman.

2016 Test Year vs. 2014 Actual

Operations

Table 4-14
Appendix 2-JC
OM&A Programs - Operations
2014 vs. 2016 Test Year

	2014 Actuals	2016 Test Year	Variance (Test Year vs. 2014 Actuals)
Programs			
<i>Reporting Basis</i>			
OPERATIONS			
Overhead Distribution Lines and Feeders	\$ 5,533	\$ 5,316	(217)
Underground Distribution Lines and Feeders	\$ 3,634	\$ 1,627	(2,007)
Distribution Meters	\$ 95,793	\$ 96,812	1,019
Customer Premises	\$ 2,546	\$ 2,522	(24)
Miscellaneous Operations	\$ 22,169	\$ 21,384	(785)
Decommission 8KV Substations	\$ 8,065		(8,065)
Cable Locates Services	\$ 44,397	\$ 72,076	27,679
Niagara West MTS Operational Expenses		\$ 152,103	152,103
Sub-Total	\$ 182,136	\$ 351,840	169,703

The increase in Operations program costs from the 2014 to the 2016 Test Year amount is due to the addition of Niagara West MTS Operational Expenses. As mentioned above Grimsby Power and NWTC amalgamated on October 1, 2015 and the costs to operate the Niagara West MTS are now included in Grimsby Power's annual expenses. In 2012 the Niagara West MTS operated under its own entity Niagara West Transformation Corporation – a licensed transmitter in Ontario.

Maintenance

Table 4-15
Appendix 2-JC
OM&A Programs - Maintenance
2014 vs. 2016 Test Year

	2014 Actuals	2016 Test Year	Variance (Test Year vs. 2014 Actuals)
Programs			
Reporting Basis			
MAINTENANCE			
Maintenance of Poles, Towers & Fixtures	\$ 17,760	\$ 17,524	(236)
Maintenance Overhead	\$ 58,945	\$ 57,701	(1,244)
Maintenance Underground	\$ 16,724	\$ 12,492	(4,232)
Maintenance Line Transformers	\$ 25,540	\$ 22,256	(3,284)
Niagara West MTS Maintenance Expenses		\$ 37,233	37,233
Sub-Total	\$ 118,969	\$ 147,206	28,237

None of the Maintenance program cost variances exceed the threshold.

Billing and Collecting

Table 4-16
Appendix 2-JC
OM&A Programs – Billing and Collecting
2014 vs. 2016 Test Year

	2014 Actuals	2016 Test Year	Variance (Test Year vs. 2014 Actuals)
Programs			
Reporting Basis			
Sub-Total	\$ 118,969	\$ 147,206	28,237
BILLING & COLLECTING			
Customer Service and Billing	\$ 41,901	\$ 51,462	9,562
Customer Information System SAP Fixed and Variable Fees	\$ 85,285	\$ 99,216	13,931
Automated Meter Reading & Verification	\$ 129,302	\$ 140,821	11,518
Bad Debts Expenses	\$ 4,351	\$ 21,973	17,622
Sub-Total	260,838	313,472	52,633

Administration and General Expenses

Table 4-17
Appendix 2-JC
OM&A Programs – Administration and General Expenses
2014 vs. 2016 Test Year

	2014 Actuals	2016 Test Year	Variance (Test Year vs. 2014 Actuals)
Programs			
<i>Reporting Basis</i>			
ADMINISTRATIVE & GENERAL EXPENSES			
General Expenses	\$ 340,533	\$ 341,980	1,447
Use of Recruiting and Talent Search Specialists	\$ 21,750		(21,750)
Legal & Consulting Fees (Economic Evaluation, Promissory Note, Regulatory Accounts Review)	\$ 19,042	\$ 7,515	(11,527)
Cost of Service Application Costs		\$ 60,765	60,765
Customer Surveys	\$ 20,500	\$ 22,075	1,575
Repairs to the Main Gate		\$ 2,450	2,450
Sub-Total	\$ 401,825	\$ 434,785	32,961

Third party costs incurred to meet the OEB requirements of the cost of service application. Representing one fifth of the total cost. These costs are not part of 2014 expenses.

Human Resources

Table 4-18
Appendix 2-JC
OM&A Programs – Human Resources
2014 vs. 2016 Test Year

	2014 Actuals	2016 Test Year	Variance (Test Year vs. 2014 Actuals)
Programs			
<i>Reporting Basis</i>			
HUMAN RESOURCES			
Management Wages, Incentives and Benefits	\$ 854,377	\$ 1,041,823	187,447
Non-Management Wages, Overtime and Benefits	\$ 971,965	\$ 1,050,598	78,633
Additional Staff - New Management FTE - Wages, Incentives & Benefits		\$ 134,662	134,662
Additional Staff - New Non-Management FTE - Wages, Overtime & Benefits		\$ 69,726	69,726
Succession Plan - Additional Management Staff - Partial FTE - Wages, Incentives & Benefits		\$ 183,916	183,916
Succession Plan - Additional Non-Management Staff - Partial FTE - Wages, Overtime & Benefits		\$ 224,977	224,977
Sub-Total	\$ 1,826,342	\$ 2,705,703	879,361

Management Wages, Incentives and Benefits

In 2015 Grimsby Power budgeted for an Engineering Supervisor and an Applications/Systems Support Professional. The Engineering Supervisor began service in January 2015 while the Applications/Systems Support Professional is currently being recruited. The cost (wages, incentives, and benefits) associated with these positions first occurs in this line item in 2015 and this accounts for the variance between 2014 and 2016.

Non-Management Wages, Overtime and Benefits

Under the terms of Grimsby Power's collective agreement with its unionized employees negotiated increases were/are as follows:

- 1.95% across the board increase effective June 1, 2014 to May 31, 2015 based on a 2 year Collective Agreement expiring in May 31, 2016.
- 1.95% across the board increase effective June 1, 2015 to May 31, 2016 based on a 2 year Collective Agreement expiring in May 31, 2016.
- Estimated 2.2% across the board increase effective June 1, 2016 to end of 2016.

Grimsby Power's part time employee(s) wage increases are effective January 1 in any given year and are as follows

- 2.2% January 1, 2015
- 0.7% January 1, 2016 (proposed)

In 2014 the Storekeeper position was changed from a full time position within the union to a part time position outside of the union. In 2016 this position has been changed back to a full time union position. In 2014 Grimsby Power installed an ERP system which fully integrates the purchasing, warehousing, inventory, and finance systems. For the later part of 2014 and all of 2015 Grimsby Power operated with a part time Storekeeper fulfilling approximately 20 hours per week. The administration of the purchasing, warehousing, inventory, and finance systems within the role of Storekeeper are significant. Future plans to integrate additional modules within the JOMAR ERP will add to the resources necessary to execute this functionality. Therefore, Grimsby Power has planned to move back to a full time position in the Storekeeper role. The change from part time (non-union) to full time (union) accounts for a \$46,025 change from 2014 to 2016. In addition to this two other

existing positions (Accounting Assistant & Customer Account Representative) are moving through their annual step increases to 100% of the wage rate.

Additional Staff – New Management FTE – Wages, Incentives, and Benefits

This change is exactly the same as described above in the variance analysis from 2012 Board Approved to 2016.

Additional Staff – New Non-Management FTE – Wages, Overtime, and Benefits

This change is exactly the same as described above in the variance analysis from 2012 Board Approved to 2016.

Succession Plan – Additional Management Staff – Partial FTE – Wages, Incentives, and Benefits

This change is exactly the same as described above in the variance analysis from 2012 Board Approved to 2016.

Succession Plan – Additional Non-Management Staff – Partial FTE – Wages, Overtime & Benefits

This change is exactly the same as described above in the variance analysis from 2012 Board Approved to 2016.

Employee Compensation Breakdown

Grimsby Power employee costs are detailed in Appendix 2-K below.

Table 4-19
Appendix 2-K
Employee Costs
2012 OEB Approved – 2016 Test Year

	Last Rebasing Year - 2012- Board Approved	Last Rebasing Year - 2012- Actual	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year
Number of Employees (FTEs including Part-Time)¹						
Management (including executive)	7.00	6.83	6.91	6.91	8.79	10.61
Non-Management (union and non-union)	11.50	11.64	11.60	11.19	11.02	14.54
Total	18.50	18.47	18.51	18.10	19.81	25.15
Total Salary and Wages including overtime and incentive pay						
Management (including executive)	\$ 543,313	\$ 605,941	\$ 663,416	\$ 685,615	\$ 891,536	\$ 1,096,873
Non-Management (union and non-union)	\$ 691,844	\$ 705,176	\$ 765,367	\$ 774,583	\$ 785,764	\$ 1,056,276
Total	\$ 1,235,157	\$ 1,311,117	\$ 1,428,783	\$ 1,460,198	\$ 1,677,300	\$ 2,153,149
Total Benefits (Current + Accrued)						
Management (including executive)	\$ 182,379	\$ 159,237	\$ 166,576	\$ 168,762	\$ 201,106	\$ 263,528
Non-Management (union and non-union)	\$ 223,495	\$ 194,343	\$ 207,618	\$ 197,382	\$ 205,768	\$ 289,025
Total	\$ 405,875	\$ 353,579	\$ 374,194	\$ 366,144	\$ 406,874	\$ 552,554
Total Compensation (Salary, Wages, & Benefits)						
Management (including executive)	\$ 725,693	\$ 765,177	\$ 829,992	\$ 854,377	\$ 1,092,642	\$ 1,360,402
Non-Management (union and non-union)	\$ 915,339	\$ 899,519	\$ 972,985	\$ 971,965	\$ 991,532	\$ 1,345,302
Total	\$ 1,641,032	\$ 1,664,696	\$ 1,802,977	\$ 1,826,342	\$ 2,084,173	\$ 2,705,703

Assumptions and Definitions – Appendix 2-K - Employee Costs

- Last Approved Rebasing Year – 2012: Numbers in this column are the numbers approved by the OEB in the last Cost of Service Application "EB-2011- 0273;
- Last Rebasing Year – Actual 2012: All numbers are based on 2012 Actuals.
- Historical Year 2013: All numbers are based on 2013 Actuals.
- Historical Year 2014: All numbers are based on 2014 Actuals.
- Bridge Year 2015: All numbers are based on the 2015 Budget.
- Test Year 2016: All numbers are based on the 2016 Budget.
- Appendix 2-K Employee Costs and Inter-Company Agreements: In 2013, 2014, and 2015 Grimsby Power contracted out administrative services to its affiliate NWTC. This service was necessary to operate the transformer station and to facilitate a station upgrade to enable the connection of renewable generation. These costs are not included in the actual (2013 & 2014) and budgeted (2015) figures. This sharing of services was an efficient way for both parties to benefit from the knowledge of Grimsby Power resources. With the amalgamation of Grimsby Power and NWTC this

1 service agreement is no longer applicable. The information in this section reflects
2 total actual (or budgeted for 2015 and 2016) Grimsby Power employee
3 compensation costs and FTEs, without including employee compensation charged
4 between Grimsby Power and NWTC.

- 5 • Appendix 2-K Employee Costs and the Conservation and Demand Management
6 Targets: The FTE numbers and employee costs in Appendix 2-K do not include
7 Grimsby Power costs associated with the administration of Grimsby Power's
8 conservation and demand management programs. These costs were/are funded by
9 the OPA/IESO.

10 *Full-Time Equivalents (FTEs including Part-Time)*

11 Full-time equivalents refer to all full-time and part-time employees of Grimsby Power. All
12 management employees work a normal work week of 37.5 hours. Grimsby Power currently
13 has two part time employees who work a minimum of 20 hours per week but no more than
14 24 hours per week. Union employees in the office work a normal work week of 37.5 hours
15 and field staff including the Engineering and Design Technicians work a normal work week
16 of 40 hours. FTE counts are based on regular hours worked or budgeted which are included
17 in revenue requirement over the base hours. For example the Finance and Regulatory
18 Analyst position is responsible for CDM activities which are funded by the IESO (formerly
19 OPA). These funded activities are not included in revenue requirement and thus the FTE
20 count for this position is less than one.

21 From time to time gaps in positions are created between the time an employee leaves
22 Grimsby Power and the time a new employee is hired in the same or similar position. These
23 gaps have been taken into account. If there was a gap in a position this would reduce the
24 FTE count to a value less than one for any given year.

25 Agency and other independent contractors who provide services to Grimsby Power who are
26 not employees of Grimsby Power are excluded from all columns found in Appendix 2-K.

27 *Management Employees*

28 Management employees include the Chief Executive Officer, Executive Assistant, Director of
29 Asset Management, Director of Finance, Director of Customer Accounts, Engineering

Supervisor, Operations Supervisor, Customer Accounts Supervisor, Accounting Supervisor, Applications/Systems Support Professional, and the Finance and Regulatory Analyst. All of these positions are full-time.

Non-Management Employees

Non-management employees include all employees of the Power Workers Union of Grimsby Power and part time (non-management) employees. These positions include Foreman, Journeyman Lineman, Engineering Technician, Design Technician, Customer Accounts Representative, Accounting Assistant, Accounting and Settlement Clerk, and Storekeeper. Non-management employees include part time positions including the Cashier and Supply Chain Management Representative.

Total Salary and Wages

"Total Salary and Wages" includes base salary and all wages such as overtime and on-call premiums. Short term incentive pay is included in the "Total Salary and Wages".

Benefits

Costs relating to benefits relate to all payroll and discretionary benefits, such as Employer Health Tax (EHT), Canada Pension Plan (CPP), Employment Insurance (EI), Workplace Safety and Insurance Board (WSIB), Ontario Municipal Employee Retirement System (OMERS), Life Insurance, Long Term Disability, Health and Dental Coverage, and the Employee Assistance Program. Some benefit costs are directly related to salary (eg. – OMERS) and others are related to experience rating (eg. – Health and Dental) coverage.

Accrued Benefits

Accrued Benefits consist of both post-retirement non-pension benefits and liability of sick leave benefits. Grimsby Power has never offered post-retirement benefits to its employees and plans to maintain this position. Grimsby Power does not have any liabilities for unused sick leave.

Life insurance premiums are paid to retirees.

Year over Year Variance Analysis

Overview

In Grimsby Power's experience it is getting more challenging to attract and retain qualified and experienced employees in key functional areas of our business. It has been projected that there will be high levels of employee retirements across the utility industry and this adds to the collective resource drain on the industry as a whole. This high level of retirement is increasing the demand for experienced employees making employee attraction and retention much more difficult than in the past. Grimsby Power's succession plan has identified potential retirements over the next five years. In 2016 four employees are eligible to retire and in 2018 one is eligible. Therefore, of the twenty one employees five employees are eligible to retire from 2015 to 2020. Competitive compensation with organizations we compete with for resources is required to meet the needs of the organization, including continued high levels of customer service.

Full Time Equivalent Variance Analysis

Table 4-20
Full Time Equivalent Employees by Department with Variances
2012 OEB Approved to 2016 Test Year

Department	2012 Board Approved	2012 Actuals	2013 Actuals	2014 Actuals	2015 Bridge Year	2016 Test Year	Change 2016 vs. 2012 Actual	Change 2016 vs. 2012 Board Approved
Operations								
Operations Administration	1.00	1.00	1.00	1.00	1.00	1.00	-	-
Lines	4.00	4.00	4.00	4.00	4.00	6.00	2.00	2.00
Stores	1.00	1.00	1.00	0.66	0.48	1.00	-	-
Total	6.00	6.00	6.00	5.66	5.48	8.00	2.00	2.00
							-	-
Engineering								
Engineering	2.00	2.00	2.00	2.00	3.00	3.00	1.00	1.00
Total	2.00	2.00	2.00	2.00	3.00	3.00	1.00	1.00
							-	-
Finance								
Accounting/Finance	3.00	2.83	2.91	2.83	2.92	3.92	1.09	0.92
Billing	3.50	3.64	3.61	3.62	3.54	4.74	1.10	1.24
Total	6.50	6.47	6.52	6.45	6.46	8.66	2.19	2.16
Administration	4.00	4.00	4.00	4.00	4.88	5.50	1.50	1.50
TOTAL	18.50	18.47	18.52	18.11	19.81	25.16	6.69	6.66
Increase Over Prior Year			0.05	- 0.41	1.70	5.34		
Increase 2016 Over 2012 Board Approved		- 0.03	0.02	- 0.39	1.31	6.66		

2012 Board Approved vs. 2012 Actual

The total variance equals negative 0.03. The Accounting/Finance change is due to the difference in time funded by the OPA. The Billing variance is due to the number of hours worked for the part time employee which is variable between 20 and 24 hours per week.

Note – Board approved counts included 8 Management and 11 Non-Management. Within the spreadsheet the 8 was actually 7.5 and this 7.5 included 7 Management and 0.5 Non-Management (Part Time – Non-Union). Therefore, the total Management should have been listed as 7. When the 0.5 Non-Management is added to the Non-Management the total should have been 11.5.

2012 Actual vs. 2013 Actual

The total variance equals 0.05. The Accounting/Finance change is due to the difference in time funded by the OPA. The Billing variance is due to the number of hours worked for the part time employee which is variable between 20 and 24 hours per week.

2013 Actual vs. 2014 Actual

The total variance equals negative 0.41. The Accounting/Finance change is due to the difference in time funded by the OPA. The Billing variance is due to the number of hours worked for the part time employee which is variable between 20 and 24 hours per week. In the Stores department the position was left vacant between the departure of one employee and the start of another as well as a change from full time to part time position.

2014 Actual vs. 2015 Bridge Year

The total variance equals 1.7. The Accounting/Finance change is due to the difference in time funded by the OPA. The Billing variance is due to the number of hours worked for the part time employee which is variable between 20 and 24 hours per week. The Stores variance is the change from a mix of full time and part time in 2014 to part time in 2015. In Engineering the Engineering Supervisor was included in the 2015 budget. In Administration the Applications/Systems Support Professional was added for 2015 but not for 100% of the year.

2015 Bridge Year vs. 2016 Test Year

The total variance equals 5.34. In the Lines Department the addition of two Lineman Apprentices for succession planning. In the Stores Department the change from a part time to full time employee. In the Accounting/Finance Department the addition of an Accounting Supervisor. The Billing variance is due to the addition of an additional Customer Accounts Representative and a partial FTE for the existing Director of Customer Accounts – FTE count is averaged over rate term. In Administration one half an FTE has been added for the Executive Assistant position and a full year of time for the Applications/Systems Support Professional.

In terms of actual staff and positions from the Board Approved numbers in 2012 to 2016 the following table shows the additions:

Table 4-21
Additional Staff Positions

Driver	Number of Employees
Growth in Operations	2.00
Apprentice Lineman	2.00
Growth in Engineering	1.00
Engineering Supervisor	1.00
Growth in Finance/Accounting	2.00
Accounting Supervisor	1.00
Customer Accounts Representative	1.00
Growth in Administration	1.50
IT professional	1.00
Executive Assistant	0.50
Total	6.50

Variance Analysis of Total Salary and Wages (including Overtime & Incentive Pay)

2012 Board Approved vs. 2012 Actual

Table 4-22
Total Salary and Wages (including Overtime & Incentive Pay)
2012 Board Approved vs. 2012 Actual

Total Salary and Wages Including Overtime and Incentive Pay	Last Rebasing Year - 2012 Board Approved	Last Rebasing Year - 2012 Actual	Variance
Management (including Executive)	\$ 543,313	\$ 605,941	\$ 62,627
Non - Management (Union and non-union)	\$ 691,844	\$ 705,176	\$ 13,332
Total	\$ 1,235,157	\$1,311,117	\$ 75,959

Management

The \$62,627 increase is due to the cumulative effects of:

- The re-basing of Grimsby Power's Management salaries with new job rates effective January 1, 2012. This job rate re-basing was not included in the 2012 Cost of Service filing. Some positions moved to the job rate and others were placed within a salary grid (eg. – 85% to 90% of the job rate) with annual progressions towards the new job rate. This was done to mitigate the gap between 2011 salaries with the rebased salaries established on January 1, 2012.
- The first phase of a new performance metrics and short term incentives paid for 2011 performance. This performance metrics and short term incentives system was approved by Grimsby Power's Board of Directors in May of 2012. This system was not in place nor included in 2012's Cost of Service filing.

Non-Management

The \$13,332 increase is due to the cumulative effects of:

- Negotiated wage increase Wage increases effective June 1, 2012 of 2.8%
- Step increases for those employees not at the 100% wage rate.

2012 Actual vs. 2013 Actual

Table 4-23

Total Salary and Wages (including Overtime & Incentive Pay)

2012 Actual vs. 2013 Actual

Total Salary and Wages Including Overtime and Incentive Pay	Last Rebasing Year - 2012 Actual	2013 Actual	Variance
Management (including Executive)	\$ 605,941	\$ 663,416	\$ 57,476
Non - Management (Union and non-union)	\$ 705,176	\$ 765,367	\$ 60,191
Total	\$ 1,311,117	\$ 1,428,783	\$ 117,666

Management

The \$57,476 increase is due to the cumulative effects of:

- Step increases for those management employees who were not making the job rate for the position.
- The second phase of a new performance metrics and short term incentives paid for 2012 performance
- An increase in overtime for Operations Management staff due to an increase in emergency storm response situations

Non-Management

The \$60,191 increase is due to the cumulative effects of:

- Negotiated wage increase. Wage increases effective June 1, 2013 of 2.8%
- Step increases for those employees not at their maximum 100% rate
- An increase in overtime due to an increase in emergency response and after hours pre-scheduled work
- An increase in overtime to complete engineering design for programs and projects – a shortage of resources to keep up with demand

2013 Actual vs. 2014 Actual

Table 4-24

Total Salary and Wages (including Overtime & Incentive Pay)

2013 Actual vs. 2014 Actual

Total Salary and Wages Including Overtime and Incentive Pay	2013 Actual	2014 Actual	Variance
Management (including Executive)	\$ 663,416	\$ 685,615	\$ 22,199
Non - Management (Union and non-union)	\$ 765,367	\$ 774,583	\$ 9,217
Total	\$ 1,428,783	\$ 1,460,198	\$ 31,415

Management

The \$22,199 increase is due to the cumulative effects of:

- The third phase of a new performance metrics and short term incentives paid for 2013 performance
- A decrease in overtime for Operations Management staff due to an increase in emergency storm response situations

Non-Management

The \$9,217 increase is due to the cumulative effects of:

- Negotiated wage increase. Wage increases effective June 1, 2014 of 1.95%
- Step increases for those employees not at their maximum 100% rate
- The above two items were offset by a gap in employing a Storekeeper and the change from union to non-union part time resulting in lower labour costs
- An increase in overtime for Finance and Customer Accounts Department staff due to an increase workload
- An increase in overtime to complete engineering design for programs and projects – a shortage of resources to keep up with demand

2014 Actual vs. 2015 Bridge Year

Table 4-25
Total Salary and Wages (including Overtime & Incentive Pay)
2014 Actual vs. 2015 Bridge Year

Total Salary and Wages Including Overtime and Incentive Pay	2014 Actual	2015 Bridge Year	Variance
Management (including Executive)	\$ 685,615	\$ 891,536	\$ 205,921
Non - Management (Union and non-union)	\$ 774,583	\$ 785,764	\$ 11,181
Total	\$ 1,460,198	\$ 1,677,300	\$ 217,101

Management

The \$205,921 increase is due to the cumulative effects of:

- The addition of two staff in the positions of Engineering Supervisor and Applications/Systems Support Professional
- Step increases for those management employees who were not making the job rate for the position.
- Short term incentives are budgeted at the target value of 100%. Actual achievement in prior years has been less than target.
- Budgeted overtime for Operations Management is in excess of actual experience in the prior year to assist with emergency storm response situations

Non-Management

The \$11,181 increase is due to the cumulative effects of:

- Negotiated wage increase. Wage increases effective June 1, 2014 of 1.95%
- Step increases for those employees not at their maximum 100% rate
- The above two items were offset by a gap in employing a Storekeeper and the change from union to non-union part time resulting in lower labour costs

2015 Bridge Year vs. 2016 Test Year

Table 4-26

Total Salary and Wages (including Overtime & Incentive Pay)

2015 Bridge Year vs. 2016 Test Year

Total Salary and Wages Including Overtime and Incentive Pay	2015 Bridge Year	2016 Test Year	Variance
Management (including Executive)	\$ 891,536	\$1,096,873	\$205,337
Non - Management (Union and non-union)	\$ 785,764	\$1,056,276	\$270,512
Total	\$ 1,677,300	\$2,153,149	\$475,850

Management

The \$205,337 increase is due to the cumulative effects of:

- The addition of two staff in the positions of Accounting Supervisor and the Executive Assistant (0.5 FTE)
- The cost of the Director of Customer Accounts – one year overlap with new position Customer Accounts Supervisor – this cost has been normalized over the five year rate period
- Step increases for those management employees who were not making the job rate for the position.
- Short term incentives are budgeted at the target value of 100%. Actual achievement in prior years has been less than target.

Non-Management

The \$270,512 increase is due to the cumulative effects of:

- The addition of one staff position of Customer Accounts Representative
- The addition of two Journeyman Lineman Apprentices. One of these positions has been normalized to account for the retirement of one Journeyman.
- The change from a part time Storekeeper (non-union) to a full time Storekeeper (union)
- An estimated wage increase effective June 1, 2016 of 2.2%
- Step increases for those employees not at their maximum 100% rate

Variance Analysis of Total Benefits (Current + Accrued)

2012 Board Approved vs. 2012 Actual

Table 4-27
Total Benefits (Current + Accrued)
2012 Board Approved vs. 2012 Actual

Total Benefits (Current + Accrued)	Last Rebasing Year - 2012 Board Approved	Last Rebasing Year - 2012 Actual	Variance
Management (including Executive)	\$ 182,379	\$ 159,237	-\$ 23,143
Non - Management (Union and non-union)	\$ 223,495	\$ 194,343	-\$ 29,153
Total	\$ 405,875	\$ 353,579	-\$ 52,295

Management

The \$23,143 decrease is due to the cumulative effects of:

- Increases in benefits due to increase in annual salaries offset by
- Reflects actual experience with Health benefits opposed to estimated values in the Board Approved estimates

Non-Management

The \$29,153 decrease is due to the cumulative effects of:

- Reflects actual experience with Health benefits opposed to estimated values in the Board Approved estimates

2012 Actual vs. 2013 Actual

Table 4-28
Total Benefits (Current + Accrued)
2012 Actual vs. 2013 Actual

Total Benefits (Current + Accrued)	Last Rebasing Year - 2012 Actual	2013 Actual	Variance
Management (including Executive)	\$ 159,237	\$ 166,576	\$ 7,340
Non - Management (Union and non-union)	\$ 194,343	\$ 207,618	\$ 13,275
Total	\$ 353,579	\$ 374,194	\$ 20,615

Management

The \$7,340 increase is due to the cumulative effects of:

- An increase in OMERS premiums in 2013 from 8.3% to 9.0% for earnings up to the CPP earnings limit and from 12.8% to 14.6% for earnings greater than the CPP earnings limit
- Increases in benefit premiums relating to LTD
- The impact of higher wages on wage-dependent benefit premium costs (eg - OMERS, CPP, EI, EHT, etc.)

This increase was offset by lower costs for life insurance, health benefits, and EAP.

Non-Management

The \$13,275 increase is due to the cumulative effects of:

- An increase in OMERS premiums in 2013 from 8.3% to 9.0% for earnings up to the CPP earnings limit and from 12.8% to 14.6% for earnings greater than the CPP earnings limit
- Increases in benefit premiums relating to LTD
- The impact of higher wages on wage-dependent benefit premium costs (eg - OMERS, CPP, EI, EHT, etc.)

2013 Actual vs. 2014 Actual

Table 4-29
Total Benefits (Current + Accrued)
2013 Actual vs. 2014 Actual

Total Benefits (Current + Accrued)	2013 Actual	2014 Actual	Variance
Management (including Executive)	\$ 166,576	\$ 168,762	\$ 2,186
Non - Management (Union and non-union)	\$ 207,618	\$ 197,382	-\$ 10,236
Total	\$ 374,194	\$ 366,144	-\$ 8,050

Management

The \$2,186 increase is due to the cumulative effects of:

- The impact of higher wages on wage-dependent benefit premium costs (eg - OMERS, CPP, EI, EHT, etc.)

This increase was offset by lower costs for LTD insurance, life insurance, health benefits, and EAP.

Non-Management

The \$10,236 decrease is due to the cumulative effects of:

- The impact of higher wages on wage-dependent benefit premium costs (eg - OMERS, CPP, EI, EHT, etc.)

This increase was offset by lower costs for LTD insurance, life insurance, health benefits, and EAP.

2014 Actual vs. 2015 Bridge Year

Table 4-30
Total Benefits (Current + Accrued)
2014 Actual vs. 2015 Bridge Year

Total Benefits (Current + Accrued)	2014 Actual	2015 Bridge Year	Variance
Management (including Executive)	\$ 168,762	\$ 201,106	\$ 32,344
Non - Management (Union and non-union)	\$ 197,382	\$ 205,768	\$ 8,386
Total	\$ 366,144	\$ 406,874	\$ 40,730

Management

The \$32,344 increase is due to the cumulative effects of:

- An increase in the average FTE's of 1.88
- The impact of higher wages on wage-dependent benefit premium costs (eg - OMERS, CPP, EI, EHT, LTD Insurance, Life Insurance, Health Benefits, and EAP, etc.)

Non-Management

The \$8,386 increase is due to the cumulative effects of:

- The impact of higher wages on wage-dependent benefit premium costs (eg - OMERS, CPP, EI, EHT, etc.)

2015 Bridge Year vs. 2016 Test Year

Table 4-31
Total Benefits (Current + Accrued)
2015 Bridge Year vs. 2016 Test Year

Total Benefits (Current and Accrued)	2015 Bridge Year	2016 Test Year	Variance
Management (including Executive)	\$ 201,106	\$ 263,528	\$ 62,422
Non - Management (Union and non-union)	\$ 205,768	\$ 289,025	\$ 83,258
Total	\$ 406,874	\$ 552,554	\$ 145,680

Management

The \$62,422 increase is due to the cumulative effects of:

- An increase in the average FTE's of 1.82
- The impact of higher wages on wage-dependent benefit premium costs (eg - OMERS, CPP, EI, EHT, LTD Insurance, Life Insurance, Health Benefits, and EAP, etc.)

Non-Management

The \$83,258 increase is due to the cumulative effects of:

- An increase in the average FTE's of 3.52
- The impact of higher wages on wage-dependent benefit premium costs (eg - OMERS, CPP, EI, EHT, LTD Insurance, Life Insurance, Health Benefits, and EAP, etc.)

Variance Analysis of Total Compensation (Salary, Wages, & Benefits)

Total compensation is simply the sum total of Total Salary and Wages and Total Benefits. The explanations above explain the changes in detail. The year to year variance tables are as shown below.

2012 Board Approved vs. 2012 Actual

Table 4-32
Total Compensation (Salary, Wages, and Benefits)
2012 Board Approved vs. 2012 Actual

Total Compensation (Salary, Wages & Benefits)	Last Rebasing Year - 2012 Board Approved	Last Rebasing Year - 2012 Actual	Variance
Management (including Executive)	\$ 725,693	\$ 765,177	\$39,484
Non - Management (Union and non-union)	\$ 915,339	\$ 899,519	-\$15,821
Total	\$ 1,641,032	\$1,664,696	\$23,664

2012 Actual vs. 2013 Actual

Table 4-33
Total Compensation (Salary, Wages, and Benefits)
2012 Actual vs. 2013 Actual

Total Compensation (Salary, Wages, & Benefits)	Last Rebasing Year - 2012 Actual	2013 Actual	Variance
Management (including Executive)	\$ 765,177	\$ 829,992	\$ 64,815
Non - Management (Union and non-union)	\$ 899,519	\$ 972,985	\$ 73,466
Total	\$ 1,664,696	\$ 1,802,977	\$ 138,281

2013 Actual vs. 2014 Actual

Table 4-34
Total Compensation (Salary, Wages, and Benefits)
2013 Actual vs. 2014 Actual

Total Compensation (Salary, Wages, & Benefits)	2013 Actual	2014 Actual	Variance
Management (including Executive)	\$ 829,992	\$ 854,377	\$ 24,384
Non - Management (Union and non-union)	\$ 972,985	\$ 971,965	-\$ 1,019
Total	\$ 1,802,977	\$ 1,826,342	\$ 23,365

2014 Actual vs. 2015 Bridge Year

Table 4-35
Total Compensation (Salary, Wages, and Benefits)
2014 Actual vs. 2015 Bridge Year

Total Compensation (Salary, Wages, & Benefits)	2014 Actual	2015 Bridge Year	Variance
Management (including Executive)	\$ 854,377	\$ 1,092,642	\$ 238,265
Non - Management (Union and non-union)	\$ 971,965	\$ 991,532	\$ 19,566
Total	\$ 1,826,342	\$ 2,084,173	\$ 257,831

2015 Bridge Year vs. 2016 Test Year

Table 4-36
Total Compensation (Salary, Wages, and Benefits)
2015 Bridge Year vs. 2016 Test Year

Total Compensation (Salary, Wages, & Benefits)	2015 Bridge Year	2016 Test Year	Variance
Management (including Executive)	\$ 1,092,642	\$ 1,360,402	\$ 267,760
Non - Management (Union and non-union)	\$ 991,532	\$ 1,345,302	\$ 353,770
Total	\$ 2,084,173	\$ 2,705,703	\$ 621,530

Description of Compensation Strategy – Employee Trends, Compensation, and Performance System

The LDC sector is characterized by an aging workforce, anticipated LDC-specific skills shortages, increased diversity, younger employees replacing retiring employees, and different employee values and work expectations. The bottom line is that it is getting more challenging to attract and retain employees and contain compensation related costs.

Grimsby Power employee trends are impacting Human Resources Planning and Compensation.

Employee Turnover

Employee turnover metrics support that Grimsby Power is retaining its high performing employees, and severing with its lower performing employees, suggesting a culture of good performance management balanced by good hiring decisions. Minimizing turnover reduces the costs related to recruitment, hiring, orientation, skill transfer, training and professional development.

Voluntary turnover can be an indicator of retention concerns, particularly in key positions. Grimsby Power's voluntary turnover has been very low which is a positive indication of Grimsby Power's ability to retain employees. Voluntary turnover is defined as turnover due to an employee initiated departure. It excludes retirements, dismissals, redundancies, transfers, deaths, and leaves.

Grimsby Power's turnover experience is as follows:

- 2011 1
- 2012 None
- 2013 None
- 2014 1
- 2015 1

Involuntary turnover is an indication of potential issues with respect to human resources planning, performance management and hiring decisions. Grimsby Power has very low involuntary turnover which is a positive indication of good human resources planning and a

1 culture of good performance management balanced with good hiring decisions. Involuntary
2 turnover is defined as turnover due to an employee departure initiated by the employer.

3 Grimsby Power's involuntary turnover experience is as follows:

- 4 • 2011 None
- 5 • 2012 None
- 6 • 2013 None
- 7 • 2014 1
- 8 • 2015 1

9 *Projected Retirements*

10 Projected retirements are important to track for Human Resources planning into the future
11 to ensure continued good customer service and business continuity. This projection directly
12 links to the annual Human Resources budget plan, training/professional development plans
13 and succession management.

14 The following list of retirements assumes the first year in which employees are eligible to
15 retire with an unreduced pension – minimum 55 years of age and 30 years of service.

- 16 • Management – 3 in 2016
- 17 • Non-Management – 1 in 2017 and 1 in 2018

18 There are 5 employees eligible for retirement in the rate rebasing period from 2016 to
19 2020. Planning for retirements is difficult because employees very rarely provide firm
20 irrevocable retirement dates.

21 These potential retirements in the next five years will be occurring at a time when other
22 companies and LDC's are competing for the same resources because all are experiencing
23 high levels of retirements. This means increased competition for talent. Attracting fully
24 competent employees is very difficult. Mitigation is occurring through succession
25 management, knowledge transfer and human resources planning such as hiring ahead of
26 retirements.

Due to Grimsby Power's small size it is imperative that overlap occurs so that training can occur ahead of a retirement. This is especially critical in the area of trades where the apprenticeship period is 4 to 5 years. Apprentices need to learn from skilled tradesman during their apprenticeship period. Failure to accomplish the transfer of knowledge from an experienced worker to the incumbent worker will result in severe gaps in corporate knowledge and lead to poor customer satisfaction.

Employee Demographics

Length of Service and Age

The information in the following table represents a snapshot of Grimsby Power's employees.

Table 4-37
Employee Demographics

Department	Management			Non-Management		
	Average Age	Average Length of Service	Average LDC Specific Service	Average Age	Average Length of Service	Average LDC Specific Service
Operations Administration	44	4	15			
Lines				44	17	19
Stores				50	2	2
Engineering	41	1	1	40	14	14
Accounting/Finance	47	6	6	36	6	6
Billing	56	39	39	44	11	11
Administration	51	7	23			
TOTAL	48	11	17	42	10	10

Average age and age distribution are indicators of an organizations capability of sustaining succession management and industry specific knowledge transfer to new employees as existing employees leave. Skill sets from across age groups can at time complement each other. Grimsby Power's age distribution is as follows:

- Management Average Age 48
- Non-Management Average Age 42

The length of service is a general indicator of the knowledge residing within the individuals. Length of service has been divided in the above table to within Grimsby Power and in the LDC industry. Longer lengths of service are associated with broader knowledge within the corporation. Grimsby Power's length of service statistics are as follows:

- Management Length of Service 11 or 17 – newer employees to Grimsby Power are bringing valued LDC service experience.
- Non-Management Length of Service 10 – Indicates a fairly young work force in terms of length of service.

Grimsby Power's age distribution is on the higher end considering the age of retirement begins at age 55. Grimsby Power has a number of new employees with limited experience as shown by the average length of service only being 10 or 11 years.

Trades Apprentices

Grimsby Power has four Journeyman Lineman positions and at the current time two of these Journeyman have greater than 20 years experience and are approaching retirement eligibility in the 2016 to 2020 period. One Journeyman has ten years experience and one Journeyman has just completed the apprenticeship program. Grimsby Power's succession planning strategy is to hire two apprentices in 2016. It has been Grimsby Power's experience and the experience of the Executive team that better retention of the Lines trade is achieved by hiring apprentices. Hiring of tradesman with Journeyman status is extremely difficult. Over the rate period from 2016 to 2020 these apprentices would move along the learning continuum from apprentice to Journeyman. Towards the latter stages of this cycle it is possible that two Journeyman would retire leaving the group quite young in both age and experience. It is therefore critical that the hiring not be delayed.

Compensation

Qualified and adequate numbers of employees to fill key LDC business requirements, including succession planning and knowledge transfer specific to Grimsby Power and the electric utility industry, are essential for continued high levels of customer service and business continuity. Competitive compensation with organizations we compete with for similar roles is a key element for ensuring Grimsby Power maintains the ability to attract and retain the qualified resources in need for continued high levels of customer service, customer satisfaction, business success, and business continuity.

Compensation Principles and Target Market

Grimsby Power's compensation philosophy is to be generally competitive with comparable organizations for similar roles in the LDC marketplace. Grimsby Power's primary target market for LDC specific roles is the LDC market. However, experience indicates that attracting talent from the LDC market has been difficult primarily due to compensation challenges – LDC's larger than Grimsby Power generally compensate employees at a higher level than Grimsby Power's current compensation rates. As a result of this Grimsby Power is required to reach beyond the LDC industry market to attract good employees.

Union

Of the 21 employees currently employed by Grimsby Power 10 or 47.6% are represented by the Power Workers Union. This employee category has many positions which are either educated or require specialized skills and knowledge. For example Journeyman Lineman are required to complete an 8000 hour apprenticeship program, Technicians are required to have 2 to 3 years of college, other employees require up to 5 years of exposure to learn the specific skills necessary to be successful in the various roles. Operations staff work a standard 40 hour week while office staff work a 37.5 hour week.

Typically job classifications have a range from 60% to 100% of the job rate but all but one of the nine classifications has a range of 80% to 100%. All classifications have four levels below the job rate of 100%. Employees generally move from one level to the next on an annual basis based on satisfactory performance.

Hourly wage rates for unionized staff are negotiated as part of the collective bargaining process. As jobs in the LDC industry are very comparable from utility to utility, Unions are very aware of the wage differentials between utilities. With the exception of Niagara on the Lake Hydro Grimsby Power is surrounded by larger utilities which in general have higher hourly rates than Grimsby Power. It is extremely important that Grimsby Power keep its union wage rates in a range which does not affect its ability to hire and retain good employees.

Part Time

Of the 21 employees currently employed by Grimsby Power 2 or 9.5% are part time and they are not part of the Union. These two employees work between 20 and 24 hours per week. Hourly wages are set by Management based on market comparators outside of the LDC community.

Management

Of the 21 employees currently employed by Grimsby Power 9 or 42.9% are Management employees. This category covers all managerial, supervisory, and confidential employees of Grimsby Power. All Management employees work a minimum of 37.5 hours per week.

This employee category is highly educated. The majority of these positions require university and college level education, and many require several years of specialized electric utility experience and knowledge. For example Professional Engineers, Administrators with MBA's or college level diplomas/certificates, Accountants with CA/CGA/CMA, and Regulatory Experts.

Grimsby Power's management position salaries need to be competitive in order to ensure it can attract the employees it needs, given the competition for talent for highly specialized competencies and the high level of retirements in the rate period from 2016 to 2020 – three out of nine staff are eligible for retirement. Grimsby Power also needs to retain its management employees so that it does not lose the training and development investments made with each of these employees.

In 2012 Grimsby Power adopted a methodology to review management performance and compensation on an annual basis. This methodology considers base salary, short term

incentives, the setting of objectives, and the assessment of performance against those objectives. Every management position has a base salary and short term incentive criteria which is dependent on the responsibilities of the position. There are no across the board economic adjustments to base salaries.

There are two components to compensation – base salary or the Job Rate and a short term incentive. Every job position has been assigned a pay grade based on the evaluation of the job utilizing Hay points and each pay grade has a salary grid that ranges from the Job Rate at 100% to Step 7 or 65% of the Job Rate. Movement through the salary grid is dependent on successful performance and is reviewed annually. The Job Rate represents a fully competent and experienced individual in the position held. The relativity between positions and the Job Rate was established to target the 50th percentile for small utilities (those under 20,000 customers) in the annual MEARIE Group – Management Salary Survey of Local Distribution Companies which is administered by the Hay Group Limited. Job Rates were last established for January 1, 2015.

The short term incentive is based on a combination of individual and corporate performance. The weighting of individual vs. corporate performance is based on the position as follows:

Table 4-38
Short Term Incentive Split

GPI's Position Description	Corporate Performance %	Individual Performance %
CEO	75	25
Director of Asset Management	50	50
Director of Finance	50	50
Engineering Supervisor	50	50
Operations Supervisor	50	50
Finance and Regulatory Analyst	25	75
Director of Customer Accounts	25	75
Executive Assistant	25	75

The amount of short term incentive is based on the achievement of both corporate and individual objectives as weighted in the table above. The objectives are based on a balanced scorecard approach. The corporate objectives for 2015 are as follows:

Table 4-39
Corporate Performance Measures and Metrics

Category	Weight	Measure	Minimum - 50%	Target - 100%	Maximum - 150%
Financial	30	% Variance in Actual OM&A Expense vrs. Budget	Less Than or Equal to 110% of Budget	Plus or Minus 5.0% of Budget	Less Than 95% of Budget - Justify Budget Execution and Savings Achieved
			Less Than or Equal to \$5,284,958	Between \$4,564,282 and \$5,044,732 (Budget \$4,804,507)	Less Than \$4,564,282
Financial	15	% Variance in Actual Capital Expense vrs. Budget	Plus or Minus 20.0% of Budget	Plus or Minus 10.0% of Budget	Plus or Minus 5.0% of Budget
			Between \$1,043,214 and \$1,564,820	Between \$1,173,615 and \$1,434,419 (Budget \$1,304,017)	Between \$1,238,816 and \$1,369,218
Financial	15	% Weighted Completion of Budgeted Capital Projects & Items	Greater Than or Equal to 80.0% but Less Than 90.0%	Greater Than or Equal to 90.0% but Less Than 95.0% of Budget	Greater Than or Equal to 95%
Customer Service	3	% of General Telephone Calls Answered within Minimum Standard	Not Less Than 98% of Benchmark (86%)	Plus or Minus 1% of Benchmark (86%)	102% of more of Benchmark (86%)
			Not Less Than 84.28	Between 85.14% and 86.86%	More Than or Equal to 87.72%
Customer Service	2	% of Written Responses Met within Standard	Greater Than or Equal to 97% but Less Than 100%	Equal to 100%	Subjective
Customer Service	3	First Contact Resolution	No More Than 4 per Month on Average	No More Than 2 per Month on Average	No More Than 1 per Month on Average
Customer Service	2	Billing Accuracy	98% or More	99 % or More	99.8% or More
Safety	10	# of Lost time Incidents & H&S Program	1	0	Subjective
Safety	10	# of Field Audits vrs. Target	Greater Than or Equal to 80% but Less Than 95%	Plus or Minus 5.0% of Budget	Greater Than 105% but Less Than or Equal to 120%
			Greater Than or Equal to 34 but Less Than 40	Greater Than or Equal to 40 but Less Than or Equal to 44	Greater Than 44 but Less Than or Equal to 50
Reliability	5	% Change in 3 Year Rolling Average - SAIDA	Greater Than 5.0% but Less Than or Equal to 15.0%	Plus or Minus 5.0%	Better Than Negative 5.0%
			Greater Than 1.5183 but Less Than or Equal to 1.6629 (2014 - 1.4460)	Between 1.3737 and 1.5183 (2014 - 1.4460)	Better Than 1.3737 (2014 - 1.4460)
Reliability	5	% Change in 3 Year Rolling Average - SAIFI	Greater Than 10.0% but Less Than or Equal To 20.0%	Plus or Minus 10.0% of Budget	Better Than Negative 10.0%
			Greater Than 1.4498 but Less Than or Equal To 1.5816 (2014 - 1.3180)	Between 1.1862 and 1.4498 (2014 - 1.3180)	Better Than 1.1862 (2014 - 1.3180)
	100				

The corporate objectives balance financial performance, customer service, safety and reliability. Within each objective are measures and explicit targets ranging from 50% through 150%. Individual objectives are similar to the corporate objectives but tailored to the individual. Performance objectives for corporate and individuals are set annually and approved by the Grimsby Power Board of Directors.

Example of a Short Term Incentive Calculation

The incentive payout calculation is based on a combination of corporate and individual performance. Let's assume:

- Individual Performance equals 80%
- Corporate Performance equals 75%
- For the position the Individual/Corporate performance split is 75%/25%
- The target short term incentive percentage is 6%
- Employees Annual Base Earnings for the Year equals \$65,000

Individual STIP = $\$65,000 \times 6\% \times 80\% \times 75\% = \$2,340$

Corporate STIP = $\$65,000 \times 6\% \times 75\% \times 25\% = \731

Total STIP = \$3,071 (where target STIP equals $\$65,000 \times 6\%$ or \$3,900)

Shared Services and Corporate Cost Allocation

In accordance with Chapter 2 of the Filing Requirements for Transmission and Distribution Application issued on July 18, 2014, information on shared services/corporate cost allocation for Actual 2012, 2013, and 2014, together with projections for the 2015 Bridge Year and the 2016 Test Year are provided in Appendix 2-N.

1 Grimsby Power currently has relationships with its affiliates for either the purchase of or
2 provision of services:

- 3 • Town of Grimsby
- 4 • Niagara Power Inc.
- 5 • Niagara Regional Broadband Network
- 6 • Grimsby Hydro Inc.
- 7 • Grimsby Energy Inc.
- 8 • Niagara West Transformation Corporation
- 9 • FortisOntario/Canadian Niagara Power

10 Grimsby Power provides services to its Affiliates as follows:

- 11 • Town of Grimsby - Electricity
- 12 • Niagara Power Inc. – Bookkeeping
- 13 • Niagara Regional Broadband Network – Electricity, Pole Attachment Rental
- 14 • Grimsby Hydro Inc. - Bookkeeping
- 15 • Grimsby Energy Inc. – Administration/Consulting Fees
- 16 • Niagara West Transformation Corporation – Administration/Consulting

17 The methodology to provide services is as follows:

- 18 • Town of Grimsby – Electricity – Grimsby Power OEB approved tariffs
- 19 • Niagara Power Inc. – Bookkeeping – a fixed fee based on an estimate of number of
20 hours required times a market based rate (\$/hour) based on Grimsby Power's own
21 experience of purchases of similar services from third party service providers
- 22 • Niagara Regional Broadband Network – Electricity (Grimsby Power OEB approved
23 tariffs), Pole Attachment Rental (based on Pole Rental Agreement)
- 24 • Grimsby Hydro Inc. – Bookkeeping - a fixed fee based on an estimate of number of
25 hours required times a market based rate (\$/hour) based on Grimsby Power's own
26 experience of purchases of similar services from third party service providers
- 27 • Grimsby Energy Inc. – Administration/Consulting Fees - Administration/Consulting
28 Fees – a market based rate (\$/hour) based on Grimsby Power's own experience of
29 purchases of similar services from third party service providers.

- Niagara West Transformation Corporation – Administration/Consulting Fees - Fees – a market based rate (\$/hour) based on Grimsby Power’s own experience of purchases of similar services from third party service providers.

Grimsby Power purchases services from its Affiliates as follows:

- Town of Grimsby – Water Services, Vehicle Fuel, Property Taxes
- Niagara Regional Broadband Network – Internet Service
- Niagara West Transformation Corporation – Transformation Connection Fees
- FortisOntario/Canadian Niagara Power – Customer Information System (CIS)

Corporate Cost Allocation

Grimsby Power does not have any shared resources with any of its affiliates and therefore has no Corporate Cost Allocation reporting requirements.

Shared Services – Variance Analysis - History

Grimsby Power has completed Appendix 2-N in relation to each service provided or received for Historical (actual), Bridge and Test Years and presented below. A variance analysis follows. In addition, Grimsby Power has provided a reconciliation of the revenue arising from Appendix 2-N with the amounts included in Other Revenue.

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Table 4-40
Appendix 2-N
Shared Services
2012 Board Approved

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
GPI	Town of Grimsby	Power Electricity	Market Rate	390,000	
GPI	Town of Grimsby	Streetlights Services	Fixed Fee/Cost Based	27,864	
GPI	NRBN	Power Electricity	Market Rate	4,600	
GPI	NRBN	Pole Rental	Market Rate	14,997	
GPI	NPI	Bookkeeping Services	Fixed Fee	3,000	
GPI	GHI	Bookkeeping Services	Fixed Fee	600	
Town of Grimsby	GPI	Water Billing Services	Market Rate	450	
Town of Grimsby	GPI	Fuel Billing Services	Market Rate	18,360	
Town of Grimsby	GPI	Property taxes	Market Rate	27,540	
NRBN	GPI	Internet Service	Market Rate	8,568	
NWTC	GPI	Connection Fees	Market Rate	390,000	
Fortis/CNP	GPI	IT Maintenance Fee	Cost-Based	45,900	

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Table 4-41
Appendix 2-N
Shared Services
2012 Actual

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
GPI	Town of Grimsby	Power Electricity	Market Rate	481,755	
GPI	NRBN	Power Electricity	Market Rate	4,314	
GPI	NRBN	Pole Rental	Market Rate	14,997	
GPI	NPI	Bookkeeping Services	Fixed Fee	3,000	
GPI	GHI	Bookkeeping Services	Fixed Fee	600	
GPI	GEI	Administration/Consulting Fees	Market Rate	3,363	
GPI	NWTC	Administration/Consulting Fees	Market Rate	5,101	
Town of Grimsby	GPI	Water Billing Services	Market Rate	507	
Town of Grimsby	GPI	Fuel Billing Services	Market Rate	21,515	
Town of Grimsby	GPI	Property taxes	Market Rate	25,948	
NRBN	GPI	Internet Service	Market Rate	8,340	
NWTC	GPI	Connection Fees	Market Rate	452,853	
Fortis/CNP	GPI	IT Maintenance Fee	Cost-Based	177,261	

Table 4-42
Appendix 2-N
Shared Services
2013 Actual

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
GPI	Town of Grimsby	Power Electricity	Market Rate	543,239	
GPI	NRBN	Power Electricity	Market Rate	5,020	
GPI	NRBN	Pole Rental	Market Rate	14,997	
GPI	NPI	Bookkeeping Services	Fixed Fee	3,000	
GPI	GHI	Bookkeeping Services	Fixed Fee	600	
Town of Grimsby	GPI	Water Billing Services	Market Rate	522	
Town of Grimsby	GPI	Fuel Billing Services	Market Rate	22,403	
Town of Grimsby	GPI	Property taxes	Market Rate	26,696	
NRBN	GPI	Internet Service	Market Rate	8,340	
NWTC	GPI	Connection Fees	Market Rate	429,008	
Fortis/CNP	GPI	IT Maintenance Fee	Cost-Based	82,091	

Table 4-43
Appendix 2-N
Shared Services
2014 Actual

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
GPI	Town of Grimsby	Power Electricity	Market Rate	544,545	
GPI	NRBN	Power Electricity	Market Rate	4,975	
GPI	NRBN	Pole Rental	Market Rate	15,310	
GPI	NPI	Bookkeeping Services	Fixed Fee	3,000	
GPI	GHI	Bookkeeping Services	Fixed Fee	600	
Town of Grimsby	GPI	Water Billing Services	Market Rate	534	
Town of Grimsby	GPI	Fuel Billing Services	Market Rate	18,780	
Town of Grimsby	GPI	Property taxes	Market Rate	26,952	
NRBN	GPI	Internet Service	Market Rate	8,340	
NWTC	GPI	Connection Fees	Market Rate	352,702	
Fortis/CNP	GPI	IT Maintenance Fee	Cost-Based	85,760	

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Table 4-44
Appendix 2-N
Shared Services
2015 Bridge Year

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
GPI	Town of Grimsby	Power Electricity	Market Rate	545,000	
GPI	NRBN	Power Electricity	Market Rate	5,000	
GPI	NRBN	Pole Rental	Market Rate	15,310	
GPI	NPI	Bookkeeping Services	Fixed Fee	3,000	
GPI	GHI	Bookkeeping Services	Fixed Fee	600	
Town of Grimsby	GPI	Water Billing Services	Market Rate	720	
Town of Grimsby	GPI	Fuel Billing Services	Market Rate	18,000	
Town of Grimsby	GPI	Property taxes	Market Rate	27,000	
NRBN	GPI	Internet Service	Market Rate	8,340	
NWTC	GPI	Connection Fees	Market Rate	350,000	
Fortis/CNP	GPI	IT Maintenance Fee	Cost-Based	97,080	

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Table 4-45
Appendix 2-N
Shared Services
2016 Test Year

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
GPI	Town of Grimsby	Power Electricity	Market Rate	550,000	
GPI	NRBN	Power Electricity	Market Rate	5,100	
GPI	NRBN	Pole Rental	Market Rate	15,310	
GPI	NPI	Bookkeeping Services	Fixed Fee	3,000	
GPI	GHI	Bookkeeping Services	Fixed Fee	600	
Town of Grimsby	GPI	Water Billing Services	Market Rate	736	
Town of Grimsby	GPI	Fuel Billing Services	Market Rate	18,396	
Town of Grimsby	GPI	Property taxes	Market Rate	27,594	
NRBN	GPI	Internet Service	Market Rate	8,523	
Fortis/CNP	GPI	IT Maintenance Fee	Cost-Based	99,216	

The cost variance analysis between the 2016 Test Year and 2012 Board Approved costs as well as between the 2016 Test Year and the 2014 Actual Year is shown below.

Table 4-46
Shared Services Cost Variance
Test Year vs. OEB Approved and Test Year vs. 2014 Actual

Description of the Service	2012 Board Approved	2014 Actual	2016 Test Year	Variance 2016 vs 2012 Board Approved	Variance 2016 Test Year vs 2014 Actual
Power Electricity	\$ 417,864	\$ 549,520	\$ 550,000	\$ 132,136	\$ 480
Streetlights Services	\$ 27,864			\$ (27,864)	\$ -
Pole Rental	\$ 14,997	\$ 15,310	\$ 15,310	\$ 313	\$ -
Bookkeeping Services	\$ 3,600	\$ 3,600	\$ 3,600	\$ -	\$ -
Total Revenue	\$ 464,325	\$ 568,429	\$ 568,910	\$ 104,585	\$ 480
Water Billing Service	\$ 450	\$ 534	\$ 736	\$ 286	\$ 202
Fuel Billing Service	\$ 18,360	\$ 18,780	\$ 18,396	\$ 36	\$ (384)
Property Tax	\$ 27,540	\$ 26,952	\$ 27,594	\$ 54	\$ 642
Internet Service	\$ 8,568	\$ 8,340	\$ 8,523	\$ (45)	\$ 183
Connection Fee	\$ 390,000	\$ 352,702		\$ (390,000)	\$ (352,702)
IT Maintenance Fee	\$ 45,900	\$ 85,760	\$ 99,216	\$ 53,316	\$ 13,456
Total Expenses	\$ 490,818	\$ 493,068	\$ 154,465	\$ (336,353)	\$ (338,603)

Shared Services – Variance Analyses

2016 Test Year compared to Board Approved 2012

- The increase in power electricity of \$132,136 is the result of the changes in the commodity market price between 2012 and 2016.
- The Streetlight variance of \$27,864 is the result of the discontinuance of the service as provided by Grimsby Power. Grimsby Power did not meet the skills qualifications to provide this service.
- The elimination of the connection fee paid to NWTC is the result of the amalgamation between Grimsby Power and NWTC.
- The increase in the IT Maintenance Fee of \$ 53,316 is the result of the higher rates paid by Grimsby Power to Fortis for the CIS System as per the service agreement for this service.

2016 Test Year compared to Actual 2014

- The elimination of the connection fee paid to NWTC is the result of the amalgamation between Grimsby Power and NWTC.
- The increase in the IT Maintenance Fee of \$ 13,456 is the result of the higher rates paid by Grimsby Power to Fortis for the CIS System as per the service agreement for this service.

Reconciliation of the Revenue Arising from Appendix 2-N with the Amounts Included in Other Revenue Appendix 2-H

Table 4-47
Reconciliation of Revenue
2012 Actual to 2016 Test Year

Description of Services	USo A	2012 Actual	2013 Actual	2014 Actual	2015 Bridge Year	2016 Test Year
NRBN Pole Rental (per Appendix 2-N)	4210	14,997	14,997	15,310	15,310	15,310
NPI Bookkeeping Services (per Appendix 2-N)	4375	3,000	3,000	3,000	3,000	3,000
GHI Bookkeeping Services (per Appendix 2-N)	4375	600	600	600	600	600
GEI Administration/Consulting Fees (per Appendix 2-N)	4375	3,363				
NWTC Administration/Consulting Fees (per Appendix 2-N)	4375	5,101				
Total Other Revenue		27,061	18,597	18,910	18,910	18,910
Total per Appendix 2-H Other Operating Revenue		27,061	18,597	18,910	18,910	18,910

Table 4-47 above reconciles the shared services revenue in the preceding Tables 4-40 to 4-45 with the amounts included in Other Operating Revenue as shown in Other Operating Revenue disclosed in Exhibit 3, Table 3-41.

Purchases of Non-Affiliate Services

Grimsby Power purchases many services and products from third parties. The table below discloses the expenditures by vendor or service provider where the annual amount exceeded \$50,000 per year. Many of the line items represent the sum total of the services provided by the individual vendor/supplier where the value of the individual purchase (per purchase order) is less than the thresholds established in Grimsby Power's purchasing

1 policy. Vendors/suppliers which are institutional vendors/suppliers in nature where
2 tenders/request for proposals and quotation are not necessary or possible are excluded
3 from the list. Examples are Canada Post, Hydro One Networks, IESO, Ministry of Finance,
4 OMERS, etc. Grimsby Power procures its inventory, equipment, and services as per its
5 Purchasing Policy – Document 2.01 which has been attached as Appendix 4-A with a few
6 exceptions as described below. The purchasing methodology occurs in a number of ways as
7 follows:

- 8 • Request for Proposal & Quotation (RFPQ)/Tender – A formal RFPQ is sent to multiple
9 vendors to solicit specific inventory, equipment, or services.
- 10 • Request for Quotation (RFQ) – Multiple quotations for specific inventory, equipment,
11 or services normally without a formal written process.
- 12 • Sole Source – Alliance Agreement – An existing agreement with a specific vendor.
13 Spot checks are conducted to ensure pricing is competitive.
- 14 • Sole Source – Long Term Relationship – Certain inventory, equipment, or services
15 are provided based on established long standing relationships. Over time these
16 relationships will be the subject of future RFPQ processes.

Table 4-48
Purchases of Non-Affiliate Services
2012 -2014

Vendor	Service	Methodology of Procurement	2012	2013	2014
Burman Energy Consultants Group Inc.	Turnkey CDM Services	RFPQ/Tender	187,952.12	222,526.00	200,639.87
GAMS	Line Maintenance and Construction	RFPQ/Tender	294,589.39	174,251.86	206,472.71
Jomar Softcorp International	ERP Software	RFPQ/Tender	94,103.56	150,343.74	99,526.46
Sensus	TGB - Part of Automated Smart Meter Infrastructure	RFPQ/Tender	75,431.56	71,717.63	92,720.15
Terance Webster	Office Furniture & Office Renovation	RFPQ/Tender	81,042.64		
Beswick Tree Services	Tree Trimming	RFPQ/Tender		66,870.58	
Safeline	Excavating and Hydro Vac Services	RFQ		53,401.97	
Wiens Underground Electrical	Underground Distribution Plant Installation	RFPQ/Tender			322,140.50
HD Supply	Inventory	Sole Source - Alliance Agreement	504,682.35	487,436.40	589,922.66
The Mearie Group	Employee Benefits & Insurance	Sole Source - Long Term Relationship	188,533.07	183,899.42	121,821.17
Transelec Common Inc.	Silicone Injection	RFPQ/Tender	102,745.34	87,906.52	170,706.78
The Business Computer Network	IT Software & Hardware	Sole Source - Long Term Relationship	60,729.59		
Borden Ladner Gervais LLP	Consulting	Sole Source - Long Term Relationship	87,423.55		
POSI Plus	Truck	RFPQ/Tender	345,131.29		
Peterborough Utilities	Interval Meter Reading Interrogation & MSP	Sole Source - Long Term Relationship			54,093.11
Thomas & Betts	Inventory - Reclosure Package	RFPQ/Tender			51,980.00
Guelph Utility Pole	Inventory	Sole Source - Long Term Relationship	68,488.17	68,931.13	
South West Power Corp.		RFPQ/Tender	59,201.37		

One-Time Costs

Grimsby Power has included one-time and normalized costs in its 2016 Cost of Service Application. These costs have been included in the 2016 Test Year OM&A expenses. Since these costs do not occur annually they are proposed to be recovered over a five year period. Some of these costs such as the 2016 Cost of Service Application costs have been recorded in the 2016 Test Year at one fifth of their total value. Other costs have been recorded as a fraction of the number of times they occur over the rate rebasing period. These types of costs are referred to as normalized costs. Both of these one-time and normalized costs are described below.

2016 Cost of Service Application Costs

In preparation of this Cost of Service Application, Grimsby Power incurred (and will continue to incur) incremental costs that it otherwise would not have incurred on an annual basis. These costs were not included in revenue requirement of the 2016 Cost of Service Application. These costs have occurred only in preparation for this Cost of Service Application. These costs do not include the potential OEB costs associated with review of Grimsby Power's Distribution System Plan or an oral hearing if required.

This application has required a substantial amount of internal resources. This work was completed with no additional paid overtime. Grimsby Power also has utilized a number of third party resources to assist with the preparation of the application. Assistance was required to prepare the Distribution System Plan the Customer Investment Survey, and an Investment Strategy. Assistance was also required to prepare the OEB rate application models and exhibits.

The cost of the 2016 Cost of Service Application is estimated to be \$303,826 (\$123,102 in 2015 and \$180,724) in 2016) of which Grimsby Power has included \$60,765, one fifth of the total in the 2016 Test Year in OEB Account 5655. The 2016 Cost of Service Application cost has been estimated based on Grimsby Power's actual experience with Grimsby Power's 2012 Cost of Service Application costs.

Table 4-49
Regulatory Costs – One Time Costs

Name	Description	Budget		Actual	
		2015 Bridge Year	2016 Test Year	2011 Bridge Year	2012 Test Year
Ontario Energy Board	Cost of Review of Cost of Service Application		\$ 4,056	\$ 2,739	
Consultants	Providing guidance and clarification of requirements, models	\$ 95,352	\$ 45,458	\$ 61,765	\$ 1,236
Legal	Legal review of final application, expert witness preparation and oral hearing and final argument of chief	\$ 27,750	\$ 60,000	\$ 32,926	\$ 35,641
Intervenors Costs	Costs awarded to intervenors - based on the OEB decisions		\$ 56,210		\$ 52,969
Transcription Costs	Costs for OEB transcribes in oral hearing		\$ 15,000		\$ 11,091
TOTAL		\$ 123,102	\$180,724	\$ 97,431	\$100,937
ANNUAL RECOVERY	Account 5655 - 1/5 of the one time cost		\$ 60,765		\$ 198,368

Normalized Costs

Normalized costs have been recorded as a fraction of the number of times they occur over the rate rebasing period. These types of costs are referred to as normalized costs. These costs are noted in the table below.

Table 4-50
Normalized Costs

Description of Normalized Expense	Portion	Expense
Perform statistical survey for Customer Satisfaction - 2016 - 2018 - 2020	3/5	12,600
Perform statistical survey for Scorecard - Public Awareness of Electrical Safety - 2016 - 2018 - 2020	3/5	9,000
Repairs to main gate	1/5	2,450
Rondar - Annual Scheduled Maintenance at NWTS	Average	27,658
Physical Demand Analysis	1/5	1,174
Director of Customer Accounts	1/5 of 1 year	13,482
Journeyman_Lineman_24to36	3/5	46,904

Regulatory Costs

Grimsby Power's regulatory costs consist mainly of the OEB Annual Assessment, OEB Section 30 Costs, and Intervenor costs.

These costs are required in order to meet all regulatory reporting requirements and reviewing and responding to changing policies, legislation and OEB requirements. The 2016 Cost of Service Application specifically, will incur a material amount of costs from its preparation, review, responses to interrogatories, and OEB procedural requirements.

Table 4-51
Appendix 2-M
Regulatory Cost Schedule

Regulatory Cost Category	USoA Account	USoA Account Balance	Ongoing or One-time Cost? ²	Last Rebasement Year (2012 Board Approved)	Most Current Actuals Year 2014	2015 Bridge Year	Annual % Change	2016 Test Year	Annual % Change
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H) = ((G)-(F))/(F)	(I)	(J) = ((I)-(G))/(G)
1 OEB Annual Assessment	5655		On-Going	\$ 25,720	\$ 27,048	\$ 29,400	8.70%	\$ 30,064	2.26%
2 OEB Section 30 Costs (Applicant-originated)									
3 OEB Section 30 Costs (OEB-initiated)	5655		On-Going	\$ 1,000	\$ 681	\$ 3,200	369.90%	\$ 3,270	2.19%
4 Expert Witness costs for regulatory matters									
5 Legal costs for regulatory matters									
6 Consultants' costs for regulatory matters	5655		One-Time	\$ 5,000	\$ 1,500		-100.00%	\$ 60,765	
7 Operating expenses associated with staff resources allocated to regulatory matters									
8 Operating expenses associated with other resources allocated to regulatory matters ¹									
9 Other regulatory agency fees or assessments	5655		On-Going	\$ 800	\$ 800	\$ 800	0.00%	\$ 800	0.00%
10 Any other costs for regulatory matters (publications)	5655		On-Going	\$ 2,000	\$ 610	\$ 1,000	63.93%	\$ 1,022	2.20%
11 Intervenor costs	5655		One-Time	\$ 25,000	\$ 978		-100.00%	\$ 11,000	
12 Sub-total - Ongoing Costs ³		\$ -		\$ 29,520	\$ 29,139	\$ 34,400	18.05%	\$ 35,156	2.20%
13 Sub-total - One-time Costs ⁴		\$ -		\$ 30,000	\$ 2,478	\$ -	-100.00%	\$ 71,765	
14 Total		\$ -		\$ 59,520	\$ 31,617	\$ 34,400	8.80%	\$ 106,921	210.82%

Please fill out the following table for all one-time costs related to this cost of service application to be amortized over the test year plus the IRM period.

	Historical Year(s)	2015 Bridge Year	2016 Test Year	
4 Expert Witness costs				Amortize over 5 years
5 Legal costs				
6 Consultants' costs	1,500		303,826	
7 Incremental operating expenses associated with staff resources allocated to this application.				60,765
8 Incremental operating expenses associated with other resources allocated to this application. ¹				
11 Intervenor costs	978		55,000	
				11,000

Notes:

(1):OEB Annual Assessment (on-going) – The Board's Cost Assessment apportions its costs to the persons or classes of persons who pay costs under section 26 of the *Ontario Energy Board, 1998* (the "Act"). The persons or the classes of persons that are reliable to pay the Board's costs under section 26(1) of the Act are set out in Ontario Regulation 16/08. The Board's annual cost assessment is comprised of the total of operating expenses (excluding

1 non-cash expenses) and capital expenditures less other funding sources for the fiscal year.
2 The 2016 forecast for this cost has been based on historical cost assessments paid by
3 Grimsby Power.

4 (3):OEB Section 30 Costs (OEB-initiated) – (on-going) – OEB’s costs awards – when used in
5 connection with a notice and comment process under section 45 or 70.2 of the Act or any
6 other consultation process initiated by the Board, the cost awards are recovered from
7 distributors and other regulated entities in relation to the process, as determined by the
8 Board.

9 (6):Consultants’ costs for regulatory matter (on-time): Third party consultants who provides
10 guidance and clarification of filing requirements, models, reviewing the application,
11 developing Distribution System Plan and assisting with application communication to the
12 customers.

13 (9)Other regulatory agency fees and assessments (on-going): The amounts include the
14 Annual Registration Fee with OEB.

15 (10): Any other costs for regulatory matters (on-going): The amounts include
16 administration expenses: office supplies and expenses, publishing regulatory notices costs,
17 stationery and printing, traveling expenses and other expenses incurred directly in
18 connection with formal cases before the regulatory bodies (i.e. Ontario Energy Board).

19 (11): Intervenor Costs (on-time): The amount includes the intervenors’ costs in the 2016
20 Cost of Service proceeding.

21 **Recovery of One-Time and Normalized Costs**

22 Grimsby Power is proposing to recover the one-time costs in the amount of \$303,826 over a
23 five year period, which means over the Test Year and the subsequent IRM term (2016 to
24 2020). The proposed annual one-time cost to be recovered is \$60,765.

1 **Low-Income Energy Assistance Programs (LEAP)**

2 In March 2009 the Board issued the Low Income Energy Assistance Program (the "LEAP
3 Report") which describes policies and measures for electricity and natural gas distributors to
4 assist low-income energy consumers, including emergency financial assistance.

5 On October 20, 2010, the Board issued a letter to provide guidance to distributors as to the
6 rate treatment of LEAP emergency financial assistance, and information about the Board's
7 expectations for distributor partnerships with social service agencies.

8 The Board's letter reiterates the funding level for Emergency Financial Assistance as being
9 the greater of 0.12% of a distributor's Board-approved distribution revenue requirement, or
10 \$2,000. Furthermore, the Board affirms that the LEAP amount is to be recovered from all
11 rate classes based on the respective distribution revenue of each of those rate classes.

12 It is Grimsby Power's understanding that the LEAP financial assistance is an ongoing cost;
13 therefore, Grimsby Power has budgeted an amount of \$7,523 which is 0.12% of \$6,268,885
14 (Grimsby Power's proposed distribution revenue).

15 Grimsby Power has selected its only-social agency and signed an agreement with the
16 Grimsby Benevolent Fund (please see Appendix 4-B).

17 Grimsby Power will ensure it reports and complies with all the regulatory requirements of
18 the OEB with respect to its activities related to low-income consumers.

19 Grimsby Power currently is not required to advertise the LEAP program but is required to do
20 so with the arrears program. With this, Grimsby Power responds to customers' situation
21 when speaking to them about payment for the arrears. Should their individual financial
22 situation be such that based on income they would qualify, Grimsby Power would give them
23 the Grimsby Benevolent Fund's contact information. Grimsby Power has discussed with its
24 provider about advertising the LEAP program and the Grimsby Benevolent Fund is reluctant
25 to do this due to concerns for lack of resources both human and financial. Grimsby Power
26 does advertise on its website under the "Customer Accounts – Payment Options" tab the
27 options for customers having difficulty paying their bills. Low income customers
28 experiencing financial difficulties are asked to call our Customer Account Representatives to

1 discuss making payment arrangements or to find out whether they may be eligible for other
2 financial assistance.

3 *Statement Whether the Test Year Revenue Requirement Includes Legacy Low Income Energy*
4 *Assistance Programs*

5 Grimsby Power states that the 2016 Test Year revenue requirement includes only the LEAP
6 program cost of \$7,523.

7 **Charitable and Political Donations**

8 In accordance with Chapter 2 of the Filing Requirements for Transmission and Distribution
9 Applications updated on July 18, 2014, the recovery of charitable donations is not allowed
10 for rate setting purposes, except for contributions to programs that provide assistance to
11 the distributor's customers in paying their electricity bills and assistance to low income
12 customers. Therefore, Grimsby Power has included only the LEAP financial assistance
13 amount in its 2016 Test Year revenue requirement.

14 Grimsby Power confirms that no political contributions have been included in the 2016 Test
15 Year budget.

16 *Charitable Donations – Amounts Paid Since Last Board Approved Application*

17 Since the last Board approved application Grimsby Power has paid charitable donations as
18 noted in the table below.

19 **Table 4-52**
20 **Charitable Donations Summary**

Year	Amount
2012	1,225
2013	7,700
2014	725
2015	1,480
2016	2,044

DEPRECIATION, AMORTIZATION AND DEPLETION

Grimsby Power has provided details for depreciation and amortization (depletion is not applicable) by asset group for 2012 to 2014 Historical Years and for the 2015 Bridge Year and 2016 Test Year (see Tables 4-53 to 4-58).

Grimsby Power's historical practice is to use a half-year depreciation method and this remains true for the 2015 Bridge Year and 2016 Test Year.

Table 4-53
Summary of Depreciation / Amortization by Year
2012 Board Approved to 2016 Test Year

UsofA Account & Description	2012 Board Approved	2012 Actual	2013 Actual	2014 Actual	2015 Bridge Year	2016 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
1611 - Computer Software	98,881	88,383	107,926	138,460	128,470	135,385
1805 - Land					-	-
1808 - Buildings and Fixtures					25,124	25,124
1815 - Transformer Station Equipment - Normally Primary Above 50 kV					173,429	190,576
1830 - Poles, Towers and Fixtures	106,272	98,555	104,827	110,053	113,225	115,604
1835 - Overhead Conductors and Devices	38,786	36,449	40,870	45,446	50,416	54,245
1840 - Underground Conduit	59,904	49,818	51,488	57,203	63,460	67,392
1845 - Underground Conductors and Devices	66,535	42,670	48,190	58,710	72,359	82,682
1850 - Line Transformers	139,376	102,290	108,938	121,299	135,469	144,443
1855 - Services Overhead		2,414	2,712	3,156	3,395	3,520
1855 - Services Underground	53,403	17,310	22,076	31,721	43,356	51,593
1860 - Meters	113,618	105,593	108,518	112,709	119,707	125,203
1860 - Meters >50		8,295	9,291	10,597	12,270	14,397
1860 - Meters CT's PT's		2,218	2,246	3,145	4,047	4,079
1905 - Land		-	-	-	-	-
1908 - Buildings and Fixtures 50 Years	23,802	12,457	12,457	12,457	12,457	12,457
1908 - Buildings and Fixtures 40 Years		1,406	1,406	1,406	1,406	1,406
1908 - Buildings and Fixtures 25 Years		7,717	8,431	8,459	9,634	13,389
1915 - Office Furniture and Equipment	4,067	6,371	8,489	8,910	10,324	11,843
1920 - Computer Equipment - Hardware	19,600	19,035	21,694	22,236	25,860	33,649
1930 - Transportation Equipment		3,471	3,593	5,088	3,536	449
1930 - Transportation Equipment	23,825	12,337	23,079	23,524	23,524	35,391
1935 - Stores Equipment		-	-	-	-	-
1940 - Tools, Shop and Garage Equipment	10,634	7,874	8,929	10,737	17,764	24,330
1945 - Measurement and Testing Equipment	4,114	5,279	2,138	3,769	4,459	4,271
1955 - Communication Equipment	6,084	1,196	4,505	6,658	6,632	6,632
1970 - Load Management Controls - Customer Premises				680	1,360	1,360
2440 - Deferred Revenue	(61,845)	(22,468)	(32,235)	(52,387)	(91,827)	(122,997)
Total Depreciation Amount	707,056	608,670	669,566	744,036	969,856	1,036,424

Table 4-54
Asset Amount, Accumulated Amortization, Depreciation Amount & Rate of
Depreciation
2012 Actual

UsofA Account & Description	Gross Asset	Accumulated Depreciaton	Depreciation Expense	Depreciation Rate
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS
1611 - Computer Software	458,376	155,158	88,383	19.28%
1805 - Land			-	
1808 - Buildings and Fixtures			-	
1815 - Transformer Station Equipment - Normally Primary Above 50 kV			-	
1830 - Poles, Towers and Fixtures	3,625,726	190,863	98,555	2.72%
1835 - Overhead Conductors and Devices	2,189,779	68,382	36,449	1.66%
1840 - Underground Conduit	1,872,485	99,177	49,818	2.66%
1845 - Underground Conductors and Devices	1,202,975	81,112	42,670	3.55%
1850 - Line Transformers	3,294,253	198,468	102,290	3.11%
1855 - Services Overhead	137,724	4,585	2,414	1.75%
1855 - Services Underground	692,999	31,464	17,310	2.50%
1860 - Meters	1,606,622	157,993	105,593	6.57%
1860 - Meters >50	173,017	16,673	8,295	4.79%
1860 - Meters CT's PT's	69,770	3,994	2,218	3.18%
1905 - Land	111,556	-	-	0.00%
1908 - Buildings and Fixtures 50 Years	311,426	24,914	12,457	4.00%
1908 - Buildings and Fixtures 40 Years	29,372	2,811	1,406	4.79%
1908 - Buildings and Fixtures 25 Years	200,815	12,840	7,717	3.84%
1915 - Office Furniture and Equipment	73,147	11,408	6,371	8.71%
1920 - Computer Equipment - Hardware	110,847	39,091	19,035	17.17%
1930 - Transportation Equipment	19,829	6,820	3,471	17.50%
1930 - Transportation Equipment	344,950	13,362	12,337	3.58%
1935 - Stores Equipment	-	-	-	
1940 - Tools, Shop and Garage Equipment	67,680	16,621	7,874	11.63%
1945 - Measurement and Testing Equipment	17,302	12,124	5,279	30.51%
1955 - Communication Equipment	23,913	1,196	1,196	5.00%
1970 - Load Management Controls - Customer Premises			-	
2440 - Deferred Revenue	(1,012,295)	(31,673)	(22,468)	2.22%
Total Depreciation Amount	15,622,269	1,117,383	608,670	
Depreciation Expense adj from gain or loss on retirement of assets				
Smart Meters Depreciation			60,682	
Fully Allocated Depreciation - Transportation			(15,808)	
PP&E Reductions			(89,217)	
Total Depreciation, Rate Setting Purposes			564,326	

Table 4-55
Asset Amount, Accumulated Amortization, Depreciation Amount
& Rate of Depreciation
2013 Actual

Use of Account & Description	Gross Asset	Accumulated Depreciation	Depreciation Expense	Depreciation Rate
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS
1611 - Computer Software	645,776	263,083	107,926	16.71%
1805 - Land			-	
1808 - Buildings and Fixtures			-	
1815 - Transformer Station Equipment - Normally Primary Above 50 kV			-	
1830 - Poles, Towers and Fixtures	3,901,476	295,690	104,827	2.69%
1835 - Overhead Conductors and Devices	2,428,330	109,252	40,870	1.68%
1840 - Underground Conduit	2,020,727	150,665	51,488	2.55%
1845 - Underground Conductors and Devices	1,389,849	129,302	48,190	3.47%
1850 - Line Transformers	3,510,671	307,405	108,938	3.10%
1855 - Services Overhead	170,204	7,297	2,712	1.59%
1855 - Services Underground	838,720	53,540	22,076	2.63%
1860 - Meters	1,607,507	266,511	108,518	6.75%
1860 - Meters >50	212,619	25,964	9,291	4.37%
1860 - Meters CT's PT's	70,686	6,239	2,246	3.18%
1905 - Land	111,556	-	-	0.00%
1908 - Buildings and Fixtures 50 Years	311,426	37,371	12,457	4.00%
1908 - Buildings and Fixtures 40 Years	29,372	4,217	1,406	4.79%
1908 - Buildings and Fixtures 25 Years	209,698	21,271	8,431	4.02%
1915 - Office Furniture and Equipment	74,543	19,897	8,489	11.39%
1920 - Computer Equipment - Hardware	127,077	59,585	21,695	17.07%
1930 - Transportation Equipment	19,829	10,413	3,593	18.12%
1930 - Transportation Equipment	344,950	36,441	23,079	6.69%
1935 - Stores Equipment	-	-	-	
1940 - Tools, Shop and Garage Equipment	87,820	25,550	8,929	10.17%
1945 - Measurement and Testing Equipment	17,302	14,262	2,138	12.36%
1955 - Communication Equipment	66,189	5,701	4,505	6.81%
1970 - Load Management Controls - Customer Premises			-	
2440 - Deferred Revenue	(1,380,217)	(63,908)	(32,235)	2.34%
Total	16,816,110	1,785,748	669,566	
Depreciation Expense adj from gain or loss on retirement of assets				
Fully Allocated Depreciation - Transportation			(26,672)	
PP&E Reductions			(89,217)	
Total Depreciation, Rate Setting Purposes			553,677	

Table 4-56
Asset Amount, Accumulated Amortization, Depreciation Amount & Rate of
Depreciation
2014 Actual

Use of Account & Description	Gross Asset	Accumulated Depreciation	Depreciation Expense	Depreciation Rate
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS
1611 - Computer Software	741,370	401,543	138,460	18.68%
1805 - Land			-	
1808 - Buildings and Fixtures			-	
1815 - Transformer Station Equipment - Normally Primary Above 50 kV			-	
1830 - Poles, Towers and Fixtures	4,096,048	405,742	110,053	2.69%
1835 - Overhead Conductors and Devices	2,738,902	154,698	45,446	1.66%
1840 - Underground Conduit	2,444,007	207,867	57,203	2.34%
1845 - Underground Conductors and Devices	1,834,139	188,012	58,710	3.20%
1850 - Line Transformers	4,281,955	412,623	121,299	2.83%
1855 - Services Overhead	191,081	10,453	3,156	1.65%
1855 - Services Underground	1,368,139	85,261	31,721	2.32%
1860 - Meters	1,732,366	379,220	112,709	6.51%
1860 - Meters >50	238,310	36,560	10,597	4.45%
1860 - Meters CT's PT's	132,722	9,384	3,145	2.37%
1905 - Land	111,556	-	-	0.00%
1908 - Buildings and Fixtures 50 Years	311,426	49,828	12,457	4.00%
1908 - Buildings and Fixtures 40 Years	29,372	5,622	1,406	4.79%
1908 - Buildings and Fixtures 25 Years	213,098	29,731	8,459	3.97%
1915 - Office Furniture and Equipment	80,496	27,739	8,910	11.07%
1920 - Computer Equipment - Hardware	136,899	81,821	22,236	16.24%
1930 - Transportation Equipment	21,466	15,501	5,088	23.70%
1930 - Transportation Equipment	344,950	59,965	23,524	6.82%
1935 - Stores Equipment	-	-	-	
1940 - Tools, Shop and Garage Equipment	109,713	35,611	10,737	9.79%
1945 - Measurement and Testing Equipment	36,627	18,031	3,769	10.29%
1955 - Communication Equipment	66,319	12,195	6,658	10.04%
1970 - Load Management Controls - Customer Premises	13,599	680	680	
2440 - Deferred Revenue	(2,473,461)	(116,295)	(52,387)	2.12%
Total	18,801,099	2,511,793	744,036	
Depreciation Expense adj from gain or loss on retirement of assets				
Fully Allocated Depreciation - Transportation			(28,612)	
PP&E Reductions			(89,217)	
Total Depreciation, Rate Setting Purposes			626,207	

Table 4-57
Asset Amount, Accumulated Amortization, Depreciation Amount & Rate of
Depreciation
2015 Bridge Year

UsofA Account & Description	Gross Asset	Accumulated Depreciaton	Depreciation Expense	Depreciation Rate
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS
1611 - Computer Software	832,190	530,013	128,470	15.44%
1805 - Land	149,992	-	-	
1808 - Buildings and Fixtures	1,256,185	296,721	25,124	
1815 - Transformer Station Equipment - Normally Primary Above 50 kV	7,600,534	1,917,266	173,429	
1830 - Poles, Towers and Fixtures	4,186,977	518,967	113,225	2.70%
1835 - Overhead Conductors and Devices	3,024,745	205,114	50,416	1.67%
1840 - Underground Conduit	2,646,414	271,327	63,460	2.40%
1845 - Underground Conductors and Devices	2,208,840	260,371	72,359	3.28%
1850 - Line Transformers	4,645,483	548,091	135,468	2.92%
1855 - Services Overhead	198,817	13,847	3,395	1.71%
1855 - Services Underground	1,653,177	128,617	43,356	2.62%
1860 - Meters	1,817,454	498,928	119,707	6.59%
1860 - Meters >50	296,278	48,830	12,270	4.14%
1860 - Meters CT's PT's	133,833	13,431	4,047	3.02%
1905 - Land	111,556	-	-	0.00%
1908 - Buildings and Fixtures 50 Years	311,426	62,286	12,457	4.00%
1908 - Buildings and Fixtures 40 Years	29,372	7,028	1,406	4.79%
1908 - Buildings and Fixtures 25 Years	268,448	39,365	9,634	3.59%
1915 - Office Furniture and Equipment	101,845	38,063	10,324	10.14%
1920 - Computer Equipment - Hardware	177,789	107,680	25,859	14.54%
1930 - Transportation Equipment	21,466	19,037	3,536	16.47%
1930 - Transportation Equipment	344,950	83,490	23,524	6.82%
1935 - Stores Equipment	-	-	-	
1940 - Tools, Shop and Garage Equipment	241,002	53,375	17,764	7.37%
1945 - Measurement and Testing Equipment	36,627	22,490	4,459	12.17%
1955 - Communication Equipment	66,319	18,827	6,632	10.00%
1970 - Load Management Controls - Customer Premises	13,599	2,040	1,360	
2440 - Deferred Revenue	(4,339,283)	(208,122)	(91,827)	2.12%
Total	28,036,032	5,497,082	969,855	
Depreciation Expense adj from gain or loss on retirement of assets				
Fully Allocated Depreciation - Transportation			(27,061)	
PP&E Reductions			(89,217)	
Total Depreciation, Rate Setting Purposes			853,577	

Table 4-58
Asset Amount, Accumulated Amortization, Depreciation Amount & Rate of
Depreciation
2016 Test Year

UsofA Account & Description	Gross Asset	Accumulated Depreciaton	Depreciation Expense	Depreciation Rate
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS
1611 - Computer Software	1,009,190	665,398	135,385	13.42%
1805 - Land	149,992	-	-	
1808 - Buildings and Fixtures	1,256,185	321,844	25,124	
1815 - Transformer Station Equipment - Normally Primary Above 50 kV	7,645,534	2,107,842	190,576	
1830 - Poles, Towers and Fixtures	4,310,173	634,572	115,605	2.68%
1835 - Overhead Conductors and Devices	3,198,445	259,359	54,245	1.70%
1840 - Underground Conduit	2,837,259	338,719	67,392	2.38%
1845 - Underground Conductors and Devices	2,453,509	343,053	82,682	3.37%
1850 - Line Transformers	4,999,918	692,534	144,443	2.89%
1855 - Services Overhead	206,114	17,367	3,520	1.71%
1855 - Services Underground	1,944,718	180,210	51,593	2.65%
1860 - Meters	1,897,270	624,131	125,203	6.60%
1860 - Meters >50	344,697	63,227	14,397	4.18%
1860 - Meters CT's PT's	134,943	17,510	4,079	3.02%
1905 - Land	111,556	-	-	0.00%
1908 - Buildings and Fixtures 50 Years	311,426	74,743	12,457	4.00%
1908 - Buildings and Fixtures 40 Years	29,372	8,434	1,406	4.79%
1908 - Buildings and Fixtures 25 Years	400,848	52,754	13,389	3.34%
1915 - Office Furniture and Equipment	110,845	49,906	11,843	10.68%
1920 - Computer Equipment - Hardware	214,789	141,329	33,649	15.67%
1930 - Transportation Equipment	21,466	19,486	449	2.09%
1930 - Transportation Equipment	700,950	118,881	35,391	5.05%
1935 - Stores Equipment	-	-	-	
1940 - Tools, Shop and Garage Equipment	241,002	77,705	24,330	10.10%
1945 - Measurement and Testing Equipment	36,627	26,761	4,271	11.66%
1955 - Communication Equipment	66,319	25,459	6,632	10.00%
1970 - Load Management Controls - Customer Premises	13,599	3,400	1,360	
2440 - Deferred Revenue	(4,900,534)	(331,119)	(122,997)	2.51%
Total	29,746,212	6,533,506	1,036,424	
Depreciation Expense adj from gain or loss on retirement of assets				
Fully Allocated Depreciation - Transportation			(35,840)	
Total Depreciation, Rate Setting Purposes			1,000,584	

Depreciation Policy

The CICA Handbook states that the amortization should be recognized in a rational and systematic manner appropriate to the nature of property, plant and equipment (with a limited life) and to its use by the enterprise. The amount of amortization that should be charged to income is the greater of:

- a) The cost less salvage value over the life of the asset; and
- b) The cost less residual value over the useful life of the asset (CICA s. 3061.28).

The CICA Handbook recognized that different methods of amortizing a capital asset result in different patterns of charges to income. In accordance with the CICA Handbook, Grimsby Power uses the straight-line method of amortization. Capital assets are recorded at cost and amortized over their estimated service lives using the straight-line method of amortization. Construction in progress assets are not amortized until the project is complete and in service. Since 2012 (the last rebasing year) Grimsby Power applies a half year of amortization on new additions.

As required under MIFRS, Grimsby Power reviewed the useful lives of their assets in 2011/12 in preparation for the rate application process. As a result of the 2012 rate application process Grimsby Power aligned its typical useful life (TUL) and its depreciation with the Kinectrics report recommendations. Grimsby Power continues to use these TUL's in its depreciation schedules.

Contributions in aid of construction consist of third party contributions toward the cost of constructing distribution assets and may be partially refunded by Grimsby Power based on the economic evaluation process, in accordance with the OEB's Distribution System Code. They are accounted for as reductions to the cost of related capital assets and are amortized at rates corresponding with the useful lives of the related capital assets.

Under MIFRS, contributions in aid of construction received since 2012 are treated as deferred revenue for financial statement reporting purposes. Grimsby Power applies the half year rule when calculating the first year of amortization.

The estimated service lives of the various assets used in calculating amortization for the 2015 Bridge Year and 2016 Test Year are set out in Table 4-59 (Appendix 2-BB).

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Table 4-59
Appendix 2-BB
Service Life Comparison

Parent*	#	Asset Details		Useful Life			USoA Account Number	USoA Account Description	Current		Proposed		Outside Range Max Below Min TUL
				MIN UL	TUL	MAX UL			Years	Rate	Years	Rate	
OH	1	Fully Dressed Wood Poles	Overall	35	45	75	1830	Poles, Towers and Fixtures	45	2%	45	2%	No
			Cross Arm	Wood	20	40							
	2	Fully Dressed Concrete Poles	Overall	50	60	80							
			Cross Arm	Wood	20	40							
	3	Fully Dressed Steel Poles	Overall	60	60	80							
			Cross Arm	Wood	20	40							
	4	OH Line Switch		30	45	55							
	5	OH Line Switch Motor		15	25	25							
	6	OH Line Switch RTU		15	20	20							
	7	OH Integral Switches		35	45	60							
	8	OH Conductors		50	60	75	1835	Overhead Conductors and Devices	60	2%	60	2%	No
TS & MS	9	OH Transformers & Voltage Regulators		30	40	60	1850	Line Transformers	40	3%	40	3%	No
	10	OH Shunt Capacitor Banks		25	30	40							
	11	Reclosers		25	40	55							
	12	Power Transformers	Overall	30	45	60							
			Bushing	10	20	30							
			Tap Changer	20	30	60							
	13	Station Service Transformer		30	45	55							
	14	Station Grounding Transformer		30	40	40							
	15	Station DC System	Overall	10	20	30							
			Battery Bank	10	15	15							
			Charger	20	20	30							
	16	Station Metal Clad Switchgear	Overall	30	40	60							
			Removable Breaker	25	40	60							
	17	Station Independent Breakers		35	45	65							
	18	Station Switch		30	50	60							
	19	Electromechanical Relays		25	35	50							
UG	20	Solid State Relays		10	30	45							
	21	Digital & Numeric Relays		15	20	20							
	22	Rigid Busbars		30	55	60							
	23	Steel Structure		35	50	90							
	24	Primary Paper Insulated Lead Covered (PILC) Cables		60	65	75							
	25	Primary Ethylene-Propylene Rubber (EPR) Cables		20	25	25							
	26	Primary Non-Tree Retardant (TR) Cross Linked Polyethylene (XLPE) Cables Direct Buried		20	25	30							
	27	Primary Non-TR XLPE Cables in Duct		20	25	30	1845	Underground Conductors and Devices	30	3%	30	3%	No
	30	Secondary PILC Cables		70	75	80							
	31	Secondary Cables Direct Buried		25	35	40	1855	Services	35	3%	35	3%	No
	32	Secondary Cables in Duct		35	40	60							
	33	Network Transformers	Overall	20	35	50							
			Protector	20	35	40							
	34	Pad-Mounted Transformers		25	40	45	1850	Line Transformers	40	3%	40	3%	No
	35	Submersible/Vault Transformers		25	35	45							
	36	UG Foundation		35	55	70							
	37	UG Vaults	Overall	40	60	80							
			Roof	20	30	45							
	38	UG Vault Switches		20	35	50							
	39	Pad-Mounted Switchgear		20	30	45							
	40	Ducts		30	50	85	1840	Underground Conduit	50	2%	50	2%	No
	41	Concrete Encased Duct Banks		35	55	80							
	42	Cable Chambers		50	60	80							
S	43	Remote SCADA		15	20	30							

#	Asset Details Category | Component | Type		Useful Life Range		USoA Account Number	USoA Account Description	Current		Proposed		Outside Range of Min, Max TUL?	
							Years	Rate	Years	Rate	Below Min Range	Above Max Range
1	Office Equipment		5	15	1915	Office Furniture and Equipment	10	10%	10	10%	No	No
2	Vehicles	Trucks & Buckets	5	15	1930	Transportation Equipment	12	8%	12	8%	No	No
		Trailers	5	20	1930	Transportation Equipment	15	7%	15	7%	No	No
		Vans	5	10	1930	Transportation Equipment	8	13%	8	13%	No	No
3	Administrative Buildings		50	75								
4	Leasehold Improvements		Lease dependent									
5	Station Buildings	Station Buildings	50	75	1908	Buildings and Fixtures	50	2%	50	2%	No	No
		Parking	25	30								
		Fence	25	60	1908	Buildings and Fixtures	40	3%	40	3%	No	No
		Roof	20	30								
6	Computer Equipment	Hardware	3	5	1920	Computer Equipment - Hardware	5	20%	5	20%	No	No
		Software	2	5	1611	Computer Software	5	20%	5	20%	No	No
7	Equipment	Power Operated	5	10								
		Stores	5	10	1935	Stores Equipment	10	10%	10	10%	No	No
		Tools, Shop, Garage	5	10	1940	Tools, Shop and Garage Equipment	10	10%	10	10%	No	No
		Measurement & Testing	5	10	1945	Measurement and Testing Equipment	5	20%	5	20%	No	No
8	Communication	Towers	60	70								
		Wireless	2	10	1955	Communication Equipment	10	10%	10	10%	No	No
9	Residential Energy Meters		25	35								
10	Industrial/Commercial Energy Meters		25	35	1860	Meters	25	4%	25	4%	No	No
11	Wholesale Energy Meters		15	30	1860	Meters	25	4%	25	4%	No	No
12	Current & Potential Transformer (CT & PT)		35	50	1860	Meters	35	3%	35	3%	No	No
13	Smart Meters		5	15	1860	Meters	15	7%	15	7%	No	No
14	Repeaters - Smart Metering		10	15	1860	Meters	15	7%	15	7%	No	No
15	Data Collectors - Smart Metering		15	20								

Identification of Any Asset Retirement Obligations ("AROs) and Associated Depreciation

Grimsby Power does not have any AROs.

Identification of Historical Depreciation Practice and Proposal for the Test Year

Grimsby Power's historical and actual depreciation practice is the half year rule for financial purposes.

Grimsby Power proposes to maintain the half year rule for 2016 distributor setting purposes

TAXES OR PAYMENTS IN LIEU OF TAXES AND PROPERTY TAXES

Tax Calculations

Grimsby Power is subject to the payment of payments in lieu (PILs) under Section 93 of the *Electricity Act, 1998*, and related regulations. Grimsby Power does not pay Section 89 proxy taxes, and is exempt from the payment of incomes taxes under the *Income Tax Act (Canada)* and the *Ontario Corporations Tax Act*. A copy of the 2014 Federal Tax T2 and Ontario C23 tax return has been provide in Exhibit 4 Appendix 4-C.

PILs for the 2016 Test Year

The 2016 Test Year's PILs have been calculated at \$ 69,211 (including non-capital losses from preceding tax years \$ 166,893). At the end of 2014 the balance of the non-capital losses for Grimsby Power was \$ 234,927. After the amalgamation between Grimsby Power and Niagara West Transformation Corporation the non-capital losses increased by \$477,228 which amounted to a total of \$712,155 in non-capital losses. Based on the calculated loss in the 2015 Bridge Year Grimsby Power estimates further non-capital losses of \$122,312. This number coincides with the calculation in the OEB PILs Workform for the Bridge Year. The total non-capital losses at the end of the 2015 Bridge Year are \$834,468. Grimsby Power has allocated the non-capital losses over the full term of the application (2016-2020). With this allocation one fifth of the non-capital losses, or \$166,893, is applied in the 2016 Test Year. In support for the allocation over the five years, a memo from the auditors has been

provided in Exhibit 4, Appendix 4-D. The application of the non-capital losses over the whole term of the application will allow Grimsby Power to normalize income levels from year to year. The details of the calculations are in the Income Tax/PILs Work Form in Appendix 4-E.

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

Utility Income before Taxes

This is calculated based on the 2016 expected total revenue less the 2016 expected cost and expenses. The Utility Income before taxes is \$986,723. The details of this calculation are found in the Revenue Deficiency in Table 6-1 of Exhibit 6 Revenue Requirement.

Tax Adjustments

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

Significant temporary differences included are:

- The difference between depreciation for accounting purposes versus capital cost allowance (CCA) for tax purposes.
- The differences between opening and closing reserves from financial statements. These reserves relate to Grimsby Power's goods and services not delivered.

Expected 2016 Tax Rates

Grimsby Power used an income tax rate of 26.5% for the 2016 Test Year.

Capital Cost Allowance

Grimsby Power is providing the Capital Cost Allowance continuity schedule for the 2015 Bridge Year (Table 4-60) and the 2016 Test Year (Table 4-61) as follows. These tables are from the excel spreadsheet model – 2016_Test_Year_Income_Tax_PILs_Workform.

Schedule 8 CCA - Bridge Year

Class	Class Description	Working Paper Reference	UCC Regulated Historical Year	Additions	Disposals (Negative)	UCC Before 1/2 Adjustment	1/2 Year Rule (1/2 Additions Less Disposals)	Reduced UCC	Rate %	Bridge Year CCA	UCC End of Bridge Year
1	Distribution System - post 1987	H8	\$ 12,365,870			\$ 12,365,870	\$ -	\$ 12,365,870	4%	\$ 494,635	\$ 11,871,235
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	H8				\$ -	\$ -	\$ -	6%	\$ -	\$ -
2	Distribution System - pre 1988	H8	\$ 378,083			\$ 378,083	\$ -	\$ 378,083	6%	\$ 22,685	\$ 355,398
8	General Office/Stores Equip	H8	\$ 224,687	\$ 152,638		\$ 377,325	\$ 76,319	\$ 301,006	20%	\$ 60,201	\$ 317,124
10	Computer Hardware/ Vehicles	H8	\$ 150,091	\$ 40,890		\$ 190,981	\$ 20,445	\$ 170,536	30%	\$ 51,161	\$ 139,820
10.1	Certain Automobiles	H8				\$ -	\$ -	\$ -	30%	\$ -	\$ -
12	Computer Software	H8		\$ 90,820		\$ 90,820	\$ 45,410	\$ 45,410	100%	\$ 45,410	\$ 45,410
13.1	Lease # 1	H8				\$ -	\$ -	\$ -		\$ -	\$ -
13.2	Lease #2	H8				\$ -	\$ -	\$ -		\$ -	\$ -
13.3	Lease # 3	H8				\$ -	\$ -	\$ -		\$ -	\$ -
13.4	Lease # 4	H8				\$ -	\$ -	\$ -		\$ -	\$ -
14	Franchise	H8				\$ -	\$ -	\$ -		\$ -	\$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	H8				\$ -	\$ -	\$ -	8%	\$ -	\$ -
42	Fibre Optic Cable	H8				\$ -	\$ -	\$ -	12%	\$ -	\$ -
43.1	Certain Energy-Efficient Electrical Generating Equipment	H8				\$ -	\$ -	\$ -	30%	\$ -	\$ -
43.2	Certain Clean Energy Generation Equipment	H8				\$ -	\$ -	\$ -	50%	\$ -	\$ -
45	Computers & Systems Software acq'd post Mar 22/04	H8	\$ 212			\$ 212	\$ -	\$ 212	45%	\$ 95	\$ 117
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	H8				\$ -	\$ -	\$ -	30%	\$ -	\$ -
47	Distribution System - post February 2005	H8	\$ 10,207,843	\$ 1,270,610		\$ 11,478,453	\$ 635,305	\$ 10,843,148	8%	\$ 867,452	\$ 10,611,001
50	Data Network Infrastructure Equipment - post Mar 2007	H8	\$ 37,903			\$ 37,903	\$ -	\$ 37,903	55%	\$ 20,847	\$ 17,056
52	Computer Hardware and system software	H8				\$ -	\$ -	\$ -	100%	\$ -	\$ -
95	CWIP	H8				\$ -	\$ -	\$ -		\$ -	\$ -
6	Building		\$ 21,998			\$ 21,998	\$ -	\$ 21,998	10%	\$ 2,200	\$ 19,798
						\$ -	\$ -	\$ -		\$ -	\$ -
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	TOTAL		\$ 23,386,687	\$ 1,554,958	\$ -	\$ 24,941,645	\$ 777,479	\$ 24,164,166		\$ 1,564,685	B1 \$ 23,376,959

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Detailed Tax Calculations

Table 4-62 below summarizes the tax calculations for 2012 to 2014 Historical Years and for 2015 Bridge and 2016 Test Years. The table itemizes all additions and deductions that are part of Grimsby Power's tax calculations.

Table 4-62
Tax Calculations
2012 Board Approved to 2016 Test Year

Item	2012 Board Approved	2012 Actual	2013 Actual	2014 Actual	2015 Bridge Year	2016 Test Year
Accounting Net Income Before Taxes	664,942	1,197,199	847,142	446,525	201,021	986,723
Current Taxes	(37,898)		(197,098)	185,098		
Future Taxes		(343,820)	(86,481)	(360,927)		
Accounting Net Income After Taxes	627,044	853,379	563,563	270,696	201,021	986,723
Additions						
Provisions for Income Taxes - Current			197,098	(185,098)		
Provisions for Income Taxes - Deferred		343,820	86,481	360,927		
Interest and penalties on taxes			1,003			
Amortization of Tangible Assets	768,901	691,820	701,801	796,422	933,213	1,024,035
Amortization of Intangible Assets					128,470	135,385
Loss on Disposal of Assets		5,663	742	1,170		
Charitable Donations from Schedule 2			7,200			
Non-Deductible Meals and Entertainment Expenses		4,016	2,188	867		
Other Reserves from Schedules 13	1,306,500	765,029	877,718	1,193,753	672,897	493,228
Reserves at End of the Year	6,500	884,218	1,200,253	679,397	6,500	6,500
Opening Regulatory Assets Balance		1,620,933	497,662			
Inducement - ITA 12(1)(x)	13,000			12,000		
Capital Assets Additions Included in Regulatory Balance		399,728	399,728	399,728		
Total Additions	2,094,901	4,715,227	3,971,874	3,259,166	1,741,080	1,659,148
Deductions						
Capital Cost Allowance from Schedule 8	1,161,686	1,276,010	1,385,662	1,360,843	1,564,685	1,700,845
Gain on Disposal of Assets						
Other Reserves from Schedules 13	1,263,282	877,718	1,193,753	672,897	493,228	510,459
Reserves at End of the Year	6,500	771,529	884,218	1,200,253	6,500	6,500
Closing Regulatory Assets Balance		149,515				
Opening Reg Liability Balance				348,147		
Opening Capital Assets Additions in Regulatory Assets		1,784,937	399,728	399,728		
Closing Reg Asset balance				738,802		
Amortization of Deferred Revenue		22,468				
Apprenticeship Tax Credit			12,000			
Unrealized Interest Rate Adjustment						
Total Deductions	2,431,468	4,882,177	3,875,361	4,720,670	2,064,413	2,217,803
Income for Tax Purposes before Losses	290,477	686,429	660,076	(1,190,808)	(122,312)	428,068
Non Capital Loss		(383,424)	-			(166,893)
Income for Tax Purposes	290,477	303,005	660,076	(1,190,808)	(122,312)	261,174
Income Taxes	59,086	59,086	126,012	-	-	69,211

Property Taxes

Grimsby Power pays property taxes to the Town of Grimsby In accordance with the Accounting Procedures Handbook; Grimsby Power segregates the property Tax accordingly.

The 2016 Test Year property tax amounts have been estimated based on the 2014 actual amounts indexed by 2.2%. This is consistent with the assumptions incorporated into 2016 operating budget of Grimsby Power.

Below is a summary of the total property taxes:

Table 4-63
Property Taxes
2012 Board Approved to 2016 Test Year

Current Taxes	OEB Account	2012 Board Approved	2012 Actual	2013 Actual	2014 Actual	2015 Bridge Year	2016 Test Year
Property Taxes							
Property Taxes - Substations	5017	2,530	2,777	2,780	2,749	2,900	2,964
Property Taxes - Building	6105	25,010	24,915	25,584	25,780	27,000	27,594
Total Property Taxes		27,540	27,692	28,364	28,529	29,900	30,558

Integrity Checks

Grimsby Power has completed the integrity checks for the following information as detailed in the filing requirements.

- The depreciation and amortization added back in the PIL's model agree with the numbers disclosed in the rate base section of the application.
- The capital additions and deductions in the UCC/CCA schedule 8 agree with the rate base section for historic, bridge and Test Years.
- Schedule 8 of the most recent federal T2 tax return filed as a closing December 31, 2014 agrees with the opening 2015 Bridge Year UCC. Grimsby Power confirms that non-distribution tax amounts on Schedule 8 were \$0 on the December 31, 2014 tax return.

- The CCA deductions in the PILs tax model for historic, bridge and Test Years agree with the numbers in the UCC schedules for the same years filed in the application.
- Grimsby Power's non-capital losses at the end of 2014 are \$712,155. Based on the calculated loss in the 2015 Bridge Year Grimsby Power estimates further non-capital losses of \$122,312. The total non-capital losses at the end of the 2015 Bridge Year are \$834,468.
- The income tax rate used to calculate the tax expense is consistent with the Grimsby Power's actual tax facts and the evidence filed in the application.

CONSERVATION AND DEMAND MANAGEMENT ("CDM") COSTS

Lost Revenue Adjustment Mechanism ("LRAM") for 2012-2015

On March 31, 2010, the Minister of Energy and Infrastructure issued a directive (the "Directive") to the Board regarding electricity CDM targets to be met by licensed electricity distributors. The Directive required that the Board amend the licenses of distributors to add, as a condition of license, the requirement for distributors to achieve reductions in electricity consumption and reductions in peak provincial electricity demand through the delivery of CDM programs over a four-year period beginning January 1, 2011. Section 12 of the Directive required that the Board have regard to the objective that lost revenues that result from CDM Programs should not act as a disincentive to a distributor.

On April 26, 2012, the Board issued Guidelines for Electricity Distributor Conservation and Demand Management ("CDM Guidelines"). In keeping with the Directive, the Board adopted a mechanism to capture the difference between the results of actual, verified impacts of authorized CDM activities undertaken by distributors between 2011 and 2014 for both board approved CDM programs and OPA-Contracted Province-Wide CDM programs in relation to the level of activities embedded into rates through the distributors load forecast in an LRAM variance account.

LRAM for pre-2012 CDM Activities

Grimsby Power is not requesting recovery of lost revenue resulting from any pre-2011 CDM activities or legacy programs.

LRAM Variance Account (LRAMVA)

For CDM programs delivered within the 2011 to 2014 period, the Board established Account 1568 as the LRAMVA to capture the variance between the Board-approved CDM forecast and the actual results at the customer rate class level. At a minimum, distributors must apply for the disposition of the balance in the LRAMVA as part of their COS applications. In accordance with these guidelines, Grimsby Power is requesting approval for the recovery of lost revenue resulting from persistent CDM impacts realized since 2011 in its CDM activities, including carrying charges through to April 30, 2016. The total amount requested for recovery is \$3,011, including carrying charges of \$498. The amounts requested for recovery are summarized in Table 4-64 below.

Table 4-64
Summary of Requested LRAM Amounts
2011 to 2014

Rate Classification	2011 Lost Revenues	2012 Lost Revenues	2013 Lost Revenues	2014 Lost Revenues	Total Lost Revenues	Total Interest	Total LRAM Claim
Residential	103	(3,796)	(766)	(1,508)	(5,967)	(16)	(5,983)
GS < 50 kW	52,823	21,859	(61,440)	11,789	25,031	2,004	27,036
GS > 50 to 4,999 kW	(2,924)	(2,062)	7,781	(19,347)	(16,552)	(1,490)	(18,042)
Total LRAM Amounts	50,001	16,001	(54,424)	(9,065)	2,513	498	3,011

Grimsby Power contracted Burman Energy Consultants Group Inc., a third party energy consulting firm who specializes in CDM services, to calculate the LRAM with 2014 final results from the IESO. Lost revenues based on Board approved variable charges and applicable carrying charges through to April 30, 2016 are requested. Grimsby Power is not currently requesting recovery of lost revenue resulting from the Board-approved Time-of-Use Savings program. The OPA-Contracted Province-Wide CDM Programs Final 2011 - 2014 Results are provided as Appendix 4-F to this Exhibit.

Details of Grimsby Power's LRAM calculations and supporting evidence can be found in the third party report prepared by Burman Energy Consulting Group Inc and provided as Appendix 9-A within Exhibit 9. Information provided in the Burman report includes the CDM programs/initiatives applicable to each rate class as well as the energy savings (kWh) and peak demand (kW) assigned to each of the programs/initiatives.

Table 4-65 below provides a summary of the program year and the associated lost revenues by year that Grimsby Power is seeking recovery for, by class.

Table 4-65
Summary of Lost Revenues
2011 - 2014

Program Year	Year Revenue Lost	Residential	GS <50	GS >50 to 4,999	Total
2011	2011	2,507	2,233	-	4,741
	2012	3,090	2,609	-	5,699
	2013	3,401	2,825		6,226
	2014	3,457	1,217	448	5,122
2011 Program Total		12,456	8,884	448	21,787
2012	2012	2,048	2,266	2,408	6,722
	2013	2,254	2,454	2,570	7,278
	2014	2,299	2,784	2,397	7,480
	CDM Load Forecast Component	(9,250)	(2,014)	(1,923)	(13,187)
2012 Program Total		(2,649)	5,490	5,452	8,293
2013	2013	1,672	5,050	1,793	8,515
	2014	1,706	4,089	2,169	7,964
	CDM Load Forecast Component	(10,181)	(2,180)	(2,053)	(14,415)
2013 Program Total		(6,803)	6,958	1,909	2,064
2014	2014	1,414	5,926	765	8,105
	CDM Load Forecast Component	(10,385)	(2,226)	(25,125)	(37,737)
2014 Program Total		(8,971)	3,699	(24,360)	(29,631)
Total		(5,967)	25,031	(16,552)	2,513

Separate tables for each rate class showing the lost revenue amounts requested by the year they are associated with and the year the lost revenues took place are provided below. Included within the tables are all the CDM programs/initiatives applicable to that rate class with the energy savings (kWh) assigned to each program/initiative. The adjustments for the CDM component in the load forecast are also included.

Table 4-66
Summary of Residential Lost Revenues
2011 - 2014

2011 Residential Initiatives	Load Reduction in Calendar Year					Lost Revenue in Calendar Year				
	2011	2012	2013	2014	Total	2011	2012	2013	2014	Total
Rate(\$/kWh)						0.0086	0.0116	0.0117	0.0118	
Appliance Retirement	67,826	67,826	67,826	67,623	271,101	\$ 583.30	\$ 718.95	\$ 791.30	\$ 804.72	\$ 2,898.27
Appliance Exchange	1,179	1,179	1,179	395	3,932	\$ 10.14	\$ 12.50	\$ 13.76	\$ 4.70	\$ 41.10
HVAC Incentives	127,173	127,173	127,173	107,312	488,831	\$ 1,093.68	\$ 1,348.03	\$ 1,483.68	\$ 1,277.01	\$ 5,202.40
Conservation Instant Coupon Booklet	42,622	42,622	42,622	43,251	171,117	\$ 366.55	\$ 451.80	\$ 497.26	\$ 514.68	\$ 1,830.29
Bi Annual Retailer Event	66,980	66,980	66,980	71,956	272,896	\$ 576.03	\$ 709.99	\$ 781.43	\$ 856.28	\$ 2,923.73
2011 Adjustments	(14,257)	(14,257)	(14,257)		(42,771)	-\$ 122.60	-\$ 151.11	-\$ 166.32		-\$ 440.03
Total 2011 Programs	291,523	291,523	291,523	290,537	1,165,106	\$ 2,507.10	\$ 3,090.16	\$ 3,401.11	\$ 3,457.39	\$ 12,455.76
2012 Residential Initiatives	Load Reduction in Calendar Year					Lost Revenue in Calendar Year				
	2011	2012	2013	2014	Total	2011	2012	2013	2014	Total
Rate(\$/kWh)						0.0086	0.0116	0.0117	0.0118	
Appliance Retirement		37,883	37,883	37,883	113,649		\$ 401.56	\$ 441.97	\$ 450.81	\$ 1,294.34
Appliance Exchange		8,696	8,696	8,696	26,088		\$ 92.18	\$ 101.46	\$ 103.49	\$ 297.13
HVAC Incentives		79,836	79,836	82,422	242,094		\$ 846.26	\$ 931.41	\$ 980.82	\$ 2,758.49
Conservation Instant Coupon Booklet		3,187	3,187	3,187	9,561		\$ 33.78	\$ 37.18	\$ 37.92	\$ 108.88
Bi Annual Retailer Event		61,041	61,041	61,041	183,123		\$ 647.03	\$ 712.14	\$ 726.39	\$ 2,085.56
2012 Adjustments		2,568	2,568		5,136		\$ 27.22	\$ 29.96		\$ 57.18
CDM Load Forecast Component					(872,686)					-\$ 9,250.47
Total 2012 Programs	-	193,211	193,211	193,229	(293,035)	\$ -	\$ 2,048.03	\$ 2,254.12	\$ 2,299.43	-\$ 2,648.90
2013 Residential Initiatives	Load Reduction in Calendar Year					Lost Revenue in Calendar Year				
	2011	2012	2013	2014	Total	2011	2012	2013	2014	Total
Rate(\$/kWh)						0.0086	0.0116	0.0117	0.0118	
Appliance Retirement			13,729	13,729	27,458			\$ 160.17	\$ 163.38	\$ 323.55
Appliance Exchange			5,911	5,911	11,822			\$ 68.96	\$ 70.34	\$ 139.30
HVAC Incentives			66,991	66,991	133,982			\$ 781.56	\$ 797.19	\$ 1,578.75
Conservation Instant Coupon Booklet			17,567	17,567	35,134			\$ 204.95	\$ 209.05	\$ 414.00
Bi Annual Retailer Event			39,156	39,156	78,312			\$ 456.82	\$ 465.96	\$ 922.78
2013 Adjustments			1		1			\$ 0.01		\$ 0.01
CDM Load Forecast Component					(872,686)					-\$ 10,181.34
Total 2013 Programs	-	-	143,355	143,354	(585,977)	\$ -	\$ -	\$ 1,672.47	\$ 1,705.92	-\$ 6,802.95
2014 Residential Initiatives	Load Reduction in Calendar Year					Lost Revenue in Calendar Year				
	2011	2012	2013	2014	Total	2011	2012	2013	2014	Total
Rate(\$/kWh)						0.0086	0.0116	0.0117	0.0119	
Appliance Retirement				3,694	3,694				\$ 43.97	\$ 43.97
Appliance Exchange				12,722	12,722				\$ 151.39	\$ 151.39
HVAC Incentives				102,445	102,445				\$ 1,219.09	\$ 1,219.09
CDM Load Forecast Component					(872,686)					-\$ 10,384.96
Total 2014 Programs	-	-	-	118,862	(753,824)	\$ -	\$ -	\$ -	\$ 1,414.45	-\$ 8,970.52
Total Residential Program LRAM	291,523	484,734	628,089	745,982	- 467,730	\$ 2,507.10	\$ 5,138.19	\$ 7,327.70	\$ 8,877.18	-\$ 5,966.60

Table 4-67
Summary of GS <50kW Lost Revenues
2011 - 2014

2011 GS<50 Initiatives	Load Reduction in Calendar Year					Lost Revenue in Calendar Year				
	2011	2012	2013	2014	Total	2011	2012	2013	2014	Total
Rate(\$/kWh)						0.0100	0.0125	0.0127	0.0129	
Efficiency Equipment Replacement	33,992	33,992	33,992	33,992	135,968	\$ 339.92	\$ 396.57	\$ 429.43	\$ 438.49	\$ 1,604.41
Direct Install Lighting	79,312	79,312	79,312	60,356	298,292	\$ 793.12	\$ 925.30	\$ 1,001.97	\$ 778.59	\$ 3,498.98
High Performance New Construction	110,414	110,664	110,664	110,039	441,781	\$1,104.14	\$1,291.07	\$ 1,398.05		\$ 3,793.26
2011 Adjustments	(375)	(375)	(375)		(1,125)	-\$ 3.75	-\$ 4.38	-\$ 4.74		-\$ 12.87
Total 2011 Programs	223,343	223,593	223,593	204,386	874,915	\$2,233.43	\$2,608.56	\$ 2,824.71	\$ 1,217.08	\$ 8,883.78

2012 GS<50 Initiatives	Load Reduction in Calendar Year					Lost Revenue in Calendar Year				
	2011	2012	2013	2014	Total	2011	2012	2013	2014	Total
Rate(\$/kWh)						0.0100	0.0125	0.0127	0.0129	
Efficiency Equipment Replacement		19,017	19,017	40,603	78,637		221.86	240.25	523.78	\$ 985.89
Direct Install Lighting		123,968	123,968	124,856	372,792		1,446.30	1,566.13	1,610.64	\$ 4,623.07
High Performance New Construction					-					\$ -
Energy Audit		50,353	50,353	50,353	151,059		587.45	636.12	649.55	\$ 1,873.12
2012 Adjustments		888	888		1,776		10.36	11.22		\$ 21.58
CDM Load Forecast Component					(172,591)					-\$ 2,013.57
Total 2012 Programs	-	194,226	194,226	215,812	431,673	-	2,265.97	2,453.72	2,783.97	5,490.09

2013 GS<50 Initiatives	Load Reduction in Calendar Year					Lost Revenue in Calendar Year				
	2011	2012	2013	2014	Total	2011	2012	2013	2014	Total
Rate(\$/kWh)						0.0100	0.0125	0.0127	0.0129	
Efficiency Equipment Replacement			211,865	129,137	341,002			2,676.56	1,665.87	\$ 4,342.43
Direct Install Lighting			187,835	187,835	375,670			2,372.98	2,423.07	\$ 4,796.05
CDM Load Forecast Component					(172,591)					-\$ 2,180.41
Total 2013 Programs	-	-	399,700	316,972	544,081	-	-	5,049.54	4,088.94	\$ 6,958.07

2014 GS<50 Initiatives	Load Reduction in Calendar Year					Lost Revenue in Calendar Year				
	2011	2012	2013	2014	Total	2011	2012	2013	2014	Total
Rate(\$/kWh)						0.0100	0.0125	0.0127	0.0129	
Efficiency Equipment Replacement				201,943	201,943				2,605.07	\$ 2,605.07
Direct Install Lighting				179,966	179,966				2,321.56	\$ 2,321.56
EEM				10,468	10,468				135.04	\$ 135.04
Energy Audit				66,982	66,982				864.06	\$ 864.06
CDM Load Forecast Component					(172,591)					-\$ 2,226.42
Total 2014 Programs	-	-	-	459,359	286,768	-	-	-	5,925.73	\$ 3,699.31

Total Business Program LRAM	223,343	417,819	817,519	1,196,529	2,137,437	\$2,233.43	\$4,874.53	\$10,327.97	\$14,015.72	\$25,031.25
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Table 4-68
Summary of GS >50kW Lost Revenues
2011 - 2014

2011 GS >50 to 4,999 Initiatives	Load Reduction in Calendar Year					Lost Revenue in Calendar Year				
	2011	2012	2013	2014	Total	2011	2012	2013	2014	Total
Rate(\$/kW)						1.4136	1.6936	1.7153	1.7419	
Efficiency Equipment Replacement (Industrial)					-					\$ -
High Performance New Construction				110,039	110,039				\$ 447.84	\$ 447.84
Total 2011 Programs		-	-	-	110,039	\$ -	\$ -	\$ -	\$ 447.84	\$ 447.84
2012 GS >50 to 4,999 Initiatives	Load Reduction in Calendar Year					Lost Revenue in Calendar Year				
	2011	2012	2013	2014	Total	2011	2012	2013	2014	Total
Rate(\$/kW)						1.4136	1.6936	1.7153	1.7419	
Efficiency Equipment Replacement (Industrial)		614,879	614,879	593,293	1,823,051		\$ 2,408.04	\$ 2,570.25	\$ 2,391.33	\$ 7,369.62
High Performance New Construction				250	250				\$ 5.38	\$ 5.38
CDM Load Forecast Component				(438,635)	(438,635)					-\$ 1,923.27
Total 2012 Programs		614,879	614,879	593,542	1,384,665	\$ -	\$ 2,408.04	\$ 2,570.25	\$ 2,396.71	\$ 5,451.73
2013 GS >50 to 4,999 Initiatives	Load Reduction in Calendar Year					Lost Revenue in Calendar Year				
	2011	2012	2013	2014	Total	2011	2012	2013	2014	Total
Rate(\$/kW)						1.4136	1.6936	1.7153	1.7419	
Efficiency Equipment Replacement (Industrial)			670,906	753,634	1,424,540			\$ 1,792.69	\$ 2,168.89	\$ 3,961.58
CDM Load Forecast Component				(438,635)	(438,635)					-\$ 2,052.83
Total 2013 Programs		-	670,906	753,634	985,905	\$ -	\$ -	\$ 1,792.69	\$ 2,168.89	\$ 1,908.75
2014 GS >50 to 4,999 Initiatives	Load Reduction in Calendar Year					Lost Revenue in Calendar Year				
	2011	2012	2013	2014	Total	2011	2012	2013	2014	Total
Rate(\$/kW)						1.4136	1.6936	1.7153	0.0129	
Efficiency Equipment Replacement (Industrial)				129,408	129,408				\$ 765.06	\$ 765.06
CDM Load Forecast Component				(438,635)	(438,635)					-\$ 25,125.17
Total 2014 Programs		-	-	129,408	(309,227)	\$ -	\$ -	\$ -	\$ 765.06	-\$ 24,360.11
Total Business Program LRAM	-	614,879	1,285,785	1,476,585	2,061,344	\$ -	\$ 2,408.04	\$ 4,362.94	\$ 5,778.50	-\$ 16,551.79

Disposition of the LRAM Variance Account


Grimsby Power is requesting approval for the recovery of lost revenue resulting from persistent CDM impacts realized from 2011-2014 CDM activity by way of volumetric rate riders over a one-year period from each applicable customer class. Table 4-69 sets the corresponding amounts by class, as well as the corresponding rate rider based on forecasted 2016 billing determinants.

Table 4-69
Proposed LRAM Rate Riders

Rate Classification	Total Lost Revenues	Total Interest	Total LRAM Claim	Billing Determinant	2016 Forecasted kWh/kW	Proposed Rate Rider
Residential	(5,967)	(16)	(5,983)	kWh	92,563,942	-0.0001
GS < 50 kW	25,031	2,004	27,036	kWh	18,812,265	0.0014
GS > 50 to 4,999 kW	(16,552)	(1,490)	(18,042)	kW	186,573	-0.0967
Total LRAM Claim	2,513	498	3,011			

The proposed LRAMVA claim has been included in the EDDVAR model within Exhibit 9 – Deferral and Variance Accounts. The allocation of costs to the appropriate class and the calculation of rate riders are included in the model.

1 **APPENDIX 4-A – GRIMSBY POWER PURCHASING POLICY**

	GRIMSBY POWER INCORPORATED	Date Issued	2010-05-10
		Date Revised	New Issue
	Purchasing Policy	Policy/Procedure	Policy
		Doc Number	2.01
		Page	Page 1 of 3

Purpose

It is the policy of Grimsby Power Incorporated to optimize the purchases to ensure receiving the best quality goods at the lowest price.

Details

This policy shall cover the approval process, the spending limits, and the tender requirements for purchases made by Grimsby Power Incorporated.

For the purposes of this policy:

- “The Corporation” means Grimsby Power Incorporated
- “The Board” means the Board of Directors of Grimsby Power Incorporated
- “The Shareholder” means Niagara Power Incorporated
- “The Chief Executive Officer” means the Chief Executive Officer of Grimsby Power or in his absence an approved designate appointed by the Shareholder.
- “The Chair” means the chair of GPI
- “Director” means the Director of Finance or the Director of Human Resources.
- “Supervisor” means those with direct supervisory capacity and rolls within their respective departments.

Business Process

Purchase Orders


The person requesting equipment, material or service is required to obtain at least two quotations. Three is preferable.

The PO must include all pertinent information such as an hourly rate and estimate number of working hours or unit price, whichever is applicable.

They will submit the request to their immediate supervisor for approval, if applicable.

The Supervisor will submit the quotations with a request that the Director of Finance verify the budgeted costs and all other financial aspects are correct. Then submit the purchase order to the Chief Executive Officer for approval.

Policy Section	Section 2 - Finance
Approved by GPI Board Motion On	February 12, 2010

	GRIMSBY POWER INCORPORATED	Date Issued	2010-05-10
		Date Revised	New Issue
	Purchasing Policy	Policy/Procedure	Policy
		Doc Number	2.01
		Page	Page 2 of 3

The person will be advised when the purchase order is approved and issued.

Definition of Purchases

Large Purchases

For the purpose of this policy, items of \$20,000 or greater per piece per item.

Small Purchases

Small Purchases are those less than \$20,000.00

Minor Purchases

Minor Purchases are purchases for emergency and minor building maintenance and operational expense purchases.

Notwithstanding the Definition of Purchases the Chief Executive Officer in consultation with the Chair of the Board may authorize purchases in the event of an emergency provided that such purchase is reported to the Board at the next scheduled board meeting.

Best Price

The Corporation will purchase the lowest price equipment; material or service provided that our specifications, standards and delivery requirements are all met.

Tender Requirements

The Corporation shall issue calls for tender for large item purchases.

The Corporation shall ask for at least three tenders.

Tenders may not be issued if fewer than two tenders are received.

Tenders may not be issued without approval of the Board.


The Board, at its discretion may wave the requirement for tendering under financial or other interests of the corporation.

Approvals

The Board authorizes the Supervisor to approve requisitions.

The Board authorizes the Chief Executive Officer and Director to approve Purchase Orders.

Policy Section	Section 2 - Finance
Approved by GPI Board Motion On	February 12, 2010

	GRIMSBY POWER INCORPORATED	Date Issued	2010-05-10
		Date Revised	New Issue
	Purchasing Policy	Policy/Procedure	Policy
		Doc Number	2.01
		Page	Page 3 of 3

Note: The Director of Finance may approve Purchase Orders in the absence of the Chief Executive Officer or Chair. However, they must ensure that they abide by the policy and determine the prudence of the purchase.

Upon receipt of approval, a purchase order must be issued and approved by the Director of Finance, or in the absence of the Director of Finance, the Chief Executive Officer.

The Board authorizes the Chief Executive Officer and a Director to sign cheques, pay by telephone or electronically for goods and services up to a maximum of \$20,000.00 per piece per item provided that the said goods and services have received approval to purchase as outlined below.

All purchases greater than \$20,000.00 must be paid via cheque.

Supervisors may approve requisitions up to \$500.00 exclusive of taxes as a small purchase.

Arrangements have been made with local suppliers for minor emergency and building maintenance and operational expense purchases. Employees are required to code the receipt to the appropriate job and GL, and then submit the vendor receipt to their immediate supervisor for information and approval. Supervisors will then provide the approved expense to the Accounts Payable Clerk to match up with the monthly statement from the vendor.

Exceptions

The Board of Directors of Grimsby Power Incorporated authorizes the Chief Executive Officer and a Director to pay power invoices, taxes including Goods and Services Tax (GST) or any other regulated/mandatory imposed invoices without Board approval. The Chief Executive Officer and a Director may authorize others to electronically pay items they have approved.

Notwithstanding the above no employee of Grimsby Power has the authorization to bind the Corporation without prior approval from the Board of Directors or under specific circumstances the Chief Executive Officer.

Policy Section	Section 2 - Finance
Approved by GPI Board Motion On	February 12, 2010

1 **APPENDIX 4-B - GRIMSBY BENEVOLENT FUND AGREEMENT**



GRIMSBY POWER INCORPORATED

231 Roberts Road,
Grimsby, Ontario L3M 5N2
Tel: (905) 945-5437
Fax: (905) 945-9933

Dear Grimsby Benevolent Fund,

**Re: Low-Income Energy Assistance Program - Emergency Financial Assistance 2012
("LEAP Emergency Financial Assistance") – Contractual Agreement**

Grimsby Power Incorporated has been mandated by the Ontario Energy Board to participate in the LEAP Emergency Financial Assistance Program. Within Grimsby Power Incorporated's service territory LEAP will be delivered by Grimsby Benevolent Fund. Rules for participants is as described in the 2011 LEAP Program Manual ("the Manual"). LEAP will consist of one term from January 1st, 2012 to December 31st, 2012.

The following are the terms and conditions under which Grimsby Power Incorporated will contract with Grimsby Benevolent Fund for the delivery of LEAP:

Financing Conditions:

1. Grimsby Power Incorporated will provide one payment in the amount of \$4,662.23 CDN payable to Grimsby Benevolent Fund for funding of one term.
2. The funds described in Section 1 are to be used solely for the following purposes:
 - (a) Provide grants to eligible low-income customers of Grimsby Power Incorporated and of unit sub-metering providers operating within Grimsby Power Incorporated's service area that qualify for LEAP, in accordance with the eligibility criteria and screening guidelines set out in Section 5 of the Manual.
 - (b) Pay the Grimsby Benevolent Fund's Program Delivery and Administration Fee up to the amount of \$699.33 (defined in paragraph 3 below).
3. Grimsby Benevolent Fund may retain for its purpose a fifteen percent (15%) Program Delivery and Administration fee calculated on the basis of the value of the total amount given to the Grimsby Benevolent Fund by Grimsby Power Incorporated.
4. Grimsby Benevolent Fund will provide payment to Grimsby Power Incorporated in the amount of the total funds approved for dispersion to customers in Grimsby Power Incorporated's service territory on the 1st day and the 15th day of each month. Those payments will be accompanied with a list of the approved customers and the funds approved for each. Grimsby Power Incorporated will credit each customer(s) account by the amount specified on the list once the payment is received.
5. Any remaining funds left at the end of the year will be rolled over for distribution to eligible customers in the following year.

Record-Keeping and Reporting Conditions:

6. Grimsby Benevolent Fund will organize the safe keeping of records of the information outlined in Appendix F (of the Manual) and submit such information to Grimsby Power Incorporated as outlined in Appendix C (of the Manual) summarized below in 6(a) and 6(b):

(a) Monthly reporting requirements to be remitted to Grimsby Power Incorporated on the 15th day of the following month. Should the LEAP funds for the term expire prior to the end of the term, Grimsby Benevolent Fund will notify the designated contact person at Grimsby Power Incorporated by telephone immediately.

(b) Annual reporting requirements to be remitted to Grimsby Power Incorporated on January 31st of the following year.

Information Exchange Conditions:

7. Grimsby Power Incorporated agrees to provide Grimsby Benevolent Fund with customer account information and payment history provided that Grimsby Benevolent Fund has the customer's legal consent to do so.

General:

8. Grimsby Power Incorporated and Grimsby Benevolent Fund agree and acknowledge that the use and disclosure of Grimsby Power Incorporated customers' personal information is governed by the Personal Information Protection and Electronic Documents Act (Ontario) and to strictly comply with the provisions thereof.

9. Grimsby Benevolent Fund shall save harmless and indemnify Grimsby Power Incorporated, its directors, officers, employees, representatives and agents from and against any and all liability, loss, damage, expense or other cost, howsoever caused, directly or indirectly, resulting from, arising out of or in any way relating to the performance by Grimsby Benevolent Fund of any obligations under LEAP (as set forth in this Agreement and the Manual) which is incurred by Grimsby Power Incorporated or claimed against Grimsby Power Incorporated by any third party, with the exception of those losses and damages caused by Grimsby Power Incorporated's negligence.

10. Grimsby Benevolent Fund must develop and implement an appeals process for applicants that have not been approved for funds.

If you agree to the conditions as stated herein, please execute two (2) signed copies of this Agreement and return one copy to my attention. Upon receipt, we will release payment to Grimsby Benevolent Fund as stated in Section 1.

Sincerely,



Irene Farbotko,
Director of Customer Accounts
Grimsby Power Incorporated



Stacy Elia
Food Bank Coordinator
Grimsby Benevolent Fund

APPENDIX 4-C – GRIMSBY POWER 2014 FEDERAL TAX RETURN



T2 Corporation Income Tax Return

200

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

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

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

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

055 Do not use this area

Identification

Business number (BN) 001 86487 4839 RC0001

Corporation's name

002 Grimsby Power Incorporated

Address of head office

Has this address changed since the last time we were notified? 010 1 Yes ☐ 2 No ☒

(If **yes**, complete lines 011 to 018.)

011 231 Roberts Road

012 City Province, territory, or state

015 Grimsby 016 ON

Country (other than Canada) Postal code/Zip code

017 018 L3M 5N2

Mailing address (if different from head office address)

Has this address changed since the last time we were notified? 020 1 Yes ☐ 2 No ☒

(If **yes**, complete lines 021 to 028.)

021 c/o

022 231 Roberts Road

023 City Province, territory, or state

025 Grimsby 026 ON

Country (other than Canada) Postal code/Zip code

027 028 L3M 5N2

Location of books and records (if different from head office address)

Has the location of books and records changed since the last time we were notified? 030 1 Yes ☐ 2 No ☒

(If **yes**, complete lines 031 to 038.)

031 231 Roberts Road

032 City Province, territory, or state

035 Grimsby 036 ON

Country (other than Canada) Postal code/Zip code

037 038 L3M 5N2

040 Type of corporation at the end of the tax year

- | | |
|--|---|
| 1 <input checked="" type="checkbox"/> Canadian-controlled private corporation (CCPC) | 4 <input type="checkbox"/> Corporation controlled by a public corporation |
| 2 <input type="checkbox"/> Other private corporation | 5 <input type="checkbox"/> Other corporation (specify, below) |
| 3 <input type="checkbox"/> Public corporation | |

If the type of corporation changed during the tax year, provide the effective date of the change 043

YYYY MM DD

To which tax year does this return apply?

Tax year start Tax year-end

060 2014-01-01 061 2014-12-31

YYYY MM DD YYYY MM DD

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

If **yes**, provide the date control was acquired 065

YYYY MM DD

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

Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

Incorporation? 070 1 Yes ☐ 2 No ☒

Amalgamation? 071 1 Yes ☐ 2 No ☒

If **yes**, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? 072 1 Yes ☐ 2 No ☒

If **yes**, complete and attach Schedule 24.

Is this the final tax year before amalgamation? 076 1 Yes ☐ 2 No ☒

Is this the final return up to dissolution? 078 1 Yes ☐ 2 No ☒

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

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

081

Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes ☐ 2 No ☒

If **yes**, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

- 085
- | | |
|----------------------------|--|
| 1 <input type="checkbox"/> | Exempt under paragraph 149(1)(e) or (l) |
| 2 <input type="checkbox"/> | Exempt under paragraph 149(1)(j) |
| 3 <input type="checkbox"/> | Exempt under paragraph 149(1)(t) |
| 4 <input type="checkbox"/> | Exempt under other paragraphs of section 149 |

Do not use this area

095

096

098

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

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

Attachments – continued from page 2

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

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Is the corporation inactive?	280	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's main revenue-generating business activity? 221122 Electric Power Distribution			
Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284	ELECTRICITY DISTRIBUTION	285 100.000 %
	286		287 %
	288		289 %
Did the corporation immigrate to Canada during the tax year?	291	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year?	292	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	1 Yes <input type="checkbox"/>	2 No <input type="checkbox"/>
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	294	YYYY MM DD	
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	1 Yes <input type="checkbox"/>	2 No <input type="checkbox"/>

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL.	300	-1,190,808	A
Deduct: Charitable donations from Schedule 2	311		
Gifts to Canada, a province, or a territory from Schedule 2	312		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Gifts of medicine from Schedule 2	315		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction*	325		
Non-capital losses of previous tax years from Schedule 4	331		
Net capital losses of previous tax years from Schedule 4	332		
Restricted farm losses of previous tax years from Schedule 4	333		
Farm losses of previous tax years from Schedule 4	334		
Limited partnership losses of previous tax years from Schedule 4	335		
Taxable capital gains or taxable dividends allocated from a central credit union	340		
Prospector's and grubstaker's shares	350		
	Subtotal		B
	Subtotal (amount A minus amount B) (if negative, enter "0")		C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C plus amount D)	360		
Income exempt under paragraph 149(1)(t)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)			Z

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

Small business deduction

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

Income from active business carried on in Canada from Schedule 7	400	A
Taxable income from line 360 on page 3, minus 100/28 3.57143 of the amount on line 632* on page 7, minus 4 times the amount on line 636** on page 7, and minus any amount that, because of federal law, is exempt from Part I tax	405	B
Business limit (see notes 1 and 2 below)	410	450,000 C

Notes:

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

Business limit reduction:

Amount C	450,000	x	415 ***	11,250	D	=	450,000	E
				11,250				
Reduced business limit (amount C minus amount E) (if negative, enter "0")							425	F

Small business deduction

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

Enter amount G on line I on page 7.

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


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

*** Large corporations

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

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year


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

Enter amount J on line 638 on page 7.

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

General tax reduction

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

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

Enter amount R on line 639 on page 7.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income **440** x 26 2 / 3 % = A
from Schedule 7

Foreign non-business income tax credit from line 632 on page 7 B

Deduct:

Foreign investment income **445** x 9 1 / 3 % = C
from Schedule 7 (if negative, enter "0")

Amount A minus amount D (if negative, enter "0") E

Taxable income from line 360 on page 3 F

Deduct:

Amount from line 400, 405, 410, or 425 on page 4,
whichever is the least G

Foreign non-business
income tax credit
from line 632 on page 7 x 100 / 35 = H

Foreign business income
tax credit from line 636 on
page 7 x 4 = I

Subtotal J
K
x 26 2 / 3 % = L

Part I tax payable minus investment tax credit refund (line 700 minus line 780 from page 8) M

Refundable portion of Part I tax – Amount E, L, or M, whichever is the least **450** N

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the previous tax year **460**

Deduct: Dividend refund for the previous tax year **465**

Add the total of:

Refundable portion of Part I tax from line 450 above P

Total Part IV tax payable from Schedule 3 Q

Net refundable dividend tax on hand transferred from a predecessor corporation on
amalgamation, or from a wound-up subsidiary corporation **480**

Refundable dividend tax on hand at the end of the tax year – Amount O plus amount R **485**

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the tax year

Taxable dividends paid in the tax year from line 460 on page 2 of Schedule 3 281,782 x 1 / 3 = 93,927 S

Refundable dividend tax on hand at the end of the tax year from line 485 above T

Dividend refund – Amount S or T, whichever is less U

Enter amount U on line 784 on page 8.

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) multiplied by 38 % . . . **550** _____ A

Recapture of investment tax credit from Schedule 31 **602** _____ B

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

Aggregate investment income from line 440 on page 6 _____ C

Taxable income from line 360 on page 3 _____ D

Deduct:

Amount from line 400, 405, 410, or 425 on page 4, whichever
is the least _____ E

Net amount (amount D minus amount E) **▶** _____ F

Refundable tax on CCPC's investment income – 6 2 / 3 % of whichever is less: amount C or amount F **604** _____ G

Subtotal (add amounts A, B, and G) _____ H

Deduct:

Small business deduction from line 430 on page 4 _____ I

Federal tax abatement **608** _____

Manufacturing and processing profits deduction from Schedule 27 **616** _____

Investment corporation deduction **620** _____

Taxed capital gains **624** _____

Additional deduction – credit unions from Schedule 17 **628** _____

Federal foreign non-business income tax credit from Schedule 21 **632** _____

Federal foreign business income tax credit from Schedule 21 **636** _____

General tax reduction for CCPCs from amount J on page 5 **638** _____

General tax reduction from amount R on page 5 **639** _____

Federal logging tax credit from Schedule 21 **640** _____

Eligible Canadian bank deduction under section 125.21 **641** _____

Federal qualifying environmental trust tax credit **648** _____

Investment tax credit from Schedule 31 **652** _____

Subtotal **▶** _____ J

Part I tax payable – Amount H minus amount J _____ K

Enter amount K on line 700 on page 8.

Summary of tax and credits**Federal tax**

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

Total federal tax

Add provincial or territorial tax:Provincial or territorial jurisdiction . . . **750** ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)Net provincial or territorial tax payable (except Quebec and Alberta) . . . **760**
Total tax payable **770** A**Deduct other credits:**

Investment tax credit refund from Schedule 31	780	
Dividend refund from amount U on page 6	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	10,000
Tax instalments paid	840	136,515
Total credits	890	146,515

Refund code **894** 1 Overpayment 146,515 Balance (amount A minus amount B) 146,515 B
-146,515**Direct deposit request**

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

☐ Start ☐ Change information **910** Branch number
914 Institution number **918** Account numberIf the result is positive, you have a **balance unpaid**.
If the result is negative, you have an **overpayment**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of \$2 or less.

Balance unpaid

For information on how to make your payment, go to
www.cra-arc.gc.ca/payments.If the corporation is a Canadian-controlled private corporation throughout the tax year,
does it qualify for the one-month extension of the date the balance of tax is due? . . . **896** 1 Yes ☐ 2 No ☒
If this return was prepared by a tax preparer for a fee, provide their EFILE number . . . **920** A3079**Certification**I, **950** CURTISS Last name (print) **951** DOUG First name (print) **954** CEO Position, office, or rank

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

955 2015-06-30 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation**956** (905) 945-5437 Telephone numberIs the contact person the same as the authorized signing officer? If **no**, complete the information below . . . **957** 1 Yes ☐ 2 No ☒**958** MIOARA DOMOKOS Name (print) **959** (905) 945-5437 Telephone number**Language of correspondence – Langue de correspondance**Indicate your language of correspondence by entering **1** for English or **2** for French.
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français.**990** 1

Schedule of Instalment Remittances

Name of corporation contact _____

Telephone number _____

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
		136,515
Total amount of instalments claimed (carry the result to line 840 of the T2 Return)		<u>136,515</u> A
Total instalments credited to the taxation year per T9		<u>136,515</u> B

Transfer

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

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Corporation's name	Business number	Tax year end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0001	2014-12-31

Balance sheet information

Account	Description	GIFI	Current year	Prior year
Assets				
	Total current assets	1599 +	4,794,816	5,446,258
	Total tangible capital assets	2008 +	21,265,356	16,346,672
	Total accumulated amortization of tangible capital assets	2009 –	2,618,883	
	Total intangible capital assets	2178 +		
	Total accumulated amortization of intangible capital assets	2179 –		
	Total long-term assets	2589 +	976,340	397,990
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	<u>24,417,629</u>	<u>22,190,920</u>

Liabilities				
	Total current liabilities	3139 +	6,282,911	3,970,362
	Total long-term liabilities	3450 +	10,099,091	10,173,845
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	<u>16,382,002</u>	<u>14,144,207</u>

Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	8,035,627	8,046,713

	Total liabilities and shareholder equity	3640 =	<u>24,417,629</u>	<u>22,190,920</u>
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Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	<u>2,182,159</u>	<u>2,193,245</u>

* Generic item

Current Assets

SCHEDULE 100

Form identifier 1599

Account	Description	GIFI	Current year	Prior year
Cash and deposits				
	* Cash and deposits	1000	727,297	762,577
	Cash and deposits		<u>727,297</u>	<u>762,577</u>
Accounts receivable				
	* Accounts receivable	1060	3,078,208	1,256,750
	Trade accounts receivable	1062		197,901
	Trade accounts receivable from related parties	1064		38,164
	Accounts receivable		<u>3,078,208</u>	<u>1,492,815</u>
Allowance for doubtful accounts				
	* Allowance for doubtful accounts	1061	6,500	
	Allowance for doubtful accounts		<u>6,500</u>	
Inventories				
	* Inventories	1120	535,806	524,346
	Inventories		<u>535,806</u>	<u>524,346</u>
Due from/investment in related parties				
	* Due from/investment in related parties	1400	14,103	17,310
	Due from/investment in related parties		<u>14,103</u>	<u>17,310</u>
Other current assets				
	* Other current assets	1480		2,346,708
	Future (deferred) income taxes	1481		198,187
	Taxes recoverable/refundable	1483	185,098	
	Prepaid expenses	1484	260,804	104,315
	Other current assets		<u>445,902</u>	<u>2,649,210</u>
	Total current assets	1599	<u>4,794,816</u>	<u>5,446,258</u>

* Generic item

Tangible Capital Assets and Accumulated Amortization

SCHEDULE 100

Form identifier 2008/2009

Account	Description	GIFI	Tangible capital assets	Accumulated amortization	Prior year
Land					
	* Land	1600	+	111,556	111,556
	Total			<u>111,556</u>	
Other tangible capital assets					
	* Other tangible capital assets	1900	+	21,153,800	16,235,116
	* Accumulated amortization of other tangible capital assets	1901	-	2,618,883	
	Total			<u>21,153,800</u>	<u>2,618,883</u>
	Total tangible capital assets	2008	=	<u>21,265,356</u>	<u>16,346,672</u>
	Total accumulated amortization of tangible capital assets	2009	=	<u>2,618,883</u>	

* Generic item

Long-term Assets

SCHEDULE 100

Form identifier 2589

Account	Description	GIFI	Current year	Prior year
Other long-term assets				
	* Other long-term assets	2420	738,802	
	Future (deferred) income taxes	2421	237,538	397,990
	Other long-term assets		976,340	397,990
	Total long-term assets	2589	976,340	397,990

* Generic item

Current Liabilities

SCHEDULE 100

Form identifier 3139

Account	Description	GIFI	Current year	Prior year
Amounts payable and accrued liabilities				
	* Amounts payable and accrued liabilities	2620	3,240,604	2,511,280
	Amounts payable and accrued liabilities		<u>3,240,604</u>	<u>2,511,280</u>
	* Taxes payable	2680	+	66,926
Due to related parties				
	* Due to related parties	2860	37,221	
	Due to related parties		<u>37,221</u>	
	* Current portion of long-term liability	2920	2,915,231	1,392,156
Other current liabilities				
	Future (deferred) income taxes	2963	89,855	
	Other current liabilities		<u>89,855</u>	
	Total current liabilities	3139	<u>6,282,911</u>	<u>3,970,362</u>

* Generic item

Long-term Liabilities

SCHEDULE 100

Form identifier 3450

Account	Description	GIFI	Current year	Prior year
Long-term debt				
	* Long-term debt	3140	1,959,179	2,639,076
	Long-term debt		<u>1,959,179</u>	<u>2,639,076</u>
	* Deferred income	3220	2,357,166	1,316,309
	* Future (deferred) income taxes	3240		87,567
Due to shareholder(s)/director(s)				
	* Due to shareholder(s)/director(s)	3260	5,782,746	5,782,746
	Due to shareholder(s)/director(s)		<u>5,782,746</u>	<u>5,782,746</u>
Other long-term liabilities				
	* Other long-term liabilities	3320		348,147
	Other long-term liabilities		<u></u>	<u>348,147</u>
	Total long-term liabilities	3450	<u>10,099,091</u>	<u>10,173,845</u>

* Generic item

Shareholder Equity

SCHEDULE 100

Form identifier 3620

Account	Description	GIFI	Current year	Prior year
	* Common shares	3500	5,782,747	5,782,747
Contributed and other surplus				
	Contributed surplus	3541	70,721	70,721
	Contributed and other surplus		70,721	70,721
	* Retained earnings/deficit	3600	2,182,159	2,193,245
	Total shareholder equity	3620	8,035,627	8,046,713

* Generic item

Retained Earnings/Deficit

SCHEDULE 100

Form identifier 3849

Account	Description	GIFI	Current year	Prior year
	* Retained earnings/deficit – start	3660 +	2,193,245	1,108,469
	* Net income/loss	3680 +	270,696	563,563
Dividends declared				
	* Dividends declared	3700	281,782	426,690
	Dividends declared	–	<u>281,782</u>	<u>426,690</u>
Other items affecting retained earnings				
	* Other items affecting retained earnings	3740		947,903
	Other items affecting retained earnings	+	<u></u>	<u>947,903</u>
	Retained earnings/deficit – end	3849 =	<u>2,182,159</u>	<u>2,193,245</u>

* Generic item

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0001	2014-12-31

Income statement information

Description	GIFI
Operating name	0001
Description of the operation	0002
Sequence number	0003 01

Account	Description	GIFI	Current year	Prior year
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Income statement information

Total sales of goods and services	8089 +	23,172,273	22,051,165
Cost of sales	8518 -	19,160,748	17,959,981
Gross profit/loss	8519 =	4,011,525	4,091,184
Cost of sales	8518 +	19,160,748	17,959,981
Total operating expenses	9367 +	3,908,345	3,700,637
Total expenses (mandatory field)	9368 =	23,069,093	21,660,618
Total revenue (mandatory field)	8299 +	23,515,618	22,507,760
Total expenses (mandatory field)	9368 -	23,069,093	21,660,618
Net non-farming income	9369 =	446,525	847,142

Farming income statement information

Total farm revenue (mandatory field)	9659 +		
Total farm expenses (mandatory field)	9898 -		
Net farm income	9899 =		

Net income/loss before taxes and extraordinary items	9970 =	446,525	847,142
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Total other comprehensive income	9998 =		
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Extraordinary items and income (linked to Schedule 140)

Extraordinary item(s)	9975 -		
Legal settlements	9976 -		
Unrealized gains/losses	9980 +		
Unusual items	9985 -		
Current income taxes	9990 -	-185,098	197,098
Future (deferred) income tax provision	9995 -	360,927	86,481
Total – Other comprehensive income	9998 +		
Net income/loss after taxes and extraordinary items (mandatory field)	9999 =	270,696	563,563

Revenue

SCHEDULE 125

Form identifier 8299

Account	Description	GIFI	Current year	Prior year	
	* Trade sales of goods and services	8000	+	23,172,273	22,051,165
	Total sales of goods and services	8089	=	23,172,273	22,051,165
Investment revenue					
	* Investment revenue	8090		36,056	37,549
	Investment revenue		+	36,056	37,549
Other revenue					
	* Other revenue	8230		307,289	419,046
	Other revenue		+	307,289	419,046
	Total revenue	8299	=	23,515,618	22,507,760

* Generic item

Cost of Sales

SCHEDULE 125

Form identifier 8518

Account	Description	GIFI	Current year	Prior year
	* Purchases/cost of materials	8320 +	19,160,748	17,959,981
	Cost of sales	8518 =	19,160,748	17,959,981
Generic item				

Operating Expenses

SCHEDULE 125

Form identifier 9367

Account	Description	GIFI	Current year	Prior year
Advertising and promotion				
	* Advertising and promotion	8520	5,162	
	Advertising and promotion		<u>5,162</u>	
	* Amortization of tangible assets	8670	678,594	675,064
Interest and bank charges				
	* Interest and bank charges	8710	414,545	397,143
	Interest and bank charges		<u>414,545</u>	<u>397,143</u>
Office expenses				
	* Office expenses	8810	539,296	518,624
	Office expenses		<u>539,296</u>	<u>518,624</u>
Repairs and maintenance				
	* Repairs and maintenance	8960	436,218	525,679
	Repairs and maintenance		<u>436,218</u>	<u>525,679</u>
	* Property taxes	9180	25,780	25,586
Other expenses				
	* Other expenses	9270	594,775	450,587
	General and administrative expenses	9284	1,213,975	1,107,954
	Other expenses		<u>1,808,750</u>	<u>1,558,541</u>
	Total operating expenses	9367	<u>3,908,345</u>	<u>3,700,637</u>

* Generic item



Notes Checklist

Corporation's name	Business number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0001	2014-12-31

- Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in these parts as the **accountant**) who prepared or reported on the financial statements. If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2, 3, and 4, as applicable.
- For more information, see Guide RC4088, *General Index of Financial Information (GIFI)* and T4012, *T2 Corporation – Income Tax Guide*.
- Complete this schedule and include it with your T2 return along with the other GIFI schedules.

Part 1 – Information on the accountant who prepared or reported on the financial statements

Does the accountant have a professional designation?	095	1 Yes <input checked="" type="checkbox"/>	2 No <input type="checkbox"/>
Is the accountant connected* with the corporation?	097	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>

Note

If the accountant does not have a professional designation **or** is connected to the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you **do have** to complete Part 4, as applicable.

* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

Part 2 – Type of involvement with the financial statements

Choose the option that represents the highest level of involvement of the accountant:	198	
Completed an auditor's report	1	<input type="checkbox"/>
Completed a review engagement report	2	<input type="checkbox"/>
Conducted a compilation engagement	3	<input checked="" type="checkbox"/>

Part 3 – Reservations

If you selected option 1 or 2 under **Type of involvement with the financial statements** above, answer the following question:

Has the accountant expressed a reservation?	099	1 Yes <input type="checkbox"/>	2 No <input type="checkbox"/>
---	-----	--------------------------------	-------------------------------

Part 4 – Other information

If you have a professional designation and are not the accountant associated with the financial statements in Part 1 above, choose one of the following options:	110	
Prepared the tax return (financial statements prepared by client)	1	<input type="checkbox"/>
Prepared the tax return and the financial information contained therein (financial statements have not been prepared)	2	<input type="checkbox"/>
Were notes to the financial statements prepared?	101	1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
If yes , complete lines 104 to 107 below:		
Are subsequent events mentioned in the notes?	104	1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>
Is re-evaluation of asset information mentioned in the notes?	105	1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>
Is contingent liability information mentioned in the notes?	106	1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>
Is information regarding commitments mentioned in the notes?	107	1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>
Does the corporation have investments in joint venture(s) or partnership(s)?	108	1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>

Part 4 – Other information (continued)

Impairment and fair value changes

In any of the following assets, was an amount recognized in net income or other comprehensive income (OCI) as a result of an impairment loss in the tax year, a reversal of an impairment loss recognized in a previous tax year, or a change in fair value during the tax year?

200 1 Yes ☐ 2 No ☒

If **yes**, enter the amount recognized:

		In net income Increase (decrease)		In OCI Increase (decrease)
Property, plant, and equipment	210		211	
Intangible assets	215		216	
Investment property	220			
Biological assets	225			
Financial instruments	230		231	
Other	235		236	

Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)?

250 1 Yes ☐ 2 No ☒

Did the corporation apply hedge accounting during the tax year?

255 1 Yes ☐ 2 No ☒

Did the corporation discontinue hedge accounting during the tax year?

260 1 Yes ☐ 2 No ☒

Adjustments to opening equity

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year?

265 1 Yes ☐ 2 No ☒

If **yes**, you have to maintain a separate reconciliation.

Canada Revenue Agency
Agence du revenu
du Canada**Net Income (Loss) for Income Tax Purposes****SCHEDULE 1**

Corporation's name	Business Number	Tax year end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0001	2014-12-31

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 *Corporation Income Tax Guide*.
- All legislative references are to the *Income Tax Act*.

Amount calculated on line 9999 from Schedule 125 270,696 A

Add:

Provision for income taxes – current	101	-185,098	
Provision for income taxes – deferred	102	360,927	
Amortization of tangible assets	104	796,422	
Loss on disposal of assets	111	1,170	
Non-deductible meals and entertainment expenses	121	867	
Other reserves on lines 270 and 275 from Schedule 13	125	1,193,753	
Reserves from financial statements – balance at the end of the year	126	679,397	
Subtotal of additions		2,847,438	2,847,438

Other additions:**Miscellaneous other additions:****603**

Inducement - ITA 12(1)(x)	12,000	
Total	12,000	293 12,000

604

Capital assets included in reg assets (closing)	399,728	
Total	399,728	294 399,728

Subtotal of other additions 199 411,728

Total additions 500 3,259,166 3,259,166 B

Amount A plus amount B 3,529,862

Deduct:

Capital cost allowance from Schedule 8	403	1,360,843	
Other reserves on line 280 from Schedule 13	413	672,897	
Reserves from financial statements – balance at the beginning of the year	414	1,200,253	
Subtotal of deductions		3,233,993	3,233,993

Other deductions:**Miscellaneous other deductions:**

700 Opening Reg Liability balance	390	348,147	
701 Opening capital asset additions in reg assets	391	399,728	
702 Closing Reg Asset balance	392	738,802	

704

Total 394

Subtotal of other deductions 499 1,486,677 1,486,677

Total deductions 510 4,720,670 4,720,670

Net income (loss) for income tax purposes – enter on line 300 of the T2 return -1,190,808

Inducement

This form is used to calculate inducements that a corporation must add to its income under paragraph 12(1)(x) of the ITA. If an amount reduces the capital cost of a property, this amount will be indicated in Part "Tax credits whose amount should reduce the capital cost of property."

If you want to transfer an amount to Schedule 1 and include it in the corporation's income for tax purposes, select the corresponding check box in column A. You can also select the option **Select this check box to add all the amounts to income calculated in Schedule 1** to transfer all the amounts to Schedule 1. In either case, the column A check box will be selected for that amount and it will therefore be updated to Schedule 1.

Tax credits whose amount should be added to income

Select this check box to add all the amounts to income calculated in Schedule 1. ☐

Federal

A		
<input checked="" type="checkbox"/>	Investment tax credit from apprenticeship job creation expenditures	2,000
<input checked="" type="checkbox"/>	Investment tax credit from child care spaces expenditures	
<input type="checkbox"/>	Canadian film or video production tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
<input type="checkbox"/>	Film or video production services tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
<input checked="" type="checkbox"/>	Investment tax credit claimed on contributions made to SR&ED farming organizations	

Ontario

A		
<input checked="" type="checkbox"/>	Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
<input type="checkbox"/>	Ontario co-operative education tax credit	
<input checked="" type="checkbox"/>	Ontario apprenticeship training tax credit	10,000
<input type="checkbox"/>	Ontario computer animation and special effects tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
<input type="checkbox"/>	Ontario film and television tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
<input type="checkbox"/>	Ontario production services tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
<input type="checkbox"/>	Ontario interactive digital media tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
<input type="checkbox"/>	Ontario sound recording tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
<input type="checkbox"/>	Ontario book publishing tax credit	
<input checked="" type="checkbox"/>	Portion of the Ontario innovation tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
<input type="checkbox"/>	Ontario business-research institute tax credit	
<input type="checkbox"/>	Ontario community food program donation tax credit for farmers	

Tax credits whose amount should reduce the capital cost of property

**DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND
PART IV TAX CALCULATION****SCHEDULE 3**

Name of corporation	Business Number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0001	2014-12-31

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

Part 1 – Dividends received in the tax year**Do not include dividends received from foreign non-affiliates.**

Complete if payer corporation is connected

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

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

				Complete if payer corporation is connected		
F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (b), or (d)*	F1 Eligible dividends (included in column F)	F2	F3	G Total taxable dividends paid by connected payer corporation (for tax year in column D)	H Dividend refund of the connected payer corporation (for tax year in column D)**	I Part IV tax before deductions F x 1 / 3 ***
240				250	260	270
Total (enter the amount from column F on line 320 of the T2 return and amount J in Part 2)						

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

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

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

Part 2 – Calculation of Part IV tax payable

Part IV tax before deductions (amount J in Part 1)

Deduct:

Part IV.I tax payable on dividends subject to Part IV tax **320**

Subtotal

Deduct:

Current-year non-capital loss claimed to reduce Part IV tax **330**

Non-capital losses from previous years claimed to reduce Part IV tax **335**

Current-year farm loss claimed to reduce Part IV tax **340**

Farm losses from previous years claimed to reduce Part IV tax **345**

Total losses applied against Part IV tax x 1 / 3 =

Part IV tax payable (enter amount on line 712 of the T2 return) **360**

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

A	B	C	D	D1
Name of connected recipient corporation	Business Number	Tax year end of connected recipient corporation in which the dividends in column D were received YYYY/MM/DD (See note)	Taxable dividends paid to connected corporations	Eligible dividends (included in column D)
400	410	420	430	
1 Niagara Power Incorporated	86880 5920 RC0002	2015-12-31	281,782	

Note

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

Total 281,782

Total taxable dividends paid in the tax year to other than connected corporations **450**

Eligible dividends (included in line 450) 450a

Total taxable dividends paid in the tax year that qualify for a dividend refund
(total of column D above **plus** line 450) **460** 281,782

Part 4 – Total dividends paid in the tax year

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

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above) 281,782

Other dividends paid in the tax year (total of 510 to 540)

Total dividends paid in the tax year **500** 281,782

Deduct:

Dividends paid out of capital dividend account **510**

Capital gains dividends **520**

Dividends paid on shares described in subsection 129(1.2) **530**

Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year **540**

Subtotal ▶

Total taxable dividends paid in the tax year that qualify for a dividend refund 281,782



Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0001	2014-12-31

- Use this form to determine the continuity and use of available losses; to determine a current-year non-capital loss, farm loss, restricted farm loss, or limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that can be applied in a year; and to ask for a loss carryback to previous years.
- A corporation can choose whether or not to deduct an available loss from income in a tax year. The corporation can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- According to subsection 111(4) of the *Income Tax Act*, when control has been acquired, no amount of capital loss incurred for a tax year ending before that time is deductible in computing taxable income in a tax year ending after that time. Also, no amount of capital loss incurred in a tax year ending after that time is deductible in computing taxable income of a tax year ending before that time.
- When control has been acquired, subsection 111(5) provides for similar treatment of non-capital and farm losses, except as listed in paragraphs 111(5)(a) and (b).
- For information on these losses, see the *T2 Corporation – Income Tax Guide*.
- File one completed copy of this schedule with the T2 return, or send the schedule by itself to the tax centre where the return is filed.
- All legislative references are to the *Income Tax Act*.

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes -1,190,808 A

Deduct: (increase a loss)

Net capital losses deducted in the year (enter as a positive amount) a
 Taxable dividends deductible under section 112 or subsections 113(1) or 138(6) b
 Amount of Part VI.1 tax deductible c
 Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2) d
 Subtotal (total of amounts a to d) B
 Subtotal (amount A **minus** amount B; if positive, enter "0") -1,190,808 C

Deduct: (increase a loss)

Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions D
 Subtotal (amount C **minus** amount D) -1,190,808 E

Add: (decrease a loss)

Current-year farm loss (whichever is less: the net loss from farming or fishing included in the income, or the non-capital loss before deducting the farm loss) F
 Current-year non-capital loss (amount E **plus** amount F; if positive, enter "0") -1,190,808 G
 If amount G is negative, enter it on line 110 as a positive.

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year e
Deduct: Non-capital loss expired* 100 f
 Non-capital losses at the beginning of the tax year (amount e **minus** amount f) 102 H
Add:
 Non-capital losses transferred on an amalgamation or the wind-up of a subsidiary corporation 105 g
 Current-year non-capital loss (from amount G) 110 1,190,808 h
 Subtotal (amount g **plus** amount h) 1,190,808 I
 Subtotal (amount H **plus** amount I) 1,190,808 J

* A non-capital loss expires as follows:

- after **10** tax years if it arose in a tax year ending after March 22, 2004, and before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

An allowable business investment loss becomes a net capital loss after **10** tax years if it arose in a tax year ending after March 22, 2004.

Part 1 – Non-capital losses (continued)

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	150	i
Section 80 – Adjustments for forgiven amounts	140	j
Subsection 111(10) – Adjustments for fuel tax rebate		j.1
Non-capital losses of previous tax years applied in the current tax year	130	k
Enter amount k on line 331 of the T2 Return.		
Current and previous year non-capital losses applied against current-year taxable dividends subject to Part IV tax**	135	l
Subtotal (total of amounts i to l)		K
Non-capital losses before any request for a carryback (amount J minus amount K)		L 1,190,808

Deduct – Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901	652,876	m
Second previous tax year to reduce taxable income	902	303,005	n
Third previous tax year to reduce taxable income	903		o
First previous tax year to reduce taxable dividends subject to Part IV tax	911		p
Second previous tax year to reduce taxable dividends subject to Part IV tax	912		q
Third previous tax year to reduce taxable dividends subject to Part IV tax	913		r
Total of requests to carry back non-capital losses to previous tax years (total of amounts m to r)		955,881	M 955,881
Closing balance of non-capital losses to be carried forward to future tax years (amount L minus amount M)	180	234,927	N

** Amount l is the total of lines 330 and 335 from Schedule 3, *Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation*.

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

Capital losses at the end of the previous tax year	200	a
Capital losses transferred on the amalgamation or the wind-up of a subsidiary corporation	205	b
Subtotal (amount a plus amount b)		A

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	250	c
Section 80 – Adjustments for forgiven amounts	240	d
Subtotal (amount c plus amount d)		B
Subtotal (amount A minus amount B)		C

Add: Current-year capital loss (from the calculation on Schedule 6, *Summary of Dispositions of Capital Property*) 210 D

Unused non-capital losses that expired in the tax year*		e
Allowable business investment losses (ABIL) that expired as non-capital losses in the tax year**		f
Enter amount e or f, whichever is less	215	g
ABILs expired as non-capital loss: line 215 divided by 0.500000		220 E
Subtotal (total of amounts C to E)		F

Note

If there has been an amalgamation or a windup of a subsidiary, do a separate calculation of the ABIL expired as non-capital loss for each predecessor or subsidiary. Add all these amounts and enter the total on line 220 above.

* If the losses were incurred in a tax year ending after March 22, 2004, and before 2006, enter the losses from the 11th previous tax year. Enter the losses from the 21st previous tax year if the losses were incurred in a tax year ending after 2005. Enter the part that was not used in previous years and the current year on line e.

** If the losses were incurred in a tax year ending after March 22, 2004, enter the losses from the 11th previous tax year. Enter the full amount on line f.

Part 2 – Capital losses (continued)

Deduct: Capital losses from previous tax years applied against the current-year net capital gain***	225	G
Capital losses before any request for a carryback (amount F minus amount G)		H
Deduct – Request to carry back capital loss to****:		
	Capital gain (100%)	Amount carried back (100%)
First previous tax year	951	h
Second previous tax year	952	i
Third previous tax year	953	j
	Subtotal (total of amounts h to j)	I
Closing balance of capital losses to be carried forward to future tax years (amount H minus amount I)	280	J

*** To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the purpose of current-year tax, enter the amount from line 225 **multiplied** by 50% on line 332 of the T2 return.

**** On line 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, **multiply** this amount by the 50% inclusion rate.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year		a
Deduct: Farm loss expired*	300	b
Farm losses at the beginning of the tax year (amount a minus amount b)	302	A
Add:		
Farm losses transferred on the amalgamation or the windup of a subsidiary corporation	305	c
Current-year farm loss (amount F in Part 1)	310	d
	Subtotal (amount c plus amount d)	B
	Subtotal (amount A plus amount B)	C
Deduct:		
Other adjustments (includes adjustments for an acquisition of control)	350	e
Section 80 – Adjustments for forgiven amounts	340	f
Farm losses of previous tax years applied in the current tax year	330	g
Enter amount g on line 334 of the T2 Return.		
Current and previous year farm losses applied against current-year taxable dividends subject to Part IV tax**	335	h
	Subtotal (total of amounts e to h)	D
Farm losses before any request for a carryback (amount C minus amount D)		E

Deduct – Request to carry back farm loss to:

First previous tax year to reduce taxable income	921	i
Second previous tax year to reduce taxable income	922	j
Third previous tax year to reduce taxable income	923	k
First previous tax year to reduce taxable dividends subject to Part IV tax	931	l
Second previous tax year to reduce taxable dividends subject to Part IV tax	932	m
Third previous tax year to reduce taxable dividends subject to Part IV tax	933	n
	Subtotal (total of amounts i to n)	F
Closing balance of farm losses to be carried forward to future tax years (amount E minus amount F)	380	G

* A farm loss expires as follows:

- after **10** tax years if it arose in a tax year ending before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

** Amount h is the total of lines 340 and 345 from Schedule 3.

Part 4 – Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business	485	A
Minus the deductible farm loss:		
(amount A above _____ – \$2,500) divided by 2 = _____ a		
Amount a or \$ 15,000 *, whichever is less	2,500	b
	2,500	c
Subtotal (amount b plus amount c)	2,500	B
Current-year restricted farm loss (amount A minus amount B)		C

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year		d
Deduct: Restricted farm loss expired**	400	e
Restricted farm losses at the beginning of the tax year (amount d minus amount e)	402	D
Add:		
Restricted farm losses transferred on the amalgamation or the wind-up of a subsidiary corporation	405	f
Current-year restricted farm loss (from amount C)	410	g
Enter amount g on line 233 of Schedule 1, <i>Net Income (Loss) for Income Tax Purposes</i> .		
Subtotal (amount f plus amount g)		E
Subtotal (amount D plus amount E)		F

Deduct:

Restricted farm losses from previous tax years applied against current farming income	430	h
Enter amount h on line 333 of the T2 return.		
Section 80 – Adjustments for forgiven amounts	440	i
Other adjustments	450	j
Subtotal (total of amounts h to j)		G
Restricted farm losses before any request for a carryback (amount F minus amount G)		H

Deduct – Request to carry back restricted farm loss to:

First previous tax year to reduce farming income	941	k
Second previous tax year to reduce farming income	942	l
Third previous tax year to reduce farming income	943	m
Subtotal (total of amounts k to m)		I
Closing balance of restricted farm losses to be carried forward to future tax years (amount H minus amount I)	480	J

Note

The total losses for the year from all farming businesses are calculated without including scientific research expenses.

* For tax years that end before March 21, 2013, use \$6,250 instead of \$15,000.

** A restricted farm loss expires as follows:

- after **10** tax years if it arose in a tax year ending before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at the end of the previous tax year a

Deduct: Listed personal property loss expired after seven tax years **500** b

Listed personal property losses at the beginning of the tax year (amount a **minus** amount b) ... **502** **▶** A

Add: Current-year listed personal property loss (from Schedule 6) **510** B

Subtotal (amount A **plus** amount B) C

Deduct:

Previous year personal property losses applied in the current tax year against listed personal property gains **530** c
Enter amount c on line 655 of Schedule 6.

Other adjustments **550** d

Subtotal (amount c **plus** amount d) **▶** D

Listed personal property losses remaining before any request for a carryback (amount C **minus** amount D) E

Deduct – Request to carry back listed personal property loss to:

First previous tax year to reduce listed personal property gains **961** e

Second previous tax year to reduce listed personal property gains **962** f

Third previous tax year to reduce listed personal property gains **963** g

Subtotal (total of amounts e to g) **▶** F

Closing balance of listed personal property losses to be carried forward to future tax years (amount E **minus** amount F) **580** G

Part 7 – Limited partnership losses

Current-year limited partnership losses

1	2	3	4	5	6	7
Partnership identifier	Tax year ending YYYY/MM/DD	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Current-year limited partnership losses (column 3 minus 6)
600	602	604	606	608		620
Total (enter this amount on line 222 of Schedule 1)						

Limited partnership losses from previous tax years that may be applied in the current year

1	2	3	4	5	6	7
Partnership identifier	Tax year ending YYYY/MM/DD	Limited partnership losses at the end of the previous tax year	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Limited partnership losses that may be applied in the year (the lesser of columns 3 and 6)
630	632	634	636	638		650

Continuity of limited partnership losses that can be carried forward to future tax years

1	2	3	4	5	6
Partnership identifier	Limited partnership losses at the end of the previous tax year	Limited partnership losses transferred on an amalgamation or the windup of a subsidiary	Current-year limited partnership losses (from line 620)	Limited partnership losses applied in the current year (cannot be more than line 650)	Current year limited partnership losses closing balance to be carried forward to future years (column 2 plus column 3 plus column 4 minus column 5)
660	662	664	670	675	680
Total (enter this amount on line 335 of the T2 return)					

Note

If you have any current–or previous–year losses, enter your partnership identifier on line 600, 630, or 660.

Part 8 – Election under paragraph 88(1.1)(f)

If you are making an election under paragraph 88(1.1)(f), check the box **190** Yes ☐

Further to a winding-up of a subsidiary, the portion of a non-capital loss, restricted farm loss, farm loss, or limited partnership loss from a wholly-owned subsidiary is deemed to be the loss of a parent from its tax year starting after the commencement of the winding-up.

Note

This election is only applicable for wind-ups under subsection 88(1) that are reported on Schedule 24, *First-Time Filer after Incorporation, Amalgamation, or Winding-up of a Subsidiary into a Parent*, and the deemed provision is only for the tax years that start after the commencement of the wind-up.

Non-Capital Loss Continuity Workchart

Part 6 – Analysis of balance of losses by year of origin

Non-capital losses – losses that can be carried forward over 20 years

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	1,190,808		955,881	N/A		234,927
1st preceding taxation year 2013-12-31		N/A		N/A			
2nd preceding taxation year 2012-12-31		N/A		N/A			
3rd preceding taxation year 2011-12-31		N/A		N/A			
4th preceding taxation year 2010-12-31		N/A		N/A			
5th preceding taxation year 2009-12-31		N/A		N/A			
6th preceding taxation year 2008-12-31		N/A		N/A			
7th preceding taxation year 2007-12-31		N/A		N/A			
8th preceding taxation year 2006-12-31		N/A		N/A			
9th preceding taxation year 2005-12-31		N/A		N/A			
10th preceding taxation year 2004-12-31		N/A		N/A			
11th preceding taxation year 2003-12-31		N/A		N/A			
12th preceding taxation year 2002-12-31		N/A		N/A			
13th preceding taxation year 2001-12-31		N/A		N/A			
14th preceding taxation year		N/A		N/A			
15th preceding taxation year		N/A		N/A			
16th preceding taxation year		N/A		N/A			
17th preceding taxation year		N/A		N/A			
18th preceding taxation year		N/A		N/A			
19th preceding taxation year		N/A		N/A			
20th preceding taxation year		N/A		N/A			*
Total		1,190,808		955,881			234,927

* This balance expires this year and will not be available next year.

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0001	2014-12-31

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

Part 1 – Allocation of taxable income

100		Enter the Regulation that applies (402 to 413).				
A Jurisdiction Tick yes if the corporation had a permanent establishment in the jurisdiction during the tax year. *		B Total salaries and wages paid in jurisdiction	C (B x taxable income**) / G	D Gross revenue	E (D x taxable income**) / H	F Allocation of taxable income (C + E) x 1/2*** (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	003 1 Yes <input type="checkbox"/>	103		143		
Newfoundland and Labrador Offshore	004 1 Yes <input type="checkbox"/>	104		144		
Prince Edward Island	005 1 Yes <input type="checkbox"/>	105		145		
Nova Scotia	007 1 Yes <input type="checkbox"/>	107		147		
Nova Scotia Offshore	008 1 Yes <input type="checkbox"/>	108		148		
New Brunswick	009 1 Yes <input type="checkbox"/>	109		149		
Quebec	011 1 Yes <input type="checkbox"/>	111		151		
Ontario	013 1 Yes <input type="checkbox"/>	113		153		
Manitoba	015 1 Yes <input type="checkbox"/>	115		155		
Saskatchewan	017 1 Yes <input type="checkbox"/>	117		157		
Alberta	019 1 Yes <input type="checkbox"/>	119		159		
British Columbia	021 1 Yes <input type="checkbox"/>	121		161		
Yukon	023 1 Yes <input type="checkbox"/>	123		163		
Northwest Territories	025 1 Yes <input type="checkbox"/>	125		165		
Nunavut	026 1 Yes <input type="checkbox"/>	126		166		
Outside Canada	027 1 Yes <input type="checkbox"/>	127		167		
Total		129 G		169 H		

* "Permanent establishment" is defined in Regulation 400(2).

** If the corporation has income or loss from an international banking centre: the taxable income is the amount on line 360 or line Z of the T2 return **plus** the total amount not required to be included, or **minus** the total amount not allowed to be deducted, in calculating the corporation's income under section 33.1 of the federal *Income Tax Act*. This does not apply to tax years starting after March 20, 2013.

*** For corporations other than those described under Regulation 402, use the appropriate calculation described in the Regulations to allocate taxable income.

Notes:

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

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

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits

Ontario basic income tax (from Schedule 500) **270** _____

Deduct: Ontario small business deduction (from Schedule 500) **402** _____
Subtotal **A6**

Add:
Ontario additional tax re Crown royalties (from Schedule 504) **274** _____
Ontario transitional tax debits (from Schedule 506) **276** _____
Recapture of Ontario research and development tax credit (from Schedule 508) **277** _____
Subtotal **B6**
Subtotal (amount A6 **plus** amount B6) **C6**

Deduct:
Ontario resource tax credit (from Schedule 504) **404** _____
Ontario tax credit for manufacturing and processing (from Schedule 502) **406** _____
Ontario foreign tax credit (from Schedule 21) **408** _____
Ontario credit union tax reduction (from Schedule 500) **410** _____
Ontario transitional tax credits (from Schedule 506) **414** _____
Ontario political contributions tax credit (from Schedule 525) **415** _____
Subtotal **D6**
Subtotal (amount C6 **minus** amount D6) (if negative, enter "0") **E6**

Deduct: Ontario research and development tax credit (from Schedule 508) **416** _____
Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount E6 **minus** amount on line 416) (if negative, enter "0") **F6**

Deduct:
Ontario corporate minimum tax credit (from Schedule 510) **418** _____
Ontario community food program donation tax credit for farmers (from Schedule 2) **420** _____
Ontario corporate income tax payable (amount F6 **minus** amounts on line 418 and line 420) (if negative, enter "0") **G6**

Add:
Ontario corporate minimum tax (from Schedule 510) **278** _____
Ontario special additional tax on life insurance corporations (from Schedule 512) **280** _____
Subtotal **H6**
Total Ontario tax payable before refundable credits (amount G6 **plus** amount H6) **I6**

Deduct:
Ontario qualifying environmental trust tax credit **450** _____
Ontario co-operative education tax credit (from Schedule 550) **452** _____
Ontario apprenticeship training tax credit (from Schedule 552) **454** _____ 10,000
Ontario computer animation and special effects tax credit (from Schedule 554) **456** _____
Ontario film and television tax credit (from Schedule 556) **458** _____
Ontario production services tax credit (from Schedule 558) **460** _____
Ontario interactive digital media tax credit (from Schedule 560) **462** _____
Ontario sound recording tax credit (from Schedule 562) **464** _____
Ontario book publishing tax credit (from Schedule 564) **466** _____
Ontario innovation tax credit (from Schedule 566) **468** _____
Ontario business-research institute tax credit (from Schedule 568) **470** _____
Subtotal 10,000 **J6**

Net Ontario tax payable or refundable credit (amount I6 **minus** amount J6) **290** **-10,000** **K6**
(if a credit, enter a negative amount) Include this amount on line 255.

Summary

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

Net provincial and territorial tax payable or refundable credits 255 -10,000

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

Capital Cost Allowance (CCA)

Corporation's name	Business Number	Tax year end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0001	2014-12-31

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

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

	1 Class number (See Note)	Description	2 Undepreciated capital cost at the beginning of the year (amount from column 12 of last year's schedule 8)	3 Cost of acquisitions during the year (new property must be available for use)*	4 Adjustments and transfers**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)***	7 Reduced undepreciated capital cost	8 CCA rate % ****	9 Recapture of capital cost allowance***** (line 107 of Schedule 1)	10 Terminal loss (line 404 of Schedule 1)	11 Capital cost allowance (for declining balance method, column 7 multiplied by column 8, or a lower amount) (line 403 of Schedule 1) *****	12 Undepreciated capital cost at the end of the year (column 6 plus column 7 minus column 11)
	200		201	203	205	207	211		212	213	215	217	220
1.	1	Buildings and Infrastructure	8,196,233	3,400		0	1,700	8,197,933	4	0	0	327,917	7,871,716
2.	8	Office and Equipment	208,884	63,977		0	31,989	240,872	20	0	0	48,174	224,687
3.	10	Vehicles	212,428	1,637		0	819	213,246	30	0	0	63,974	150,091
4.	2		402,216			0		402,216	6	0	0	24,133	378,083
5.	45		386			0		386	45	0	0	174	212
6.	47	Plant Assets	8,045,432	2,931,701		8,737	1,461,482	9,506,914	8	0	0	760,553	10,207,843
7.	50	Computer Hardware	68,405	9,822		0	4,911	73,316	55	0	0	40,324	37,903
8.	12	Computer Software		95,594		0		95,594	100	0	0	95,594	
		Totals	17,133,984	3,106,131		8,737	1,500,901	18,730,477				1,360,843	18,870,535

Note: Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed.

Class 1a: $4\% + 6\% = 10\%$ (class 1 to 10%), class 1b: $4\% + 2\% = 6\%$ (class 1 to 6%).

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

** Enter in column 4, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost.

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

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

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

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

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

T2 SCH 8 (14)

Canada

Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return.

Tax return

Additions for tax purposes – Schedule 8 regular classes		3,106,131	
Additions for tax purposes – Schedule 8 leasehold improvements	+		
Operating leases capitalized for book purposes	+		
Capital gain deferred	+		
Recapture deferred	+		
Deductible expenses capitalized for book purposes – Schedule 1	+		
Other (specify):			
	+		
Total additions per books	=	3,106,131	3,106,131
Proceeds up to original cost – Schedule 8 regular classes		8,737	
Proceeds up to original cost – Schedule 8 leasehold improvements	+		
Proceeds in excess of original cost – capital gain	+		
Recapture deferred – as above	+		
Capital gain deferred – as above	+		
Pre V-day appreciation	+		
Other (specify):			
	+		
Total proceeds per books	=	8,737	8,737
Depreciation and amortization per accounts – Schedule 1	–		796,422
Loss on disposal of fixed assets per accounts	–		1,170
Gain on disposal of fixed assets per accounts	+		
Net change per tax return	=		2,299,802

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		18,534,917	
Opening net book value	–	16,235,116	
Net change per financial statements	=		2,299,801

If the amounts from the tax return and the financial statements differ, explain why below.

Difference due to rounding

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0001	2014-12-31

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name 100	Country of resi- dence (other than Canada) 200	Business number (see note 1) 300	Rela- tion- ship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	Niagara Power Incorporated		86880 5920 RC0002	1					
2.	GRIMSBY HYDRO INCORPORATED		86880 1929 RC0001	3					
3.	Grimsby Energy Incorporated		86880 1721 RC0001	3					
4.	Town of Grimsby		10698 4636 RC0001	3					
5.	NIAGARA WEST TRANSFORMATION		87681 9301 RC0001	3					

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

CONTINUITY OF RESERVES

Name of corporation Grimsby Power Incorporated	Business number 86487 4839 RC0001	Tax year end Year Month Day 2014-12-31
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- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- File one completed copy of this schedule with the corporation's *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation Income Tax Guide*.

Part 1 – Capital gains reserves

Description of property 001	Balance at the beginning of the year \$ 002	Transfer on an amalgamation or the wind-up of a subsidiary \$ 003	Add \$ 004	Deduct \$ 005	Balance at the end of the year \$ 006
1					
Totals	008	009			010

The amount from line 008 **plus** the amount from line 009 should be entered on line 880 of Schedule 6, *Summary of Dispositions of Capital Property*. The amount from line 010 should be entered on line 885 of Schedule 6.

Part 2 – Other reserves

Description	Balance at the beginning of the year \$	Transfer on an amalgamation or the wind-up of a subsidiary \$	Add \$	Deduct \$	Balance at the end of the year \$
Reserve for doubtful debts <input type="checkbox"/>	110	115			120
Reserve for undelivered goods and services not rendered <input checked="" type="checkbox"/>	130 1,193,753	135	672,897	1,193,753	140 672,897
Reserve for prepaid rent <input type="checkbox"/>	150	155			160
Reserve for refundable containers . . . <input type="checkbox"/>	190	195			200
Reserve for unpaid amounts <input type="checkbox"/>	210	215			220
Other tax reserves <input type="checkbox"/>	230	235			240
Totals	270 1,193,753	275	672,897	1,193,753	280 672,897

Enter "X" in the column above if the tax reserve has also been reported on the corporation's financial statements. This allows offsetting entries on Schedule 1, resulting in a zero effect on net income for tax purposes.

The amount from line 270 **plus** the amount from line 275 should be entered on line 125 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*, as an addition. The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)						
	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	General Allowance for Doubtful	6,500		6,500	6,500	6,500
2						
	Reserves from Part 2 of Schedule 13	1,193,753		672,897	1,193,753	672,897
	Totals	1,200,253		679,397	1,200,253	679,397

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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

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

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

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

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

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

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

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

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

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

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

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

Allocating the business limit

Date filed (do not use this area)

025

Year Month Day

Enter the calendar year to which the agreement applies

050Year
2014

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below?

0751 Yes ☐ 2 No ☒

	1 Names of associated corporations 100	2 Business Number of associated corporations 200	3 Asso- ciation code 300	4 Business limit for the year (before the allocation) \$	5 Percentage of the business limit % 350	6 Business limit allocated* \$ 400
1	Grimsby Power Incorporated	86487 4839 RC0001	1	500,000	90.0000	450,000
2	Niagara Power Incorporated	86880 5920 RC0002	1	500,000		
3	GRIMSBY HYDRO INCORPORATED	86880 1929 RC0001	1	500,000	10.0000	50,000
4	Grimsby Energy Incorporated	86880 1721 RC0001	1	500,000		
5	Town of Grimsby	10698 4636 RC0001	1	500,000		
6	NIAGARA WEST TRANSFORMATION CORPORA	87681 9301 RC0001	1	500,000		
	Total				100.0000	500,000 A

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

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

* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules apply if a CCPC has more than one tax year ending in a calendar year and is associated in more than one of those years with another CCPC that has a tax year ending in the same calendar year. If the tax year straddles January 1, 2009, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit that would have been determined for the first tax year ending in the calendar year, if \$500,000 was used in allocating the amounts among associated corporations and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year. Otherwise, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit determined for the first tax year ending in the calendar year and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year.

** The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

*** "Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the ITA.



Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0001	2014-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than \$10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than \$10,000,000, file a completed Schedule 33 with your T2 Corporation Income Tax Return no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

Reserves that have not been deducted in computing income for the year under Part I	101	
Capital stock (or members' contributions if incorporated without share capital)	103	5,782,747
Retained earnings	104	2,182,159
Contributed surplus	105	70,721
Any other surpluses	106	
Deferred unrealized foreign exchange gains	107	
All loans and advances to the corporation	108	
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	
Any dividends declared but not paid by the corporation before the end of the year	110	
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111	
The total of all amounts, each of which is an amount under paragraph 181.2(3)(g) for a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112	
Subtotal (add lines 101 to 112)		8,035,627 ▶
		8,035,627 A

Deduct the following amounts:

Deferred tax debit balance at the end of the year	121	
Any deficit deducted in computing its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122	
Any amount deducted under subsection 135(1) in computing income under Part I for the year, as long as the amount may reasonably be regarded as being included in any of lines 101 to 112 above	123	
Deferred unrealized foreign exchange losses at the end of the year	124	
Subtotal (add lines 121 to 124)		▶
Capital for the year (amount A minus amount B) (if negative, enter "0")	190	8,035,627 B

Note: Line 112 is determined as follows:

- An amount for a partnership is the proportion of the amount, if any, by which the total of those amounts—for the partnership's last fiscal period that ends at or before the tax year-end of the corporation—that would be determined for lines 101, 107, 108, 109, and 111 as if they apply to the partnership in the same way that they apply to corporations exceed the partnership's deferred unrealized foreign exchange losses at the end of the fiscal period.
- In determining an amount for a partnership, do not include amounts owing by the partnership
 - to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership.
 - to any partnership in which a corporation described above held a membership interest either directly or indirectly through another partnership.
- The proportion of an amount for a partnership is determined by the amount that the corporation's share of the partnership's income or loss for the fiscal period—to which the corporation is entitled either directly or indirectly through another partnership—is of the partnership's income or loss for the period.

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401
A loan or advance to another corporation (other than a financial institution)	402
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403
Long-term debt of a financial institution	404
A dividend payable on a share of the capital stock of another corporation	405
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1).	406
An interest in a partnership (see note 2 below)	407
Investment allowance for the year (add lines 401 to 407)	490

Notes:

- Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
- Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
- Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation, refer to to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190)	8,035,627	C
Deduct: Investment allowance for the year (line 490)		D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")	500	8,035,627

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500)	8,035,627	x	Taxable income earned in Canada	610	1,000	=	Taxable capital employed in Canada	690	8,035,627
			Taxable income		1,000				

- Notes:**
- Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
 - Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of \$1,000.
 - In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada **701**

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada **711**

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada **712**

Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below) **713**

Total deductions (add lines 711, 712, and 713) **790**  **E**

Taxable capital employed in Canada (line 701 minus amount E) (if negative, enter "0") **790**

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (line 690 or 790, whichever applies)	.....	_____	F
Deduct:	.....	<u>10,000,000</u>	G
	Excess (amount F minus amount G) (if negative, enter "0")	_____	H
Calculation for purposes of the small business deduction (amount H x 0.225%)	.....	_____	I

Enter this amount at line 415 of the T2 return.

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0001	2014-12-31

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

		Provide only one number per shareholder				
Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)		Business Number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
100		200	300	350	400	500
1	Niagara Power Incorporated	86880 5920 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						



GENERAL RATE INCOME POOL (GRIP) CALCULATION

Name of corporation	Business Number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0001	2014-12-31

On: 2014-12-31

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- When an eligible dividend was paid in the tax year, file a completed copy of this schedule with your *T2 Corporation Income Tax Return*. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsections referred to in this schedule are from the *Income Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool, and low rate income pool.

Eligibility for the various additions

Answer the following questions to determine the corporation's eligibility for the various additions:

2006 addition

1. Is this the corporation's first taxation year that includes January 1, 2006? ☐ Yes ☒ No
2. If not, what is the date of the taxation year end of the corporation's first year that includes January 1, 2006?
Enter the date and go directly to question 4 2006-12-31
3. During that first year, was the corporation a CCPC or would it have been a CCPC if not for the election of subsection 89(11) ITA? ☐ Yes ☐ No

If the answer to question 3 is yes, complete Part "GRIP addition for 2006".

Change in the type of corporation

4. Was the corporation a CCPC during its preceding taxation year? ☒ Yes ☐ No
5. Corporations that become a CCPC or a DIC ☐ Yes ☒ No

If the answer to question 5 is yes, complete Part 4.

Amalgamation (first year of filing after amalgamation)

6. Corporations that were formed as a result of an amalgamation ☐ Yes ☒ No
If the answer to question 6 is yes, answer questions 7 and 8. If the answer is no, go to question 9.
7. Was one or more of the predecessor corporations neither a CCPC nor a DIC? ☐ Yes ☐ No
If the answer to question 7 is yes, complete Part 4.
8. Was one or more of the predecessor corporation a CCPC or a DIC during the taxation year that ended immediately before amalgamation? ☐ Yes ☐ No
If the answer to question 8 is yes, complete Part 3.

Winding-up

9. Has the corporation wound-up a subsidiary in the preceding taxation year? ☐ Yes ☒ No
If the answer to question 9 is yes, answer questions 10 and 11. If the answer is no, go to Part 1.
10. Was the subsidiary neither a CCPC nor a DIC during its last taxation year? ☐ Yes ☐ No
If the answer to question 10 is yes, complete Part 4.
11. Was the subsidiary a CCPC or a DIC during its last taxation year? ☐ Yes ☐ No
If the answer to question 11 is yes, complete Part 3.

Part 1 – Calculation of general rate income pool (GRIP)

GRIP at the end of the previous tax year	100	2,688,635	A
Taxable income for the year (DICs enter "0") *	110		B
Income for the credit union deduction * (amount E in Part 3 of Schedule 17)	120		
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less *	130		
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income *	140		
Subtotal (add lines 120, 130, and 140)			C
Income taxable at the general corporate rate (line B minus line C) (if negative enter "0")	150		
After-tax income (line 150 x general rate factor for the tax year ** 0.72)	190		D
Eligible dividends received in the tax year	200		
Dividends deductible under section 113 received in the tax year	210		
Subtotal (add lines 200 and 210)			E
GRIP addition:			
Becoming a CCPC (line PP from Part 4)	220		
Post-amalgamation (total of lines EE from Part 3 and lines PP from Part 4)	230		
Post-wind-up (total of lines EE from Part 3 and lines PP from Part 4)	240		
Subtotal (add lines 220, 230, and 240)	290		F
Subtotal (add lines A, D, E, and F)		2,688,635	G
Eligible dividends paid in the previous tax year	300		
Excessive eligible dividend designations made in the previous tax year	310		
Note: If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.			
Subtotal (line 300 minus line 310)			H
GRIP before adjustment for specified future tax consequences (line G minus line H) (amount can be negative)	490	2,688,635	
Total GRIP adjustment for specified future tax consequences to previous tax years (amount W from Part 2)	560	688,235	
GRIP at the end of the tax year (line 490 minus line 560)	590	2,000,400	

Enter this amount on line 160 of Schedule 55.

* For lines 110, 120, 130, and 140, the income amount is the amount before considering specified future tax consequences. This phrase is defined in subsection 248(1). It includes the deduction of a loss carryback from subsequent tax years, a reduction of Canadian exploration expenses and Canadian development expenses that were renounced in subsequent tax years (e.g., flow-through share renunciations), reversals of income inclusions where an option is exercised in subsequent tax years, and the effect of certain foreign tax credit adjustments.

** The **general rate factor** for a tax year is 0.68 for any portion of the tax year that falls before 2010, 0.69 for any portion of the tax year that falls in 2010, 0.70 for any portion of the tax year that falls in 2011, and 0.72 for any portion of the tax year that falls after 2011. Calculate the general rate factor in Part 5 for tax years that straddle these dates.

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560.

First previous tax year 2013-12-31

Taxable income before specified future tax consequences from the current tax year	652,876	J1
Enter the following amounts before specified future tax consequences from the current tax year:		
Income for the credit union deduction (amount E in Part 3 of Schedule 17)		K1
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less		L1
Aggregate investment income (line 440 of the T2 return)		M1
Subtotal (add lines K1, L1, and M1)		N1
Subtotal (line J1 minus line N1) (if negative, enter "0")	652,876	O1

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Future tax consequences that occur for the current year					
Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks
652,876					652,876

Taxable income after specified future tax consequences P1

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction

(amount E in Part 3 of Schedule 17) . . . Q1

Amount on line 400, 405, 410, or 425

of the T2 return, whichever is less . . . R1

Aggregate investment income

(line 440 of the T2 return) . . . S1

Subtotal (add lines Q1, R1, and S1) T1

Subtotal (line P1 minus line T1) (if negative, enter "0") U1

Subtotal (line O1 minus line U1) (if negative, enter "0") 652,876 v1

GRIP adjustment for specified future tax consequences to the first previous tax year

(line V1 multiplied by the general rate factor for the tax year 0.72) 500 470,071

Second previous tax year 2012-12-31

Taxable income before specified future tax consequences from

the current tax year 303,005 J2

Enter the following amounts before specified future tax

consequences from the current tax year:

Income for the credit union deduction

(amount E in Part 3 of Schedule 17) . . . K2

Amount on line 400, 405, 410, or 425

of the T2 return, whichever is less . . . L2

Aggregate investment income

(line 440 of the T2 return) . . . M2

Subtotal (add lines K2, L2, and M2) N2

Subtotal (line J2 minus line N2) (if negative, enter "0") 303,005 303,005 O2

Future tax consequences that occur for the current year					
Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks
303,005					303,005

Taxable income after specified future tax consequences P2

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction

(amount E in Part 3 of Schedule 17) . . . Q2

Amount on line 400, 405, 410, or 425

of the T2 return, whichever is less . . . R2

Aggregate investment income

(line 440 of the T2 return) . . . S2

Subtotal (add lines Q2, R2, and S2) T2

Subtotal (line P2 minus line T2) (if negative, enter "0") U2

Subtotal (line O2 minus line U2) (if negative, enter "0") 303,005 v2

GRIP adjustment for specified future tax consequences to the second previous tax year

(line V2 multiplied by the general rate factor for the tax year 0.72) 520 218,164

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Third previous tax year 2011-12-31

Taxable income before specified future tax consequences from the current tax year J3

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . K3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . L3

Aggregate investment income (line 440 of the T2 return) M3

Subtotal (add lines K3, L3, and M3) ▶ N3

Subtotal (line J3 minus line N3) (if negative, enter "0") ▶ O3

Future tax consequences that occur for the current year					
Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences P3

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . Q3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . R3

Aggregate investment income (line 440 of the T2 return) S3

Subtotal (add lines Q3, R3, and S3) ▶ T3

Subtotal (line P3 minus line T3) (if negative, enter "0") ▶ U3

Subtotal (line O3 minus line U3) (if negative, enter "0") V3

GRIP adjustment for specified future tax consequences to the third previous tax year

(line V3 multiplied by the general rate factor for the tax year 0.72) **540**

Total GRIP adjustment for specified future tax consequences to previous tax years:

(add lines 500, 520, and 540) (if negative, enter "0") **688,235** W

Enter amount W on line 560.

Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)

nb. 1 Post-amalgamation ☐ Post-wind-up ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or a DIC in its last tax year. In the calculation below, **corporation** means a predecessor or a subsidiary. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year AA

Eligible dividends paid by the corporation in its last tax year BB

Excessive eligible dividend designations made by the corporation in its last tax year CC

Subtotal (line BB minus line CC) ▶ DD

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)

(line AA minus line DD) EE

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the EE lines. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 5 – General rate factor for the tax year

Complete this part to calculate the general rate factor for the tax year.

0.68	x	number of days in the tax year before January 1, 2010		..... =		QQ
		number of days in the tax year	365			
0.69	x	number of days in the tax year in 2010		..... =		RR
		number of days in the tax year	365			
0.7	x	number of days in the tax year in 2011		..... =		SS
		number of days in the tax year	365			
0.72	x	number of days in the tax year after December 31, 2011	365	..... =	0.720000000	TT
		number of days in the tax year	365			
General rate factor for the tax year (total of lines QQ to TT)				.....	0.72000	UU

PART III.1 TAX ON EXCESSIVE ELIGIBLE DIVIDEND DESIGNATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0001	2014-12-31

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, *General Rate Income Pool (GRIP) Calculation*, or Schedule 54, *Low Rate Income Pool (LRIP) Calculation*, whichever is applicable.
- File the completed schedules with your *T2 Corporation Income Tax Return* no later than six months from the end of the tax year.
- All legislative references on this schedule are to the federal *Income Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool (GRIP), and low rate income pool (LRIP).
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Do not use this area

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year not included in Schedule 3	.....	
Taxable dividends paid in the tax year included in Schedule 3	.....	281,782	
Total taxable dividends paid in the tax year	.....	100	281,782
Total eligible dividends paid in the tax year	.....	150	A
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")	.....	160	2,000,400 B
Excessive eligible dividend designation (line 150 minus line 160)	.....		C
Deduct:			
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends*	.....	180	D
Subtotal (amount C minus amount D)			E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E multiplied by 20 %)	.....	190	F

Enter the amount from line 190 on line 710 of the T2 return.

Part 2 – Other corporations

Taxable dividends paid in the tax year not included in Schedule 3	.....	
Taxable dividends paid in the tax year included in Schedule 3	.....	
Total taxable dividends paid in the tax year	.....	200	
Total excessive eligible dividend designations in the tax year (amount from line A of Schedule 54)	.....		G
Deduct:			
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends*	.....	280	H
Subtotal (amount G minus amount H)			I
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I multiplied by 20 %)	.....	290	J

Enter the amount from line 290 on line 710 of the T2 return.

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax. For more information on how to make this election, go to www.cra.gc.ca/eligibledividends.



CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0001	2014-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit www.ServiceOntario.ca for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record) Grimsby Power Incorporated			
Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent Ontario	110 Date of incorporation or amalgamation, whichever is the most recent Year Month Day 2000-04-20	120 Ontario Corporation No. 1414228	

Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)

200 Care of (if applicable)			
210 Street number 231	220 Street name/Rural route/Lot and Concession number Roberts Road	230 Suite number	
240 Additional address information if applicable (line 220 must be completed first)			
250 Municipality (e.g., city, town) Grimsby	260 Province/state ON	270 Country CA	280 Postal/zip code L3M 5N2

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit www.ServiceOntario.ca.

300 ☐ 1 If there have been no changes, enter 1 in this box and then go to "Part 4 – Certification."
If there are changes, enter 2 in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 CURTISS	451 DOUG
Last name	First name
454 _____ Middle name(s)	

460 ☐ 1 Please enter one of the following numbers in this box for the above-named person: 1 for director, 2 for officer, or 3 for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter 1 or 2.

Note: Sections 13 and 14 of the Ontario *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500	<input type="checkbox"/>	Please enter one of the following numbers in this box:			1 - Show no mailing address on the MGS public record. 2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule. 3 - The corporation's complete mailing address is as follows:			
510	Care of (if applicable)							
520	Street number	530	Street name/Rural route/Lot and Concession number		540	Suite number		
550	Additional address information if applicable (line 530 must be completed first)							
560	Municipality (e.g., city, town)		570	Province/state	580	Country	590	Postal/zip code

Part 6 – Language of preference

600	<input type="checkbox"/>	Indicate your language of preference by entering 1 for English or 2 for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.
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ONTARIO APPRENTICESHIP TRAINING TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0001	2014-12-31

- Use this schedule to claim an Ontario apprenticeship training tax credit (ATTC) under section 89 of the *Taxation Act, 2007* (Ontario).
- The ATTC is a refundable tax credit that is equal to a specified percentage (25% to 45%) of the eligible expenditures incurred by a corporation for a qualifying apprenticeship. Before March 27, 2009, the maximum credit for each apprentice is \$5,000 per year to a maximum credit of \$15,000 over the first 36-month period of the qualifying apprenticeship. After March 26, 2009, the maximum credit for each apprentice is \$10,000 per year to a maximum credit of \$40,000 over the first 48-month period of the qualifying apprenticeship. The maximum credit amount is prorated for an employment period of an apprentice that straddles March 26, 2009.
- Eligible expenditures are salaries and wages (including taxable benefits) paid to an apprentice in a qualifying apprenticeship or fees paid to an employment agency for the provision of services performed by the apprentice in a qualifying apprenticeship. These expenditures must be:
 - paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario;
 - for services provided by the apprentice during the first 36 months of the apprenticeship program, if incurred before March 27, 2009; and
 - for services provided by the apprentice during the first 48 months of the apprenticeship program, if incurred after March 26, 2009.
- An expenditure is not eligible for an ATTC if:
 - the same expenditure was used, or will be used, to claim a co-operative education tax credit; or
 - it is more than an amount that would be paid to an arm's length apprentice.
- An apprenticeship must meet the following conditions to be a qualifying apprenticeship:
 - the apprenticeship is in a qualifying skilled trade approved by the Ministry of Training, Colleges and Universities (Ontario); and
 - the corporation and the apprentice must be participating in an apprenticeship program in which the training agreement has been registered under the *Ontario College of Trades and Apprenticeship Act, 2009* or the *Apprenticeship and Certification Act, 1998* or in which the contract of apprenticeship has been registered under the *Trades Qualification and Apprenticeship Act*.
- Make sure you keep a copy of the training agreement or contract of apprenticeship to support your claim. Do not submit the training agreement or contract of apprenticeship with your *T2 Corporation Income Tax Return*.
- File this schedule with your *T2 Corporation Income Tax Return*.

Part 1 – Corporate information (please print)

110 Name of person to contact for more information	120 Telephone number including area code
MIOARA DOMOKOS	(905) 945-5437

Is the claim filed for an ATTC earned through a partnership? * **150** 1 Yes ☐ 2 No ☒

If **yes** to the question at line 150, what is the name of the partnership? **160**

Enter the percentage of the partnership's ATTC allocated to the corporation **170** %

* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 552 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 552 to claim the partner's share of the partnership's ATTC. The total of the partners' allocated amounts can never exceed the amount of the partnership's ATTC.

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year?	200	1 Yes <input checked="" type="checkbox"/>	2 No <input type="checkbox"/>
2. Was the corporation exempt from tax under Part III of the <i>Taxation Act, 2007</i> (Ontario)?	210	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>

If you answered **no** to question 1 or **yes** to question 2, then you are **not eligible** for the ATTC.

Part 3 – Specified percentage

Corporation's salaries and wages paid in the previous tax year * **300** 1,399,441

For eligible expenditures incurred before March 27, 2009:

- If line 300 is \$400,000 or less, enter 30% on line 310.
- If line 300 is \$600,000 or more, enter 25% on line 310.
- If line 300 is more than \$400,000 and less than \$600,000, enter the percentage on line 310 using the following formula:

$$\text{Specified percentage} = 30\% - \left[5\% \times \left(\frac{\text{amount on line 300} - 400,000}{200,000} \right) \right]$$

Specified percentage **310** 25.000 %

For eligible expenditures incurred after March 26, 2009:

- If line 300 is \$400,000 or less, enter 45% on line 312.
- If line 300 is \$600,000 or more, enter 35% on line 312.
- If line 300 is more than \$400,000 and less than \$600,000, enter the percentage on line 312 using the following formula:

$$\text{Specified percentage} = 45\% - \left[10\% \times \left(\frac{\text{amount on line 300} - 400,000}{200,000} \right) \right]$$

Specified percentage **312** 35.000 %

* If this is the first tax year of an amalgamated corporation and subsection 89(6) of the *Taxation Act, 2007* (Ontario) applies, enter salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Calculation of the Ontario apprenticeship training tax credit

Complete a **separate entry** for each apprentice that is in a qualifying apprenticeship with the corporation. When claiming an ATTC for repayment of government assistance, complete a **separate entry** for each repayment, and complete columns A to G and M and N with the details for the employment period in the previous tax year in which the government assistance was received.

A Trade code 400	B Apprenticeship program/ trade name 405	C Name of apprentice 410		
1. 434a	Powerline Technician	Phillip Parkinson		
D Original contract or training agreement number 420	E Original registration date of apprenticeship contract or training agreement (see note 1 below) 425	F Start date of employment as an apprentice in the tax year (see note 2 below) 430	G End date of employment as an apprentice in the tax year (see note 3 below) 435	
1. PA8740	2011-11-21	2014-01-01	2014-12-31	

Note 1: Enter the original registration date of the apprenticeship contract or training agreement in all cases, even when multiple employers employed the apprentice.

Note 2: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the first day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the start date of employment as an apprentice for the tax year in which the government assistance was received.

Note 3: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the last day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the end date of employment as an apprentice for the tax year in which the government assistance was received.

Part 4 – Calculation of the Ontario apprenticeship training tax credit (continued)

	H1 Number of days employed as an apprentice in the tax year before March 27, 2009 (see note 1 below) <div style="text-align: center; border: 1px solid black; width: 40px; margin: 0 auto;">441</div>	H2 Number of days employed as an apprentice in the tax year after March 26, 2009 (see note 1 below) <div style="text-align: center; border: 1px solid black; width: 40px; margin: 0 auto;">442</div>	H3 Number of days employed as an apprentice in the tax year (column H1 plus column H2) <div style="text-align: center; border: 1px solid black; width: 40px; margin: 0 auto;">440</div>	I Maximum credit amount for the tax year (see note 2 below) <div style="text-align: center; border: 1px solid black; width: 40px; margin: 0 auto;">445</div>
1.		365	365	10,000

	J1 Eligible expenditures before March 27, 2009 (see note 3 below) <div style="text-align: center; border: 1px solid black; width: 40px; margin: 0 auto;">451</div>	J2 Eligible expenditures after March 26, 2009 (see note 3 below) <div style="text-align: center; border: 1px solid black; width: 40px; margin: 0 auto;">452</div>	J3 Eligible expenditures for the tax year (column J1 plus column J2) <div style="text-align: center; border: 1px solid black; width: 40px; margin: 0 auto;">450</div>	K Eligible expenditures multiplied by specified percentage (see note 4 below) <div style="text-align: center; border: 1px solid black; width: 40px; margin: 0 auto;">460</div>
1.		73,459	73,459	25,711

	L ATTC on eligible expenditures (lesser of columns I and K) <div style="text-align: center; border: 1px solid black; width: 40px; margin: 0 auto;">470</div>	M ATTC on repayment of government assistance (see note 5 below) <div style="text-align: center; border: 1px solid black; width: 40px; margin: 0 auto;">480</div>	N ATTC for each apprentice (column L or column M, whichever applies) <div style="text-align: center; border: 1px solid black; width: 40px; margin: 0 auto;">490</div>
1.	10,000		10,000

Ontario apprenticeship training tax credit (total of amounts in column N) 500	10,000 O
---	-----------------

or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount O:

Amount O _____ x percentage on line 170 in Part 1 _____ % = _____ **P**

Enter amount O or P, whichever applies, on line 454 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 552, add the amounts from line O or P, whichever applies, on all the schedules, and enter the total amount on line 454 of Schedule 5.

Note 1: When there are multiple employment periods as an apprentice in the tax year with the corporation, do not include days in which the individual was not employed as an apprentice.
For H1: The days employed as an apprentice must be within 36 months of the registration date provided in column E.
For H2: The days employed as an apprentice must be within 48 months of the registration date provided in column E.

Note 2: Maximum credit = (\$5,000 x H1/365*) + (\$10,000 x H2/365*)
* 366 days, if the tax year includes February 29

Note 3: Reduce eligible expenditures by all government assistance, as defined under subsection 89(19) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, in respect of the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.
For J1: Eligible expenditures before March 27, 2009, must be for services provided by the apprentice during the first 36 months of the apprenticeship program.
For J2: Eligible expenditures after March 26, 2009, must be for services provided by the apprentice during the first 48 months of the apprenticeship program.

Note 4: Calculate the amount in column K as follows:
Column K = (J1 x line 310) + (J2 x line 312)

Note 5: Include the amount of government assistance repaid in the tax year multiplied by the specified percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the ATTC in that tax year.
Complete a **separate entry** for each repayment of government assistance.

1 **APPENDIX 4-D – LETTER AUDITORS – NON CAPITAL LOSSES**

MEMORANDUM

TO: Grimsby Power Incorporated - Tax File

FROM: Kelsey Wallace, CPA, CA

DATE: October 14, 2015

SUBJECT: Application of Non-Capital Losses

Section 111 of the Income Tax Act ("ITA") contains rules which permit a taxpayer to apply losses incurred in one taxation year against income earned in another.

Paragraph 111(1)(b) deals with non-capital losses, or business losses, which can be deducted against income from all sources in the year in which it is applied. Non-capital losses can be carried back to the three preceding tax year from which is occurred. Non-capital losses can carry forward as follows:

Taxation years incurred:	Carry Forward Period
ending before March 23, 2004	7 years
ending after March 22, 2004 and before 2006	10 years
ending after 2006	20 years

A taxpayer has absolute discretion as to what year to apply available carryover amounts. In other words non-capital losses do not have to be applied to the fullest extent in the first subsequent period in which taxable income is incurred.

Grimsby Power can distribute their loss carry forward amounts in a manner that will allow them to normalize income levels from year to year, to ensure that hydro rates are consistent and properly budgeted to account for any income taxes arising in each taxation year. When exercising discretion you must be cautious of the carry forward period to ensure losses are utilized to the fullest extent and do not expire.

We can advise you on an annual basis on how much of the loss carryforward should be applied. As of the end of 2014, there was \$712,155 of losses available between GPI and NWTC.

19859

1 **APPENDIX 4-E – INCOME TAXES PILS WORKFORM**

Income Tax/PILs Workform for 2016 Filers

Version 1.0

Utility Name	Grimsby Power Inc.
Assigned EB Number	EB-2015-0072
Name and Title	Amy La Selva
Phone Number	905-945-5437
Email Address	amyl@grimsbypower.com
Date	23-Dec-15
Last COS Re-based Year	2012

Note: Drop-down lists are shaded blue; Input cells are shaded green.

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your rate application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.

Instructions

Purpose

The purpose of this workbook is to calculate the estimated Payment in Lieu of Taxes (PILs) for the Test Year. The calculation of PILs for the Test Year is on tab **T0** and is based on the inputs on the other tabs.

Tab **S Summary** is a summary of the amounts to be transferred to the Revenue Requirement Workform. The Revenue Requirement Workform is on tab **3** of the Revenue Requirement Workform.

Methodology

To calculate the PILs for the Test Year:

- 1) input the balances from the income tax return of the Historical Year in tabs **H1** to **H13**.
- 2) input the balances for the subsequent two (2) years (the Bridge Year and the Test Year).

Inputs should include:

- non-deductible expenses (Schedule 1 - **B1** and **T1**)
- capital additions (Schedule 8 - **B8** and **T8**)
- cumulative eligible expenditures (Schedule 10 - **B10** and **T10**)
- non-deductible reserves (Schedule 13 - **B13** and **T13**)

- 3) make any other adjustments and inputs required so that the PILs amount calculated for the Test Year on tab **T0** is reasonable.

Other Notes

Tabs **H1** to **H13** relate to the Historical Year.

Tabs **B1** to **B13** relate to the Bridge Year.

Tabs **T1** to **T13** relate to the Test Year.

The amounts on tabs **H1** to **H13** should agree to the tax return filed with the Canada Revenue Agency. Any CRA audit adjustments or corrections should also be reflected.

It is assumed the net income before tax for the Test Year is equal to the Return on Equity. Return on Equity is calculated on tab **A**.

On tab **"A. Data Input Sheet"**, input the "Rate Base" amount and "Return on Rate Base" amounts.

For the 2016 Application, the "Test Year" is 2016, the "Historical Year" is 2014, and the "Bridge Year" is 2015.



Income Tax/PILs Workform for 2016 Filers

[1. Info](#)

[S. Summary](#)

[A. Data Input Sheet](#)

[B. Tax Rates & Exemptions](#)

Historical Year

[H0 - PILs, Tax Provision Historical Year](#)

[H1 - Adj. Taxable Income Historical Year](#)

[H4 - Schedule 4 Loss Carry Forward Historical Year](#)

[H8 - Schedule 8 Historical Year](#)

[H10 - Schedule 10 CEC Historical Year](#)

[H13 - Schedule 13 Tax Reserves Historical](#)

Bridge Year

[B0 - PILs, Tax Provision Bridge Year](#)

[B1 - Adj. Taxable Income Bridge Year](#)

[B4 - Schedule 4 Loss Carry Forward Bridge Year](#)

[B8 - Schedule 8 CCA Bridge Year](#)

[B10 - Schedule 10 CEC Bridge Year](#)

[B13 - Schedule 13 Tax Reserves Bridge Year](#)

Test Year

[T0 PILs, Tax Provision Test Year](#)

[T1 Taxable Income Test Year](#)

[T4 Schedule 4 Loss Carry Forward Test Year](#)

[T8 Schedule 8 CCA Test Year](#)

[T10 Schedule 10 CEC Test Year](#)

[T13 Schedule 13 Reserve Test Year](#)

Income Tax/PILs Workform for 2016 Filers

No inputs required on this worksheet.

Inputs on Service Revenue Requirement Worksheet

The Service Revenue Requirement is in the 'Revenue Requirement Workform' - Tab 3.

Item	Working Paper Reference	
Adjustments required to arrive at taxable income	as below	-725,549
Test Year - Payments in Lieu of Taxes (PILs)	T0	50,870
Test Year - Grossed-up PILs	T0	69,211
Federal Tax Rate	T0	15.0%
Ontario Tax Rate	T0	11.5%
 <u>Calculation of Adjustments required to arrive at Taxable Income</u>		
Regulatory Income (before income taxes)	T1	917,512
Taxable Income	T1	191,963
Difference	calculated	-725,549 as above



Income Tax/PILs Workform for 2016 Filers

Rate Base

S **\$ 24,959,518**

Return on Ratebase

Deemed ShortTerm Debt %

4.00%

T \$ 998,381

$W = S * T$

Deemed Long Term Debt %

56.00%

U \$ 13,977,330

$X = S * U$

Deemed Equity %

40.00%

V \$ 9,983,807

$Y = S * V$

Short Term Interest Rate

1.65%

Z \$ 16,473

$AC = W * Z$

Long Term Interest

4.37%

AA \$ 610,680

$AD = X * AA$

Return on Equity (Regulatory Income)

9.19%

AB \$ **917,512**

$AE = Y * AB$

[T1](#)

Return on Rate Base

\$ 1,544,665

$AF = AC + AD + AE$

Questions that must be answered

- Does the applicant have any Investment Tax Credits (ITC)?
- Does the applicant have any SRED Expenditures?
- Does the applicant have any Capital Gains or Losses for tax purposes?
- Does the applicant have any Capital Leases?
- Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?
- Since 1999, has the applicant acquired another regulated applicant's assets?
- Did the applicant pay dividends?
If Yes, please describe what was the tax treatment in the manager's summary.
- Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?

Historical	Bridge	Test Year
Yes	Yes	Yes
No	No	No
No	No	No
No	No	No
Yes	Yes	Yes
No	Yes	No
Yes	Yes	Yes
No	No	No



Income Tax/PILs Workform for 2016 Filers

Tax Rates

Federal & Provincial As of June 15, 2015

Federal income tax

General corporate rate
Federal tax abatement
Adjusted federal rate

Rate reduction

Federal Income Tax

Ontario income tax

Combined federal and Ontario

Federal & Ontario Small Business

Federal small business threshold
Ontario Small Business Threshold

Federal small business rate

Ontario small business rate

	Effective January 1, 2012	Effective January 1, 2013	Effective January 1, 2014	Effective January 1, 2015	Effective January 1, 2016
General corporate rate	38.00%	38.00%	38.00%	38.00%	38.00%
Federal tax abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted federal rate	28.00%	28.00%	28.00%	28.00%	28.00%
Rate reduction	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%
Federal Income Tax	15.00%	15.00%	15.00%	15.00%	15.00%
Ontario income tax	11.50%	11.50%	11.50%	11.50%	11.50%
Combined federal and Ontario	26.50%	26.50%	26.50%	26.50%	26.50%
Federal small business threshold	500,000	500,000	500,000	500,000	500,000
Ontario Small Business Threshold	500,000	500,000	500,000	500,000	500,000
Federal small business rate	11.00%	11.00%	11.00%	11.00%	10.50%
Ontario small business rate	4.50%	4.50%	4.50%	4.50%	4.50%

Notes

1. The Ontario Energy Board's proxy for taxable capital is rate base.
2. If taxable capital exceeds \$15 million the maximum tax rates apply.
3. If taxable capital is below \$10 million the minimum tax rates apply.
4. Where taxable capital is between \$10 million and \$15 million, the tax rate will be calculated.



Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

PILs Tax Provision - Historical Year

Note: Input the actual information from the tax returns for the historical year.

Regulatory Taxable Income
Combined Tax Rate and PILs

Ontario Tax Rate (Maximum 11.5%)
Federal tax rate (Maximum 15%)
Combined tax rate (Maximum 26.5%)

4.50%

B

11.00%

C

Wires Only

\$ 1,190,808 A

15.50% M = K + L

Total Income Taxes

\$ 184,575 E = A * D

Investment Tax Credits

F

Miscellaneous Tax Credits

G

Total Tax Credits

\$ - H = F + G

Corporate PILs/Income Tax Provision for Historical Year

\$ - I = H + E

Income Tax/PILs Workform for 2016 Filers

Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	A	270,696		270,696
Additions:				
Interest and penalties on taxes	103			0
Amortization of tangible assets	104	796,422		796,422
Amortization of intangible assets	106			0
Recapture of capital cost allowance from Schedule 8	107			0
Gain on sale of eligible capital property from Schedule 10	108			0
Income or loss for tax purposes- joint ventures or partnerships	109			0
Loss in equity of subsidiaries and affiliates	110			0
Loss on disposal of assets	111	1,170		1,170
Charitable donations	112			0
Taxable Capital Gains	113			0
Political Donations	114			0
Deferred and prepaid expenses	116			0
Scientific research expenditures deducted on financial statements	118			0
Capitalized interest	119			0
Non-deductible club dues and fees	120			0
Non-deductible meals and entertainment expense	121	867		867
Non-deductible automobile expenses	122			0
Non-deductible life insurance premiums	123			0
Non-deductible company pension plans	124			0
Tax reserves deducted in prior year	125	1,193,753		1,193,753
Reserves from financial statements- balance at end of year	126	679,397		679,397
Soft costs on construction and renovation of buildings	127			0
Book loss on joint ventures or partnerships	205			0
Capital items expensed	206			0
Debt issue expense	208			0
Development expenses claimed in current year	212			0
Financing fees deducted in books	216			0
Gain on settlement of debt	220			0
Non-deductible advertising	226			0
Non-deductible interest	227			0
Non-deductible legal and accounting fees	228			0
Recapture of SR&ED expenditures	231			0
Share issue expense	235			0
Write down of capital property	236			0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237			0
Other Additions				
Interest Expensed on Capital Leases	290			0
Realized Income from Deferred Credit Accounts	291			0
Pensions	292			0
Non-deductible penalties	293	12,000		12,000
	294	399,728		399,728
	295			0
ARO Accretion expense				0
Capital Contributions Received (ITA 12(1)(x))				0
Lease Inducements Received (ITA 12(1)(x))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
				0
Provision for Income Taxes - Current		-185,098		-185,098
Provision for Income Taxes - Deferred		360,927		360,927
				0
				0
				0
				0
				0
				0
Total Additions		3,259,166	0	3,259,166
Deductions:				
Gain on disposal of assets per financial statements	401			0
Dividends not taxable under section 83	402			0
Capital cost allowance from Schedule 8	403	1,360,843		1,360,843
Terminal loss from Schedule 8	404			0
Cumulative eligible capital deduction from Schedule 10	405			0
Allowable business investment loss	406			0

Deferred and prepaid expenses	409			0
Scientific research expenses claimed in year	411			0
Tax reserves claimed in current year	413	672,897		672,897
Reserves from financial statements - balance at beginning of year	414	1,200,253		1,200,253
Contributions to deferred income plans	416			0
Book income of joint venture or partnership	305			0
Equity in income from subsidiary or affiliates	306			0
Other deductions: (Please explain in detail the nature of the item)				
Interest capitalized for accounting deducted for tax	390	348,147		348,147
Capital Lease Payments	391	399,728		399,728
Non-taxable imputed interest income on deferral and variance accounts	392	738,802		738,802
	393			0
	394			0
ARO Payments - Deductible for Tax when Paid				0
ITA 13(7.4) Election - Capital Contributions Received				0
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds				0
Deferred Revenue - ITA 20(1)(m) reserve				0
Principal portion of lease payments				0
Lease Inducement Book Amortization credit to income				0
Financing fees for tax ITA 20(1)(e) and (e.1)				0
				0
				0
				0
				0
				0
				0
				0
				0
Total Deductions		4,720,670	0	4,720,670
Net Income for Tax Purposes		-1,190,808	0	-1,190,808
Charitable donations from Schedule 2	311			0
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320			0
Non-capital losses of preceding taxation years from Schedule 4	331			0
Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and calculation in Manager's summary)	332			0
Limited partnership losses of preceding taxation years from Schedule 4	335			0
TAXABLE INCOME		-1,190,808	0	-1,190,808

H0



Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 7-1 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

	Total	Non-Distribution Portion	Utility Balance
Non-Capital Loss Carry Forward Deduction			
Actual Historical	712,155		712,155

	Total	Non-Distribution Portion	Utility Balance
Net Capital Loss Carry Forward Deduction			
Actual Historical			0

[B4](#)

[B4](#)

Income Tax/PILs Workform for 2016 Filers

Schedule 8 - Historical Year

Class	Class Description	UCC End of Year Historical per tax returns	Less: Non-Distribution Portion	UCC Regulated Historical Year	Working Paper Reference
1	Distribution System - post 1987	12,365,870		12,365,870	B8
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election			0	B8
2	Distribution System - pre 1988	378,083		378,083	B8
8	General Office/Stores Equip	224,687		224,687	B8
10	Computer Hardware/ Vehicles	150,091		150,091	B8
10.1	Certain Automobiles			0	B8
12	Computer Software			0	B8
13 ₁	Lease # 1			0	B8
13 ₂	Lease #2			0	B8
13 ₃	Lease # 3			0	B8
13 ₄	Lease # 4			0	B8
14	Franchise			0	B8
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs			0	B8
42	Fibre Optic Cable			0	B8
43.1	Certain Energy-Efficient Electrical Generating Equipment			0	B8
43.2	Certain Clean Energy Generation Equipment			0	B8
45	Computers & Systems Software acq'd post Mar 22/04	212		212	B8
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			0	B8
47	Distribution System - post February 2005	10,207,843		10,207,843	B8
50	Data Network Infrastructure Equipment - post Mar 2007	37,903		37,903	B8
52	Computer Hardware and system software			0	B8
95	CWIP			0	B8
6	Building	21,998		21,998	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
	SUB-TOTAL - UCC	23,386,687	0	23,386,687	



Income Tax/PILs Workform for 2016 Filer

Schedule 10 CEC - Historical Year

Cumulative Eligible Capital

Additions

Cost of Eligible Capital Property Acquired during Test Year

Other Adjustments

Subtotal

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002

Amount transferred on amalgamation or wind-up of subsidiary

Subtotal

Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year

Other Adjustments

Subtotal

Cumulative Eligible Capital Balance

Current Year Deduction

Cumulative Eligible Capital - Closing Balance

x 3/4 = 0

x 1/2 = 0

0 0

0

0

x 3/4 = 0

0

0 x 7% = 0

0



Income Tax/PILs Workform for 2

Schedule 13 Tax Reserves - Historical

Continuity of Reserves

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only
Capital Gains Reserves ss.40(1)			0
Tax Reserves Not Deducted for accounting purposes			
Reserve for doubtful accounts ss. 20(1)(l)			0
Reserve for goods and services not delivered ss. 20(1)(m)	672,897		672,897
Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & Share Issue Expenses ss. 20(1)(e)			0
Other tax reserves			0
			0
			0
			0
			0
			0
Total	672,897	0	672,897
Financial Statement Reserves (not deductible for Tax Purposes)			
General Reserve for Inventory Obsolescence (non-specific)			0
General reserve for bad debts	6,500		6,500
Accrued Employee Future Benefits:			0
- Medical and Life Insurance			0
-Short & Long-term Disability			0
-Accumulated Sick Leave			0
- Termination Cost			0
- Other Post-Employment Benefits			0
Provision for Environmental Costs			0
Restructuring Costs			0
Accrued Contingent Litigation Costs			0
Accrued Self-Insurance Costs			0
Other Contingent Liabilities			0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0
Other			0
			0
			0
Total	6,500	0	6,500



Income Tax/PILs Workform for 2016 Filers

PILS Tax Provision - Bridge Year

Regulatory Taxable Income

Combined Tax Rate and PILs

Effective Ontario Tax Rate
Federal tax rate (Maximum 15%)
Combined tax rate

11.50%
15.00%

Total Income Taxes

Investment Tax Credits
Miscellaneous Tax Credits

Total Tax Credits

Corporate PILs/Income Tax Provision for Bridge Year

Wires Only

Reference

[B1](#)

-\$ 122,313 A

B

C

26.50% D = B + C

calculated

-\$ 32,413 E = A * D

F

G

\$ - H = F + G

\$ - I = H + E

Note:

1. This is for the derivation of Bridge year PILs income tax expense and should not be used for Test year revenue requirement calculations.

Income Tax/PILs Workform for 2016 Filers

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	A		201.021
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets	104		933.213
Amortization of intangible assets	106		128.470
Recapture of capital cost allowance from Schedule 8	107		
Gain on sale of eligible capital property from Schedule 10	108		
Income or loss for tax purposes- joint ventures or partnerships	109		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		
Charitable donations	112		
Taxable Capital Gains	113		
Political Donations	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment expense	121		
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves deducted in prior year	125	B13	672.897
Reserves from financial statements- balance at end of year	126	B13	6,500
Soft costs on construction and renovation of buildings	127		
Book loss on joint ventures or partnerships	205		
Capital items expensed	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in books	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property	236		
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		
Other Additions			
Interest Expensed on Capital Leases	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		
Non-deductible penalties	293		
	294		
	295		
ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			
Lease Inducements Received (ITA 12(1)(xi))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
Total Additions			1,741.080
Deductions:			

Income Tax/PILs Workform for 2016 Filers

Adjusted Taxable Income - Bridge Year

Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	B8	1,564,685
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10	405	B10	0
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves claimed in current year	413	B13	493,228
Reserves from financial statements - balance at beginning of year	414	B13	6,500
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
Other deductions: (Please explain in detail the nature of the item)			
Interest capitalized for accounting deducted for tax	390		
Capital Lease Payments	391		
Non-taxable imputed interest income on deferral and variance accounts	392		
	393		
	394		
ARO Payments - Deductible for Tax when Paid			
ITA 13(7.4) Election - Capital Contributions Received			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
Total Deductions		calculated	2,064,413
Net Income for Tax Purposes		calculated	-122,313
Charitable donations from Schedule 2	311		
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320		
Non-capital losses of preceding taxation years from Schedule 4	331	B4	0
Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and calculation in Manager's summary)	332		
Limited partnership losses of preceding taxation years from Schedule 4	335		
TAXABLE INCOME		calculated	-122,313



Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Corporation Loss Continuity and Application

Schedule 4 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction		Total
Actual Historical	H4	712,155
Application of Loss Carry Forward to reduce taxable income in Bridge Year		
Other Adjustments Add (+) Deduct (-)	B1	122,313
Balance available for use in Test Year	calculated	834,468
Amount to be used in Bridge Year	B1	0
Balance available for use post Bridge Year	calculated	834,468

[T4](#)

Net Capital Loss Carry Forward Deduction		Total
Actual Historical	H4	0
Application of Loss Carry Forward to reduce taxable income in Bridge Year		
Other Adjustments Add (+) Deduct (-)		
Balance available for use in Test Year	calculated	0
Amount to be used in Bridge Year		
Balance available for use post Bridge Year	calculated	0

[T4](#)

Schedule 8 CCA - Bridge Year

[illegible]



Income Tax/PILs Workform for 2016 Filers

Schedule 10 CEC - Bridge Year

Cumulative Eligible Capital

Reference

[H10](#)

0

Additions

Cost of Eligible Capital Property Acquired during Test Year

Other Adjustments

0

Subtotal

0

x 3/4 = 0

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002

0

x 1/2 = 0

0

0

Amount transferred on amalgamation or wind-up of subsidiary

0

0

Subtotal

0

Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year

Other Adjustments

0

Subtotal

0

x 3/4 = 0

Cumulative Eligible Capital Balance

0

Current Year Deduction

0 x 7% = 0

[B1](#)

Cumulative Eligible Capital - Closing Balance

0

[T10](#)

Income Tax/PILs Workform for 2016 Filers

Schedule 13 Tax Reserves - Bridge Year

Continuity of Reserves

Community of Reserves

Description	Reference	Historical Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance	Bridge Year Adjustments		Balance for Bridge Year		Change During the Year	Disallowed Expenses
					Additions	Disposals				
Capital Gains Reserves ss.40(1)	H13	0		0			0	T13	0	
Tax Reserves Not Deducted for accounting purposes										
Reserve for doubtful accounts ss. 20(1)(l)	H13	0		0			0	T13	0	
Reserve for goods and services not delivered ss. 20(1)(m)	H13	672,897		672,897	493,228	672,897	493,228	T13	-179,669	
Reserve for unpaid amounts ss. 20(1)(n)	H13	0		0			0	T13	0	
Debt & Share Issue Expenses ss. 20(1)(e)	H13	0		0			0	T13	0	
Other tax reserves	H13	0		0			0	T13	0	
		0		0			0		0	
		0		0			0		0	
Total		672,897	0	672,897	B1	493,228	672,897	493,228	B1	-179,669
Financial Statement Reserves (not deductible for Tax Purposes)										
General Reserve for Inventory Obsolescence (non-specific)	H13	0		0			0	T13	0	
General reserve for bad debts	H13	6,500		6,500	6,500	6,500	6,500	T13	0	
Accrued Employee Future Benefits:	H13	0		0			0	T13	0	
- Medical and Life Insurance	H13	0		0			0	T13	0	
-Short & Long-term Disability	H13	0		0			0	T13	0	
-Accumulated Sick Leave	H13	0		0			0	T13	0	
- Termination Cost	H13	0		0			0	T13	0	
- Other Post-Employment Benefits	H13	0		0			0	T13	0	
Provision for Environmental Costs	H13	0		0			0	T13	0	
Restructuring Costs	H13	0		0			0	T13	0	
Accrued Contingent Litigation Costs	H13	0		0			0	T13	0	
Accrued Self-Insurance Costs	H13	0		0			0	T13	0	
Other Contingent Liabilities	H13	0		0			0	T13	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	H13	0		0			0	T13	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	H13	0		0			0	T13	0	
Other	H13	0		0			0	T13	0	
		0		0			0		0	
		0		0			0		0	
Total		6,500	0	6,500	B1	6,500	6,500	6,500	B1	0



Income Tax/PILs Workform for 2016 Filers

PILs Tax Provision - Test Year

				Wires Only	
Regulatory Taxable Income			<u>T1</u>	\$ 191,963	A
Combined Tax Rate and PILs	Ontario Tax Rate (Maximum 11.5%)	11.50%	B		
	Federal tax rate (Maximum 15%)	15.00%	C		
	Combined tax rate (Maximum 26.5%)			26.50%	D = B + C
Total Income Taxes				\$ 50,870	E = A * D
Investment Tax Credits					F
Miscellaneous Tax Credits					G
Total Tax Credits				\$ -	H = F + G
Corporate PILs/Income Tax Provision for Test Year				\$ 50,870	I = H + E S. Summary
Corporate PILs/Income Tax Provision Gross Up ¹		73.50%	J	\$ 18,341	K = J * I
Income Tax (grossed-up)				\$ 69,211	L = K + I S. Summary

Note:

1. This is for the derivation of revenue requirement and should not be used for sufficiency/deficiency calculations.

Income Tax/PILs Workform for 2016 Filers

Taxable Income - Test Year

	Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes	<u>A.</u>	917,512

	T2 S1 line #		
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P489	104		1,024,035
Amortization of intangible assets 2-4 ADJUSTED ACCOUNTING DATA P490	106		135,385
Recapture of capital cost allowance from Schedule 8	107		
Gain on sale of eligible capital property from Schedule 10	108		
Income or loss for tax purposes- joint ventures or partnerships	109		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		
Charitable donations	112		
Taxable Capital Gains	113		
Political Donations	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment expense	121		
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves beginning of year	125	T13	493,228
Reserves from financial statements- balance at end of year	126	T13	6,500
Soft costs on construction and renovation of buildings	127		
Book loss on joint ventures or partnerships	205		
Capital items expensed	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in books	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property	236		
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		
<i>Other Additions: (please explain in detail the nature of the item)</i>			
Interest Expensed on Capital Leases	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		
Non-deductible penalties	293		
	294		
	295		
	296		
	297		
ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			

Total Additions			1,659,148
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	T8	1,700,845
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10 CEC	405	T10	0
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves end of year	413	T13	510,459
Reserves from financial statements - balance at beginning of year	414	T13	6,500
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
<i>Other deductions: (Please explain in detail the nature of the item)</i>			
Interest capitalized for accounting deducted for tax	390		
Capital Lease Payments	391		
Non-taxable imputed interest income on deferral and variance accounts	392		
	393		
	394		
	395		
	396		
	397		
ARO Payments - Deductible for Tax when Paid			
ITA 13(7.4) Election - Capital Contributions Received			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
Total Deductions		calculated	2,217,804
NET INCOME FOR TAX PURPOSES		calculated	358,856
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of preceding taxation years from Schedule 7-1	331	T4	166,893
Net-capital losses of preceding taxation years (Please show calculation)	332		
Limited partnership losses of preceding taxation years from Schedule 4	335		
REGULATORY TAXABLE INCOME		calculated	191,963



Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 7-1 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

	Working Paper Reference	Total	Non-Distribution Portion	Utility Balance
Non-Capital Loss Carry Forward Deduction				
Actual/Estimated Bridge Year	<u>B4</u>	834,468		834,468
				0
Other Adjustments Add (+) Deduct (-)	<u>T1</u>	0		0
Balance available for use in Test Year	calculated	834,468	0	834,468
Amount to be used in Test Year	<u>T1</u>	166,893		166,893
Balance available for use post Test Year	calculated	667,574	0	667,574

		Total	Non-Distribution Portion	Utility Balance
Net Capital Loss Carry Forward Deduction				
Actual/Estimated Bridge Year	<u>B4</u>	0		0
				0
Other Adjustments Add (+) Deduct (-)				0
Balance available for use in Test Year	calculated	0	0	0
Amount to be used in Test Year				0
Balance available for use post Test Year	calculated	0	0	0

Schedule 8 CCA - Test Year

Class	Class Description	Working Paper Reference	UCC Test Year Opening Balance	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule (1/2 Additions Less Disposals)	Reduced UCC	Rate %	Test Year CCA		UCC End of Test Year
1	Distribution System - post 1987	B8	\$ 11,871,235			\$ 11,871,235	\$ -	\$ 11,871,235	4%	\$ 474,849		\$ 11,396,386
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	B8	\$ -			\$ -	\$ -	\$ -	6%	\$ -		\$ -
2	Distribution System - pre 1988	B8	\$ 355,398			\$ 355,398	\$ -	\$ 355,398	6%	\$ 21,324		\$ 334,074
8	General Office/Stores Equip	B8	\$ 317,124	9,000		\$ 326,124	\$ 4,500	\$ 321,624	20%	\$ 64,325		\$ 261,799
10	Computer Hardware/ Vehicles	B8	\$ 139,820	393,000		\$ 532,820	\$ 196,500	\$ 336,320	30%	\$ 100,896		\$ 431,924
10.1	Certain Automobiles	B8	\$ -			\$ -	\$ -	\$ -	30%	\$ -		\$ -
12	Computer Software	B8	\$ 45,410	177,000		\$ 222,410	\$ 88,500	\$ 133,910	100%	\$ 133,910		\$ 88,500
13.1	Lease # 1	B8	\$ -			\$ -	\$ -	\$ -		\$ -		\$ -
13.2	Lease #2	B8	\$ -			\$ -	\$ -	\$ -		\$ -		\$ -
13.3	Lease # 3	B8	\$ -			\$ -	\$ -	\$ -		\$ -		\$ -
13.4	Lease # 4	B8	\$ -			\$ -	\$ -	\$ -		\$ -		\$ -
14	Franchise	B8	\$ -			\$ -	\$ -	\$ -		\$ -		\$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than E	B8	\$ -			\$ -	\$ -	\$ -	8%	\$ -		\$ -
42	Fibre Optic Cable	B8	\$ -			\$ -	\$ -	\$ -	12%	\$ -		\$ -
43.1	Certain Energy-Efficient Electrical Generating Equipment	B8	\$ -			\$ -	\$ -	\$ -	30%	\$ -		\$ -
43.2	Certain Clean Energy Generation Equipment	B8	\$ -			\$ -	\$ -	\$ -	50%	\$ -		\$ -
45	Computers & Systems Software acq'd post Mar 22/04	B8	\$ 117			\$ 117	\$ -	\$ 117	45%	\$ 52		\$ 64
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	B8	\$ -			\$ -	\$ -	\$ -	30%	\$ -		\$ -
47	Distribution System - post February 2005	B8	\$ 10,611,001	1,131,180		\$ 11,742,181	\$ 565,590	\$ 11,176,591	8%	\$ 894,127		\$ 10,848,054
50	Data Network Infrastructure Equipment - post Mar 2007	B8	\$ 17,056			\$ 17,056	\$ -	\$ 17,056	55%	\$ 9,381		\$ 7,675
52	Computer Hardware and system software	B8	\$ -			\$ -	\$ -	\$ -	100%	\$ -		\$ -
95	CWIP	B8	\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$ -
6	Building		\$ 19,798			\$ 19,798	\$ -	\$ 19,798	10%	\$ 1,980		\$ 17,818
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$ -
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$ -
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$ -
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$ -
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$ -
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$ -
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$ -
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$ -
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$ -
			\$ -			\$ -	\$ -	\$ -	0%	\$ -		\$ -
	TOTAL		\$ 23,376,959	\$ 1,710,180	\$ -	\$ 25,087,139	\$ 855,090	\$ 24,232,049		\$ 1,700,845	T1	\$ 23,386,295



Income Tax/PILs Workform for 2016 Filers

Schedule 10 CEC - Test Year

Cumulative Eligible Capital

[B10](#) 0

Additions

Cost of Eligible Capital Property Acquired during Test Year

0

Other Adjustments

0

Subtotal 0

x 3/4 = 0

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002

0

x 1/2 = 0

0 0

Amount transferred on amalgamation or wind-up of subsidiary

0

0

Subtotal

0

Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year

0

Other Adjustments

0

Subtotal 0

x 3/4 = 0

Cumulative Eligible Capital Balance **0**

Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income") **0** x 7% = **0**

[T1](#)

Cumulative Eligible Capital - Closing Balance **0**

Income Tax/PILs Workform for 2016 Filers

Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

Description	Working Paper Reference	Bridge Year	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance	Test Year Adjustments		Balance for Test Year	Change During the Year	Disallowed Expenses
					Additions	Disposals			
Capital Gains Reserves ss.40(1)	B13	0		0			0		0
Tax Reserves Not Deducted for accounting purposes									
Reserve for doubtful accounts ss. 20(1)(l)	B13	0		0	0	0	0		0
Reserve for goods and services not delivered ss. 20(1)(m)	B13	493,228		493,228	510,459	493,228	510,459		17,231
Reserve for unpaid amounts ss. 20(1)(n)	B13	0		0			0		0
Debt & Share Issue Expenses ss. 20(1)(e)	B13	0		0			0		0
Other tax reserves	B13	0		0			0		0
		0		0			0		0
Total		493,228	0	493,228	T1	510,459	510,459	T1	17,231
Financial Statement Reserves (not deductible for Tax Purposes)									
General Reserve for Inventory Obsolescence (non-specific)	B13	0		0			0		0
General reserve for bad debts	B13	6,500		6,500	6,500	6,500	6,500		0
Accrued Employee Future Benefits:	B13	0		0			0		0
- Medical and Life Insurance	B13	0		0			0		0
- Short & Long-term Disability	B13	0		0			0		0
- Accumulated Sick Leave	B13	0		0			0		0
- Termination Cost	B13	0		0			0		0
- Other Post-Employment Benefits	B13	0		0			0		0
Provision for Environmental Costs	B13	0		0			0		0
Restructuring Costs	B13	0		0			0		0
Accrued Contingent Litigation Costs	B13	0		0			0		0
Accrued Self-Insurance Costs	B13	0		0			0		0
Other Contingent Liabilities	B13	0		0			0		0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	B13	0		0			0		0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	B13	0		0			0		0
Other	B13	0		0			0		0
		0		0			0		0
Total		6,500	0	6,500	T1	6,500	6,500	T1	0

1 **APPENDIX 4-F – OPA 2011-14 FINAL REPORT**



saveONenergy™

Message from the Vice President:

The IESO is pleased to provide the enclosed 2011-2014 Final Results Report. This report is designed to help populate LDC Annual Reports that will be submitted to the Ontario Energy Board (OEB) in September 2015.

2011-2014 Conservation Framework Highlights:

- LDCs have made significant achievements against dual energy and peak demand savings targets. Collectively, the LDCs have achieved 109% of the energy target and 70% of the peak demand target.
- Momentum has built as we transition to the Conservation First Framework. 2014 demonstrated an achievement of over 1 TWh of net incremental energy savings, positioning us well for average net incremental energy savings of 1.2 TWh required in the new framework to meet our 2020 CDM targets.
- Throughout the past framework, program results have become more predictable year over year as noted in the increasingly smaller variance between quarterly preliminary results and verified final results.
- Customer engagement continued to increase in both the Consumer and Business Programs. Between 2011 - 2014 consumers have purchased over 10 million energy efficient products through the saveONenergy COUPONS program. Customers in RETROFIT continue to declare a positive experience participating in the program with 86% likely to recommend.
- saveONenergy has seen a steady and significant increase in unaided brand awareness by 33% from 2011-2014
- Conservation is becoming even more cost-effective as programs become more efficient and effective. 2014 proved early investments in long lead time projects will pay off with the high savings now being realized in programs like PROCESS & SYSTEMS and RETROFIT. Within 4 cents per kWh, Conservation programs continue to be a valuable and cost effective resource for customers across the province.

The 2011-2014 Final Results within this report vary from the Draft 2011-2014 Final Results Report for the following reasons:

- Savings from Time of Use pricing are included in the Final Results Report. Overall the province saved 55 MWs from Time-of-Use pricing in 2014, or 0.73% of residential summer peak demand.
- Between August 4th and August 28th, the IESO and LDCs have worked collaboratively to reconcile projects from 2011-2014 Final Results Report to ensure every eligible project was captured and accurately reported.
- Verified savings from Innovation Fund pilots are also included for participating LDCs.

All results will be considered final for the 2011-2014 Conservation Framework. Any additional program activity not captured in the 2011-2014 Final Results Report will not be included as part of a future adjustment process.

Please continue to monitor saveONenergy E-blasts for future updates and should you have any other questions or comments please contact LDC.Support@ieso.ca.

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

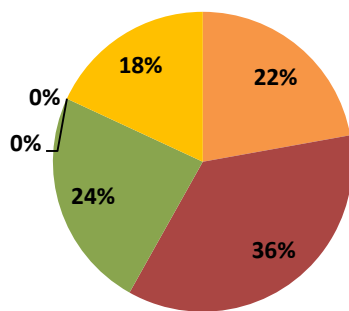
LDC: Grimsby Power Inc.

Final 2014 Achievement Against Targets	2014 Incremental	2011-2014	
		Achievement Against Target	% of Target Achieved
Net Annual Peak Demand Savings (MW)	0.5	1.1	55.4%
Net Energy Savings (GWh)	1.1	10.6	137.1%

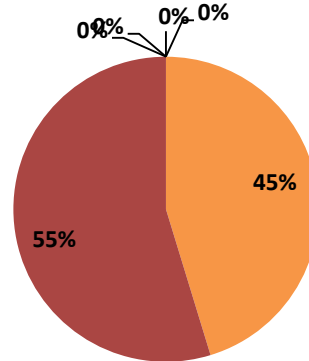
Unless otherwise noted, results are presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

Achievement by Sector

2014 Incremental Peak Demand Savings (MW)



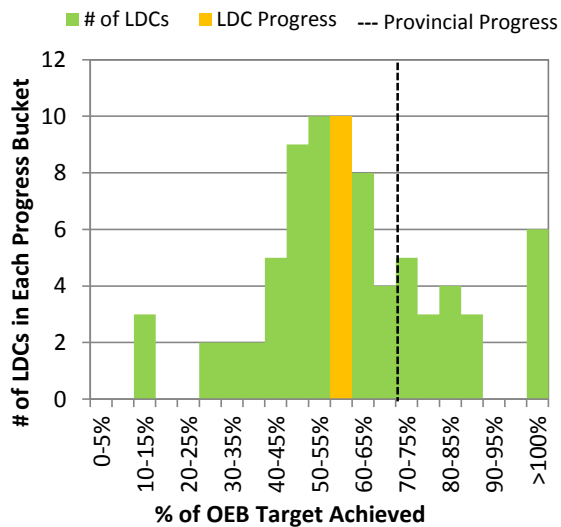
2014 Incremental Energy Savings (GWh)



Consumer Business Industrial HAP ACP Other

Comparison: LDC Achievement vs. LDC Community Achievement (Progress to Target)

% of OEB Peak Demand Savings Target Achieved



% of OEB Energy Savings Target Achieved

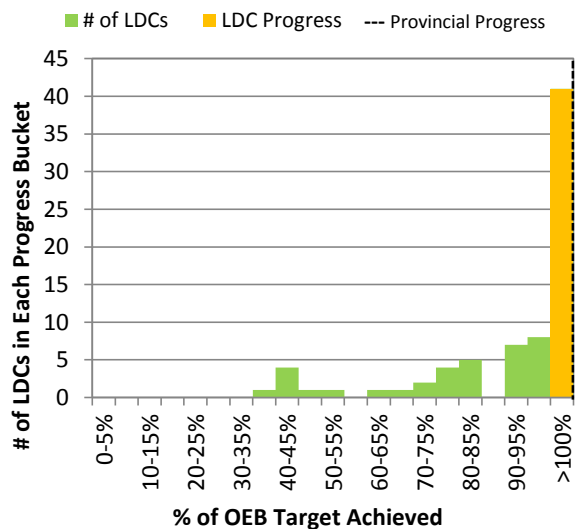


Table 1: Grimsby Power Inc. Initiative and Program Level Net Savings by Year

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)	
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
Consumer Program															
Appliance Retirement	Appliances	165	96	32	31	10	6	2	2	67,826	37,883	13,729	12,736	19	424,944
Appliance Exchange	Appliances	12	33	16	10	1	5	3	2	1,179	8,696	5,911	3,694	10	45,538
HVAC Incentives	Equipment	231	236	187	291	72	48	39	55	127,173	79,836	66,991	101,187	214	983,365
Conservation Instant Coupon Booklet	Items	1,155	70	793	2,400	3	1	1	5	42,622	3,187	17,567	65,298	9	280,483
Bi-Annual Retailer Event	Items	2,170	2,418	2,153	10,997	4	3	3	18	66,980	61,041	39,156	280,119	28	809,473
Retailer Co-op	Items	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential Demand Response	Devices	0	0	23	58	0	0	10	21	0	0	1	0	21	1
Residential Demand Response (IHD)	Devices	0	0	23	57	0	0	0	0	0	0	0	0	0	0
Residential New Construction	Homes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Consumer Program Total						89	62	58	104	305,780	190,642	143,355	463,035	302	2,543,803
Business Program															
Retrofit	Projects	1	10	21	16	0	129	120	57	33,992	633,896	882,771	314,417	306	4,117,613
Direct Install Lighting	Projects	25	49	46	52	32	34	52	44	79,312	123,968	187,835	179,966	155	1,225,832
Building Commissioning	Buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Construction	Buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Energy Audit	Audits	0	2	0	1	0	10	0	13	0	50,353	0	65,274	24	216,331
Small Commercial Demand Response	Devices	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	1	1	1	1	75	75	76	55	2,932	1,095	1,020	0	55	5,046
Business Program Total						107	249	249	169	116,235	809,311	1,071,626	559,657	539	5,564,822
Industrial Program															
Process & System Upgrades	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monitoring & Targeting	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Energy Manager	Projects	0	0	1	0	0	0	0	0	0	0	0	0	0	0
Retrofit	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	1	2	2	2	211	306	285	112	12,367	7,364	6,485	0	112	26,216
Industrial Program Total						211	306	285	112	12,367	7,364	6,485	0	112	26,216
Home Assistance Program															
Home Assistance Program	Homes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Home Assistance Program Total						0	0	0	0	0	0	0	0	0	0
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	6	0	0	0	88	0	0	0	511,483	0	0	0	88	2,045,934
High Performance New Construction	Projects	1	0	0	0	21	0	0	0	110,414	250	0	0	22	442,405
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						110	0	0	0	621,898	250	0	0	110	2,488,339
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	85	0	0	0	0	85	0
LDC Pilots	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Total						0	0	0	85	0	0	0	0	85	0
Adjustments to 2011 Verified Results						-11				0	0	-14,631	0	-11	-58,525
Adjustments to 2012 Verified Results						2				0	3,475	1,708	2	15,548	
Adjustments to 2013 Verified Results						4				0	28,714	4	57,429		
Energy Efficiency Total						230	236	220	282	1,040,981	999,108	1,213,960	1,022,692	960	10,591,917
Demand Response Total (Scenario 1)						286	381	371	188	15,299	8,458	7,506	0	188	31,263
Adjustments to Previous Years' Verified Results Total						0	-11	2	4	0	-14,631	3,475	30,422	-5	14,452
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						516	606	593	473	1,056,280	992,936	1,224,940	1,053,115	1,142	10,637,633
Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).														Full OEB Target:	
*Includes adjustments after Final Reports were issued														2,060	
Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year														7,760,000	
% of Full OEB Target Achieved to Date (Scenario 1):														55.4%	
														137.1%	

Table 2: Adjustments to Grimsby Power Inc. Net Verified Results due to Variances

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)	
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
														2014	2014
Consumer Program															
Appliance Retirement	Appliances	0	0	0		0	0	0		0	0	0		0	0
Appliance Exchange	Appliances	0	0	0		0	0	0		0	0	0		0	0
HVAC Incentives	Equipment	-43	7	4		-11	1	1		-19,861	2,587	1,258		-9	-69,166
Conservation Instant Coupon Booklet	Items	19	0	2		0	0	0		628	0	54		0	2,621
Bi-Annual Retailer Event	Items	186	0	0		0	0	0		4,976	0	0		0	19,905
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						-11	1	1		-14,256	2,587	1,312		-8	-46,639
Business Program															
Retrofit	Projects	0	0	1		0	0	3		0	0	16,935		3	33,870
Direct Install Lighting	Projects	0	1	0		0	0	0		0	888	0		0	2,663
Building Commissioning	Buildings	0	0	0		0	0	0		0	0	0		0	0
New Construction	Buildings	0	0	0		0	0	0		0	0	0		0	0
Energy Audit	Audits	0	0	0		0	0	0		0	1,708	0		0	5,124
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	1	3		0	2,596	16,935		3	41,657
Industrial Program															
Process & System Upgrades	Projects	0	0	0		0	0	0		0	0	0		0	0
Monitoring & Targeting	Projects	0	0	0		0	0	0		0	0	0		0	0
Energy Manager	Projects	0	0	1		0	0	0		0	0	10,468		0	20,935
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	10,468		0	20,935
Home Assistance Program															
Home Assistance Program	Homes	0	0	0		0	0	0		0	0	0		0	0
Home Assistance Program Total						0	0	0		0	0	0		0	0
Aboriginal Program															
Home Assistance Program	Homes	0	0	0		0	0	0		0	0	0		0	0
Direct Install Lighting	Projects	0	0	0		0	0	0		0	0	0		0	0
Aboriginal Program Total						0	0	0		0	0	0		0	0
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	0	0	0		0	0	0		0	0	0		0	0
High Performance New Construction	Projects	0	0	0		0	0	0		-375	0	0		0	-1,501
Toronto Comprehensive	Projects	0	0	0		0	0	0		0	0	0		0	0
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0		0	0	0		0	0
LDC Custom Programs	Projects	0	0	0		0	0	0		0	0	0		0	0
Pre-2011 Programs completed in 2011 Total						0	0	0		-375	0	0		0	-1,501
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						-11				-14,631				-11	-58,525
Adjustments to 2012 Verified Results							2				5,183			2	15,548
Adjustments to 2013 Verified Results								4				28,714		4	57,429
Total Adjustments to Previous Years' Verified Results						-11	2	4		-14,631	5,183	28,714		-5	14,452

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

Adjustments to previous years' results shown in this table will not align to adjustments shown in Table 1 as the information presented above is presented in the implementation year. Adjustments in Table 1 reflect persisted savings in the year in which that adjustment is verified.

Table 3: Grimsby Power Inc. Realization Rate & NTG

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement	1.00	1.00	n/a	n/a	0.50	0.46	0.42	0.42	1.00	1.00	n/a	n/a	0.51	0.47	0.44	0.44
Appliance Exchange	1.00	1.00	1.00	1.00	0.52	0.52	0.53	0.53	1.00	1.00	1.00	1.00	0.52	0.52	0.53	0.53
HVAC Incentives	1.00	1.00	n/a	1.00	0.61	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	1.71	1.00	1.00	1.00	1.00	1.11	1.05	1.13	1.75
Bi-Annual Retailer Event	1.00	1.00	1.00	1.00	1.13	0.91	1.04	1.74	1.00	1.00	1.00	1.00	1.10	0.92	1.04	1.75
Retailer Co-op	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential Demand Response	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential Demand Response (IHD)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential New Construction	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Business Program																
Retrofit	n/a	1.00	0.91	0.97	n/a	0.78	0.76	0.70	n/a	1.24	1.13	1.08	n/a	0.81	0.78	0.71
Direct Install Lighting	1.08	0.68	0.81	0.78	0.93	0.94	0.94	0.94	0.90	0.85	0.84	0.83	0.93	0.94	0.94	0.94
Building Commissioning	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
New Construction	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Energy Audit	n/a	n/a	n/a	0.96	n/a	n/a	n/a	0.68	n/a	n/a	n/a	1.00	n/a	n/a	n/a	0.67
Small Commercial Demand Response	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Small Commercial Demand Response (IHD)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Demand Response 3	0.76	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Industrial Program																
Process & System Upgrades	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Monitoring & Targeting	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Energy Manager	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Retrofit																
Demand Response 3	0.84	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Home Assistance Program																
Home Assistance Program	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Aboriginal Program																
Home Assistance Program	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Direct Install Lighting	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program	0.77	n/a	n/a	n/a	0.52	n/a	n/a	n/a	0.77	n/a	n/a	n/a	0.52	n/a	n/a	n/a
High Performance New Construction	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50
Toronto Comprehensive	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Multifamily Energy Efficiency Rebates	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Custom Programs	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other																
Program Enabled Savings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Time-of-Use Savings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Pilots	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Summary Achievement Against CDM Targets

Results are recognized using current IESO reporting policies. Energy efficiency resources persist for the duration of the effective useful life. Any upcoming code changes are taken into account. Demand response resources persist for 1 year (Scenario 1). Please see methodology tab for more detailed information.

Table 4: Net Peak Demand Savings at the End User Level (MW) (Scenario 1)

Implementation Period	Annual			
	2011	2012	2013	2014
2011 - Verified	0.5	0.2	0.2	0.2
2012 - Verified†	0.0	0.6	0.2	0.2
2013 - Verified†	0.0	0.0	0.6	0.2
2014 - Verified†	0.0	0.0	0.0	0.5
Verified Net Annual Peak Demand Savings Persisting in 2014:				1.1
Grimsby Power Inc. 2014 Annual CDM Capacity Target:				2.1
Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):				55.4%

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

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011 - Verified	1.1	1.0	1.0	1.0	4.2
2012 - Verified†	0.0	1.0	1.0	1.0	2.9
2013 - Verified†	0.0	0.0	1.2	1.2	2.4
2014 - Verified†	0.0	0.0	0.03	1.1	1.1
Verified Net Cumulative Energy Savings 2011-2014:					10.6
Grimsby Power Inc. 2011-2014 Annual CDM Energy Target:					7.8
Verified Portion of Cumulative Energy Target Achieved in 2014 (%):					137.0%

†Includes adjustments to previous years' verified results

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

Table 6: Province-Wide Initiatives and Program Level Net Savings by Year (Scenario 1)

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)		
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)	
																2014	2014
Consumer Program																
Appliance Retirement	Appliances	56,110	34,146	20,952	22,563	3,299	2,011	1,433	1,617	23,005,812	13,424,518	8,713,107	9,497,343	8,221	159,100,415	
Appliance Exchange	Appliances	3,688	3,836	5,337	5,685	371	556	1,106	1,178	450,187	974,621	1,971,701	2,100,266	2,973	10,556,192	
HVAC Incentives	Equipment	92,748	87,540	96,286	113,002	32,037	19,060	19,552	23,106	59,437,670	32,841,283	33,923,592	42,888,217	93,755	447,009,930	
Conservation Instant Coupon Booklet	Items	567,678	30,891	347,946	1,208,108	1,344	230	517	2,440	21,211,537	1,398,202	7,707,573	32,802,537	4,531	137,258,436	
Bi-Annual Retailer Event	Items	952,149	1,060,901	944,772	4,824,751	1,681	1,480	1,184	8,043	29,387,468	26,781,674	17,179,841	122,902,769	12,389	355,157,348	
Retailer Co-op	Items	152	0	0	0	0	0	0	0	2,652	0	0	0	0	10,607	
Residential Demand Response	Devices	19,550	98,388	171,733	241,381	10,947	49,038	93,076	117,513	24,870	359,408	390,303	8,379	117,513	782,960	
Residential Demand Response (IHD)	Devices	0	49,689	133,657	188,577	0	0	0	0	0	0	0	0	0	0	
Residential New Construction	Homes	27	21	279	2,367	0	2	18	369	743	17,152	163,690	2,330,865	390	2,712,676	
Consumer Program Total						49,681	72,377	116,886	154,267	133,520,941	75,796,859	70,049,807	212,530,376	239,772	1,112,588,565	
Business Program																
Retrofit	Projects	2,828	6,481	9,746	10,925	24,467	61,147	59,678	70,662	136,002,258	314,922,468	345,346,008	462,903,521	213,493	2,631,401,223	
Direct Install Lighting	Projects	20,741	18,691	17,833	23,784	23,724	15,284	18,708	23,419	61,076,701	57,345,798	64,315,558	84,503,302	73,304	604,196,658	
Building Commissioning	Buildings	0	0	0	5	0	0	0	988	0	0	0	1,513,377	988	1,513,377	
New Construction	Buildings	25	98	158	226	123	764	1,584	6,432	411,717	1,814,721	4,959,266	20,381,204	8,904	37,390,767	
Energy Audit	Audits	222	357	589	473	0	1,450	2,811	6,323	0	7,049,351	15,455,795	30,874,399	10,583	82,934,042	
Small Commercial Demand Response	Devices	132	294	1,211	3,652	84	187	773	2,116	157	1,068	373	319	2,116	1,916	
Small Commercial Demand Response (IHD)	Devices	0	0	378	820	0	0	0	0	0	0	0	0	0	0	
Demand Response 3	Facilities	145	151	175	180	16,218	19,389	23,706	23,380	633,421	281,823	346,659	0	23,380	1,261,903	
Business Program Total						64,617	98,221	107,261	133,319	198,124,253	381,415,230	430,423,659	600,176,121	332,769	3,358,699,887	
Industrial Program																
Process & System Upgrades	Projects	0	0	5	10	0	0	294	9,692	0	0	2,603,764	72,053,255	9,986	77,260,782	
Monitoring & Targeting	Projects	0	1	3	5	0	0	0	102	0	0	0	502,517	102	502,517	
Energy Manager	Projects	1	132	306	379	0	1,086	3,558	5,191	0	7,372,108	21,994,263	40,436,427	8,384	95,324,998	
Retrofit	Projects	433	0	0	0	4,615	0	0	0	28,866,840	0	0	0	4,613	115,462,282	
Demand Response 3	Facilities	124	185	281	336	52,484	74,056	162,543	166,082	3,080,737	1,784,712	4,309,160	0	166,082	9,174,609	
Industrial Program Total						57,098	75,141	166,395	181,066	31,947,577	9,156,820	28,907,187	112,992,199	189,168	297,725,188	
Home Assistance Program																
Home Assistance Program	Homes	46	5,920	29,654	25,424	2	566	2,361	2,466	39,283	5,442,232	20,987,275	19,582,658	5,370	77,532,571	
Home Assistance Program Total						2	566	2,361	2,466	39,283	5,442,232	20,987,275	19,582,658	5,370	77,532,571	
Aboriginal Program																
Home Assistance Program	Homes	0	0	717	1,125	0	0	267	549	0	0	1,609,393	3,101,207	816	6,319,993	
Direct Install Lighting	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Aboriginal Program Total						0	0	267	549	0	0	1,609,393	3,101,207	816	6,319,993	
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program	Projects	2,028	0	0	0	21,662	0	0	0	121,138,219	0	0	0	21,662	484,552,876	
High Performance New Construction	Projects	182	73	19	3	5,098	3,251	772	134	26,185,591	11,901,944	3,522,240	688,738	9,255	148,181,415	
Toronto Comprehensive	Projects	577	15	4	5	15,805	0	0	281	86,964,886	0	0	2,479,840	16,086	350,339,385	
Multifamily Energy Efficiency Rebates	Projects	110	0	0	0	1,981	0	0	0	7,595,683	0	0	0	1,981	30,382,733	
LDC Custom Programs	Projects	8	0	0	0	399	0	0	0	1,367,170	0	0	0	399	5,468,679	
Pre-2011 Programs completed in 2011 Total						44,945	3,251	772	415	243,251,550	11,901,944	3,522,240	3,168,578	49,382	1,018,925,088	
Other																
Program Enabled Savings	Projects	33	71	46	43	0	2,304	3,692	5,500	0	1,188,362	4,075,382	19,035,337	11,496	30,751,187	
Time-of-Use Savings	Homes	0	0	0	n/a	0	0	0	54,795	0	0	0	0	54,795	0	
LDC Pilots	Projects	0	0	0	1,174	0	0	0	1,170	0	0	0	5,061,522	1,170	5,061,522	
Other Total						0	2,304	3,692	61,466	0	1,188,362	4,075,382	24,096,859	67,462	35,812,709	
Adjustments to 2011 Verified Results						1,406				641	7,319,857				3,215	110,143,550
Adjustments to 2012 Verified Results										6,260	9,221				15,401	238,780,637
Adjustments to 2013 Verified Results											24,391				24,391	296,465,211
Energy Efficiency Total						136,610	109,191	117,536	224,457	603,144,419	482,474,435	554,528,447	975,639,300	575,647	5,896,382,612	
Demand Response Total (Scenario 1)						79,733	142,670	280,099	309,091	3,739,185	2,427,011	5,046,495	8,698	309,091	11,221,389	
Adjustments to Previous Years' Verified Results Total						0	1,406	6,901	35,030	0	18,689,081	43,684,221	195,185,880	43,006	645,389,397	
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						216,343	253,267	404,536	568,578	606,883,604	503,590,526	603,259,163	1,170,833,878	927,745	6,552,993,397	
Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).														Full OEB Target:		
*Includes adjustments after Final Reports were issued														1,330,000		
Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year.														6,000,000,000		
% of Full OEB Target Achieved to Date (Scenario 1):														70%		
														109%		

Table 7: Adjustments to Province-Wide Net Verified Results due to Variances

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)	
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh) 2014
Consumer Program															
Appliance Retirement	Appliances	0	0	0		0	0	0		0	0	0		0	0
Appliance Exchange	Appliances	0	0	0		0	0	0		0	0	0		0	0
HVAC Incentives	Equipment	-18,839	2,319	4,705		-5,270	479	1,037		-9,707,002	955,512	1,838,408		-3,754	-32,284,656
Conservation Instant Coupon Booklet	Items	8,216	0	1,050		16	0	2		275,655	0	23,571		18	1,149,763
BI-Annual Retailer Event	Items	81,817	0	0		108	0	0		2,183,391	0	0		108	8,733,563
Retailer Co-op	Items	0	0	0		0	0	0		0	0	0		0	0
Residential Demand Response	Devices	0	0	0		0	0	0		0	0	0		0	0
Residential Demand Response (IHD)	Devices	0	0	0		0	0	0		0	0	0		0	0
Residential New Construction	Homes	20	2	193		1	1	72		14,667	985	441,938		74	945,497
Consumer Program Total						-5,145	480	1,111		-7,233,290	956,497	2,303,917		-3,555	-21,664,975
Business Program															
Retrofit	Projects	312	876	961		3,208	7,233	11,961		16,266,129	42,498,052	78,146,280		22,056	347,545,386
Direct Install Lighting	Projects	444	197	51		501	204	46		1,250,388	736,541	164,667		620	7,158,143
Building Commissioning	Buildings	0	0	0		0	0	0		0	0	0		0	0
New Construction	Buildings	15	29	72		850	1,304	2,241		3,604,553	4,825,774	8,636,179		4,401	46,187,216
Energy Audit	Audits	119	77	270		604	439	2,383		2,945,189	2,145,367	13,100,635		3,426	44,418,129
Small Commercial Demand Response	Devices	0	0	0		0	0	0		0	0	0		0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0		0	0	0		0	0
Demand Response 3	Facilities	0	0	0		0	0	0		0	0	0		0	0
Business Program Total						5,162	9,181	16,631		24,066,259	50,205,734	100,047,761		30,503	385,148,444
Industrial Program															
Process & System Upgrades	Projects	0	0	2		0	0	324		0	0	968,659		324	1,937,318
Monitoring & Targeting	Projects	0	1	3		0	0	54		0	528,000	639,348		54	2,862,696
Energy Manager	Projects	1	93	101		27	1,067	2,395		241,515	8,266,841	25,814,853		4,345	81,853,489
Retrofit	Projects	0	0	0		0	0	0		0	0	0		0	0
Demand Response 3	Facilities	0	0	0		0	0	0		0	0	0		0	0
Industrial Program Total						27	1,067	2,774		241,515	8,794,841	27,422,860		4,723	61,215,516
Home Assistance Program															
Home Assistance Program	Homes	0	887	2,898		0	222	791		0	1,316,749	4,321,794		1,009	12,515,300
Home Assistance Program Total						0	222	791		0	1,316,749	4,321,794		1,009	8,581,177
Aboriginal Program															
Home Assistance Program	Homes	0	0	133		0	0	134		0	0	563,715		134	1,127,430
Direct Install Lighting	Projects	0	0	0		0	0	0		0	0	0		0	0
Aboriginal Program Total						0	0	134		0	0	563,715		134	1,127,430
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	12	0	0		138	0	0		545,536	0	0		138	2,182,145
High Performance New Construction	Projects	37	4	15		1,507	363	-184		2,398,941	2,832,533	-993,596		1,686	16,106,171
Toronto Comprehensive	Projects	0	15	4		0	672	185		0	4,523,517	1,324,388		857	16,219,327
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0		0	0	0		0	0
LDC Custom Programs	Projects	0	0	0		0	0	0		0	0	0		0	0
Pre-2011 Programs completed in 2011 Total						1,645	1,035	2		2,944,477	7,356,050	330,792		2,682	11,104,528
Other															
Program Enabled Savings	Projects	33	55	33		1,776	3,712	2,020		7,727,573	11,481,687	10,688,564		7,509	86,732,481
Time-of-Use Savings	Homes	0	0	0		0	0	0		0	0	0		0	0
LDC Pilots	Projects	0	0	0		0	0	0		0	0	0		0	0
Other Total						1,776	3,712	2,020		7,727,573	11,481,687	10,688,564		7,509	86,732,481
Adjustments to 2011 Verified Results						3,465				27,746,535				3,215	110,143,550
Adjustments to 2012 Verified Results							15,697				80,111,558			15,401	238,780,637
Adjustments to 2013 Verified Results								23,463				145,679,403		24,391	296,465,211
Adjustments to Previous Years' Verified Results Total						3,465	15,697	23,463		27,746,535	80,111,558	145,679,403		43,006	645,389,397

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

Adjustments to previous years' results shown in this table will not align to adjustments shown in Table 1 as the information presented above is presented in the implementation year. Adjustments in Table 1 reflect persisted savings in the year in which that adjustment is verified.

Table 8: Province-Wide Realization Rate & NTG

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement	1.00	1.00	1.00	1.00	0.51	0.46	0.42	0.45	1.00	1.00	1.00	1.00	0.46	0.47	0.44	0.47
Appliance Exchange	1.00	1.00	1.00	1.00	0.51	0.52	0.53	0.53	1.00	1.00	1.00	1.00	0.52	0.52	0.53	0.53
HVAC Incentives	1.00	1.00	1.00	1.00	0.60	0.50	0.48	0.48	1.00	1.00	1.00	1.00	0.50	0.49	0.48	0.48
Conservation Instant Coupon Booklet	1.00	1.00	1.00	1.00	1.14	1.00	1.11	1.69	1.00	1.00	1.00	1.00	1.00	1.05	1.13	1.73
Bi-Annual Retailer Event	1.00	1.00	1.00	1.00	1.12	0.91	1.04	1.74	1.00	1.00	1.00	1.00	0.91	0.92	1.04	1.75
Retailer Co-op	1.00	n/a	n/a	n/a	0.68	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential Demand Response	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential Demand Response (IHD)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential New Construction	1.00	3.65	0.78	1.03	0.41	0.49	0.63	0.63	3.65	7.17	3.09	0.62	0.49	0.49	0.63	0.63
Business Program																
Retrofit	1.06	0.93	0.92	0.84	0.72	0.75	0.73	0.71	0.93	1.05	1.01	0.98	0.75	0.76	0.73	0.72
Direct Install Lighting	1.08	0.69	0.82	0.78	1.08	0.94	0.94	0.94	0.69	0.85	0.84	0.83	0.94	0.94	0.94	0.94
Building Commissioning	n/a	n/a	n/a	1.97	n/a	n/a	n/a	1.00	n/a	n/a	n/a	1.16	n/a	n/a	n/a	1.00
New Construction	0.50	0.98	0.68	0.71	0.50	0.49	0.54	0.54	0.98	0.99	0.76	0.79	0.49	0.49	0.54	0.54
Energy Audit	n/a	n/a	1.02	0.96	n/a	n/a	0.66	0.68	n/a	n/a	0.97	1.00	n/a	n/a	0.66	0.67
Small Commercial Demand Response	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Small Commercial Demand Response (IHD)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Demand Response 3	0.76	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Industrial Program																
Process & System Upgrades	n/a	n/a	0.85	0.96	n/a	n/a	0.94	0.79	n/a	n/a	0.87	0.96	n/a	n/a	0.93	0.80
Monitoring & Targeting	n/a	n/a	n/a	0.59	n/a	n/a	n/a	1.00	n/a	n/a	n/a	0.36	n/a	n/a	n/a	1.00
Energy Manager	n/a	1.16	0.90	0.91	n/a	0.90	0.90	0.90	1.16	1.16	0.90	0.96	0.90	0.90	0.90	0.85
Retrofit	1.11	n/a	n/a	n/a	0.72	n/a	n/a	n/a	0.91	n/a	n/a	n/a	0.75	n/a	n/a	n/a
Demand Response 3	0.84	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Home Assistance Program																
Home Assistance Program	1.00	0.32	0.26	0.49	0.70	1.00	1.00	1.00	0.32	0.99	0.88	0.78	1.00	1.00	1.00	1.00
Aboriginal Program																
Home Assistance Program	n/a	n/a	0.05	0.15	n/a	n/a	1.00	1.00	n/a	n/a	0.95	0.97	n/a	n/a	1.00	1.00
Direct Install Lighting	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program	0.80	n/a	n/a	n/a	0.54	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
High Performance New Construction	1.00	1.00	1.00	n/a	0.49	0.50	0.50	0.50	1.00	1.00	1.00	n/a	0.50	0.50	0.50	0.50
Toronto Comprehensive	1.13	n/a	n/a	n/a	0.50	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Multifamily Energy Efficiency Rebates	0.93	n/a	n/a	n/a	0.78	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Custom Programs	1.00	n/a	n/a	n/a	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other																
Program Enabled Savings	n/a	1.06	1.00	0.86	n/a	1.00	1.00	1.00	n/a	2.26	1.00	0.98	n/a	1.00	1.00	1.00
Time-of-Use Savings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Pilots	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Summary Provincial Progress Towards CDM Targets

Table 9: Province-Wide Net Peak Demand Savings at the End User Level (MW)

Implementation Period	Annual			
	2011	2012	2013	2014
2011	216.3	136.6	135.8	129.0
2012†	1.4	253.3	109.8	108.2
2013†	0.6	7.0	404.5	122.0
2014†	1.4	10.8	34.2	568.6
Verified Net Annual Peak Demand Savings in 2014:				927.7
2014 Annual CDM Capacity Target:				1,330
Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):				69.8%

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

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

†Includes adjustments to previous years' verified results

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

METHODOLOGY

All results are at the end-user level (not including transmission and distribution losses)

EQUATIONS	
Prescriptive Measures and Projects	Gross Savings = Activity * Per Unit Assumption Net Savings = Gross Savings * Net-to-Gross Ratio All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)
Engineered and Custom Projects	Gross Savings = Reported Savings * Realization Rate Net Savings = Gross Savings * Net-to-Gross Ratio All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)
Demand Response	Peak Demand: Gross Savings = Net Savings = contracted MW at contributor level * Provincial contracted to ex ante ratio Energy: Gross Savings = Net Savings = provincial ex post energy savings * LDC proportion of total provincial contracted MW All savings are annualized (i.e. the savings are the same regardless of the time of year a participant began offering DR)
Adjustments to Previous Years' Verified Results	All variances from the Final Annual Results Reports from prior years will be adjusted within this report. Any variances with regards to projects counts, data lag, and calculations etc., will be made within this report. Considers the cumulative effect of energy savings.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Consumer Program			
Appliance Retirement	Includes both retail and home pickup stream. Retail stream allocated based on average of 2008 & 2009 residential throughput; Home pickup stream directly attributed by postal code or customer selection.	Savings are considered to begin in the year the appliance is picked up.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Appliance Exchange	When postal code information is provided by customer, results are directly attributed to the LDC. When postal code is not available, results allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year that the exchange event occurred.	
HVAC Incentives	Results directly attributed to LDC based on customer postal code.	Savings are considered to begin in the year that the installation occurred.	

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Conservation Instant Coupon Booklet	LDC-coded coupons directly attributed to LDC. Otherwise results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year in which the coupon was redeemed.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Bi-Annual Retailer Event	Results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year in which the event occurs.	
Retailer Co-op	When postal code information is provided by the customer, results are directly attributed. If postal code information is not available, results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year of the home visit and installation date.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Residential Demand Response	Results are directly attributed to LDC based on data provided to IESO through project completion reports and continuing participant lists.	Savings are considered to begin in the year the device was installed and/or when a customer signed a peaksaver PLUS™ participant agreement.	Peak demand savings are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. Energy savings are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year and accounts for any "snapback" in energy consumption experienced after the event. Savings are assumed to persist for only 1 year, reflecting that savings will only occur if the resource is activated.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Residential New Construction	Results are directly attributed to LDC based on LDC identified in application in the iCon system. Initiative was not evaluated in 2011, reported results are presented with forecast assumptions as per the business case.	Savings are considered to begin in the year of the project completion date.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Business Program			
Efficiency: Equipment Replacement	Results are directly attributed to LDC based on LDC identified at the facility level in the iCon system. Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see page for Building type to Sector mapping.	Savings are considered to begin in the year of the actual project completion date in the iCON system.	Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
	Additional Note: project counts were derived by filtering out invalid statuses (e.g. Post-Project Submission - Payment denied by LDC) and only including projects with an "Actual Project Completion Date" in 2014)		

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Direct Installed Lighting	Results are directly attributed to LDC based on the LDC specified on the work order.	Savings are considered to begin in the year of the actual project completion date.	Peak demand and energy savings are determined using the verified measure level per unit assumptions multiplied by the uptake of each measure accounting for the realization rate for both peak demand and energy to reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings take into account net-to-gross factors such as free-ridership and spillover for both peak demand and energy savings at the program level (net).
Existing Building Commissioning Incentive	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the actual project completion date.	Peak demand and energy savings are determined by the total savings for a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
New Construction and Major Renovation Incentive	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the actual project completion date.	
Energy Audit	Projects are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the audit date.	Peak demand and energy savings are determined by the total savings resulting from an audit as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Commercial Demand Response (part of the Residential program schedule)	Results are directly attributed to LDC based on data provided to IESO through project completion reports and continuing participant lists	Savings are considered to begin in the year the device was installed and/or when a customer signed a peaksaver PLUS™ participant agreement.	Peak demand savings are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. Energy savings are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year. Savings are assumed to persist for only 1 year, reflecting that savings will only occur if the resource is activated.
Demand Response 3 (part of the Industrial program schedule)	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	Peak demand savings are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. Energy savings are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.
Industrial Program			
Process & System Upgrades	Results are directly attributed to LDC based on LDC identified in application.	Savings are considered to begin in the year in which the incentive project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Monitoring & Targeting	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the incentive project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
Energy Manager	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the project was completed by the energy manager. If no date is specified the savings will begin the year of the Quarterly Report submitted by the energy manager.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see "Reference Tables" tab for Building type to Sector mapping.	Savings are considered to begin in the year of the actual project completion date on the iCON CRM system.	Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
Demand Response 3	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	Peak demand savings are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. Energy savings are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Home Assistance Program			
Home Assistance Program	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the measures were installed.	Peak demand and energy savings are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross), taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Aboriginal Program			
Aboriginal Program	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the measures were installed.	Peak demand and energy savings are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross), taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Pre-2011 Programs completed in 2011			
Electricity Retrofit Incentive Program	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, 2012, 2013 or 2014 assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported. A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). If energy savings are not available, an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports).
High Performance New Construction	Results are directly attributed to LDC based on customer data provided to the OPA from Enbridge; Initiative was not evaluated in 2011, 2012, 2013 or 2014, assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	
Toronto Comprehensive	Program run exclusively in Toronto Hydro-Electric System Limited service territory; Initiative was not evaluated in 2011, 2012, 2013 or 2014, assumptions as per 2010 evaluation.		

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Multifamily Energy Efficiency Rebates	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, 2012, 2013 or 2014, assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). If energy savings are not available, an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports).
Data Centre Incentive Program	Program run exclusively in PowerStream Inc. service territory; Initiative was not evaluated in 2011, assumptions as per 2009 evaluation.		
EnWin Green Suites	Program run exclusively in ENWIN Utilities Ltd. service territory; Initiative was not evaluated in 2011 or 2012, assumptions as per 2010 evaluation.		

Consumer Program Allocation Methodology

Results can be allocated based on average of 2008 & 2009 residential throughput for each LDC (below) when additional information is not available. Source: OEB Yearbook Data 2008 & 2009

Local Distribution Company	Allocation
Algoma Power Inc.	0.2%
Atikokan Hydro Inc.	0.0%
Attawapiskat Power Corporation	0.0%
Bluewater Power Distribution Corporation	0.6%
Brant County Power Inc.	0.2%
Brantford Power Inc.	0.7%
Burlington Hydro Inc.	1.4%
Cambridge and North Dumfries Hydro Inc.	1.0%
Canadian Niagara Power Inc.	0.5%
Centre Wellington Hydro Ltd.	0.1%
Chapleau Public Utilities Corporation	0.0%
COLLUS Power Corporation	0.3%
Cooperative Hydro Embrun Inc.	0.0%
E.L.K. Energy Inc.	0.2%
Enersource Hydro Mississauga Inc.	3.9%
ENTEGRUS	0.6%
ENWIN Utilities Ltd.	1.6%
Erie Thames Powerlines Corporation	0.4%
Espanola Regional Hydro Distribution Corporation	0.1%
Essex Powerlines Corporation	0.7%
Festival Hydro Inc.	0.3%
Fort Albany Power Corporation	0.0%
Fort Frances Power Corporation	0.1%
Greater Sudbury Hydro Inc.	1.0%
Grimsby Power Inc.	0.2%
Guelph Hydro Electric Systems Inc.	0.9%
Haldimand County Hydro Inc.	0.4%
Halton Hills Hydro Inc.	0.5%
Hearst Power Distribution Company Limited	0.1%
Horizon Utilities Corporation	4.0%
Hydro 2000 Inc.	0.0%
Hydro Hawkesbury Inc.	0.1%
Hydro One Brampton Networks Inc.	2.8%
Hydro One Networks Inc.	30.0%
Hydro Ottawa Limited	5.6%
Innisfil Hydro Distribution Systems Limited	0.4%
Kashechewan Power Corporation	0.0%
Kenora Hydro Electric Corporation Ltd.	0.1%
Kingston Hydro Corporation	0.5%
Kitchener-Wilmot Hydro Inc.	1.6%
Lakefront Utilities Inc.	0.2%

Lakeland Power Distribution Ltd.	0.2%
London Hydro Inc.	2.7%
Middlesex Power Distribution Corporation	0.1%
Midland Power Utility Corporation	0.1%
Milton Hydro Distribution Inc.	0.6%
Newmarket - Tay Power Distribution Ltd.	0.7%
Niagara Peninsula Energy Inc.	1.0%
Niagara-on-the-Lake Hydro Inc.	0.2%
Norfolk Power Distribution Inc.	0.3%
North Bay Hydro Distribution Limited	0.5%
Northern Ontario Wires Inc.	0.1%
Oakville Hydro Electricity Distribution Inc.	1.5%
Orangeville Hydro Limited	0.2%
Orillia Power Distribution Corporation	0.3%
Oshawa PUC Networks Inc.	1.2%
Ottawa River Power Corporation	0.2%
Parry Sound Power Corporation	0.1%
Peterborough Distribution Incorporated	0.7%
PowerStream Inc.	6.6%
PUC Distribution Inc.	0.9%
Renfrew Hydro Inc.	0.1%
Rideau St. Lawrence Distribution Inc.	0.1%
Sioux Lookout Hydro Inc.	0.1%
St. Thomas Energy Inc.	0.3%
Thunder Bay Hydro Electricity Distribution Inc.	0.9%
Tillsonburg Hydro Inc.	0.1%
Toronto Hydro-Electric System Limited	12.8%
Veridian Connections Inc.	2.4%
Wasaga Distribution Inc.	0.2%
Waterloo North Hydro Inc.	1.0%
Welland Hydro-Electric System Corp.	0.4%
Wellington North Power Inc.	0.1%
West Coast Huron Energy Inc.	0.1%
Westario Power Inc.	0.5%
Whitby Hydro Electric Corporation	0.9%
Woodstock Hydro Services Inc.	0.3%

Reporting Glossary

Annual: the peak demand or energy savings that occur in a given year (includes resource savings from new program activity and resource savings persisting from previous years).

Cumulative Energy Savings: represents the sum of the annual energy savings that accrue over a defined period (in the context of this report the defined period is 2011 - 2014). This concept does not apply to peak demand savings.

End-User Level: resource savings in this report are measured at the customer level as opposed to the generator level (the difference being line losses).

Free-ridership: the percentage of participants who would have implemented the program measure or practice in the absence of the program.

Incremental: the new resource savings attributable to activity procured in a particular reporting period based on when the savings are considered to 'start'.

Initiative: a Conservation & Demand Management offering focusing on a particular opportunity or customer end-use (i.e. Retrofit, Fridge & Freezer Pickup).

Net-to-Gross Ratio: The ratio of net savings to gross savings, which takes into account factors such as free-ridership and spillover

Net Energy Savings (MWh): energy savings attributable to conservation and demand management activities net of free-riders, etc.

Net Peak Demand Savings (MW): peak demand savings attributable to conservation and demand management activities net of free-riders, etc.

Program: a group of initiatives that target a particular market sector (e.g. Consumer, Industrial).

Realization Rate: A comparison of observed or measured (evaluated) information to original reported savings which is used to adjust the gross savings estimates.

Settlement Account: the grouping of demand response facilities (contributors) into one contractual agreement

Spillover: Reductions in energy consumption and/or demand caused by the presence of the energy efficiency program, beyond the program-related gross savings of the participants. There can be participant and/or non-participant spillover.

Unit: for a specific initiative the relevant type of activity acquired in the market place (i.e. appliances picked up, projects completed, coupons redeemed).

Table 11: Grimsby Power 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	6	4	5	135,740	37,883	29,143	27,266
Appliance Exchange**	Appliances	2	5	6	4	2,289	8,696	11,231	7,019
HVAC Incentives	Equipment	118	96	80	116	212,252	162,227	140,461	212,853
Conservation Instant Coupon Booklet	Items	2	1	1	3	38,667	3,022	15,595	37,827
Bi-Annual Retailer Event	Items	3	4	3	11	61,309	66,603	37,473	160,124
Retailer Co-op	Items	0	0	0	0	0	0	0	0
Residential Demand Response	Devices	0	0	10	21	0	0	1	0
Residential Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Residential New Construction	Homes	0	0	0	0	0	0	0	0
Consumer Program Total		146	111	104	159	450,255	278,431	233,903	445,089
Business Program									
Retrofit	Projects	0	146	157	77	50,132	612,397	1,133,626	429,423
Direct Install Lighting	Projects	30	45	55	47	85,416	148,971	199,005	190,668
Building Commissioning	Buildings	0	0	0	0	0	0	0	0
New Construction	Buildings	0	0	0	0	0	0	0	0
Energy Audit	Audits	0	10	0	20	0	50,353	0	97,278
Small Commercial Demand Response	Devices	0	0	0	0	0	0	0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	75	75	76	55	2,932	1,095	1,020	0
Business Program Total		105	276	289	199	138,480	812,815	1,333,651	717,369
Industrial Program									
Process & System Upgrades	Projects	0	0	0	0	0	0	0	0
Monitoring & Targeting	Projects	0	0	0	0	0	0	0	0
Energy Manager	Projects	0	0	0	0	0	0	0	0
Retrofit	Projects	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	211	306	285	112	12,367	7,364	6,485	0
Industrial Program Total		211	306	285	112	12,367	7,364	6,485	0
Home Assistance Program									
Home Assistance Program	Homes	0	0	0	0	0	0	0	0
Home Assistance Program Total		0	0	0	0	0	0	0	0
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	169	0	0	0	983,622	0	0	0
High Performance New Construction	Projects	43	1	0	0	220,828	499	0	0
Toronto Comprehensive	Projects	0	0	0	0	0	0	0	0
Multifamily Energy Efficiency Rebates	Projects	0	0	0	0	0	0	0	0
LDC Custom Programs	Projects	0	0	0	0	0	0	0	0
Pre-2011 Programs completed in 2011 Total		212	1	0	0	1,204,450	499	0	0
Other									
Program Enabled Savings	Projects	0	0	0	0	0	0	0	0
Time-of-Use Savings	Homes	0	0	0	85	0	0	0	0
LDC Pilots	Projects	0	0	0	0	0	0	0	0
Other Total		0	0	0	85	0	0	0	0
Adjustments to 2011 Verified Results			25	0	0		-27,377	0	0
Adjustments to 2012 Verified Results				3	1			6,164	2,517
Adjustments to 2013 Verified Results					6				40,146
Energy Efficiency Total		388	312	307	367	1,790,253	1,090,650	1,566,533	1,162,458
Demand Response Total		286	381	371	188	15,299	8,458	7,506	0
Adjustments to Previous Years' Verified Results Total		0	25	3	6	0	-27,377	6,164	42,663
OPA-Contracted LDC Portfolio Total (inc. Adjustments)		674	718	682	561	1,805,552	1,071,731	1,580,203	1,205,121

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 Grimsby Power 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	-18	3	2		-33,370	5,221	2,597	
Conservation Instant Coupon Booklet	Items	0	0	0		583	0	47	
Bi-Annual Retailer Event	Items	0	0	0		5,410	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		-18	3	2		-27,377	5,221	2,644	
Business Program									
Retrofit	Projects	0	0	4		0	0	25,871	
Direct Install Lighting	Projects	0	0	0		0	942	0	
Building Commissioning	Buildings	0	0	0		0	0	0	
New Construction	Buildings	0	0	0		0	0	0	
Energy Audit	Audits	0	0	0		0	2,517	0	
Small Commercial Demand Response	Devices	0	0	0		0	0	0	
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0	
Demand Response 3	Facilities	0	0	0		0	0	0	
Business Program Total		0	0	4		0	3,459	25,871	
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	11,631	
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	11,631	
Home Assistance Program									
Home Assistance Program	Homes	0	0	0		0	0	0	
Home Assistance Program Total		0	0	0		0	0	0	
Aboriginal Program									
Home Assistance Program	Homes	0	0	0		0	0	0	
Direct Install Lighting	Projects	0	0	0		0	0	0	
Aboriginal Program Total		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	43	0	0		0	0	0	
Toronto Comprehensive	Projects	0	0	0		0	0	0	
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0	
LDC Custom Programs	Projects	0	0	0		0	0	0	
Pre-2011 Programs completed in 2011 Total		43	0	0		0	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		25				-27,377			
Adjustments to 2012 Verified Results			3				8,681		
Adjustments to 2013 Verified Results				6				40,146	
Total Adjustments to Previous Years' Verified Results		25	3	6		-27,377	8,681	40,146	

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

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