

Exhibit 4:

Operating Expense

1 TABLE OF CONTENTS

2	4.1	Overview	5
3	4.1.1	Background	5
4	4.1.2	OM&A Budgeting Process	5
5	4.1.3	2017 Test Year OM&A Expense Summary	6
6	4.2	Summary and Cost Driver	13
7	4.2.1	Summary of Recoverable OM&A Expenses	13
8	4.2.2	Cost Driver Tables	13
9	4.2.3	OM&A Cost per Customer and Full-Time Equivalent	19
10	4.3	Program Delivery Costs and Variance Analysis	20
11	4.3.1	Program Delivery Costs	20
12	4.3.2	Program Delivery Variance Analysis	21
13	4.4	Employee Compensation	26
14	4.4.1	Overview	26
15	4.4.2	Succession Planning	28
16	4.4.3	Compensation System	29
17	4.4.4	FTE by Department	30
18	4.4.5	FTE and Employee Costs	31
19	4.4.6	FTE, Wages & Benefits Variance Analysis	32
20	4.4.7	Employee Benefit Programs.....	37
21	4.5	Shared Services and Corporate Cost Allocation.....	40
22	4.5.1	Overview	40
23	4.5.2	Shared Services To Affiliates	41
24	4.5.3	Shared Services From Affiliates.....	44
25	4.5.4	Affiliate Board of Director Costs	44
26	4.5.5	Variance Analysis	45
27	4.6	Purchase of Non-Affiliate Services.....	46
28	4.7	One-Time Costs	49
29	4.8	Regulatory Costs	50
30	4.9	Low-Income Energy Assistance Program (LEAP).....	51

1	4.10	Charitable Donations	52
2	4.11	Political Donations	53
3	4.12	Depreciation, Amortization and Depletion.....	54
4	4.12.1	Overview	54
5	4.12.2	Asset Retirement Obligation.....	59
6	4.12.3	Useful Life and Componentization.....	60
7	4.12.4	Depreciation Expense	60
8	4.13	Payment in Lieu of Taxes (PILS)	63
9	4.13.1	Property Taxes	68
10	4.14	Non Recoverable and Disallowed Expenses	69
11	4.15	Integrity Checks.....	70
12	4.16	Conservation and Demand Management.....	71
13	4.16.1	Overview	71
14	4.16.2	LRAMVA Proposal	71
15			
16			
17			

1 LIST OF ATTACHMENTS

- 2 4-A Summary of Recoverable OM&A Expenses, Appendix 2-JA
- 3 4-B Recoverable OM&A Cost Driver Table, Appendix 2-JB
- 4 4-C Recoverable OM&A Cost Per Customer and Per FTE, Appendix 2-L
- 5 4-D OM&A Programs Table, Appendix 2-JC
- 6 4-E.1 Active Employee Health Benefit Booklet – IBEW Inside and Outside Division
- 7 4-E.2 Active Employee Health Benefit Booklet – Part-time IBEW and Non-Union Employees
- 8 4-E.3 Active Employee Health Benefit Booklet – Non-Union Employees
- 9 4-F Employee Costs, Appendix 2-K
- 10 4-G OPEBs (Other Post-Employment Benefits) Costs, Appendix 2-KA
- 11 4-H Thunder Bay Hydro Sick Leave Benefits and Post-Retirement Non Pension Benefits
- 12 Actuary Report – Collins Barrow
- 13 4-I Shared Services and Corporate Cost Allocation, Appendix 2-N
- 14 4-J Thunder Bay Renewable Power Incorporated Service Agreement
- 15 4-K Thunder Bay Hydro Utility Services Inc. Service Agreement
- 16 4-L Thunder Bay Hydro Corporation Service Agreement
- 17 4-M Thunder Bay Hydro Purchasing Policy
- 18 4-N Regulatory Cost Schedule, Appendix 2-M
- 19 4-O Service Life Comparison, Appendix 2-BB
- 20 4-P Depreciation and Amortization Expense (2013 CGAAP), Appendix 2-CB
- 21 4-Q Depreciation and Amortization Expense (2014 MIFRS), Appendix 2-CC
- 22 4-R Depreciation and Amortization Expense (2015 MIFRS), Appendix 2-CD
- 23 4-S Depreciation and Amortization Expense (2016 MIFRS), Appendix 2-CE
- 24 4-T Depreciation and Amortization Expense (2017 MIFRS), Appendix 2-CF
- 25 4-U Thunder Bay Hydro Federal and Provincial Income Tax Returns – December 31, 2015
- 26 4-V Thunder Bay Hydro 2011-2014 Final IESO CDM Results
- 27 4-W 2011 – 2014 Board LRAM Model
- 28 4-X Carrying Charges – LRAM
- 29 4-Y PILS Model
- 30
- 31

1 **4.1 OVERVIEW**

2 **4.1.1 BACKGROUND**

3 The operating costs presented in this Exhibit represent the required expenditures necessary to maintain
4 and operate Thunder Bay Hydro's distribution system assets; the costs associated with metering, billing
5 and collecting from its customers; the costs associated with implementing and carrying out government
6 mandated initiatives; the expenditures associated with ensuring the safety of all stakeholders (e.g. public,
7 employee's, etc.) and the costs to maintain the distribution business service quality and reliability
8 standards in compliance with the Distribution System Code and other regulatory bodies (e.g. IESO, ESA,
9 etc.). In summary, these are the on-going costs associated with providing distribution services in
10 alignment with customers' expectations.

11 **4.1.2 OM&A BUDGETING PROCESS**

12 Thunder Bay Hydro normally begins to prepare its annual budget plan in the third quarter for the following
13 year and receives final approval from its Board of Directors in. However, the budgetary portion of the
14 Thunder Bay Hydro 2017 Business Plan was completed in the summer of 2016 in support of this
15 Application. Developing the budget is a key process as it identified past success and future initiatives and
16 establishes projections for capital and operational costs. Care is taken to ensure that the capital and
17 operating budgets supports Thunder Bay Hydro's core business objectives as well as being prudent,
18 financially sustainable and considerate of rate impacts to Thunder Bay Hydro's customers.

19 Thunder Bay Hydro employs the following processes with respect to its budgeting:

- 20 • The Management Team works collectively to look at higher level issues including
21 changes in revenue, strategic initiatives either from within Thunder Bay Hydro or the
22 industry, cost pressure from specific areas or performance concerns that must be
23 considered by each department. This step sets high level expectations for each
24 department on cost control and efficiency improvement. Senior management is always
25 mindful of the costs of supplying services vs. the rate impact to Thunder Bay Hydro's
26 customers.
- 27 • Each department manager or supervisor then develops capital and operating plans with
28 these issues or objectives in mind. The following directives are provided to each manager
29 and supervisor to assist them with preparation:
 - 30 ➤ External expenses for all department budgets are built using previous year
31 actual, current year forecast and current year budget as a base. Each third party
32 expense is reviewed to determine whether the service is required and whether
33 there are opportunities for cost minimization or service level improvement'
 - 34 ➤ Significant variances in spending from prior years must be explained and
35 documented;

- 1 ➤ Review of department headcount based requirement for staff and need for
2 change;
3 ➤ Each department works with Finance to prepare a labour budget using projected
4 wage and benefit costs. Overtime is based on projected need and historical
5 comparisons with an expectation that it is closely managed to reduce costs
6 where possible. Salaries, overtime and payroll burden are distrusted over
7 accounts based on historical and forecasted allocations’
8 ➤ Overhead department costs are budgeted and allocated over operating,
9 maintenance and capital accounts based on what is considered directly
10 attributable to capital and the allocation driver for the partial overhead
11 departments. See Exhibit 2 for the documentation regarding Overheads.
12 • The Finance department then completes an initial consolidation of all departments to develop a
13 draft budget. Finance works with each department to identify variances and issues for
14 consideration.
15 • Senior management reviews the draft budget and makes changes to balance cost control with
16 achieving core objectives. In an effort to contain costs and explore efficiencies and still provide
17 an acceptable level of reliability and customer service, the team looks in detail for discretionary
18 costs and identifies cost areas that can be delayed or addressed with alternative approaches.
19 This process results in OM&A costs with a high degree of assurance that Thunder Bay Hydro
20 continue to serve its customers in a safe and reliable manner.
21 • Senior management makes a submission to the Board of Directors on the proposed budget and
22 formal approval is requested.

23 **4.1.3 2017 TEST YEAR OM&A EXPENSE SUMMARY**

24 Thunder Bay Hydro’s Test Year Operating, Maintenance and Administrative (“OM&A”) expenses are
25 \$15,729,872 including expenditures relating to the Low Income Energy Assistance Program (“LEAP”) and
26 payments in lieu of property taxes. A summary of OM&A expenses from the 2013 Ontario Energy Board
27 (the “Board”) Approved to the 2017 Test year is found in Table 4-1 below.

28 Thunder Bay Hydro adopted the accounting changes related to for depreciation and capitalization policies
29 in accordance with the Board’s letter dated July 17, 2012 with the Board Approved 2013 (EB-2012-0167)
30 rates.

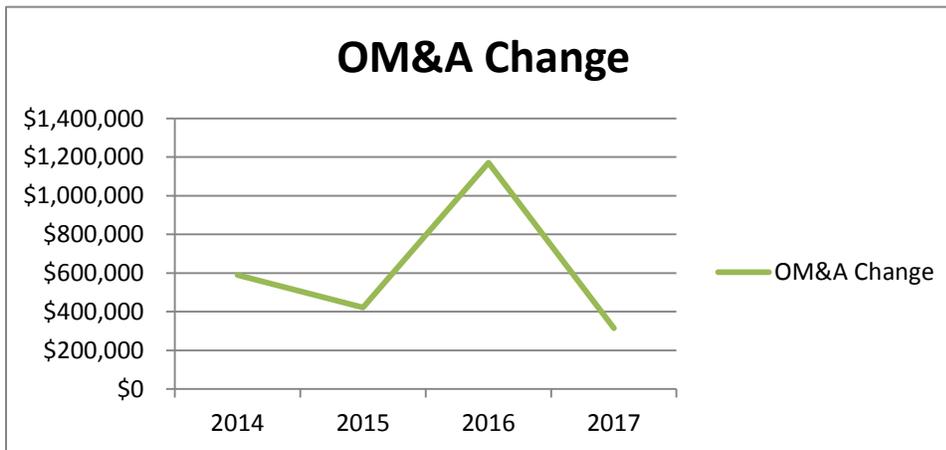
31
32
33
34

1 **TABLE 4-1: SUMMARY OF OM&A EXPENSES – 2013 TO 2017 TEST YEAR**

Line No.		Last Rebasing Year (2013 Board-Approved)	Last Rebasing Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year
1							
2	Operations	\$3,495,297	\$3,356,496	\$3,166,762	\$3,167,155	\$3,400,584	\$3,322,661
3	Maintenance	\$3,780,833	\$3,446,710	\$4,149,144	\$4,274,077	\$4,633,065	\$4,703,516
4	Billing and Collecting	\$2,116,128	\$1,900,983	\$1,883,864	\$2,032,711	\$2,000,585	\$2,251,439
5	Community Relations	\$253,133	\$189,349	\$205,756	\$205,161	\$209,547	\$222,078
6	Administrative and General	\$4,654,608	\$4,339,346	\$4,416,991	\$4,564,900	\$5,170,603	\$5,230,177
7	Total	\$ 14,300,000	\$ 13,232,884	\$ 13,822,518	\$ 14,244,004	\$ 15,414,383	\$ 15,729,872
8	%Change (year over year)			4.46%	3.05%	8.22%	2.05%

2
 3 Table 4-1 annual change is detailed in Table 4-2 below.

4 **TABLE 4-2: OM&A ANNUAL CHANGE 2014-2017 TEST YEAR**



5
 6 The chart in Table 4-2 above indicates that the 2016 Bridge Year is taking a steep incline and 2017 Test
 7 Year dropping back down to a more modest increase. The 2016 Bridge Year is a higher than normal year
 8 as it includes; some “one-time” costs that will not be on-going such as \$168,000 for professional fees
 9 related to the 2017 COS application, \$50,000 estimated professional fees with respect to transferring
 10 property titles, \$50,000 for renovations to the Operations/Service Centre to improve workflow efficiencies,
 11 \$118,000 for Operations/Service Centre building repairs, and \$40,000 training related to the SCADA
 12 upgrade. Additionally, the 2016 Bridge Year has unavoidable cost increases including \$65,000 for the
 13 transition to residential monthly billing (Thunder Bay Hydro deferred this transition to the point that we
 14 would ensure compliance with the OEB directive while minimizing costs to the customer), and
 15 approximately \$60,000 as Thunder Bay Hydro commences the smart meter sampling program with the
 16 objective of renewing the seal dates (Thunder Bay Hydro smart meters are approaching the
 17 Measurement Canada 10 year meter seal expiry date). The 2016 Bridge Year includes costs that do not
 18 occur annually such as \$116,000 for fire retardant clothing, and \$12,000 for collective bargaining. Finally,

1 there is approximately \$80,000 for complement increases (business decision by Thunder Bay Hydro due
2 to workload issues and succession planning). Having said such, the projections are done very early in
3 the year and as such, conservatism does impact some of the expenses, particularly the budgeting for
4 storm maintenance activity and potential profession fees for unforeseen HR and staffing issues.
5 Additionally, Thunder Bay Hydro had used 2.5% for wage rate increase (see Section 4.4.1 of this Exhibit)
6 versus the ratified 2% increase. At the time of writing, it would appear as though Thunder Bay Hydro's
7 storm activity and HR issue costs may be over estimated by approximately \$140,000; however, no
8 adjustment has been to update projections (they were a best estimate at a point in time). To conclude, all
9 of the foregoing costs, with the possible exception of approximately \$140,000, will occur in 2016 and
10 cannot be moved to other years to smooth out the impact.

11 Since Last Rebasing in 2013, Thunder Bay Hydro's OM&A costs have increased \$1,429,872. This
12 represents a total percent increase of 10% over this period or a compound annual average increase of
13 1.92%. OM&A costs per customer and FTE can be found in Table 4-8 below in Section 4.2.3 of this
14 Exhibit. OM&A cost per customer for the 2017 Test Year is \$311 which is a \$24.01 increase from
15 Thunder Bay Hydro's Last Rebasing – 2013 Board Approved cost per customer of \$287. This is an 8.38%
16 increase during this period. Thunder Bay Hydro's OM&A cost per FTE for the 2017 Test Year is
17 \$114,602 which is an increase of \$14,798 or 14.83% from the 2013 Board Approved cost of \$99,805. As
18 noted in Section 1.3.3 in Exhibit 1 which is defined as having actual cost within +/- 10% of predicted
19 costs. Thunder Bay Hydro will remain in Cohort Group III with an efficiency ranking of 0.3%.

20 The significant factors driving OM&A increase in Thunder Bay Hydro's costs include increases in staff
21 compensation related to negotiated and awarded inflationary increases; staff complement increases to
22 accommodate increased workloads; mandated initiatives including Ontario One Call, time of Use meter
23 sampling; transition to monthly residential billing; increased customer engagement activities related to
24 ESA and OEB RRFE requirements; and maintenance programs, such as porcelain insulator
25 replacements and increased tree trimming, designed to maintain/increase distribution system reliability.

26 Table 4.3 below provides a summary of the cost drivers from Thunder Bay Hydro's Last Rebasing -2013
27 Board Approved costs to the 2017 Test Year costs:

28
29
30
31
32
33

1 **TABLE 4-3: SUMMARY OF COST DRIVERS – LAST REBASING -2013 BOARD APPROVED TO 2017**
 2 **TEST YEAR**

Line No	Description	Amount
1		
2	Last Rebasings Year - 2013 Board Approved	\$14,300,000
3	Description of Cost Drivers	
4	Salaries, Wages and Benefits	\$558,933
5	Outside Services	\$307,962
6	Postage / Courier	\$244,359
7	Administrative	\$181,771
8	Trucking	\$136,673
9	Memberships, Licenses, Fees	\$134,212
10	Telephone / Circuits	(\$90,994)
11	Cost Drivers less than materiality	(\$43,044)
12	OM&A increase from the 2013 OEB approved	\$1,429,872
13	OM&A % increase	10.00%
14	2017 Test Year OM&A	\$15,729,872

3
 4 Salaries, wages and benefits are the most significant driver of Thunder Bay Hydro's OM&A costs,
 5 showing a \$558,933 increase from the Last Rebasings Year. Thunder Bay Hydro's complement has
 6 decreased by 5 FTE (after restating the 2013 Board Approved FTE to include overtime); however total
 7 salaries and wages have increased by \$813,215 and benefits by \$139,237 as outlined in Table 4-4 as
 8 follows:

9 **TABLE 4-4: OVERALL COMPENSATION TREND SUMMARY**

Line No	Description	Last Rebasings Year - 2013 - OEB Approved	2017 Test Year	Variance
1	Salaries/Wages	\$10,670,317	\$11,483,532	\$813,215
2				7.6%
3	Benefits	\$2,682,178	\$2,821,415	\$139,237
4				5.19%
5	Total Compensation (Salary, Wages & Benefits)	\$13,352,495	\$14,304,947	\$952,452
6				7.13%

10
 11 (See further discussions at 4.4.5 and 4.4.6).

12 Outside Services are another significant cost driver. Thunder Bay Hydro is budgeting to increase the
 13 Tree Trimming Maintenance program as well as the Overhead and Underground Maintenance program
 14 (porcelain insulator replacement) with the objective of increasing reliability and reducing safety risks.
 15 (See Tree Trimming Maintenance discussion at 4.3.2).

1 Postage/Courier costs are increasing to by \$244, 359 to \$521,319 in 2017 Test Year costs from \$276,960
2 in the 2013 Board Approved given that Thunder Bay Hydro will have fully implemented monthly billing for
3 all customers by December 31, 2016 (previously Residential customers were billed on a bi-monthly
4 basis).

5 Administrative costs are increasing by \$181,771 from the 2013 Board Approved; however, there are no
6 functional expenses that are significant (greater than \$50K) in this grouping.

7 Trucking costs are increasing from the last rebasing by \$136,673 in the 2017 Test Year, largely
8 attributable to depreciation on the new fleet facility and fleet.

9 Memberships, licenses and fees are another material cost driver for Thunder Bay Hydro. The Board
10 revised its Cost Assessment Model (CAM) in 2016 which resulted in a 2017 Test Year expense of
11 \$245,000 which is an increase of \$118,000 or a 93% increase over the Last Rebasing Year.

12 Telephone costs have decreased by \$90,994 from the 2013 Board Approved amounts in part, as a result
13 of cost effective equipment replacement as discussed in the Past Performance Category: Service Quality
14 Section 1.4.4 of Exhibit 1.

15

16 **INFLATION ON NON-LABOUR ITEMS**

17 Thunder Bay Hydro has calculated the inflation on non-labour items or a specifically identified expense
18 increase, based on the Board- Approved Inflation Factor as reflected in Table 4-5 below. Thunder Bay
19 Hydro used an inflation rate of 2.0% (rounded down from the most recent Board-Approved inflation factor
20 issued on September 17, 2015) to forecast inflationary increases in 2017.

21 **TABLE 4-5: INFLATION FACTORS**

Line No	Year	Inflation
1	2016	2.00%
2	2017	2.00%

22

23 **BUSINESS ENVIRONMENT CHANGES**

24 Since Thunder Bay Hydro's last rebasing in 2013, there has been five significant business environment
25 changes that will impact operating costs – the introduction of Metering Inside the Settlement Timeframe
26 (MIST); the introduction of Ontario One Call; Measurement Canada sampling requirements now that
27 Thunder Bay Hydro's smart meters are approaching seal expiry; the mandated requirement for monthly
28 billing for residential customers; and OCEB and OESP government programs for customers.

29

30

1 **Mist Meters**

2 Thunder Bay Hydro is required to change out approximately 500 existing non interval meters for
3 customers that are >50 kw and <500 kw. This new class of interval Mist meters is required to be installed
4 by August 21, 2020. The meter will be another in the line of Smart Meters provided by our existing
5 supplier. (Elster) These meter replacements will require additional investments as each meter will be
6 approximately a five hundred dollar expense along with installation and administrative costs.

7 These meters will utilize the existing Smart Meter communication infrastructure but enhancements to this
8 infrastructure will be needed as this interval Mist meter data requires a stronger clearer transmission
9 signal then the standard time of use meter.

10 The introduction of these meters will also require that Thunder Bay Hydro's IT department will need to
11 work closely with the meter manufacturer and Thunder Bay Hydro's Advance Metering Infrastructure
12 (AMI) vendor to be able to extract and import usable data for billing.

13 The trickledown effect from the introduction of the interval Mist meter and the new class of accounts that
14 will be created will create increase workloads for our Billing and Settlement, Metering, Information
15 Technology, Customer Service and Regulatory departments.

16 **Ontario One Call**

17 The Ontario Underground Infrastructure Notification System Act, 2012 has made it mandatory for all
18 infrastructure owners to be part of the Ontario One Call system. Over the historical period, locate request
19 volumes have increased greatly due in part to the exposure brought about by this legislation and the ease
20 with which locates can now be requested. As a result of this Thunder Bay Hydro has had to revise the
21 processes it previously had in place to manage this increased workload. This included:

- 22 • purchasing software to streamline the receipt and processing of requests;
- 23 • purchasing hardware to allow requests to be processed electronically in the field, increasing
24 efficiency;
- 25 • increases in overtime to ensure legislated deadlines are met; and
- 26 • Integrating other business systems with the request processing environment (i.e. developing and
27 accessing the data in the GIS - Geographic Information System spatial database).

28 **Smart Meter Sampling For Reverification**

29 As part of a legislated requirement, Thunder Bay Hydro replaced approximately 50,000 electro-
30 mechanical type revenue meters with electronic smart meters in 2009. The new electronic smart meters
31 selected by Thunder Bay Hydro for use were manufactured by Elster and had 10 year seal life and will
32 expire in 2019. As per Measurement Canada requirements a meter with an expired seal cannot be left in
33 service for revenue / billing purposes. Measurement Canada's (MC) Statistical Method Specification (S-

1 S-06) replaced the previous 1986 mechanical meter reverification standard LMB-EG-04; and defines how
2 an electronic smart meter owner can utilize meter sampling for the purposes of extending the
3 reverification period of an in-service lot of meters. Differing from the LMB-EG-04 Standard where the
4 meter testing agency would be responsible for meter sampling data; the S-S-06 specification now places
5 this and additional clerical data management and meter tracking responsibilities on the utility.

6
7 **Residential Billing on a Monthly Basis**

8 Thunder Bay Hydro currently bills residential customers on a bi-monthly basis. As directed by the OEB,
9 monthly billing for residential customers must be in place by December 31, 2016. The impacts of monthly
10 billing are numerous. The change has increased workload in billing department. The billing department
11 will be required to generate almost twice as many bills, which will increase processing, exceptions and
12 manual validations.

13 **Cessation/Implementation of the OCEB and the OESP respectively**

14 Government and regulatory policy changes affect TBHEDI in a variety of ways. The significant impacts of
15 these changes are in the billing and customer service departments. Each policy change which modifies a
16 customer bill is tested through both bill generation and bill printing. The impact on the customer service
17 department is an increase in customer inquiries, which increases phone and email traffic. Thunder Bay
18 Hydro is making efforts to reduce call volumes (online customer portal), but each policy change results in
19 an influx of customer inquiries. This is particularly apparent when changes are made to low income
20 programs.

21 The OCEB program ceased December 31, 2015 and was replaced with the OESP program. These
22 programs changes required a programming change to Thunder Bay Hydro's customer information and
23 billing system. The required programming change was a custom change, for which, Thunder Bay Hydro
24 incurred costs to implement/ remove OESP OCEB charges. The introduction of the OESP program in
25 2015 required integration of Thunder Bay Hydro's CIS system with the provincial OESP validation system.
26 This required information technology staff time as well as an additional custom programming cost for the
27 CIS system. The change also came with impacts to the billing department as the OESP credit required
28 changes to the bill generation and printing functions.

29

30

31

32

4.2 SUMMARY AND COST DRIVER

4.2.1 SUMMARY OF RECOVERABLE OM&A EXPENSES

Thunder Bay Hydro follows the Board's Accounting Procedures Handbook ("APH") in distinguishing work performed between operations and maintenance. A Summary of Thunder Bay Hydro's OM&A expenses (5005- 5695, 6110, 6205), including payments in lieu of property taxes and LEAP, for the 2013 Board Approved, 2013 Actual, 2014 Actual, 2015 Actual, 2016 Bridge Year and 2017 Test Year is provided in Table 4-6: Summary of Recoverable OM&A Expenses below, which is consistent with the Boards' Appendix 2-JA. A copy of the Board's Appendix 2-JA is also included in Attachment 4-A to this Exhibit. Thunder Bay Hydro is proposing to receive the 2017 Test Year costs through distribution rates for the 2017 Test Year.

TABLE 4-6: SUMMARY OF RECOVERABLE OM&A EXPENSES

	Last Rebasing Year (2013 Board-Approved)	Last Rebasing Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year
Reporting Basis						
Operations	\$3,495,297	\$3,356,496	\$3,166,762	\$3,167,155	\$3,400,584	\$3,322,661
Maintenance	\$3,780,833	\$3,446,710	\$4,149,144	\$4,274,077	\$4,633,065	\$4,703,516
SubTotal	\$ 7,276,131	\$ 6,803,206	\$ 7,315,906	\$ 7,441,232	\$ 8,033,649	\$ 8,026,177
%Change (year over year)			7.5%	1.7%	8.0%	-0.1%
%Change (Test Year vs Last Rebasing Year - Actual)						18.0%
Billing and Collecting	\$2,116,128	\$1,900,983	\$1,883,864	\$2,032,711	\$2,000,585	\$2,251,439
Community Relations	\$253,133	\$189,349	\$205,756	\$205,161	\$209,547	\$222,078
Administrative and General	\$4,654,608	\$4,339,346	\$4,416,991	\$4,564,900	\$5,170,603	\$5,230,177
SubTotal	\$ 7,023,869	\$ 6,429,678	\$ 6,506,611	\$ 6,802,772	\$ 7,380,734	\$ 7,703,695
%Change (year over year)			1.2%	4.6%	8.5%	4.4%
%Change (Test Year vs Last Rebasing Year - Actual)						19.8%
Total	\$ 14,300,000	\$ 13,232,884	\$ 13,822,518	\$ 14,244,004	\$ 15,414,383	\$ 15,729,872
%Change (year over year)			4.5%	3.0%	8.2%	2.0%

	Last Rebasing Year (2013 Board-Approved)	Last Rebasing Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year
Operations	\$3,495,297	\$3,356,496	\$3,166,762	\$3,167,155	\$3,400,584	\$3,322,661
Maintenance	\$3,780,833	\$3,446,710	\$4,149,144	\$4,274,077	\$4,633,065	\$4,703,516
Billing and Collecting	\$2,116,128	\$1,900,983	\$1,883,864	\$2,032,711	\$2,000,585	\$2,251,439
Community Relations	\$253,133	\$189,349	\$205,756	\$205,161	\$209,547	\$222,078
Administrative and General	\$4,654,608	\$4,339,346	\$4,416,991	\$4,564,900	\$5,170,603	\$5,230,177
Total	\$ 14,300,000	\$ 13,232,884	\$ 13,822,518	\$ 14,244,004	\$ 15,414,383	\$ 15,729,872
%Change (year over year)			4.5%	3.0%	8.2%	2.0%

	Last Rebasing Year (2013 Board-Approved)	Last Rebasing Year (2013 Actuals)	Variance 2013 BA - 2013 Actuals	2014 Actuals	Variance 2014 Actuals vs. 2013 Actuals	2015 Actuals	Variance 2015 Actuals vs. 2014 Actuals	2016 Bridge Year	Variance 2016 Bridge vs. 2015 Actuals	2017 Test Year	Variance 2017 Test vs. 2016 Bridge
Operations	\$3,495,297	\$3,356,496	\$138,801	\$3,166,762	(\$189,734)	\$3,167,155	\$393	\$3,400,584	\$233,429	\$3,322,661	(\$77,923)
Maintenance	\$3,780,833	\$3,446,710	\$334,123	\$4,149,144	\$702,434	\$4,274,077	\$124,933	\$4,633,065	\$358,987	\$4,703,516	\$70,451
Billing and Collecting	\$2,116,128	\$1,900,983	\$215,146	\$1,883,864	(\$17,119)	\$2,032,711	\$148,847	\$2,000,585	(\$32,126)	\$2,251,439	\$250,854
Community Relations	\$253,133	\$189,349	\$63,784	\$205,756	\$16,407	\$205,161	(\$596)	\$209,547	\$4,386	\$222,078	\$12,531
Administrative and General	\$4,654,608	\$4,339,346	\$315,262	\$4,416,991	\$77,644	\$4,564,900	\$147,909	\$5,170,603	\$605,703	\$5,230,177	\$59,575
Total OM&A Expenses	\$14,300,000	\$13,232,884	\$1,067,116	\$13,822,518	\$589,634	\$14,244,004	\$421,486	\$15,414,383	\$1,170,379	\$15,729,872	\$315,489
Adjustments for Total non-recoverable items (from Appendices 2-JA and 2-JB)											
Total Recoverable OM&A Expenses	\$14,300,000	\$13,232,884	\$1,067,116	\$13,822,518	\$589,634	\$14,244,004	\$421,486	\$15,414,383	\$1,170,379	\$15,729,872	\$315,489
Variance from previous year				\$589,634		\$421,486		\$1,170,379		\$315,489	
Percent change (year over year)				4%		3%		8%		2%	
Percent Change:											
Test year vs. Most Current Actual						10.43%					
Simple average of % variance for all years						18.87%					4%
Compound Annual Growth Rate for all years											3.5%
Compound Growth Rate (2015 Actuals vs. 2013 Actuals)						2.48%					

4.2.2 COST DRIVER TABLES

Consistent with the Board's Appendix 2-JB, Table 4-7 below provides a list of the cost drivers that affected year over year OM&A spending or, where the cost driver is common or recurring, expenditures

1 that have impacted multiple years. A copy of the Board's Appendix 2-JB can also be found in Attachment
 2 4-B to this Exhibit.

3 **TABLE 4-7: COST DRIVER TABLE**

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

OM&A	Last Rebasing Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year
<i>Reporting Basis</i>					
Opening Balance	\$ 14,300,000	\$ 13,232,884	\$ 13,822,518	\$ 14,244,004	\$ 15,414,383
Salaries, Wages and Benefits	(\$261,434)	\$268,444	\$2,439	\$326,878	\$222,607
Training	(\$89,161)	\$6,156	\$46,242	\$99,551	\$4,769
Memberships, Licenses, Fees	(\$2,268)	\$7,120	(\$1,306)	\$21,539	\$109,127
Safety Equipment	(\$56,447)	\$74,483	(\$78,973)	\$139,886	(\$53,100)
Safety Training	(\$72,635)	\$1,201	(\$32,555)	(\$8,266)	\$8,973
Trucking	(\$71,458)	\$297,945	(\$43,571)	(\$58,824)	\$12,582
Bad Debts	(\$9,926)	(\$51,752)	\$164,869	(\$86,245)	\$0
Community Relations	(\$23,791)	\$4,429	(\$8,604)	\$23,425	\$5,434
Materials	(\$31,133)	\$29,688	\$2,966	(\$12,931)	(\$4,239)
Computers	(\$15,137)	\$14,397	\$49	\$40,540	(\$13,286)
Telephone / Circuits	\$6,878	(\$50,405)	(\$40,782)	(\$9,732)	\$3,046
Outside Services	(\$20,890)	(\$1,682)	\$159,922	(\$69,360)	\$239,972
Postage / Courier	\$3,282	\$27,356	(\$50,716)	\$84,273	\$180,164
Professional Fees	\$23,716	(\$79,229)	(\$38,782)	\$268,045	(\$147,304)
Administrative	(\$215,733)	\$4,252	\$233,459	\$207,834	(\$48,042)
Affiliated Costs	(\$104,930)	(\$500)	\$0	\$0	\$0
Buidling / Station	\$39,759	(\$15,532)	\$50,214	\$10,966	(\$25,250)
Overhead Costs	(\$165,810)	\$53,263	\$56,615	\$192,800	(\$179,964)
All Other items	\$0	\$0	\$0	\$0	\$0
Closing Balance	\$ 13,232,884	\$ 13,822,518	\$ 14,244,004	\$ 15,414,383	\$ 15,729,872

4
 5 The following explanations detail the primary cost drivers that have influenced the increase in Thunder
 6 Bay Hydro's OM&A Expenditures since the last Cost of Service Application, up to and including the 2017
 7 Test Year. Each driver is summarized by its net change year over year. Thunder Bay Hydro has provided
 8 comments on those variances greater than its materiality level of \$119,000.

9 **CHANGE IN SALARIES, WAGES AND BENEFITS**

10 LAST REBASING TO ACTUAL 2013 - (\$261,434)

11 In general terms, the changes in year-over-year employee compensation in OM&A is a result of several
 12 drivers including succession planning, attrition, vacancies, sick leaves, and deferred hiring.

13 The most significant cost variance from 2013 Actual to Last Rebasing Year – 2013 Board Approved was
 14 benefit costs. Thunder Bay Hydro had an actuarial valuation update in 2013. The update resulted in an

1 actuarial gain which was amortized over 12 years. The total reduced cost was \$270,000, of which
2 approximately 81.25% flows through OM&A. Additionally, health benefit costs in 2013 came in \$52,000
3 (\$20,000 lower than 2012 actual) lower than budgeted.

4 Another key cost driver for the decrease in 2013 actual salary/wage expenditures from Last Rebasing
5 Year -2013 Board Approved was that during 2013, less unpredictable events and fewer than expected
6 storm events occurred resulting in fewer system failures. As a result, less overtime work for overhead and
7 underground maintenance was required in OM&A, leading to \$87,000 lower salary and benefit costs.
8 Station Maintenance also experienced less overtime hours.

9 The Affiliated Costs reduction of \$104,930 is salary, wages and benefits that were redirected to OEB
10 account 4220 to net against revenues billed to Thunder Bay Hydro Utility Services Inc. and therefore are
11 no longer presented in OM&A. See also, Attachment 4-I Shared Services and Corporate Cost Allocation
12 Attachment in this Exhibit and discussion at 3.4.2 Other Revenue Variance Analysis in Exhibit 3.

13 2013 Actual to 2014 Actual - \$268,444

14 The primary cost drivers for the salary and wages increase in 2014 was the 2.25% increase as per the
15 collective agreement and progression increases.

16 2015 Actual to 2016 Bridge - \$326,878

17 The primary cost drivers for the salary and wages increase in the 2016 Bridge Year is the collective
18 bargaining increase estimated to be approximately \$210,000; overtime increase of approximately
19 \$110,000 (the last few historical years have experienced favorable budget to actual variances given
20 fewer than anticipated storm events); an additional full time complement in the Finance Division to
21 commence September 2016 and an additional full time apprentice complement in System Control
22 Department for succession planning to commence in the last quarter of 2016.

23 2016 Bridge to 2017 Test - \$222,607

24 The primary cost drivers for the salary and wages increase in the 2017 Test Year is the collective
25 bargaining increase estimated to be approximately \$168,000; the full time apprentice complement
26 increase in System Control and the Finance Division now reflecting a full year; progression increases;
27 return to full complement in the Powerline group (in the 2016 Bridge Year there were 2 FTE positions that
28 were unfilled as they were on LTD); .5 FTE Billing Clerk for workload increase related to the transition to
29 monthly billing for Residential customers; and an overtime reduction of approximately \$69,000.

30 **SAFETY EQUIPMENT**

31 2015 Actual to 2016 Bridge - \$139,886

1 As part of Thunder Bay Hydro's key commitment to safety, all outside line crew receive new personal
2 protective equipment every second year.

3 **TRUCKING**

4 2013 Actual to 2014 Actual - \$297,945

5 Fleet Department costs are up \$297,945 over 2013 Actuals. The cost drivers for the department cost
6 increase include depreciation on the new garage (completed at the end of 2013); operating costs (gas,
7 oil, repairs, tires, registration & license, testing) experienced a 14.6% increase in 2014 due to an increase
8 in truck testing and repair parts costs; and depreciation on the Fleet. Trucking costs are aligned with how
9 staff is deployed throughout the organization. Under IFRS, only costs that are considered directly
10 attributable to capital are eligible for capitalization. Thunder Bay Hydro does not consider depreciation on
11 the garage as directly attributable to capital, resulting in this full increase allocated to operating and
12 maintenance expenses.

13 **BAD DEBTS**

14 2014 Actual to 2015 Actual - \$164,869

15 In 2015, the variance was primarily driven by an unusual number of commercial customers who ceased
16 business due to bankruptcy.

17 **OUTSIDE SERVICES**

18 2014 Actual to 2015 Actual - \$159,922

19 In 2015, Thunder Bay Hydro implemented its plan to address outages experienced within rural feeders
20 through a focused attention on tree trimming. Thunder Bay Hydro aggressively increased its tree trimming
21 in identified rural areas, which was a key cost driver to higher outside services. In addition Thunder Bay
22 Hydro received assistance from outside services to complete a Customer Service Survey, for website re-
23 design, and a Customer Engagement Survey as part of the development of the DSP.

24 2016 Bridge to 2017 Test - \$239,972

25 In 2017 Thunder Bay Hydro plans to increase its use of external resources, thus driving up Outside
26 Service expenses. Thunder Bay Hydro's maintenance plan for tree trimming has been increased by
27 \$150,000 over 2016 forecasted level in order to maintain a reliable and preventative forestry program.
28 Other cost driving projects are attributable to the repair of certain station buildings, as well as to the
29 replacement of overhead maintenance equipment which is experiencing a high failure rate.

30

1 **POSTAGE \COURIER**

2 2016 Bridge to 2017 Test - \$180,164

3 Thunder Bay Hydro expects an increase to its postage/courier fees. This increase is primarily attributable
4 to Thunder Bay Hydro's plan to switch from its current bimonthly residential billing cycles to the Board's
5 mandated monthly billing cycles by December 31st 2016. This is expected to double the volume of
6 residential postage.

7 **PROFESSIONAL FEES**

8 2015 Actual to 2016 Actual - \$268,045

9 Thunder Bay Hydro's professional fees cost driver category includes costs such as external auditors,
10 outside consultants and legal costs incurred annually as part of the utility's business operations. This cost
11 driver category covers preparation of audited financial statements, legal costs for preparation of
12 documents or advice, and consultants for Thunder Bay Hydro's cost of service filing and distribution
13 system plan.

14 Professional fees have increased in the 2016 bridge year attributable to the preparation of Thunder Bay
15 Hydro's 2017 COS Rate Application and additional regulatory requirements. Thunder Bay Hydro engaged
16 a consultant to assist with various aspects of the COS application, the preparation of its distribution
17 system plan and legal and/or consultant review of the completed application results.

18 2016 Bridge to 2017 Test – (\$147,304)

19 The 2016 Bridge year reflects actual consultant and legal fees related to the preparation of the 2017 COS
20 versus 2017 Test year reflects the annualized (one-fifth) costs of such: therefore, a reduced amount.

21 **ADMINISTRATIVE**

22 Last Rebasing to 2013 Actual – (\$215,733)

23 Administrative costs include the IT Department costs, Purchasing Department costs, bank charges,
24 general plant equipment maintenance, liability and property insurance cost, supplies, etc. Cost drivers to
25 the Administrative spending variance in 2013 include; IT costs less than budgeted as a result of deferring
26 the purchase and installation of a Document Management System (DMS) from 2013 to 2014; lower than
27 budgeted property taxes as the 2013 budgeted amount was an annualized amount based on a 4 year
28 assessment increase; unbudgeted trades training reimbursements and other spending efficiencies, each
29 individually below materiality.

30

1 2014 Actual to 2015 Actual - \$233,459

2 The more significant cost drivers of the variance in 2015 include; renovations with respect to expanding
3 existing locker room areas to accommodate all staff in order to utilize space at its Operations Centre more
4 efficiently; and IT Department costs for the addition of an intern to their complement for a special project
5 (the DMS project deferred from 2013) and increased training costs related to the special project.

6 2015 Actual to 2016 Bridge - \$207,834

7 The cost drivers in 2016 pertained to a number of smaller miscellaneous variances such as the following:
8 a decrease in the cost recovery for retailer activity; carpet replacement for a number of departments;
9 miscellaneous tools and supplies; liability insurance projected at gross versus incorporating past premium
10 reductions (no certainty a reduction will occur); and IT Department upgrade of equipment for enhanced
11 graphic processing.

12 **OVERHEAD COSTS**

13 Last Rebasing to 2013 Actual – (\$165,810)

14 Engineering and Supervisory overhead department costs were the main contributor to the variance.
15 Engineering department costs were less than budgeted due to the timing of filling the vacancy of the
16 Engineering Manager. The allocation to capital was higher than budgeted due to the nature of the work
17 being performed by the departments and as a result of higher than budgeted labour charge to capital
18 versus operating and maintenance accounts. As a result, Engineering and Supervisory overhead charges
19 allocated to operating and maintenance accounts were less than budgeted.

20 2015 Actual to 2016 Bridge - \$192,800

21 The 2016 Overhead costs increased due to the Engineering and Supervisory Overhead Departments.
22 For both departments, overall department costs increased and the percentage of PLT wages allocated to
23 operating and maintenance costs increased.

24 2016 Bridge to 2017 Test – (\$179,964)

25 The 2017 Overhead costs decreased due to the Engineering, Supervisory and Downtime Overhead
26 Departments. Overall the PLT wages allocated to capital increased in 2017. Further, per review of
27 Downtime hours, a higher percentage of hours were eligible to be capitalized as a higher percentage was
28 directly attributable to capital. As a result less overhead department costs were allocated to operating
29 and maintenance accounts.

4.2.3 OM&A COST PER CUSTOMER AND FULL-TIME EQUIVALENT

Table 4-8 below is a summary of the OM&A cost per customer and per full-time equivalent (“FTE”). This table is consistent with the Board’s Appendix 2-L, which is included as an Attachment to 4-C to this Exhibit. The FTE figures below are the average of the annual FTEs shown in Table 4-12. The number of customers is based on an annual average for each metered rate class.

TABLE 4-8: RECOVERABLE OM&A COST PER CUSTOMER AND PER FTE

	Last Rebasings Year - 2013- Board Approved	Last Rebasings Year - 2013- Actual	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year
Reporting Basis						
OM&A Costs						
O&M	7,276,131	6,803,206	7,315,906	7,441,232	8,033,649	8,026,177
Admin Expenses	7,023,869	6,429,678	6,506,611	6,802,772	7,380,734	7,703,695
Total Recoverable OM&A from Appendix 2-JB ⁵	14,300,000	13,232,884	13,822,518	14,244,004	15,414,383	15,729,872
Number of Customers ^{2,4}	49,907	50,003	50,200	50,373	50,512	50,652
Number of FTEs ^{3,4}	143	135	135	134	135	137
Customers/FTEs	348	370	373	376	374	369
OM&A cost per customer						
O&M per customer	146	136	146	148	159	158
Admin per customer	141	129	130	135	146	152
Total OM&A per customer	287	265	275	283	305	311
OM&A cost per FTE						
O&M per FTE	50,783	50,351	54,390	55,507	59,409	58,476
Admin per FTE	49,022	47,587	48,374	50,744	54,581	56,126
Total OM&A per FTE	99,805	97,938	102,764	106,251	113,990	114,602

4.3 PROGRAM DELIVERY COSTS AND VARIANCE ANALYSIS

4.3.1 PROGRAM DELIVERY COSTS

OVERVIEW

Thunder Bay Hydro has a variety of programs, activities and initiatives that are imperative to continue to provide safe, reliable and affordable service to customers. In Table 4-9 below, Thunder Bay Hydro has identified its programs and major functions on a comparative basis from 2013 Board Approved to the 2017 Test Year. This table is consistent with the Boards Appendix 2-JC, which can also be found in Attachment 4-D to this Exhibit. These programs contribute to achieving the new Renewed Regulatory Framework performance outcomes of Customer Focus, Operational Effectiveness, and Public Policy Responsiveness. This shows the alignment of Thunder Bay Hydro's direct costs and the management of the costs associated with the outcomes. An analysis is provided below on all material variances that exceed the materiality threshold for the 2017 test year versus the 2015 Actuals and the 2017 Test Year versus 2013 Board Approved amounts. Consistent with the Filing Requirements, Thunder Bay Hydro has completed Appendix 2-D, Overhead Expense, which is detailed in Table 4-10 below and as well, can be found in Exhibit 2, Attachment 2-E.

17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

1 **TABLE 4-9: OM&A PROGRAM TABLE**

	Last Rebasing Year (2013 Board-Approved)	Last Rebasing Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year	Variance (Test Year vs. 2015 Actuals)	Variance (Test Year vs. Last Rebasing Year 2013 Board-Approved)
Programs								
Reporting Basis								
Operations								
Meter Operations	\$249,368	\$167,451	\$165,756	\$176,873	\$231,403	\$243,015	\$66,142	(\$6,353)
System Control Operations	\$858,095	\$848,730	\$912,876	\$944,180	\$1,028,685	\$1,051,541	\$107,362	\$193,446
Overhead/Underground Operations	\$1,471,964	\$1,367,269	\$1,274,641	\$1,185,476	\$1,270,056	\$1,206,541	\$21,065	(\$265,423)
Operations Supervisory	\$466,723	\$378,269	\$283,074	\$344,097	\$379,495	\$374,781	\$30,684	(\$91,942)
Station Operations	\$449,147	\$594,777	\$530,416	\$516,529	\$490,945	\$446,783	(\$69,746)	(\$2,364)
Sub-Total	\$3,495,297	\$3,356,496	\$3,166,762	\$3,167,155	\$3,400,584	\$3,322,661	\$155,506	(\$172,636)
Maintenance								
Meter Maintenance	\$0	\$42,818	\$99,931	\$75,697	\$56,838	\$45,036	(\$30,661)	\$45,036
Maintenance Supervisory	\$898,723	\$743,190	\$952,437	\$1,066,445	\$1,229,061	\$1,153,888	\$87,443	\$255,165
Overhead/Underground Maintenance	\$1,816,396	\$1,719,788	\$2,148,335	\$2,168,277	\$2,228,115	\$2,221,864	\$53,587	\$405,468
Station Maintenance	\$249,200	\$112,925	\$138,701	\$127,196	\$286,452	\$279,139	\$151,943	\$29,939
Transformer Maintenance	\$126,630	\$143,114	\$96,855	\$72,267	\$116,249	\$115,352	\$43,085	(\$11,278)
Tree Trimming	\$689,884	\$684,873	\$712,884	\$764,196	\$716,350	\$888,237	\$124,041	\$198,353
Sub-Total	\$3,780,833	\$3,446,710	\$4,149,144	\$4,274,077	\$4,633,065	\$4,703,516	\$429,439	\$922,683
Community Relations								
LEAP	\$24,000	\$24,800	\$25,186	\$25,186	\$25,186	\$29,978	\$4,792	\$5,978
Community Relations	\$229,133	\$164,549	\$180,570	\$179,975	\$184,361	\$192,100	\$12,125	(\$37,033)
Sub-Total	\$253,133	\$189,349	\$205,756	\$205,161	\$209,547	\$222,078	\$16,917	(\$17,055)
Customer Service								
Bad Debt	\$130,000	\$120,074	\$68,322	\$233,191	\$146,946	\$146,946	(\$86,245)	\$16,946
Customer Billing	\$1,516,504	\$1,295,301	\$1,339,912	\$1,312,032	\$1,361,074	\$1,600,938	\$288,906	\$84,434
Customer Collection	\$454,624	\$485,608	\$475,630	\$487,488	\$492,565	\$503,555	\$16,067	\$48,931
Sub-Total	\$2,101,128	\$1,900,983	\$1,883,864	\$2,032,711	\$2,000,585	\$2,251,439	\$218,728	\$150,311
Administration								
Insurance	\$134,591	\$138,730	\$150,893	\$128,443	\$157,735	\$160,924	\$32,481	\$26,333
Office Supplies	\$54,215	\$42,316	\$38,659	\$35,660	\$65,737	\$45,417	\$9,757	(\$8,798)
General Building	\$0	\$1,143	\$234	\$259	\$300	\$300	\$41	\$300
Safety Training	\$16,045	\$13,664	\$12,213	\$9,374	\$27,081	\$19,503	\$10,129	\$3,458
Regulatory Affairs	\$192,666	\$192,170	\$191,252	\$219,660	\$236,656	\$275,305	\$55,645	\$82,639
Audit, Legal & Consulting	\$175,850	\$199,566	\$120,337	\$81,366	\$349,600	\$202,296	\$120,930	\$26,446
Administrative and Human Resource	\$4,096,241	\$3,751,757	\$3,903,402	\$4,090,138	\$4,333,494	\$4,526,432	\$436,295	\$430,191
Sub-Total	\$4,669,608	\$4,339,346	\$4,416,991	\$4,564,900	\$5,170,603	\$5,230,177	\$665,278	\$560,569
Miscellaneous								
							\$0	\$0
Total	\$14,300,000	\$13,232,884	\$13,822,518	\$14,244,004	\$15,414,383	\$15,729,872	\$1,485,868	\$1,429,872

2
3 **MATERIALITY THRESHOLD**

4 In accordance with Chapter 2 Filing Requirements, an applicant must provide justification for changes
 5 from year to year to its rate base, capital expenditures and OM&A spending above a materiality threshold.
 6 Thunder Bay Hydro's materiality threshold is calculated as .5% of proposed base distribution revenue
 7 requirements for distributors with a revenue requirements of greater than \$10 million and less than or
 8 equal to \$200 million. As such, Thunder Bay Hydro has selected the threshold of \$119,000 for variance
 9 analysis.

10 **4.3.2 PROGRAM DELIVERY VARIANCE ANALYSIS**

11
12 **System Control Operations**

13 A variance increase of \$193,446 between the 2017 Test year and the Last Rebasing year is attributable
 14 to succession planning for System Control retirements. An apprentice was added to the complement in
 15 the fall of 2015 and one additional apprentice complement will be hired in 2016. Additionally, progression
 16 pay and regular salary increases for the System Control personnel are cost drivers for this variance.

17
18

1 **Overhead/Underground Operations**

2 A variance of (\$265,423) between the 2017 Test year and the Last Rebasement year is driven by a number
3 of items. Salaries/wages and associated benefit and overhead burdens are down by approximately
4 \$168,000. The 2017 Test year reflects a shift from operations to maintenance (operations represented
5 approximately 48% of the O&M costs versus 41% in the 2013 Test year). In the 2013 collective
6 agreement Thunder Bay Hydro gave notice to the union that the corporation would no longer be paying
7 for apprenticeship training. Resulting operational savings will vary dependent upon apprentice
8 complement. The training costs in 2013 were \$50,000 less than budgeted.

9 **Maintenance Supervisory**

10 A variance increase of \$255,165 from the Last Rebasement to the 2017 Test year is primarily the result of
11 overall Engineering and Supervisory overhead department costs. The Engineering Department has
12 increased complement by 1 FTE and additional costs have resulted in complying with the government
13 mandated Ontario One Call implementation. The Ontario One Call service requires special software with
14 annual maintenance costs as well as an annual charge for Ontario One Call fees. The Supervisory
15 Department has increased due to management training costs for Linesmen Supervisors and standby
16 pager costs. Both overhead departments have a higher fleet charge allocation driven by the increase in
17 the fleet overhead department costs as discussed in the Trucking section at 4.2.2 Cost Driver Table.

18 **Overhead/Underground Maintenance**

19 A variance increase of \$405,468 between the 2017 Test year and the 2013 Board Approved Proxy is due
20 to the increase in Thunder Bay Hydro's planning to maintain insulators, glass cutouts, and arrestors.
21 Thunder Bay Hydro is currently experiencing a higher failure rate from these materials and is planning a
22 proactive scheduled approach to replace and repair its overhead and underground materials particularly
23 from glass cut out to polymer. A proactive approach will ensure higher reliability, and safety to Thunder
24 Bay Hydro's overhead and underground network.

25 Cost increases in Thunder Bay Hydro's maintenance overhead and underground program are also
26 representative of work performed to manage the overhead distribution system. Events such as weather
27 related failures or equipment failures are allocated to this program. Since these are unplanned events the
28 costs can deviate from planned. Labour, benefits, subcontracting and overheads have increased to
29 accommodate the focus.

30 **Station Maintenance**

31 The variance increase of \$151,943 for maintenance stations program between the 2017 Test year and
32 the 2015 actual expenditure amount is the result of anticipated costs (labour and outside services)
33 associated with managing its 14 aging distribution stations. Thunder Bay Hydro has performed risk/
34 deficiency assessments and as a result of its 4kV substation retirement schedule, Thunder Bay Hydro will

1 experience an increase in the planned spending for this program. Thunder Bay Hydro has found, through
2 the results of the Asset Condition Assessment (“ACA”), that it will be necessary to maintain its legacy
3 substations for longer service duration. To promote safety and ensure that no undue hazards exist
4 additional distribution equipment will need to be installed to maintain a reliable distribution system. For
5 2017, Thunder Bay Hydro plans to cycle its maintenance activities to some of the station ancillary
6 buildings and grounds outside of the electrical distribution. In 2017 two of the distribution stations are
7 planned for roof repair and the removal and replacement of substation yard’s stone surface coverings.

8 **Tree Trimming Maintenance**

9 The variance increase of \$124,041 and \$198,353 for Thunder Bay Hydro's tree trimming maintenance
10 program between the 2017 Test year and the 2015 actual expenditure, as well as the 2013 board
11 approved proxy amount (respectively) is the result of Thunder Bay Hydro’s response to customer
12 concerns that became evident following a series of winter storms and a new bylaw introduced by the City
13 of Thunder Bay to make tree trimming a key focus area. Obstruction of tree limbs in proximity to power
14 lines can cause outages and power quality issues and can be observed as a major safety concern within
15 the community.

16
17 Thunder Bay Hydro aims to maintain a dependable and safer system and seeks to improve its reliability.
18 Upon reviewing Thunder Bay Hydro’s yearly RRR service quality indicators it was noted that the SQI
19 statistic cause code #3 “Tree Contacts “ accounted for a quarter (25%) of Thunder Bay Hydro’s outages
20 during the 2015 year. Thunder Bay Hydro is focused on a preventative outage program and this increase
21 in plan is required to allow more aggressive cutting to combat extreme weather that causes power
22 outages and costly damage to Thunder Bay Hydro infrastructure. Thunder Bay Hydro uses a forestry
23 contractor for these services. This contract is awarded through the tendering process to ensure
24 competitive pricing.

25

26 **Customer Service Billing**

27 The variance increase of \$ 288,906 for the customer service billing program between the 2017 Test Year
28 and the 2015 actual expenditure amount is primarily a result of the Board mandated transition from bi-
29 monthly residential billing cycles to monthly billing cycles. This change has doubled the postage costs
30 and printing costs in this department. Additional increases in this department are a result of activities
31 planned to enhance a customer centered focus on the new renewed regulatory framework objectives.
32 Thunder Bay Hydro continues to create efficiencies in its customer service department and these
33 principles will guide the decision making of the department through to 2020. The current customer
34 service strategy is to provide autonomy, create efficiency and engage all customer classes. In the 2017
35 Test Year Thunder Bay Hydro is making improvements to the ‘MyTBHYDRO’ customer portal by adding
36 new customer sign ups and automating account reminder calls.

1 **Audit, Legal, and Consulting**

2 This OM&A program include costs such as the annual audit, outside consultants and legal costs incurred
 3 annually as part of the utility’s business operations. This program covers preparation of audited financial
 4 statements, legal costs for preparation of documents or advice and consultants for Thunder Bay Hydro’s
 5 cost of service filing and distribution system plan. Professional fees have increased by \$120,930 in the
 6 audit, legal, and consulting program between 2017 Test Year and the 2015 actual expenditure amount.
 7 This increase is related to maintaining Thunder Bay Hydro’s daily business while continuing to maintain
 8 its compliance with changing regulatory requirements; however, the most significant cost driver of the
 9 increase is the incurred consultant fees related to the preparation and review of Chapter 5 Filing
 10 Requirements for the DSP, as well as the 2017 Cost of Service filing.

11 **Administrative & Human Resources**

12 A variance increase of \$436,295 and \$430,191 is forecasted between the 2017 Test Year and the 2015
 13 Actual, and 2017 Test Year and the 2013 Board Approved Proxy respectively. The cost drivers are
 14 primarily compensation changes and OEB Board annual fee increase of \$119,000 (Board provided
 15 direction in later dated February 9, 2016; Re: Revisions to the Ontario Energy Board Cost Assessment
 16 Model). Further details with respect to the compensation can be found below in the employee
 17 compensation section at 4.4. Employee Compensation.

18 **OM&A Overhead Charges**

19 Table 4-10 below provides a summary of OM&A overhead charges before capitalization for the historical
 20 years, 2013 through 2015 as well as the 2016 Bridge Year and 2017 Test Year. This table can be found
 21 in Attachment 2-E Overhead Expenses of Exhibit 2 and is consistent with Board Appendix 2-D.

22 **TABLE 4-10: OVERHEAD EXPENSE**

OM&A Before Capitalization	2013 Historical Year	2014 Historical Year	2015 Historical Year	2016 Bridge Year	2017 Test Year
Total OM&A Before Capitalization (B)	\$16,149,367	\$16,407,572	\$17,212,082	\$18,370,621	\$18,996,027

Applicants are to provide a breakdown of capitalized OM&A in the below table. Capitalized OM&A may be broken down using the categories listed in the table below if possible. Otherwise, applicants are to provide its own break down of capitalized OM&A.

Capitalized OM&A	2013 Historical Year	2014 Historical Year	2015 Historical Year	2016 Bridge Year	2017 Test Year	Directly Attributable? (Yes/No)	Explanation for Change in Overhead Capitalized
Benefits	\$112,332	\$109,853	\$135,209	\$150,034	\$170,953	Yes	No changes necessary on transition to MIFRS
Downtime	\$351,316	\$366,214	\$520,425	\$493,088	\$573,241	Yes	No changes necessary on transition to MIFRS
Material	\$75,962	\$87,911	\$97,486	\$96,642	\$100,910	Yes	No changes necessary on transition to MIFRS
Supervisory	\$405,268	\$477,765	\$555,176	\$548,051	\$596,441	Yes	No changes necessary on transition to MIFRS
Engineering	\$1,033,598	\$1,029,132	\$974,724	\$1,002,953	\$1,062,413	Yes	No changes necessary on transition to MIFRS
Trucking	\$938,008	\$514,180	\$685,057	\$665,470	\$762,197	Yes	No changes necessary on transition to MIFRS
Total Capitalized OM&A (A)	\$2,916,483	\$2,585,055	\$2,968,078	\$2,956,238	\$3,266,155		
% of Capitalized OM&A (=A/B)	18.1%	15.8%	17.2%	16.1%	17.2%		

23
 24 As discussed in the Capitalization Policy at 2.6.9 in Exhibit 2, Thunder Bay Hydro implemented regulatory
 25 accounting changes for capitalization and depreciation policies effective January 1, 2013 in accordance

1 with Board's letter dated July 17, 2012 and such changes were reflected in Thunder Bay Hydro's Last
2 Rebasing -2013 OEB Approved rates.

3 Table 4-10, Appendix 2-D Overhead Expense provides a breakdown of OM&A before capitalization and
4 capitalized OM&A. Over the 5 year period from 2013 to 2017, Thunder Bay Hydro has capitalized (and
5 expects to capitalize) about \$14.7 million or 16.86% of its OM&A costs. In the 2017 Test Year, Thunder
6 Bay Hydro anticipates that 17.19% of OM&A costs will be capitalized, which is slightly higher than the 5-
7 year average.

8

9 The 17.19% of OM&A costs forecast to be capitalized in the 2017 test year represents a 0.87% decrease
10 as compared to the 2013 historical year. Similarly, the OM&A costs forecast to be capitalized in the 2017
11 Test year are slightly higher when compared with the 2016 Bridge year and are very comparable to the
12 2015 historical year. Overhead Department costs fluctuate annually depending on new or changing
13 projects in overhead departments, inflation, and the fluctuation of the Canadian dollar etc. As a result
14 amounts eligible for capitalization can fluctuate.

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

4.4 EMPLOYEE COMPENSATION

4.4.1 OVERVIEW

Thunder Bay Hydro's employee compensation system is designed to be competitive and equitable in order to attract and retain qualified personnel in an industry that is confronted by a continuing scarcity of skilled resources. The Thunder Bay Hydro compensation package includes a base wage and benefits package. The President's compensation package also includes an incentive component.

Thunder Bay Hydro continues to face the issue of a "greying" workforce, particularly amongst its skilled trades departments. Many key skilled trades personnel are already eligible to retire, or are simultaneously reaching retirement eligibility.

The average age of Thunder Bay Hydro's employees is approximately 45 (48 for Management/Non-Union, 44 for Union). Of our current 127 full-time complement, 74 can retire in the next ten years (which includes 47 in the next 5 years). As such, the continuing challenge for Thunder Bay Hydro is to bridge the gap in maintaining sufficient talent to meet the needs of the business while, at the same time, conducting sufficient succession planning for the future.

UNIONIZED EMPLOYEES

Approximately 67% of Thunder Bay Hydro's workforce is unionized. The compensation for unionized employees is negotiated through the collective bargaining process and includes both office and trades workers represented by the International Brotherhood of Electrical Workers ("IBEW"), Local 339, in separate "Office" and "Outside" agreements as well as one common "Principle" agreement.

The IBEW represents approximately 725,000 members in the construction, utilities, manufacturing, 16 telecommunications, broadcasting, railroads and government sectors.

Thunder Bay Hydro's collective agreements provide for annual payroll increases and employee step progressions. Labour rates and benefits are adjusted based on negotiated percentages as per the collective agreement. The commencement and expiry dates of Thunder Bay Hydro's current collective agreements are shown in Table 4-11 below:

1 **TABLE 4-11: CURRENT COLLECTIVE AGREEMENTS**

2

Bargaining Unit	Contract Period	Wage Increase
IBEW Office	May 1, 2013 to April 30, 2016	May 1, 2013: 2.0% May 1, 2014: 2.25% May 1, 2015: 1.5%
IBEW Outside	May 1, 2013 to April 30, 2016	May 1, 2013: 2.0% May 1, 2014: 2.25% May 1, 2015: 1.5%

3
 4 The wage increase shown in the table above for each bargaining unit is applicable to each year of the
 5 contract. Each job classification in the collective bargaining agreements has a basic job description and a
 6 wage rate progression scale that increases from a minimum to maximum rate.

7
 8 In preparation for negotiations Thunder Bay Hydro gathers like industry and local settlement information
 9 for the periods proceeding and overlapping Thunder Bay Hydro's. Based on this information Thunder Bay
 10 Hydro's wage increases align, or in many cases, come in less than those comparators.

11 Thunder Bay Hydro used a settlement increase of 2.5% for the 2016 Bridge Year and 2% for the 2017
 12 Test Year. The budget 2.5% increase for 2016 was intended to achieve concessions in the area of
 13 extended health care benefits. As this was not achieved, a 2.0% increase was awarded for 2016 (and
 14 2017 & 2018). Given that the union ratification was very recent, Thunder Bay Hydro has not adjusted the
 15 2016 Bridge and 2017 Test Year to reflect the reduction in cost; however, will provide during the
 16 interrogatory process.

17
 18 **EXECUTIVE, MANAGEMENT & NON-UNION EMPLOYEES**

19
 20 As with our unionized employees, compensation for this group of employees provide for annual payroll
 21 increases and employee step progressions (for those employees below 100%). Although not officially
 22 tied to union compensation, percentage increases mirrored those of the union for the years 2013, 2014
 23 and 2015. Increases received are at the prerogative of the President.

24
 25 Two employees in this group, the Lines Superintendent and the Operating & Maintenance Superintendent
 26 also receive a monthly vehicle allowance.

27
 28 **PRESIDENT**

29
 30 The President of the Corporation receives a base salary, and incentive pay calculated as a percentage of
 31 base salary, as approved by the Board of Directors. Incentive target goal plans for the President are
 32 established and approved by the Board of Directors at the beginning of each year.

33
 34 The President also receives a monthly vehicle allowance.

1 **HEALTH BENEFITS**

2
3 Employee benefit plans are designed to address the health and welfare of Thunder Bay Hydro's
4 employees. There are separate benefit plans for active and retired IBEW employees and separate plans
5 for active and retired Management/Non-Union employees. The IBEW benefit plan is subject to change
6 during the collective bargaining process, and the Non-Union/Management plan typically follows suit if
7 improvements are awarded. As well a Management Association can make requests for improvements to
8 the Health benefits plan, usually on an annual basis. A copy of the health benefits booklet for active
9 IBEW inside and outside employees can be found in Attachment 4-E.1 of this Exhibit. A copy of the
10 health benefits booklet for active part-time union and management staff can be found in Attachment 4.E.2
11 of this Exhibit. A copy of the health benefits booklet for non-union employees can be found in Attachment
12 4-E.3 of this Exhibit.

13 **4.4.2 SUCCESSION PLANNING**

14 Thunder Bay Hydro implemented succession planning prior to the 2013 Cost of Service Application and
15 continues to monitor key employee retirement eligibility and employee intentions where known, in order to
16 plan for the necessary employee succession. As noted, key vulnerabilities exist within the skilled trades.

17
18 The following summarizes Management's plans regarding succession vulnerability.

19 **POWERLINE**

20
21
22 Thunder Bay Hydro currently has a crew of experienced Powerline Technicians. However Thunder Bay
23 Hydro is at risk because 10 of our 39 Powerline Technicians can retire in the next five years and a total of
24 18 in the next ten years.

25
26 Although Thunder Bay Hydro sees this as a risk, only 4 of the above 10 eligible can retire without a
27 penalty. As such, the staffing strategy in the Powerline group will be to fill vacancies as retirements occur
28 and to address any internal resource shortfall with external contractors. This strategy will minimize costs
29 to the customers (complement and support infrastructure required with an increase in complement).

30
31 **STATIONS/PROTECTION & CONTROL/SYSTEM CONTROL**

32
33 Stations/Protection & Control/System Control each has one employee who is eligible to retire within the
34 next five years. Similar to above, each of these positions requires an apprenticeship period. The Station
35 Electrician complement was included in the Last Rebasing 2013 Board Approved and 2 System Control
36 Apprentices (1 in 2015 and 1 September 2016) were added to complement. (See also 4.4.4 FTE by
37 Department below). Hiring in advance is necessary for this group as the coverage with other staff is not
38 available and external contracting is not effective.

39

4.4.3 COMPENSATION SYSTEM

Thunder Bay Hydro's total compensation system is comprised of a combination of fundamental elements - including both cash and non-cash rewards - designed to support the organization's compensation philosophy, motivate and reward performance aligned with critical business objectives, and provide a positive return on the significant dollars invested in compensation.

Merit Pay

As a performance driven organization, base salary is based on performance and tied directly to demonstrated behavioral competencies and Thunder Bay Hydro's values. At Thunder Bay Hydro, non-union employees achieve base line salary increases through goal setting and building behavioral competencies to improve individual skills to maximize potential and enhance their contribution to the business. The Performance Management System is a practical tool used to help both the employee and the organization achieve results. There is a partnership between the employee and supervisor to share in the responsibility of developing skills and abilities. It is the responsibility of the employee to take charge of their development while Thunder Bay Hydro provides them with the tools and coaching to achieve their development goals.

Merit pay is intended to provide a system to reward employee behaviors and values through increases to base pay. A merit increase is the amount of additional compensation added to current base salaries following a review of employee performance and is usually awarded in six month increments until the incumbent has achieved the 100% salary for their respective position.

Thunder Bay Hydro has a formal and disciplined approach in awarding base line merit increases to individuals. Each Vice President reviews the performance of each non-union employee in their department, taking into consideration the remarks and comments from the employee's direct supervisor who conducted the review prior to the recommendation of any merit increase. Final approval for merit increases resides with the Vice President, Human Resources & Safety who reviews all comments and recommendations to ensure such increases are warranted.

Incentive Based Pay

Thunder Bay Hydro seeks to encourage an incentive based performance culture by aligning employees' efforts with the corporate vision and the short and long-term goals of Thunder Bay Hydro. At present, an incentive based pay system exists only for the President. In the case of the President, the Board of Directors for Thunder Bay Hydro annually sets out strategic objectives that align to the organization's success and continued growth. Thunder Bay Hydro supports the Balanced Scorecard methodology in setting corporate and individual goals to foster continuous improvement and cost reductions that support a healthy balance sheet that provides value to customers by keeping rates reasonable.

1 The three pillars of Thunder Bay Hydro's goals focus on ensuring that the health & safety of
2 Thunder Bay Hydro employees and the public is Thunder Bay Hydro's first priority; providing a reliable
3 supply of electricity to the residents and businesses of Thunder Bay; and protecting and growing the
4 value of Thunder Bay Hydro to Thunder Bay Hydro's shareholder.
5

6 One of Thunder Bay Hydro's beliefs is that 'Our Customers are the reason we exist'. Both corporate and
7 individual goals and Thunder Bay Hydro's are structured to deliver and reward on the results of this belief.
8 Corporate results are shared regularly with the organization as Thunder Bay Hydro tracks its efforts
9 against outputs.

10 11 **Executive Pay**

12
13 Thunder Bay Hydro's executive pay philosophy considers compensation from throughout Ontario at other
14 like-sized or similarly structured utilities, ensuring that executives are compensated at levels consistent
15 with the mean of comparable organizations. Such compensation levels are reviewed on a regular basis.

16 17 **Benefits**

18
19 A comprehensive and competitive benefits package exists which includes medical and dental insurance,
20 life insurance, vacation and leave policies and a company-sponsored retirement plan.
21

22 The plans are designed to address the health and welfare needs of the employee population. The benefit
23 packages are consistent across the organization for 136 full-time employees, including the executive
24 team. The only inconsistencies are Long Term Disability (LTD) coverage for a portion of the union group
25 (grandfathered as the result of a merger and subsequent negotiating process); life insurance coverage
26 (some staff receive 2 times current base salary versus the majority 1.5 times current base salary); tiered
27 health spending account (annual) amounts for non-union staff; and reduced, employee-funded partial
28 benefits for participating part-time staff.

29 **4.4.4 FTE BY DEPARTMENT**

30 New positions since the Last Rebasing in 2013 are as follows:
31

32 Fleet Services Technician – Fleet Services: 1 FTE position added February 2014. This was a position
33 that was in the Last Rebasing 2013 Board Approved; however, was filled with part-time staff at
34 approximately .54 FTE.
35

36 Substation Electrician: 1 FTE position was added March 2014. This was a position that was in the Last
37 Rebasing 2013 Board Approved; however, continued to be filled with part-time staff at approximately .9
38 FTE.

1 Administrative Assistant - Power Systems: 1 full time position was added June 2014 resulting in an
2 increase of .5 FTE as part-time hours was reduced.

3

4 Billing Clerk - Billing & Settlement: 1 FTE position added December 2014. This was a position that was in
5 the Last Rebasing 2013 Board Approved; however, was filled with part-time staff at approximately .54
6 FTE. A further .5 FTE position has been forecasted in the 2016 Bridge Year as the mandated transition
7 to monthly billing for the Residential customer is completed.

8

9 System Control Operator: 2 FTE complement addition for succession planning has been added since the
10 Last Rebasing year. One apprentice was hired October 2015 and the second one is expected to
11 commence in the third quarter of 2016 Bridge Year.

12

13 GIS Technician - Power Systems: 1 FTE position added May 2016. This increase is due to GIS becoming
14 a heavily increasingly relied upon database for asset information, as it is used to track and document all
15 of Thunder Bay Hydro assets. The database will be kept current throughout the year rather than on a
16 seasonal basis as was the case when the duties were being performed by the Locate / GIS Coordinator.
17 When records are updated on a daily basis, the risk of inaccurate locates due to outdated records is
18 reduced especially during the busy construction season. The retirement & departures of staff which the
19 higher paid wage band contributed to this new position being a cost neutral addition.

20

21 Corporate Financial Analyst: 1 FTE position added August 2016 to address ongoing workload issues
22 within the Finance Division. It is critical that adequate staffing is in place to ensure compliance and
23 financial obligations are being dealt with on a timely basis.

24

25 Powerline Apprentices: In Thunder Bay Hydro's Lasing Rebasing – 2013 Board Approved it was planned
26 to temporarily increase complement for upcoming retirements and increased capital and maintenance
27 work. This decision was subsequently revisited and the positions were not filled. Thunder Bay Hydro's
28 revised Powerline strategy is outlined at 4.4.2 Succession Planning above. This decision was also
29 related to the deferral of capital projects in 2013 to subsequent years.

30 **4.4.5 FTE AND EMPLOYEE COSTS**

31 As required, employee complement by FTE, compensation and benefits are set below in Table 4-12. This
32 table is consistent with the Board Appendix 2-K and a copy can also be found in Attachment 4-F to this
33 exhibit.

34

35

1 **TABLE 4-12: FTE & EMPLOYEE COSTS**

	Last Rebasng Year - 2013- Board Approved	Last Rebasng Year - 2013- Actual	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year
Number of Employees (FTEs including Part-Time)¹						
Management (including executive)	23.00	22.71	23.35	24.19	24.51	23.87
Non-Management (union and non-union)	120.28	112.40	110.55	110.03	111.72	114.41
Total	143.28	135.12	133.90	134.22	136.23	138.28
Total Salary and Wages including overtime and incentive pay						
Management (including executive)	\$2,448,655	\$2,464,244	\$2,556,328	\$2,725,063	\$2,729,507	\$2,793,563
Non-Management (union and non-union)	\$8,221,662	\$7,771,547	\$7,890,473	\$7,861,435	\$8,019,476	\$8,689,968
Total	\$10,670,317	\$10,235,791	\$10,446,801	\$10,586,498	\$10,748,983	\$11,483,532
Total Benefits (Current + Accrued)²						
Management (including executive)	\$642,844	\$589,535	\$651,114	\$712,598	\$708,489	\$706,124
Non-Management (union and non-union)	\$2,039,334	\$1,786,783	\$1,829,751	\$1,864,592	\$1,965,925	\$2,115,291
Total	\$2,682,178	\$2,376,318	\$2,480,865	\$2,577,190	\$2,674,414	\$2,821,415
Total Compensation (Salary, Wages, & Benefits)						
Management (including executive)	\$3,091,499	\$3,053,778	\$3,207,442	\$3,437,661	\$3,437,996	\$3,499,687
Non-Management (union and non-union)	\$10,260,996	\$9,558,330	\$9,720,224	\$9,726,027	\$9,985,401	\$10,805,259
Total	\$13,352,495	\$12,612,109	\$12,927,666	\$13,163,688	\$13,423,397	\$14,304,947

2
 3 The number of employees shown above in Table 4-12 is based on the computation of the number of full
 4 time equivalent (FTE) positions throughout each of the fiscal years. Staff members hired by or resigning
 5 from Thunder Bay Hydro are prorated in that year as a portion of an FTE based on the hours worked. The
 6 FTE calculation is based on hours worked by employees, including overtime hours. The table excludes
 7 Board of Directors, co-op students and employees dedicated to non-rate regulated activities, including
 8 CDM, solar renewable generation and labour hours billed to affiliates. Thunder Bay Hydro does not
 9 include hours for staff on LTD. The salaries and wages amounts include all salaries and wages paid,
 10 inclusive of incentive pay for the President, overtime, vacation earned (vacation in excess of current
 11 earned draws down the vacation liability account), holidays, sick leave, bereavement leave and other
 12 miscellaneous paid leaves.

13
 14 The benefits amounts comprise the employer's portion of statutory benefits, including CPP, EI, EHT and
 15 WSIB. In addition, benefit amounts comprise the company's cost for providing: OMERS and other
 16 Employee Benefits as described in 4.4.7 below.

17 **4.4.6 FTE, WAGES & BENEFITS VARIANCE ANALYSIS**

18 Thunder Bay Hydro completed the Board's Appendix 2-K, which is included above as Table 4-12. Table
 19 4-13 below details employee costs from 2013 Board-Approved through to the 2017 test year. All FTE's
 20 with their corresponding wages and benefits are included in the variance analyses below.

21
 22
 23
 24
 25
 26

1 **TABLE 4-13: FTE AND EMPLOYEE COST VARIANCES**

	Last Rebasing Year - 2013 Board Approved vs actual	2013 Actual vs 2014 Actual	2014 Actual vs 2015 Actual	2015 Actual vs 2016 Bridge Year	2016 Bridge Year vs 2017 Test Year
Number of Employees (FTEs including Part-Time)¹					
Management (including executive)	(0.29)	0.64	0.84	0.32	(0.64)
Non-Management (union and non-union)	(7.88)	(1.85)	(0.53)	1.69	2.69
Total	(8.16)	(1.21)	0.32	2.01	2.05
Total Salary and Wages including overtime and incentive pay					
Management (including executive)	\$15,589	\$92,084	\$168,736	\$4,443	\$64,057
Non-Management (union and non-union)	(450,115)	\$118,926	(29,038)	\$158,041	\$670,492
Total	(434,526)	\$ 211,010	\$ 139,698	\$ 162,484	\$ 734,549
Total Benefits (Current + Accrued)					
Management (including executive)	(53,309)	\$61,579	\$61,484	(4,109)	(2,366)
Non-Management (union and non-union)	(252,551)	\$42,968	\$34,841	\$101,333	\$149,367
Total	(305,860)	\$ 104,547	\$ 96,325	\$ 97,224	\$ 147,001
Total Compensation (Salary, Wages, & Benefits)					
Management (including executive)	(37,721)	\$153,663	\$ 230,220	\$ 335	\$ 61,691
Non-Management (union and non-union)	(702,666)	\$161,894	\$ 5,803	\$ 259,374	\$ 819,859
Total	(740,386)	\$ 315,557	\$ 236,023	\$ 259,708	\$ 881,550

2
 3 Thunder Bay Hydro Management count has remained relatively steady since its last Cost of Service. The
 4 changes in the Non-Management have seen a lot of challenging activity. Notable changes in FTE are as
 5 follows:

6 ***Rebased 2013 vs Actual 2013 - (8.16) FTE; (\$434,526) Salary and Wages and (\$305,860) Benefits***

7 A number of positions remained unfilled, mainly due to a delay in recruitment during retirement
 8 transitional periods and revised succession planning in the operations, maintenance, supervisor and
 9 meter operations area and re-organization. Thunder Bay Hydro deferred the complement increase of PLT
 10 apprentices for succession and increased capital and maintenance work, as a result of the timing of the
 11 approval of rates and a deferral of capital work.

12
 13 The AME Manager vacancy was challenging to fill and ultimately was successfully filled internally mid July
 14 2013. This in turn caused a vacancy in a Project Manager position which was filled in November 2013.
 15 Combined the Engineering Department variance was (0.83) FTE;

16 A temporary Fleet Technician was hired in April 2013 and then resigned in July 2013. The full time
 17 position hire didn't occur until February 2014 and an anticipated student hire was not carried out resulting
 18 in an overall variance of (0.69) FTE.

19 Substation Electrician: 1 FTE position was added March 2014. This was a position that was in the Last
 20 Rebasing 2013 Board Approved; however, continued to be filled with part-time staff at approximately .9
 21 FTE for an FTE variance of (0.1);

22 Thunder Bay Hydro's succession plan in the Last Rebasing – 2013 Board Approved budget was to
 23 temporarily increase complement for upcoming retirements and increased capital and maintenance work.
 24 This decision was subsequently revisited and the 4 apprentice positions were not filled resulting in a

1 variance of (4.0) FTE. Thunder Bay Hydro's revised Powerline strategy is outlined at 4.4.2 Succession
2 Planning above;

3 Summer student hires throughout the organization were curtailed resulting in a FTE variance of (1.27);
4

5 Thunder Bay Hydro's presentation of the labour cost and FTE reporting for the ancillary services staff
6 provides to Thunder Bay Hydro Utility Services Inc. (see 4.5.2 below for a discussion of Shared Services)
7 changed from Last Rebasing. The costs related to the billings are now netted against the revenues and
8 included in Other Distribution Revenues. This resulted in a FTE variance of (1.78); and
9

10 Overtime hours are resulting in a FTE variance of 1.25.
11

12 In summary, the FTE variance from the Last Rebasing – 2013 Board Approved to 2013 Actuals is (8.16),
13 of which (7.42) was identified in the foregoing analysis. Of this, the variance of (1.78) was not an actual
14 reduction but rather a redirection of costs(previously reported in OEB accounts that formed part of OM&A
15 and now charged to OEB 4220 to net the costs against the revenues billed to the affiliate) for a net
16 variance of (6.38).
17

18 The associated labour variance of (\$434,526) is attributable to the foregoing FTE reductions; the rate
19 increase; and in some instances, savings that were realized with hires at compensation levels lower than
20 budgeted.
21

22 The benefit variance of \$305,860 is attributable to the FTE reductions as noted above; however, another
23 significant cost driver of the variance in the benefits is results of the 2013 actuarial valuation of the Future
24 Benefit liabilities as discussed at 4.2.2 Cost Drivers above.
25

26 ***Actual 2013 vs Actual 2014 - (1.21) FTE and \$211,010 Salary and Wages and \$104,547 Benefits***

27 There were a number of factors affecting the years FTE and compensation costs including the following
28 more significant items:

29 Non FTE related labour and benefit cost impacts were a rate increase of approximately \$115,000;
30 apprentices and new hire progression increases (occur every six months and then upon obtaining their
31 certification); overtime hours increased resulting in higher premium cost labour; and a severance
32 settlement. The higher overtime was primarily attributable to the significant increase in sick time
33 (approximately a FTE variance of 1.28);

34 The Engineering Department vacancies were filled by the end of 2013 resulting in a positive FTE variance
35 of 0.93; however, in 2014 Thunder Bay Hydro was once again down 1 position for a seven and a half
36 month maternity leave resulting in reduced labour and benefit costs. Additionally 2014 saw the

1 resignation of a Program Engineer resulting a vacancy and FTE variance of (0.56) for a net department
2 increase of only .37;

3 The 2 temporary labourer positions in the Powerline group were eliminated at the end of 2013 for a
4 variance of (1.56) FTE;

5 One PLT resigned, two PLTs and a Station Electrician retired for a variance of (2.15) FTE;

6 Reduced hours in the Power Systems clerk position due to a long term sick leave resulting in a variance
7 of (0.78) FTE;

8 Additional hours allocated to non-wires activities resulting in a variance of (.67) FTE;

9 An IT intern student was temporarily added to complement in 2014 causing a variance of 0.81 FTE; and

10 Increased overtime resulted in a variance of 1.12 FTE.

11 The balance cumulatively is significant; however, is made up of a number of small variances due to timing
12 of filling vacancies and part-time hours.

13 ***Actual 2014 vs Actual 2015 - (.32) FTE and \$139,698 Salary and Wages and \$96,325 Benefits***

14 There was less complement activity affecting the year's FTE and compensation costs. The following are
15 the more significant items:

16 Non FTE related labour and benefit cost impacts were a rate increase of approximately \$121,109;
17 apprentices and new hire progression increases (occur every six months and then upon obtaining their
18 certification); overtime hours decreased (lower premium cost labour); and the absence of the 2014
19 severance settlement. Once again, Thunder Bay Hydro experienced a significant (1.12 FTE) increase in
20 sick leave hours which does not directly impact FTE; however, does cause staffing challenges and
21 increase compensation costs.

22 The PLT retirements and resignation as described in 2014 now have the full year FTE impact in 2015 as
23 the positions were not replaced given that in previous year's Thunder Bay Hydro had temporarily over
24 staffed in anticipation of the retirements. Additionally there were some PLT staff on a long-term sick
25 leave (as note above, LTD hours are not included in the FTE calculation). The foregoing resulted in a
26 variance of (2.08) FTE.

27 The balance cumulatively is significant; however, is made up of a number of small variances due to timing
28 of filling vacancies and part-time hours.

29 The cost driver for the benefit variance is future employee benefit cost is exclusive of the actuarial gain on
30 revaluation as this amount now goes to Other Comprehensive Income.

1 **Actual 2015 vs Actual 2016 - 1.96 FTE and \$162,484 Salary and Wages and \$97,224 Benefits**

2 Once again, there was less complement activity affecting the year's FTE and compensation costs. The
3 following are the more significant items:

4 Non FTE related labour and benefit cost impacts were a rate increase of approximately \$191,589;

5

6 Thunder Bay Hydro continued to experience staff on LTD during 2016; and apprentices and new hire
7 progression increases(although less of a significant impact as the Apprentice complement is down);

8

9 The position of Corporate Financial Analyst was added with a start date of September 6th resulting in a
10 FTE variance of .33;

11

12 A Temporary Fleet Technician was hired to cover for a Long Term Sick Leave for a Fleet Technician;

13

14 The IT internship was only temporary and is no longer in 2016 resulting in a variance of (1) FTE;

15

16 A System Operator apprentice complement was temporarily added in anticipation of upcoming
17 retirements in the Department resulting in a variance of 0.46 FTE;

18

19 A .5 FTE Billing & Settlement Clerk position has been forecasted in the 2016 Bridge Year as the
20 mandated transition to monthly billing for the Residential customer is completed; and

21 The balance cumulatively is significant; however, is made up of a number of small variances due to timing
22 of filling vacancies and part-time hours.

23 **Actual 2016 vs Actual 2017 – 2.1 FTE and \$734,549 Salary and Wages and \$147,001 Benefits**

24 The following are the more significant items affecting the FTE and labour compensation:

25 Non FTE related labour and benefit cost impacts were a rate increase of approximately \$168,144;
26 apprentices and new hire progression increases and staff on leave without pay. During 2015 and 2016,
27 there were staff members that were on unpaid leaves and or extended vacation resulting in lower cost
28 with no corresponding reduction in FTE.

29 The Corporate Financial Analyst and the System Operator positions hired in 2016 will be in place for the
30 full 2017 Test year resulting in a FTE variance of 1.27;

31

32 The Powerline complement for 2017 reflects a net variance of 1.34 FTE as positions of staff that were on
33 LTD or an extended unpaid leave return to full complement hours and cost.

34

1 The variance in the benefit costs is driven by the increase in complement and compensation rate
2 increases.

3

4 **Efficiencies achieved since the 2013 Cost of Service Application:**

5

6 Thunder Bay Hydro continually strives to improve efficiencies across all departments within the
7 Corporation. In regards to workforce planning and compensation, the following efficiencies have been
8 gained since Thunder Bay Hydro's last Cost of Service Application and have also been included as part
9 of the current Application:

10 Continued use of government internship-funding programs, and student-funding programs to subsidize
11 labour costs;

12 Awarded wage increases that were below the industry average for the years 2013 (2.0%); 2014 (2.25%);
13 2015 (1.5%);

14 Maintenance of new salary schedules in designated wage bands for unionized employees hired after May
15 1, 2010;

16 Elimination of temporary labourer positions which can be filled by external resources as requirements
17 dictate;

18 Elimination of post-retirement, employer-paid, Life Insurance (between ages 55 to 65) for unionized
19 employees - effective January 1, 2017; and

20 Elimination of eligible sick leave payout entitlement for qualifying unionized employees hired after August
21 16, 2016.

22

23 **4.4.7 EMPLOYEE BENEFIT PROGRAMS**

24 Benefits offered by Thunder Bay Hydro are summarized below.

25

26 • Ontario Municipal Employee Retirement Savings ("OMERS") – Thunder Bay Hydro remits 9.0% on
27 the first \$54,900 of earnings (subject to various inclusions and exclusions) and then Thunder Bay
28 Hydro remits 14.6% of earnings thereafter (also subject to various inclusions and exclusions).

29

30 • Long Term Disability ("LTD") - Thunder Bay Hydro's benefit provider is the MEARIE Group and
31 effective January 1, 2014, MEARIE sources this benefit from Desjardins Insurance (previously Great
32 West Life). Thunder Bay Hydro's premiums cover current employees until age 65.

33

- 1 • Life Insurance Benefits – Thunder Bay Hydro’s benefit provider is the MEARIE Group and effective
2 January 1, 2014, MEARIE sources this benefit from Desjardins Insurance (previously Great West
3 Life) and is in place until age 65.
4
- 5 • Paid-up Life Policy – at age 65, Thunder Bay Hydro purchases a paid-up life policy in the amount of
6 \$7,000.
7
- 8 • Health Care & Dental Benefits – Thunder Bay Hydro utilizes the Johnston Group/Maximum Benefits
9 as a benefits provider through an Administrative Services Only (ASO) arrangement. This ASO
10 arrangement has a built-in stop loss premium to protect the Corporation against claims that exceed
11 \$15,000. Further, Travel Benefits provided through this plan are also premium based.
12
- 13 • Employee & Family Assistance Program (EFAP) – This program is offered through a local provider,
14 St. Joseph’s Care Group, and assists employees and their immediate family members in assessing
15 and resolving work, health and life issues.
16

17
18 **OMERS PENSION PLAN**

19 Thunder Bay Hydro employees are members of the Ontario Municipal Employees Retirement System
20 (“OMERS”). OMERS is a multi-employer pension plan in which most Ontario LDCs participate. As such,
21 Thunder Bay Hydro pension benefit costs are consistent with other participating Ontario LDCs. The plan
22 is a contributory defined pension plan which is financed by equal contributions from the employer and
23 employee based on the employee’s contributory earnings. Pension premium information from 2011 to
24 2015 actual and 2016 Bridge Year and 2017 Test Year can be found in Table 4-14 below. For the 2017
25 Test Year, Thunder Bay Hydro assumed OMERS rates of 9.0% on earning up to CPP earning limits and
26 14.7% on earning over CPP earnings limit. The 2016 Year’s Maximum Pensionable Earnings is \$54,900.
27

28 **EMPLOYEE FUTURE BENEFITS**

29 Thunder Bay Hydro provides post-employment benefit life insurance and health care to all active full-time
30 employees and retirees under the age of 65 through a group defined benefit plan.
31

32 The cost of post-employment benefits are actuarially determined using the projected benefit method pro-
33 rated on service and based on assumptions that reflect management’s best estimates. The current
34 service cost for the period is equal to employee’s service rendered in the period. Past service costs from
35 the plan amendments are amortized on a straight line basis over the average remaining service period of
36 the employee’s active date of amendment.

37 Thunder Bay Hydro has completed Board Appendix 2-KA OPEBs (Other Post-Employment Benefits)
38 Costs and is included in Attachment 4-G in this Exhibit.

1 Collins Barrow completed a full actuarial valuation as of December 31, 2015 using International Financial
 2 Reporting Standards guidelines for sick leave benefits and post-retirement non-pension benefits. A copy
 3 of the Collins Barrow Actuarial reports are provided as Attachment 4-H.

4

5 Statutory and Company Benefit charges to OM&A are detailed in Table 4-14 below:

6

7 **TABLE 4-14 EMPLOYEE BENEFITS CHARGED TO OM&A**

Line No.	Benefit	Last Rebasing 2013 OEB				2016 Bridge Year	2017 Test Year
		Approved	2013 Actual	2014 Actual	2015 Actual		
1	CPP-Employers' Portion	312,053	300,741	306,194	312,462	312,476	330,973
2	EI Employer's Portion	143,604	146,984	150,499	155,281	148,477	163,748
3	Employer Health Tax	197,954	202,612	204,341	209,961	211,920	224,901
4	WSIB	100,844	97,733	96,641	98,069	100,165	108,851
5							
6	OMERs	1,063,633	1,000,396	1,004,725	1,040,693	1,044,151	1,157,321
7	Corporate Benefits	864,090	627,851	718,465	760,725	857,225	835,621
8	Total	2,682,178	2,376,316	2,480,865	2,577,190	2,674,414	2,821,415
9	Less Capitalized	863,137	830,946	757,193	840,082	858,180	995,852
10	Total Benefits Charged to OM&A	1,819,041	1,545,370	1,723,672	1,737,108	1,816,234	1,825,563

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

4.5 SHARED SERVICES AND CORPORATE COST ALLOCATION

4.5.1 OVERVIEW

Thunder Bay Hydro Corporation ("TBHC") is the parent company for three affiliates;

- Thunder Bay Renewable Power Incorporated ("TBRPI"), a generation company,
- Thunder Bay Hydro Utility Services Inc. ("TBHUSI"), offers:
 - Back office services to other Northwestern Ontario LDC's
 - Competitive meter service provider (MSP) services
 - Locate services, and
- Thunder Bay Hydro Electricity Distribution Inc. ("Thunder Bay Hydro") the Distribution Company.

Related party transactions with the Corporation of the City of Thunder Bay (City of Thunder Bay) include Thunder Bay Hydro's payment of property taxes, rent, water and sewer charges, telephone charges and the City of Thunder Bay's payment to Thunder Bay Hydro for electricity bills. The foregoing involves non-discretionary transactions. Thunder Bay Hydro does not have a Services Agreement with the City of Thunder Bay.

Corporate Cost Allocation is defined as an allocation of costs for corporate and miscellaneous shared services from the parent company TBHC to Thunder Bay Hydro and vice versa. Thunder Bay Hydro confirms that there are no sharing of costs between TBHC and Thunder Bay Hydro.

Thunder Bay Hydro has two pricing methodologies: (1) fully allocated costs; and (2) cost plus the greater of the bank prime rate or the most recent Board-Approved return on equity (which is 7.00% as per the last Cost of Service Application, EB-2012-0167).

The rationale for the two methodologies is based on whether a market exists or not for the services being offered as defined in the *Retail Settlement Code, Section 2.3.3*, which then dictates how much can be charged. Thunder Bay Hydro only provides services to its affiliates and Thunder Bay Hydro believes that there is no competitive market that exists for the services it provides its affiliates. The *Affiliate Relationship Code Section 2.3.4.2* states

"Where a reasonably competitive market does not exist for a service, product, resource or use of asset that a utility sells to an affiliate, the utility shall charge no less than its fully-allocated cost to provide that service, product, resource or use of asset. The fully allocated cost shall include a return on the utility's invested capital. The return on invested capital shall be no less than the utility's approved weighted average cost of capital."

TBHC is 100% owned by the shareholder, The City of Thunder Bay. Thunder Bay Hydro charges TBRPI and TBHC at fully-allocated cost as the transactions occur all within the TBHC umbrella. However,

1 TBHUSI provides services to other utilities outside of this umbrella, thus, charging fully-allocated costs
2 plus a markup which is the greater of the bank prime rate or Thunder Bay Hydro's return on equity of
3 7.00% (increasing to 9.19% in 2017 Test Year).

4
5 These relationships are in place to benefit from cost savings due to increased efficiencies and economies
6 of scale. The tables beginning with Table 4-15 through to 4-19 provide a summary of the transactions
7 and pricing methodology used to assign costs for 2013 Actual, 2014 Actual, 2015 Actual, 2016 Bridge
8 Year, 2017 Test Year, respectively. These tables are consistent with the Board's Appendix 2-N. A copy of
9 the Board's Appendix 2-N can also be found in Attachment 4-I to this Exhibit.

11 **4.5.2 SHARED SERVICES TO AFFILIATES**

12 **Services Provided By Thunder Bay Hydro to TBRPI**

13
14 TBRPI is a wholly-owned subsidiary company of TBHC which operates a landfill gas generation plant
15 under a 20-year contract with the OPA effective August, 2010.

16
17 Services provided include direct planning, and administration in the operation of the landfill gas
18 generation facility. TBRPI receives these services from Thunder Bay Hydro on a fully-allocated basis
19 which is calculated annually and charged on a fixed monthly basis. Thunder Bay Hydro recovers
20 revenues from TBRPI in respect of the services it provides, and these revenues are as per the Affiliate
21 Services Agreement, which is included as Attachment 4-J to this Exhibit.

22 **Services Provided by Thunder Bay Hydro to TBHUSI**

23
24 TBHUSI is a back office services company that provides wholesale settlement, EBT, meter reading,
25 MV90, customer information system, bill production and mailing, after hour's system control, related ISD
26 services and conservation programming exclusively to the small LDCs in Northwestern Ontario. Also,
27 TBHUSI offers AMI services to the LDCs which includes synchronization of the meter data across the
28 AMI, ODS and MDM/R systems, business process development and management, licensing and
29 hardware and software support. The services are provided to regional LDCs only and are not marketed or
30 promoted to a larger group. The arrangements with the regional LDCs allows for overall efficiencies to be
31 gained by sharing of expertise and excess capacity. Essentially, the smaller utilities contracts with
32 TBHUSI for the primary reason of being remotely hosted on Thunder Bay Hydro's computer systems for
33 their use of hardware and software for Customer Information Systems, Financials, remote meter
34 reading, etc.

35
36
37 For the most part, the Northwestern Ontario utilities perform their own work with their own staff on the
38 computer systems through remote access with minimal assistance from Thunder Bay Hydro staff.
39 Thunder Bay Hydro staff monitors the MV90 and wholesale settlement systems to make sure utility meter

1 data passes VEE rules prior to transmission to the billing system. Thunder Bay Hydro staff also process
 2 EBT transactions, make billing collection calls, receive after hour outage calls on behalf of and for
 3 regional LDCs and provide ISD support related to the information systems being used.

4
 5 TBHUSI is also registered as a Meter Service Provider with the Independent Electricity System Operator
 6 (“IESO”) to provide metering related services to Northwestern Ontario commercial and industrial
 7 customers. TBHUSI contracts with Thunder Bay Hydro for staff and equipment to carry out this work and
 8 bills TBHUSI based on the Service Agreement. This work includes the following:

- 9 1. Meter Service Provider Services, which includes maintenance of equipment and
- 10 information for Wholesale meters on the IESO controlled grid
- 11 2. MV90 Services, which includes remote meter reading services for interval customers
- 12 3. Engineering Services, which includes the design and registration of new metering installations

13
 14 In 2015, TBHUSI began to offer locate services to Thunder Bay Telephone.

15
 16 Thunder Bay Hydro recovers revenues from TBHUSI in respect of the services it provides, and these
 17 revenues are as per the Affiliate Services Agreement, which is included as Attachment 4-J to this Exhibit.

18
 19 **Services Provided By Thunder Bay Hydro to TBHC**

20
 21 TBHC owns 100% of Thunder Bay Hydro, TBHUSI, and TBRPI. A service agreement has been signed
 22 between TBHC and Thunder Bay Hydro in 2012 covering TBHC Board Member remuneration
 23 reimbursements. Thunder Bay Hydro is reimbursed for TBHC Board remuneration disbursements. The
 24 Services Agreement can be found Appendix 4-L in Exhibit 4.

25
 26 Table 4-15 through 4-20 below provide detail

27 **TABLE 4-15: SHARED SERVICES AND CORPORATE COST ALLOCATION FOR 2013**

Year: 2013

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To				
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Utility Services Inc.	Conservation & Demand Mgmt, Utility Billing Services, Meter Services, IT Services	Cost + Greater of Bank Prime OR Approved ROE (7.00% EB-2008-0245)	\$ 186,583	\$ 171,051
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Utility Services Inc.	Corporate/Administrative Costs/IT Services	Fully Allocated Costs	\$ 56,506	\$ 56,506
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Corp.	Board Honourarium	Fully Allocated Costs	\$ 6,646	\$ 6,646
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Renewable Power Incorporated	Corporate/Administrative Costs	Fully Allocated Costs	\$ 96,911	\$ 77,828
Total:				\$ 346,646	\$ 312,030

28
 29
 30
 31

1 **TABLE 4-16: SHARED SERVICES AND CORPORATE COST ALLOCATION FOR 2014**

Year: 2014

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Utility Services Inc.	Conservation & Demand Mgmt, Utility Billing Services, Meter Services, IT Services	Cost + Greater of Bank Prime OR Approved ROE (7.00% EB-2008-0245)	\$ 241,756	\$ 221,505
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Utility Services Inc.	Corporate/Administrative Costs/IT Services	Fully Allocated Costs	\$ 52,058	\$ 52,058
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Corp.	Corporate/Administrative Costs/Board Honourarium	Fully Allocated Costs	\$ 6,591	\$ 6,591
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Renewable Power Incorporated	Corporate/Administrative Costs	Fully Allocated Costs	\$ 90,423	\$ 95,310
Total:				\$ 390,828	\$ 375,464

2

3 **TABLE 4-17: SHARED SERVICES AND CORPORATE COST ALLOCATION FOR 2015**

Year: 2015

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Utility Services Inc.	Conservation & Demand Mgmt, Utility Billing Services, Meter Services, IT Services	Cost + Greater of Bank Prime OR Approved ROE (7.00% EB-2008-0245)	\$ 258,793	\$ 234,930
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Utility Services Inc.	Corporate/Administrative Costs/IT Services	Fully Allocated Costs	\$ 52,058	\$ 52,058
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Corp.	Board Honourarium	Fully Allocated Costs	\$ 6,538	\$ 6,528
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Renewable Power Incorporated	Corporate/Administrative Costs	Fully Allocated Costs	\$ 86,858	\$ 93,073
Total:				\$ 404,247	\$ 386,589

4

5 **TABLE 4-18: SHARED SERVICES AND CORPORATE COST ALLOCATION FOR 2016**

Year: 2016

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Utility Services Inc.	Conservation & Demand Mgmt, Utility Billing Services, Meter Services, IT Services	Cost + Greater of Bank Prime OR Approved ROE (7.00% EB-2008-0245)	\$ 322,018	\$ 300,951
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Utility Services Inc.	Corporate/Administrative Costs/IT Services	Fully Allocated Costs	\$ 88,444	\$ 88,444
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Corp.	Board Honourarium	Fully Allocated Costs	\$ 8,124	\$ 8,124
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Renewable Power Incorporated	Corporate/Administrative Costs	Fully Allocated Costs	\$ 75,300	\$ 84,290
Total:				\$ 493,886	\$ 481,809

6

7

8

9

10

11

12

1 **TABLE 4-19: SHARED SERVICES AND CORPORATE COST ALLOCATION FOR 2017**

Year: 2017

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service \$	Cost for the Service \$
From	To				
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Utility Services Inc.	Conservation & Demand Mgmt, Utility Billing Services, Meter Services, IT Services	Cost + Greater of Bank Prime OR Approved ROE (9.19% EB-2008-0245)	\$ 357,787	\$ 321,012
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Utility Services Inc.	Corporate/Administrative Costs/IT Services	Fully Allocated Costs	\$ 91,769	\$ 91,769
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Corp.	Board Honourarium	Fully Allocated Costs	\$ 8,013	\$ 8,013
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Renewable Power Incorporated	Corporate/Administrative Costs	Fully Allocated Costs	\$ 75,605	\$ 82,569
Total:				\$ 533,173	\$ 503,362

2
3 Table 4-20 below provides the reconciliation of the revenue from affiliates as detailed in foregoing tables
4 with the amounts included in Exhibit 3, Section 3.4 Other Revenue.

5 **TABLE 4-20: RECONCILIATION OF SHARED SERVICES AND OTHER REVENUE**

Line No		2013 Actual	2014 Actual	2015 Actual	2016 Bridge Year	2017 Test Year
1	Total Shared Services Revenue	(346,646)	(390,828)	(404,247)	(493,886)	(533,173)
2	Less excluded transactions:					
3	Board Cost-TBHC	6,646	6,591	6,538	8,124	8,013
4	Renewable Generation Activity	96,911	90,423	86,858	75,300	75,605
5		(243,089)	(293,814)	(310,851)	(410,462)	(449,555)
6						
7	Total Shared Services Costs	312,030	375,464	386,589	481,809	503,362
8	Less excluded transactions:					
9	Board Cost-TBHC	(6,646)	(6,591)	(6,538)	(8,124)	(8,013)
10	Renewable Generation Activity	(77,827)	(95,309)	(93,074)	(84,290)	(82,569)
11		227,557	273,564	286,977	389,395	412,780
12	Net Wires Shared Services Revenue	(15,532)	(20,250)	(23,874)	(21,067)	(36,775)
13						
14	4220 Other Electric Revenues	(6,662)	(7,240)	(9,513)	(7,396)	(16,569)
15	4375 Revenues from Non-Utility Op	(89,914)	(122,458)	(119,935)	(208,963)	(240,082)
16	4380 Expenses of Non-Utility Opera	81,045	109,448	105,584	195,292	219,876
17		(15,532)	(20,250)	(23,864)	(21,067)	(36,775)

7 **4.5.3 SHARED SERVICES FROM AFFILIATES**

8 Thunder Bay Hydro does not receive services from Affiliates.

9 **4.5.4 AFFILIATE BOARD OF DIRECTOR COSTS**

10 Thunder Bay Hydro is reimbursed for TBHC, TBHUSI and TBHRPI Board remuneration disbursements.
11 TBHC and TBHRPI (\$6,513 included within Renewable Generation Activity) Board of Director related
12 affiliate charges are not included in Thunder Bay Hydro's OM&A costs. The costs that have been
13 excluded are detailed above in the Table 4-20. Thunder Bay Hydro is also reimbursed \$6,513 for TBHUSI
14 Board remuneration disbursements and this amount is included in OEB account 4220 in Table 4-20
15 above.

1 **4.5.5 VARIANCE ANALYSIS**

2 Table 4-21 below identifies variances of the 2017 Test Year versus 2013 Board Approved and 2015
3 Actual for services provided by Thunder Bay Hydro to affiliates.

4 **TABLE 4-21: SUMMARY OF AFFILIATES SERVICES AND CORPORATE COST ALLOCATIONS**

Line No	Item	2013 Board Approved	2015 Actual	2017 Test Year	2017 Test Year vs. 2013 Board Approved	2017 Test Year vs. 2015 Actual
1	Price for services provided	\$344,098	\$404,247	\$525,867	\$181,769	\$121,620
2	Cost for the services provided	\$334,928	\$389,966	\$496,367	\$161,439	\$106,401

5
6

7 There was an increase in both revenue and costs between the 2017 Test Year versus the 2013 Board
8 Approved due to the start of locates services in 2015 and inflationary increases in applicable costs.

9 There was an increase in both the revenue and costs between the 2017 Test Year versus the 2015
10 Actual as a result of 2017 being a full year of locates services costs and revenues. 2015 services did not
11 start until July.

12

4.6 PURCHASE OF NON-AFFILIATE SERVICES

Thunder Bay Hydro purchases services and products from third parties. Thunder Bay Hydro's purchasing policy establishes the principles, requirements, accountabilities and guidelines for the purchase of goods and services. The Purchasing Policy outlines authorization levels, requirements and approvals necessary to appropriately purchase goods and services from suppliers, vendors and contractors through the use of competitive bids, quotations and awards.

Thunder Bay Hydro confirms that it is in compliance with the Purchasing Policy. In accordance with the Board's Filing Requirements issued on July 14, 2016, Thunder Bay Hydro has provided a copy of its Purchasing Policy as Attachment 4-M to this Exhibit.

Table 4-22 below illustrates Thunder Bay Hydro's purchases by vendor for 2011, 2012, 2013, 2014 and 2015, where actual expenditures exceeded the \$119,000 materiality threshold calculated for this application. Thunder Bay Hydro anticipates using the same vendors for 2016 and 2017; however, Thunder Bay Hydro continually searches for new suppliers.

14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

1 **TABLE 4-22: PROCUREMENT VENDORS**

Line No	VENDOR NUMBER	VENDOR	PRODUCT/SERVICE	METHOD OF SELECTION	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual
1	2350	Advantage Electric	Electrical Work	Competitive Bid	\$352,532				
2	2809	Algal Engineering Ltd	System Design Services	Competitive Bid		\$276,456	\$119,547		
3	27	Altec Industrials Ltd	Vehicles	Competitive Bid					\$101,742
4	2106	Anisoft Group Inc.	Power System Upgrade	Competitive Bid		\$130,209			
5	34	Anixter Canada Inc.	Materials	Competitive Bid	\$149,398	\$152,429	\$149,343		
6	280	Anixter Power Solution Inc.	Materials	Competitive Bid	\$884,327	\$589,868	\$516,912	\$625,811	\$531,848
7	945	Bell Lumber	Poles	Competitive Bid		\$108,485		\$134,827	
8	113	Cam Tran Co. Ltd.	Transformers	Competitive Bid		\$110,549			
9	783	Campbell Trucking & Backhoe	Construction Services/Tree Trimming	Competitive Bid	\$593,879	\$646,682	\$621,351	\$815,994	\$812,368
10	147	Carte International Inc.	Transformers	Competitive Bid	\$653,028	\$169,739		\$321,133	
11	2544	CDW Canada Inc.	Computers, supplies, maintenance	Competitive Bid	\$101,813				
12	1484	City of Thunder Bay-Reality	Rental of Office Space	Negotiated	\$310,900	\$310,900	\$318,051	\$322,714	\$325,941
13	1775	Clara Industrials Ltd.	Vacuum Excavation	Competitive Bid				\$166,950	\$181,859
14	215	EECOL Electric Ltd.	Materials	Competitive Bid	\$110,960	\$157,733	\$118,463	\$165,929	\$106,050
15	2326	Elster Metering	Meters	Single Source	\$108,549		\$113,054	\$147,024	\$391,413
16	2887	G & W Canada Inc.	Hardware and Software	Competitive Bid		\$350,064			
17	1826	Global Rental Canada, ULC	Equipment	Single Source	\$201,700	\$139,937			
18	3018	Grid Link	Poles and Framing	Competitive Bid		\$423,482	\$531,332	\$777,705	\$692,616
19	287	Guelph Utility Pole Company Ltd.	Poles	Competitive Bid	\$412,431		\$272,449	\$373,961	\$423,175
20	314	Howard Industries	Transformers	Competitive Bid					\$222,927
21	3300	Keating Insulations Inc.	Asbestos Removal	Competitive Bid				\$161,067	
22	2193	Kinetiq Canada	Wholesale Settlement System	Single Source	\$110,199	\$113,329			
23	373	Lakehead Motors Limited	Vehicles	Competitive Bid		\$119,054			
24	384	Laprairie Incorporated	Transformers & Materials	Competitive Bid				\$101,957	\$345,392
25	1436	LTL Contracting Ltd	Vacuum Excavation	Competitive Bid	\$273,038	\$279,540	\$374,138	\$374,374	\$508,090
26	2474	LTL Directional Drilling	Construction Services	Competitive Bid	\$325,077		\$421,289	\$122,897	\$553,261
27	2243	Mearie Group	Employee Insurance	Single Source	\$171,782	\$265,114	\$247,389	\$182,091	\$205,238
28	2237	Mearie Management Inc.	Employee Insurance	Single Source	\$110,917				
29	406	MGM Electric Limited	Cables & Materials	Competitive Bid	\$147,588	\$109,335	\$374,138	\$170,659	\$118,778
30	453	Moloney Electrical Corp	Transformers	Competitive Bid				\$327,590	\$136,979
31	2953	MWG Apparel Corp	Flame Resistant Uniform Clothing	Competitive Bid	\$100,000				
32	3014	Noramco Wire & Cable Utility	Materials	Competitive Bid			\$159,632		\$269,174
33	3229	Nordmin Engineering Ltd.	Engineering Services	Competitive Bid					\$189,132
34	757	NorTrax Canada Inc.	Vehicles	Competitive Bid	\$114,479				
35	515	Park Electric Service	Electrical Work	Competitive Bid			\$161,600	\$260,620	\$242,601
36	536	Pnewood Ford Lincoln Limited	Vehicles	Competitive Bid			\$104,582		\$107,786
37	2494	Post-Plus Ontario Inc.	Vehicles	Competitive Bid			\$379,962	\$364,664	
38	3061	Prolific Group	Bill Printing / Delivery	Competitive Bid		\$121,496	\$171,277	\$168,284	
39	2069	Savage Data Systems Ltd	Operational Data Store	Single Source			\$100,319	\$103,896	\$110,336
40	241	Siemens Transformers	Transformers	Competitive Bid	\$279,775	\$106,740			
41	692	Tbaytel	Communication services	Single Source	\$397,235	\$373,350	\$332,125	\$272,514	\$227,392
42	3371	Teleco Landline	Phone System	Competitive Bid					\$100,907
43	1777	Texcan	Wires and Cables	Competitive Bid					\$156,087
44	2760	Thomas & Betts Ltd.	Materials	Sole Source					\$231,060
45	1221	Timberland Equipment Ltd.	Trailers	Single Source					\$196,682
46	348	Tom Jones Construction	New Garage Design & Build	Competitive Bid			\$2,832,905	\$475,130	
47	1828	Wajax Industries -Kitchener	Vehicles	Competitive Bid			\$223,498		\$100,250
48	736	Westburne Electric Supply	Cables & Materials	Competitive Bid		\$226,144	\$296,077		

2
 3 In compliance with Purchasing Policy, from time to time, it is necessary to obtain products or services
 4 utilizing single or sole source processes. Further details regarding single/sole source purchases above
 5 the materiality threshold are as follows;

- 6 • Meters – Purchase of specific approved meters required in Ontario.
- 7 • Global Rental Canada, UCL – Purchase required compatibility with existing products
- 8 • Kinetiq Canada – Purchase involved components for which there is no substitute and for which
- 9 compatibility with existing products is critical
- 10 • Savage Data Systems Inc.– Purchase involved components for which there is no substitute and
- 11 for which compatibility with existing products is critical
- 12 • Mearie Management Inc. – Purchase aligned with industry provider
- 13 • Mearie Group – Purchase aligned with industry provider
- 14 • TBaytel – Purchase aligned with regional communication service provider

- 1
 - 2
 - 3
- Thomas & Betts Ltd. – Purchase covered by an exclusive design rights
 - Timberland Equipment Ltd. - Purchase required compatibility with existing products

1 **4.7 ONE-TIME COSTS**

2 Thunder Bay Hydro has included one-time costs of \$53,800 in its 2017 Test Year revenue requirement
3 based on a five year recovery until the next cost of service Application. For more details regarding this
4 one-time cost recovery, please see Section 4.8 below.

5

6

7

8

9

1 **4.8 REGULATORY COSTS**

2 Thunder Bay Hydro's regulatory staff reports into the Finance Division and is staffed by the Business and
3 Regulatory Supervisor and the Business and Regulatory Analyst, who are responsible for preparing
4 regulatory filings and rate applications, performing settlement reviews and reconciliations, ensuring
5 regulatory and legislative compliance, performing business and process reviews, participating in
6 regulatory consultations and providing reporting and timely responses to regulatory bodies.

7 On-going regulatory expenses are forecasted to be \$284,100. This includes Board annual assessment
8 and Section 30 costs \$245,000; recurring legal and consulting costs associated with regulatory
9 compliance \$15,000; and Electrical Safety Authority annual agency fee \$24,100.

10 In order to prepare the Application in accordance with the Filing Requirements, while at the same time
11 maintaining day-to-day operations, Thunder Bay Hydro retained one-time legal and consulting assistance
12 from experienced subject matter experts' familiar with the Ontario electrical distribution industry. Thunder
13 Bay Hydro has identified these costs as required, in Appendix 2-M which can be found in Attachment 4-N
14 of this Exhibit.

15 The total cost of this Application is forecasted to be \$269,000. This includes legal and consulting costs of
16 \$192,200 which is comprised as follows: \$85,000 in legal and rates consulting expenses from Thunder
17 Bay Hydro's primary advisors; \$89,000 for services related to the DSP plan; and \$18,200 for services
18 related to the customer engagement. Additional application costs include: \$3,000 expert witness costs;
19 \$9,000 for travel, lodging, meals; \$4,000 for advertising associated with this Application; and \$60,800 for
20 Intervenor expense.

21 Thunder Bay Hydro proposes to recover the \$269,000 of costs in distribution rates over a 5 year period.
22 Therefore, Thunder Bay Hydro has included \$53,800 in OM&A Account 5655 as per APH Handbook.

23

24

4.9 LOW-INCOME ENERGY ASSISTANCE PROGRAM (LEAP)

The delivery of LEAP relies heavily on the cooperation between Thunder Bay Hydro and its lead social agency, Lakehead Social Planning, to administer the program within Thunder Bay Hydro's Service Territory.

In accordance with Filing Guidelines 2.4.3.6, Thunder Bay Hydro has included \$29,978 of expense under Community Relations. Thunder Bay Hydro understands that the included figure of \$29,978 has been used throughout the application. This is \$314 less than the calculated \$30,292 shown above. At the time this final rates are determined Thunder Bay Hydro will update this figure as calculated in Table 4-23 LEAP. In the table below, this amount is based on 0.12% of the 2017 Test Year. This amount has been included in Account 6205 – Donations, to ensure that it is captured appropriately in the Revenue Requirement.

Thunder Bay Hydro's 2017 Test Year Revenue Requirement does not include any legacy low income energy assistance programs.

TABLE 4-23: LEAP

Line No		2017 Test Year
1	Service Revenue Requirement	\$25,243,529
2	LEAP %	0.12%
3	LEAP Amount	\$30,292
4	LEAP Amount Used	\$29,978

1 **4.10 CHARITABLE DONATIONS**

2 Other than the LEAP charitable donations discussed in Section 4.9 above, Thunder Bay Hydro has not
3 included any other charitable donations in OM&A expenses.

4

5

6

1 **4.11 POLITICAL DONATIONS**

2 Thunder Bay Hydro confirms it does not make political contributions; therefore no political contributions
3 have been included for recovery.

4

4.12 DEPRECIATION, AMORTIZATION AND DEPLETION

4.12.1 OVERVIEW

As directed by the Board, Thunder Bay Hydro had modified its capitalization and depreciation policies to be more in line with IFRS effective January 1, 2013. This was referred to as “modified CGAAP” (MCGAAP) in the 2013 Cost of Service Application.

Useful lives were guided by the Kinectrics Report provided by the Board as well as an internal assessment of the remaining service lives for the purposes of determining the computation of depreciation expense on a go-forward basis.

Thunder Bay Hydro confirms that significant parts or components of each item of PP&E are being depreciated separately. This is discussed in more detail below.

Thunder Bay Hydro’s capital assets and capital contributions are amortized on a straight-line basis, when the item is put into service, over the deemed life of the assets.

Construction in progress assets are not amortized until the project is complete. Thunder Bay Hydro does not capitalize any interest to the cost of assets constructed as typical life cycle of construction projects are less than one year.

For the purposes of calculating depreciation for this Application, the half-year rule has been applied for all in-service 2017 Test Year capital additions and capital contributions in accordance with Section 2.4.4 of Chapter 2 of the Board’s Filing Requirements.

The tables beginning with Table 4-24 and ending with Table 4-28 provide a summary by year for 2013 Actual, 2014 Actual, 2015 Actual, 2016 Bridge Year and 2017 Test Year, respectively, of Thunder Bay Hydro’s depreciation expense including asset amounts and rates of depreciation. These tables reflect the Accumulated Depreciation balances in the Fixed Asset Continuity schedule in Exhibit 2, which are consistent with the Board’s Appendix 2-BA.

1 **TABLE 4-24: 2013 DEPRECIATION**

Description ³	Year 2013 Cost				Accumulated Depreciation				
	Opening Balance	Additions ⁴	Disposals ⁶	Closing Balance	Opening Balance	Additions	Disposals ⁶	Closing Balance	Net Book Value
Hydro One Gate Station	\$1,272,321	\$0	\$0	\$ 1,272,321	(\$137,026)	(\$50,893)	\$0	(\$187,919)	\$1,084,403
Computer Software (Formally known as Account 1925)	\$1,175,257	\$2,442	\$0	\$ 1,177,699	(\$986,708)	(\$85,451)	\$0	(\$1,072,159)	\$105,540
Land Rights (Formally known as Account 1906)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Land	\$133,038	\$0	\$0	\$ 133,038	\$0	\$0	\$0	\$0	\$133,038
Buildings	\$3,932,848	\$3,277,071	\$0	\$ 7,209,919	(\$1,862,466)	(\$72,044)	\$0	(\$1,934,510)	\$5,275,408
Leasehold Improvements	\$63,262	\$0	\$0	\$ 63,262	(\$5,218)	(\$31,202)	\$0	(\$36,421)	\$26,842
Transformer Station Equipment >50 kV	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Distribution Station Equipment <50 kV	\$8,315,333	\$0	\$0	\$ 8,315,333	(\$6,155,163)	(\$381,948)	\$0	(\$6,537,112)	\$1,778,221
Storage Battery Equipment	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Poles, Towers & Fixtures	\$31,903,597	\$3,330,045	(\$334,965)	\$ 34,898,676	(\$10,540,767)	(\$680,790)	\$275,073	(\$10,946,473)	\$23,952,203
Overhead Conductors & Devices	\$33,136,377	\$2,336,486	(\$447,871)	\$ 35,024,992	(\$16,817,216)	(\$410,914)	\$414,010	(\$16,814,120)	\$18,210,872
Underground Conduit	\$13,776,181	\$794,647	(\$4,263)	\$ 14,566,565	(\$7,631,382)	(\$108,897)	\$4,057	(\$7,736,222)	\$6,830,343
Underground Conductors & Devices	\$18,998,032	\$161,567	(\$49,902)	\$ 19,109,697	(\$9,512,097)	(\$340,475)	\$45,580	(\$9,806,992)	\$9,302,704
Line Transformers	\$27,514,625	\$1,470,236	(\$518,382)	\$ 28,466,479	(\$15,496,747)	(\$461,892)	\$801,924	(\$15,156,715)	\$13,309,764
ARO	\$299,629	(\$14,255)	\$0	\$ 285,374	(\$79,665)	(\$27,666)	\$0	(\$107,331)	\$178,043
Services (Overhead & Underground)	\$20,981,631	\$293,577	\$0	\$ 21,275,208	(\$14,647,010)	(\$197,688)	\$0	(\$14,844,698)	\$6,430,510
Meters	\$9,039,600	\$162,539	(\$79,126)	\$ 9,123,013	(\$2,589,341)	(\$539,425)	\$64,781	(\$3,063,985)	\$6,059,028
Meters (Smart Meters)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Land	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Buildings & Fixtures	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Leasehold Improvements	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Office Furniture & Equipment (10 years)	\$1,418,601	\$44,016	\$0	\$ 1,462,617	(\$1,168,335)	(\$38,653)	\$0	(\$1,206,988)	\$255,629
Office Furniture & Equipment (5 years)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Computer Equipment - Hardware	\$3,007,548	\$53,319	(\$3,607)	\$ 3,057,261	(\$2,723,217)	(\$99,442)	\$3,607	(\$2,819,053)	\$238,208
Computer Equip.-Hardware(Post Mar. 22/04)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Computer Equip.-Hardware(Post Mar. 19/07)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Transportation Equipment	\$6,540,014	\$760,604	(\$46,046)	\$ 7,254,571	(\$4,554,808)	(\$181,394)	\$46,046	(\$4,690,155)	\$2,564,416
Stores Equipment	\$63,417	\$0	\$0	\$ 63,417	(\$62,835)	(\$582)	\$0	(\$63,417)	(\$0)
Tools, Shop & Garage Equipment	\$2,490,345	\$50,258	\$0	\$ 2,540,603	(\$2,263,685)	(\$49,469)	\$0	(\$2,313,154)	\$227,449
Measurement & Testing Equipment	\$291,550	\$7,634	\$0	\$ 299,184	(\$159,853)	(\$24,343)	\$0	(\$184,197)	\$114,987
Power Operated Equipment	\$204,487	\$11,395	\$0	\$ 215,882	(\$59,790)	(\$21,362)	\$0	(\$81,152)	\$134,730
Communications Equipment	\$237,543	\$39,140	\$0	\$ 276,683	(\$164,718)	(\$20,551)	\$0	(\$185,269)	\$91,413
Communication Equipment (Smart Meters)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Miscellaneous Equipment	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Load Management Controls Customer Premises	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Load Management Controls Utility Premises	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
System Supervisor Equipment	\$323,861	\$0	\$0	\$ 323,861	(\$97,221)	(\$32,357)	\$0	(\$129,578)	\$194,282
Miscellaneous Fixed Assets	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Other Tangible Property	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Contributions & Grants	(\$16,749,780)	(\$1,792,509)	\$0	\$ 18,542,289	\$ 3,684,311.33	\$ 422,209.81	\$ -	\$ 4,106,521	(\$14,435,768)
Deferred Revenue ⁵	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Work in Process	\$2,906,520	(\$759,326)	\$0	\$ 2,147,194	\$ -	\$ -	\$ -	\$0	\$2,147,194
Sub-Total	\$171,275,834	\$10,228,885	(\$1,484,162)	\$ 180,020,557	(\$94,030,956)	(\$3,435,219)	\$1,655,076	(\$95,811,099)	\$84,209,458
Less Socialized Renewable Energy Generation Investments (input as negative)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Less Other Non Rate-Regulated Utility Assets (input as negative)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Total PP&E	\$171,275,834	\$10,228,885	(\$1,484,162)	\$ 180,020,557	(\$94,030,956)	(\$3,435,219)	\$1,655,076	(\$95,811,099)	\$84,209,458
Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable ⁶	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Total						(\$3,435,219)			

Transportation		Less: Fully Allocated Depreciation
Stores Equipment		Overhead Depts & Information Systems
		(\$341,262)
		Net Depreciation
		(\$3,093,956)

2
3
4
5
6
7
8
9
10
11

1 **TABLE 4-25: 2014 DEPRECIATION**

Description ³	Year 2014 Cost				Accumulated Depreciation					Net Book Value
	Opening Balance	Additions ⁴	Disposals ⁶	Closing Balance	Opening Balance	Additions	Disposals ⁶	Closing Balance		
Hydro One Gate Station	\$1,272,321	\$0	\$0	\$ 1,272,321	(\$187,919)	(\$50,893)	\$0	(\$238,811)	\$1,033,510	
Computer Software (Formally known as Account 1925)	\$1,177,699	\$62,420	\$0	\$ 1,240,119	(\$1,072,159)	(\$72,241)	\$0	(\$1,144,400)	\$95,719	
Land Rights (Formally known as Account 1906)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Land	\$133,038	\$0	\$0	\$ 133,038	\$0	\$0	\$0	\$0	\$133,038	
Buildings	\$7,209,919	\$1,529	\$0	\$ 7,211,448	(\$1,934,510)	(\$190,673)	\$0	(\$2,125,183)	\$5,086,265	
Leasehold Improvements	\$63,262	\$0	\$0	\$ 63,262	(\$36,421)	(\$26,842)	\$0	(\$63,262)	\$0	
Transformer Station Equipment >50 kV	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Distribution Station Equipment <50 kV	\$8,315,333	\$0	\$0	\$ 8,315,333	(\$6,537,112)	(\$225,959)	\$0	(\$6,763,071)	\$1,552,262	
Storage Battery Equipment	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Poles, Towers & Fixtures	\$34,898,676	\$2,957,606	(\$298,167)	\$ 37,558,115	(\$10,946,473)	(\$773,279)	\$260,420	(\$11,459,332)	\$26,098,782	
Overhead Conductors & Devices	\$35,024,992	\$1,436,851	(\$145,837)	\$ 36,316,005	(\$16,814,120)	(\$445,420)	\$136,560	(\$17,122,980)	\$19,193,025	
Underground Conduit	\$14,566,565	(\$46,937)	(\$17,985)	\$ 14,501,643	(\$7,736,222)	(\$112,610)	\$17,123	(\$7,831,709)	\$6,669,935	
Underground Conductors & Devices	\$19,109,697	\$1,042,229	(\$63,597)	\$ 20,088,339	(\$9,806,992)	(\$360,229)	\$5,781	(\$10,115,441)	\$9,972,898	
Line Transformers	\$28,466,479	\$2,157,714	(\$466,901)	\$ 30,157,292	(\$15,156,715)	(\$507,534)	\$342,906	(\$15,321,343)	\$14,835,949	
ARO	\$285,374	(\$48,717)	\$0	\$ 236,657	(\$107,331)	(\$19,720)	\$0	(\$127,051)	\$109,606	
Services (Overhead & Underground)	\$21,275,208	\$1,017,823	(\$120,293)	\$ 22,172,737	(\$14,644,698)	(\$206,291)	\$102,465	(\$14,948,524)	\$7,224,213	
Meters	\$9,123,013	\$410,304	(\$180,941)	\$ 9,352,376	(\$3,063,965)	(\$551,616)	(\$43,669)	(\$3,659,270)	\$5,693,106	
Meters (Smart Meters)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Land	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Buildings & Fixtures	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Leasehold Improvements	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Office Furniture & Equipment (10 years)	\$1,462,617	\$34,690	(\$10,341)	\$ 1,486,967	(\$1,206,968)	(\$41,011)	\$10,341	(\$1,237,638)	\$249,308	
Office Furniture & Equipment (5 years)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Computer Equipment - Hardware	\$3,057,261	\$76,739	(\$20,560)	\$ 3,113,439	(\$2,819,053)	(\$101,859)	\$20,167	(\$2,900,725)	\$212,715	
Computer Equip.-Hardware(Post Mar. 22/04)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Computer Equip.-Hardware(Post Mar. 19/07)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Transportation Equipment	\$7,254,571	\$622,613	(\$317,897)	\$ 7,559,287	(\$4,690,155)	(\$221,877)	\$308,342	(\$4,603,690)	\$2,955,597	
Stores Equipment	\$63,417	\$0	\$0	\$ 63,417	(\$63,417)	\$0	\$0	(\$63,417)	(\$0)	
Tools, Shop & Garage Equipment	\$2,540,603	\$160,587	\$0	\$ 2,701,190	(\$2,313,154)	(\$48,090)	\$6,049	(\$2,355,196)	\$345,995	
Measurement & Testing Equipment	\$299,184	\$26,888	(\$8,343)	\$ 317,728	(\$184,197)	(\$23,027)	\$0	(\$207,224)	\$110,505	
Power Operated Equipment	\$215,882	\$0	\$0	\$ 215,882	(\$81,152)	(\$16,662)	\$0	(\$207,814)	\$118,068	
Communications Equipment	\$276,683	\$3,147	\$0	\$ 279,830	(\$185,269)	(\$27,675)	\$0	(\$212,945)	\$66,885	
Communication Equipment (Smart Meters)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Miscellaneous Equipment	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Load Management Controls Customer Premises	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Load Management Controls Utility Premises	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
System Supervisor Equipment	\$323,861	\$39,038	\$0	\$ 362,899	(\$129,578)	(\$23,781)	\$0	(\$153,359)	\$209,539	
Miscellaneous Fixed Assets	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Other Tangible Property	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Contributions & Grants	(\$18,542,289)	(\$2,137,042)	\$0	\$ 20,679,331	\$ 4,106,521.14	\$ 458,949.54	\$ -	\$ 4,565,471	(\$16,113,860)	
Deferred Revenue ⁵	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Work in Process	\$2,147,194	\$741,545	\$0	\$ 2,888,739	\$ -	\$ -	\$ -	\$ -	\$2,888,739	
	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Sub-Total	\$180,020,557	\$8,559,027	(\$1,650,853)	\$ 186,928,731	(\$95,811,099)	(\$3,588,339)	\$1,212,503	(\$98,186,935)	\$88,741,796	
Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$0	\$0	
Less Other Non Rate-Regulated Utility Assets (input as negative)				\$ -				\$0	\$0	
Total PP&E	\$180,020,557	\$8,559,027	(\$1,650,853)	\$ 186,928,731	(\$95,811,099)	(\$3,588,339)	\$1,212,503	(\$98,186,935)	\$88,741,796	
Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable ⁶								\$0		
Total						(\$3,588,339)				

Transportation		Less: Fully Allocated Depreciation	
Stores Equipment		Overhead Depts & Information Systems	(\$497,156)
		Net Depreciation	(\$3,091,183)

2
3
4
5
6
7
8
9
10
11
12

1 **TABLE 4-26: 2015 DEPRECIATION**

Description ³	Cost				Accumulated Depreciation				Net Book Value
	Opening Balance	Additions ⁴	Disposals ⁶	Closing Balance	Opening Balance	Additions	Disposals ⁶	Closing Balance	
Hydro One Gate Station	\$1,272,321	\$0	\$0	\$ 1,272,321	(\$238,811)	(\$50,893)	\$0	(\$289,704)	\$982,617
Computer Software (Formally known as Account 1925)	\$1,240,119	\$53,506	\$0	\$ 1,293,625	(\$1,144,400)	(\$57,482)	\$0	(\$1,201,882)	\$91,743
Land Rights (Formally known as Account 1906)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Land	\$133,038	\$0	\$0	\$ 133,038	\$0	\$0	\$0	\$0	\$133,038
Buildings	\$7,211,448	\$152,835	\$0	\$ 7,364,283	(\$2,125,183)	(\$191,984)	\$0	(\$2,317,167)	\$5,047,116
Leasehold Improvements	\$63,262	\$0	\$0	\$ 63,262	(\$63,262)	\$0	\$0	(\$63,262)	\$0
Transformer Station Equipment >50 kV	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Distribution Station Equipment <50 kV	\$8,315,333	\$0	\$0	\$ 8,315,333	(\$6,763,071)	(\$200,250)	\$0	(\$6,963,322)	\$1,352,011
Storage Battery Equipment	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Poles, Towers & Fixtures	\$37,558,115	\$4,241,394	(\$373,588)	\$ 41,425,920	(\$11,459,332)	(\$855,217)	\$313,220	(\$12,001,330)	\$29,424,591
Overhead Conductors & Devices	\$36,316,005	\$2,218,273	(\$258,712)	\$ 38,275,567	(\$17,122,980)	(\$475,176)	\$247,468	(\$17,350,689)	\$20,924,878
Underground Conduit	\$14,501,643	\$807,662	(\$3,304)	\$ 15,306,002	(\$7,831,709)	(\$116,164)	\$3,154	(\$7,944,719)	\$7,361,283
Underground Conductors & Devices	\$20,088,339	\$649,675	(\$137,145)	\$ 20,600,869	(\$10,115,441)	(\$378,575)	\$126,920	(\$10,367,095)	\$10,233,774
Line Transformers	\$30,157,292	\$1,538,937	(\$483,285)	\$ 31,213,946	(\$15,321,343)	(\$535,008)	\$386,941	(\$15,469,410)	\$15,744,537
ARO	\$236,657	(\$28,686)	\$0	\$ 209,971	(\$127,051)	(\$14,120)	\$0	(\$141,171)	\$68,800
Services (Overhead & Underground)	\$22,172,737	\$415,379	(\$10,032)	\$ 22,578,084	(\$14,948,524)	(\$238,636)	\$9,479	(\$15,177,681)	\$7,400,403
Meters	\$9,352,376	\$554,669	(\$115,427)	\$ 9,791,618	(\$3,659,270)	(\$564,951)	\$303	(\$4,223,919)	\$5,567,700
Meters (Smart Meters)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Land	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Buildings & Fixtures	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Leasehold Improvements	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Office Furniture & Equipment (10 years)	\$1,486,967	\$114,528	(\$15,978)	\$ 1,585,517	(\$1,237,658)	(\$48,134)	\$15,978	(\$1,269,815)	\$315,703
Office Furniture & Equipment (5 years)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Computer Equipment - Hardware	\$3,113,439	\$137,531	(\$14,163)	\$ 3,236,818	(\$2,900,725)	(\$115,757)	\$12,450	(\$3,004,032)	\$232,786
Computer Equip.-Hardware(Post Mar. 22/04)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Computer Equip.-Hardware(Post Mar. 19/07)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Transportation Equipment	\$7,559,287	\$485,438	(\$447,714)	\$ 7,597,012	(\$4,603,690)	(\$280,569)	\$447,714	(\$4,416,546)	\$3,180,466
Stores Equipment	\$63,417	\$0	\$0	\$ 63,417	(\$63,417)	\$0	\$0	(\$63,417)	(\$0)
Tools, Shop & Garage Equipment	\$2,701,190	\$158,841	(\$36,358)	\$ 2,823,673	(\$2,355,196)	(\$62,122)	\$33,361	(\$2,383,956)	\$439,717
Measurement & Testing Equipment	\$317,728	\$41,458	\$0	\$ 359,187	(\$207,224)	(\$24,684)	\$0	(\$231,908)	\$127,279
Power Operated Equipment	\$215,882	\$196,682	\$0	\$ 412,564	(\$97,814)	(\$32,051)	\$0	(\$129,864)	\$282,700
Communications Equipment	\$279,830	\$4,150	\$0	\$ 283,980	(\$212,945)	(\$27,181)	\$0	(\$240,125)	\$43,854
Communication Equipment (Smart Meters)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Miscellaneous Equipment	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Load Management Controls Customer Premises	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Load Management Controls Utility Premises	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
System Supervisor Equipment	\$362,898	\$0	\$0	\$ 362,898	(\$153,359)	(\$24,858)	\$0	(\$178,217)	\$184,681
Miscellaneous Fixed Assets	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Other Tangible Property	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Contributions & Grants	(\$20,679,331)	(\$1,984,671)	\$0	\$ 22,664,002	\$ 4,565,470.68	\$ 504,470.93	\$ -	\$ 5,069,942	(\$17,594,060)
Deferred Revenue ⁵	\$0	\$0	\$0	\$ -	\$ -	\$ -	\$ -	\$0	\$0
Work in Process	\$2,888,739	\$125,762	\$0	\$ 3,014,501	\$ -	\$ -	\$ -	\$0	\$3,014,501
	\$0	\$0	\$0	\$ -	\$ -	\$ -	\$ -	\$0	\$0
Sub-Total	\$186,928,731	\$9,886,365	(\$1,895,693)	\$ 194,919,403	(\$98,186,935)	(\$3,769,341)	\$1,596,987	(\$100,359,288)	\$94,560,115
Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$0	\$0
Less Other Non Rate-Regulated Utility Assets (input as negative)				\$ -				\$0	\$0
Total PP&E	\$186,928,731	\$9,886,365	(\$1,895,693)	\$ 194,919,403	(\$98,186,935)	(\$3,769,341)	\$1,596,987	(\$100,359,288)	\$94,560,115
Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets, if applicable) ⁴								\$0	
Total								(\$3,769,341)	

Less: Fully Allocated Depreciation
 Overhead Depts &
 Information Systems
Net Depreciation (\$551,714)
(\$3,217,627)

2
3
4
5
6
7
8
9
10
11
12

1 **TABLE 4-27: 2016 DEPRECIATION**

Description ³	Cost				Accumulated Depreciation				Net Book Value
	Opening Balance	Additions ⁴	Disposals ⁶	Closing Balance	Opening Balance	Additions	Disposals ⁶	Closing Balance	
Hydro One Gate Station	\$1,272,321	\$0	\$0	\$ 1,272,321	(\$289,704)	(\$50,893)	\$0	(\$340,597)	\$931,724
Computer Software (Formally known as Account 1925)	\$1,293,625	\$77,000	\$0	\$ 1,370,625	(\$1,201,882)	(\$73,141)	\$0	(\$1,275,023)	\$95,602
Land Rights (Formally known as Account 1906)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Land	\$133,038	\$0	(\$3,186)	\$ 129,852	\$0	\$0	\$0	\$0	\$129,852
Buildings	\$7,364,283	\$81,000	\$0	\$ 7,445,283	(\$2,317,167)	(\$193,682)	\$0	(\$2,510,849)	\$4,934,434
Leasehold Improvements	\$63,262	\$50,000	\$0	\$ 113,262	(\$63,262)	(\$1,000)	\$0	(\$64,262)	\$49,000
Transformer Station Equipment >50 kV	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Distribution Station Equipment <50 kV	\$8,315,333	\$0	\$0	\$ 8,315,333	(\$6,963,322)	(\$200,251)	\$0	(\$7,163,573)	\$1,151,760
Storage Battery Equipment	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Poles, Towers & Fixtures	\$41,425,920	\$3,043,610	(\$348,073)	\$ 44,121,457	(\$12,001,330)	(\$908,347)	\$282,904	(\$12,626,773)	\$31,494,685
Overhead Conductors & Devices	\$38,275,567	\$3,804,734	(\$294,723)	\$ 41,785,578	(\$17,350,689)	(\$504,696)	\$266,012	(\$17,589,373)	\$24,196,205
Underground Conduit	\$15,306,002	\$369,914	(\$8,835)	\$ 15,657,081	(\$7,944,719)	(\$123,381)	\$8,111	(\$8,059,989)	\$7,597,092
Underground Conductors & Devices	\$20,600,869	\$768,543	(\$86,656)	\$ 21,282,756	(\$10,367,095)	(\$402,093)	\$74,760	(\$10,694,428)	\$10,588,328
Line Transformers	\$31,213,946	\$2,176,719	(\$507,755)	\$ 32,882,910	(\$15,469,410)	(\$569,122)	\$510,590	(\$15,527,942)	\$17,354,969
ARO	\$209,971	\$0	\$0	\$ 209,971	(\$141,171)	(\$14,120)	\$0	(\$155,291)	\$54,680
Services (Overhead & Underground)	\$22,578,084	\$330,397	(\$67,590)	\$ 22,840,891	(\$15,177,681)	(\$253,461)	\$55,972	(\$15,375,170)	\$7,465,721
Meters	\$9,791,618	\$608,338	(\$129,826)	\$ 10,270,130	(\$4,223,919)	(\$600,049)	\$7,138	(\$4,816,830)	\$5,453,301
Meters (Smart Meters)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Land	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Buildings & Fixtures	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Leasehold Improvements	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Office Furniture & Equipment (10 years)	\$1,585,517	\$21,397	\$0	\$ 1,606,914	(\$1,269,815)	(\$58,822)	\$0	(\$1,328,637)	\$278,278
Office Furniture & Equipment (5 years)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Computer Equipment - Hardware	\$3,236,818	\$106,886	\$0	\$ 3,343,504	(\$3,004,032)	(\$146,850)	\$0	(\$3,150,882)	\$192,622
Computer Equip.-Hardware(Post Mar. 22/04)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Computer Equip.-Hardware(Post Mar. 19/07)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Transportation Equipment	\$7,597,012	\$992,128	(\$294,241)	\$ 8,294,899	(\$4,416,546)	(\$303,018)	\$294,241	(\$4,425,323)	\$3,869,576
Stores Equipment	\$63,417	\$0	\$0	\$ 63,417	(\$63,417)	\$0	\$0	(\$63,417)	(\$0)
Tools, Shop & Garage Equipment	\$2,823,673	\$115,500	\$0	\$ 2,939,173	(\$2,383,956)	(\$75,948)	\$0	(\$2,459,904)	\$479,269
Measurement & Testing Equipment	\$359,187	\$26,250	\$0	\$ 385,437	(\$231,908)	(\$28,551)	\$0	(\$260,459)	\$124,978
Power Operated Equipment	\$412,564	\$17,222	(\$39,876)	\$ 389,910	(\$129,864)	(\$37,072)	\$39,876	(\$127,060)	\$262,850
Communications Equipment	\$283,980	\$0	\$0	\$ 283,980	(\$240,125)	(\$24,453)	\$0	(\$264,578)	\$19,401
Communication Equipment (Smart Meters)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Miscellaneous Equipment	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Load Management Controls Customer Premises	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Load Management Controls Utility Premises	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
System Supervisor Equipment	\$362,898	\$447,231	\$0	\$ 810,129	(\$178,217)	(\$53,415)	\$0	(\$231,632)	\$578,497
Miscellaneous Fixed Assets	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Other Tangible Property	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Contributions & Grants	(\$22,664,002)	(\$1,235,032)	\$0	\$ -23,899,034	\$ 5,069,941.61	\$ 540,000.00	\$ -	\$5,609,942	(\$18,289,092)
Deferred Revenue ⁷	\$0	\$0	\$0	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
Work in Process	\$3,014,501	\$1,507,294	(\$2,741,379)	\$ 1,780,416	\$ -	\$ -	\$ -	\$ -	\$1,780,416
	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0
Sub-Total	\$194,919,403	\$13,298,931	(\$4,522,140)	\$ 203,696,194	(\$100,359,288)	(\$4,082,365)	\$1,539,604	(\$102,902,049)	\$100,794,145
Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$0	\$0
Less Other Non Rate-Regulated Utility Assets (input as negative)				\$ -				\$0	\$0
Total PP&E	\$194,919,403	\$13,298,931	(\$4,522,140)	\$ 203,696,194	(\$100,359,288)	(\$4,082,365)	\$1,539,604	(\$102,902,049)	\$100,794,145
Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable ⁸				\$0				\$0	\$0
Total								(\$4,082,365)	

Transportation	
Stores Equipment	

Less: Fully Allocated Depreciation
 Overhead Depts &
 Information Systems
Net Depreciation

	(\$610,608)
	(\$3,471,757)

2
3
4
5
6
7
8
9
10
11
12

1 **TABLE 4-28: 2017 DEPRECIATION**

Description ³	Year 2017				Accumulated Depreciation					Net Book Value
	Cost				Opening Balance	Additions	Disposals ⁶	Closing Balance		
	Opening Balance	Additions ⁴	Disposals ⁵	Closing Balance						
Hydro One Gate Station	\$1,272,321	\$0	\$0	\$ 1,272,321	(\$340,597)	(\$50,893)	\$0	(\$391,490)	\$880,831	
Computer Software (Formally known as Account 1925)	\$1,370,625	\$62,500	\$0	\$ 1,433,125	(\$1,275,023)	(\$55,969)	\$0	(\$1,330,992)	\$102,133	
Land Rights (Formally known as Account 1906)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Land	\$129,852	\$0	\$0	\$ 129,852	\$0	\$0	\$0	\$0	\$129,852	
Buildings	\$7,445,283	\$82,000	\$0	\$ 7,527,283	(\$2,510,849)	(\$197,677)	\$0	(\$2,708,526)	\$4,818,757	
Leasehold Improvements	\$113,262	\$0	\$0	\$ 113,262	(\$64,262)	(\$2,000)	\$0	(\$66,262)	\$47,000	
Transformer Station Equipment >50 kV	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Distribution Station Equipment <50 kV	\$8,315,333	\$0	\$0	\$ 8,315,333	(\$7,163,573)	(\$200,251)	\$0	(\$7,363,824)	\$951,509	
Storage Battery Equipment	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Poles, Towers & Fixtures	\$44,121,457	\$3,787,353	(\$348,073)	\$ 47,560,737	(\$12,626,173)	(\$958,403)	\$282,904	(\$13,302,272)	\$34,258,466	
Overhead Conductors & Devices	\$41,785,578	\$3,317,909	(\$294,723)	\$ 44,808,764	(\$17,589,373)	(\$532,508)	\$266,012	(\$17,855,869)	\$26,952,895	
Underground Conduit	\$15,657,081	\$287,505	(\$8,835)	\$ 15,935,751	(\$8,059,989)	(\$130,180)	\$8,111	(\$8,182,058)	\$7,753,693	
Underground Conductors & Devices	\$21,282,756	\$872,103	(\$86,656)	\$ 22,068,203	(\$10,694,428)	(\$424,251)	\$74,760	(\$11,043,919)	\$11,024,284	
Line Transformers	\$32,882,910	\$1,731,045	(\$507,755)	\$ 34,106,200	(\$15,527,942)	(\$601,263)	\$510,590	(\$15,618,615)	\$18,487,586	
ARO	\$209,971	\$0	\$0	\$ 209,971	(\$155,291)	(\$14,120)	\$0	(\$169,411)	\$40,560	
Services (Overhead & Underground)	\$22,840,891	\$292,796	(\$67,590)	\$ 23,066,097	(\$15,375,170)	(\$267,429)	\$55,972	(\$15,586,627)	\$7,479,470	
Meters	\$10,270,130	\$447,424	(\$129,826)	\$ 10,587,728	(\$4,816,830)	(\$633,115)	\$7,138	(\$5,442,807)	\$5,144,922	
Meters (Smart Meters)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Land	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Buildings & Fixtures	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Leasehold Improvements	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Office Furniture & Equipment (10 years)	\$1,606,914	\$58,000	\$0	\$ 1,664,914	(\$1,328,637)	(\$60,779)	\$0	(\$1,389,416)	\$275,499	
Office Furniture & Equipment (5 years)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Computer Equipment - Hardware	\$3,343,504	\$148,500	\$0	\$ 3,492,004	(\$3,150,882)	(\$111,263)	\$0	(\$3,262,165)	\$229,839	
Computer Equip.-Hardware(Post Mar. 22/04)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Computer Equip.-Hardware(Post Mar. 19/07)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Transportation Equipment	\$8,294,899	\$610,000	(\$267,997)	\$ 8,636,902	(\$4,425,323)	(\$364,753)	\$267,997	(\$4,522,079)	\$4,114,823	
Stores Equipment	\$63,417	\$0	\$0	\$ 63,417	(\$63,417)	\$0	\$0	(\$0)	\$0	
Tools, Shop & Garage Equipment	\$2,939,173	\$101,500	\$0	\$ 3,040,673	(\$2,459,904)	(\$79,546)	\$0	(\$2,539,450)	\$501,223	
Measurement & Testing Equipment	\$385,437	\$75,000	\$0	\$ 460,437	(\$260,459)	(\$29,981)	\$0	(\$290,440)	\$169,997	
Power Operated Equipment	\$389,910	\$0	\$0	\$ 389,910	(\$127,060)	(\$38,928)	\$0	(\$165,988)	\$223,922	
Communications Equipment	\$283,980	\$0	\$0	\$ 283,980	(\$264,578)	(\$13,954)	\$0	(\$278,532)	\$5,447	
Communication Equipment (Smart Meters)	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Miscellaneous Equipment	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Load Management Controls Customer Premises	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Load Management Controls Utility Premises	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
System Supervisor Equipment	\$810,129	\$174,430	\$0	\$ 984,559	(\$231,632)	(\$74,250)	\$0	(\$305,882)	\$678,677	
Miscellaneous Fixed Assets	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Other Tangible Property	\$0	\$0	\$0	\$ -	\$0	\$0	\$0	\$0	\$0	
Contributions & Grants	(\$23,899,034)	(\$1,326,298)	\$0	\$ 25,225,332	\$ 5,609,941.61	\$ 573,662.00	\$ -	\$ 6,183,604	(\$19,041,728)	
Deferred Revenue ⁷	\$0	\$0	\$0	\$ -	\$ -	\$ -	\$ -	\$ -	\$0	
Work in Process	\$1,780,416	\$1,870,537	(\$1,478,540)	\$ 2,172,413	\$ -	\$ -	\$ -	\$ -	\$2,172,413	
Sub-Total	\$203,696,194	\$12,592,304	(\$3,189,995)	\$ 213,098,503	(\$102,902,049)	(\$4,267,871)	\$1,473,484	(\$105,696,436)	\$107,402,067	
Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -					\$0	
Less Other Non Rate-Regulated Utility Assets (input as negative)				\$ -					\$0	
Total PP&E	\$203,696,194	\$12,592,304	(\$3,189,995)	\$ 213,098,503	(\$102,902,049)	(\$4,267,871)	\$1,473,484	(\$105,696,436)	\$107,402,067	
Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable ⁸									\$0	
Total									(\$4,267,871)	

Transportation	
Stores Equipment	

Less: Fully Allocated Depreciation	
Overhead Depts & Information Systems	(\$680,632)
Net Depreciation	(\$3,587,239)

2
 3 **4.12.2 ASSET RETIREMENT OBLIGATION**

4 Included in capital assets are Asset Retirement Obligations (“ARO”) related to PCB’s subject to removal
 5 from transformers. The costs and associated amortization have been shown separately in the Fixed
 6 Asset Continuity Schedules and Depreciation schedules.

7 The ARO associated with the transformers was calculated based on an estimate of PCB destruction costs
 8 and associated transportation costs based on our legislated requirements to remove PCB’s greater than
 9 50 ppm currently in our system. The ARO is being amortized over the applicable removal period.

10 Effective January 1, 2015 with the adoption of IFRS, the constructive obligation related to the
 11 decommissioning of Thunder Bay Hydro’s sub-stations was also required to be accrued as a liability and
 12 added to the cost of the sub-station assets. As per Article 220 of the APH, any differences to PP&E as a
 13 result of adopting IFRS were to be accounted for in account 1575. As a result, effective January 1, 2014,
 14 the net book value of decommissioning costs were set up as an ARO obligation but recorded in account
 15 1575. Therefore there is no impact on Fixed Asset Continuity Schedules related to this ARO.

4.12.3 USEFUL LIFE AND COMPONENTIZATION

The following discussion outlines the depreciation practices used by Thunder Bay Hydro in this Application and provides a summary of changes since the last Cost of Service Application.

Thunder Bay Hydro has reviewed the useful life of its assets with the aid of the Asset Depreciation Study by Kinectrics (Kinectrics Report). In addition Thunder Bay Hydro's Engineering Department reviewed the condition of Thunder Hydro's assets and construction practices to determine the applicable depreciation periods for Thunder Bay Hydro assets.

Attachment 4-O, which is consistent with Board Appendix 2-BB, contains the useful lives by Uniform System of Account. Thunder Bay Hydro has not changed any amortization periods for its capital assets since the last Cost of Service Application.

Thunder Bay Hydro is outside of the range for 1930 Transportation Equipment and 1611 Computer Software. For both of these accounts, Thunder Bay Hydro uses a longer amortization period than was indicated in the Kinectrics Report. Thunder Bay Hydro has reviewed its historical results for these categories and aligned the amortization period based on these reviews.

4.12.4 DEPRECIATION EXPENSE

Depreciation on capital assets is calculated as follows:

- Thunder Bay Hydro uses the pooling of assets for all fixed assets with the exception of Computer Equipment/Software, Automotive Equipment, Furniture & Equipment, Communication Equipment, and Capital Tools. Depreciation is calculated on a straight line basis over the estimated remaining useful life of the assets. Depreciation commences when the asset has been put in service. Per IAS 16 paragraph 55 "*Depreciation of an asset begins when it is available for use.*" As a result, Thunder Bay Hydro depreciates an item of PP&E when the asset is available for use.
- It is Thunder Bay Hydro's depreciation policy to commence depreciation when the asset has been put into service; however, the half-year rule has been used for the accounting for depreciation expense for this rate application for both the 2016 Bridge and 2017 Test Years. This basis was used as it should approximate the actual impact to depreciation.

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

- 2013 Revised CGAAP, consistent with the Board's Appendix 2-CB a copy of which is found in Attachment 4-P to this Exhibit;
- 2014 MIFRS, consistent with the Board's Appendix 2-CC, a copy of which is found in Attachment 4-Q to this Exhibit;

- 1 • 2015 MIFRS, consistent with the Board's Appendix 2-CD, a copy of which is found in Attachment 4-R
- 2 to this Exhibit; and,
- 3 • 2016 Bridger Year under MIFRS, consistent with the Board's Appendix 2-CE, a copy of which is
- 4 found in Attachment 4-S to this Exhibit.
- 5 • 2017 Test Year under MIFRS, consistent with the Board's Appendix 2-CF, a copy of which is found in
- 6 Attachment 4-T to this Exhibit.

7

8 Thunder Bay Hydro made capitalization and depreciation expense accounting policy changes under

9 CGAAP effective January 1, 2013 and adopted IFRS for financial reporting purposes effective January 1,

10 2015. Thunder Bay Hydro has completed Chapter 2 Appendix 2-CB to Appendix 2-CF Depreciation and

11 Amortization Expense. Note that Appendix 2-CA pertaining to old GAAP is not applicable and has not

12 been completed.

13

14 A summary of the annual variances calculated is summarized in Table 4-29 below.

15

16 **TABLE 4-29: DEPRECIATION AND AMORTIZATION VARIANCE SUMMARY**

Line No		2013	2014	2015	2016	2017
1	1609 Hydro One Gate Station	(59)	(59)	(59)	(59)	(59)
2	1611 Computer Software	(2,862)	(36,677)	2,687	(19,548)	(8,082)
3	1805 Land	0	0	0	0	0
4	1808 Buildings	45,231	(13,924)	(13,153)	(11,169)	(11,904)
5	1810 Leasehold Improvements	(639)	2,484	2,484	2,484	2,484
6	1820 Distribution Station Equipment < 50 kV	7,974	(1,490)	(1,490)	(42,392)	(42,392)
7	1830 Poles, Towers & Fixtures	72,940	(7,956)	(37,997)	(60,016)	(94,300)
8	1835 Overhead Conductors & Devices	(54,488)	(57,284)	(56,269)	(43,948)	(63,940)
9	1840 Underground Conduit	(3,743)	(2,671)	(1,933)	(1,899)	(6,419)
10	1845 UG Conductors & Devices	(9,843)	(12,398)	(7,340)	(35,562)	(53,793)
11	1850 Line Transformers	104,746	21,189	23,199	(21,526)	(106,371)
12	1850 ARO	(8,629)	(3,499)	(1,271)	(2,465)	(14,120)
13	1855 Services	(34,106)	(26,317)	(54,914)	(60,393)	(78,531)
14	1860 Meters	30,122	29,677	46,640	3,470	85,946
15	1915 Office Furniture & Equipment	1,674	422	(744)	(6,365)	(4,352)
16	1920 Computer Equipment	3,150	(9,284)	2,147	(12,178)	22,035
17	1930 Transportation Equipment	14,206	22,927	14,483	32,136	3,018
18	1935 Stores Equipment	(0)	(0)	(0)	(0)	(0)
19	1940 Tools, Shop & Garage Equipment	(11,463)	(4,441)	(4,955)	(8,996)	(1,744)
20	1945 Measurement & Testing Equipment	(2,474)	(3,851)	(3,384)	(4,369)	(737)
21	1950 Power Operated Equipment	(986)	4,284	(1,270)	4,403	3,408
22	1955 Communication Equipment	2,380	(515)	709	(777)	9,722
23	1980 System Supervisory Equipment	(26)	9,526	9,425	(7,951)	(13,245)
24	1995 Contributions & Grants	(12,858)	(25,702)	(30,564)	(35,421)	(2,848)
25	Total	140,246	(115,557)	(113,569)	(332,540)	(376,223)

17

18

19 Overall the net depreciation calculation difference on an account by account basis was below the

20 materiality threshold. Variances are a result of the following:

- 21 • Thunder Bay Hydro's practice of amortizing assets when they are put into use vs. the use of the
- 22 half year rule as is done in the Board tables

- 1 • The requirement of componentization and that some Board accounts have multiple components
- 2 at different amortization periods
- 3 • In year disposals cannot be factored into the calculations due to the mechanics of the Board
- 4 worksheets
- 5
- 6
- 7

4.13 PAYMENT IN LIEU OF TAXES (PILS)

Thunder Bay Hydro is subject to Payment in Lieu ("PILS") under Section 93 of the Electricity Act, 1998, as amended. Thunder Bay Hydro does not pay Section 89 proxy taxes, and is exempt from the payment of income and capital taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act. A copy of the 2015 Federal T2 and Ontario C23 tax return has been provide in Attachment 4-U to this Exhibit.

Thunder Bay Hydro confirms that the financial statements filed with its 2015 corporate income tax returns are the same as the 2015 audited financial statements filed with this application.

In accordance with the filing instructions, Thunder Bay Hydro has completed the Board's PILS Work Form, Version 1.02 and has filed this model in live excel format and as attachment in 4-Y.

PILS for the 2017 Test Year

The 2017 Test Year's PILS have been calculated at \$403,572. The details of the calculations are in the Income Tax/ PILS Work Form in Attachment 4-T.

The 2017 Test Year PILS have been determined by applying substantively enacted 2017 tax rates against Taxable Income. The 2017 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 2017 expected total revenues less the 2017 expected cost and expenses. The Utility income before taxes in 2017 is \$4,124,396. The details of this calculation can be found in Exhibit 6, Table 6-3.

TAX ADJUSTMENTS

Tax adjustments are made for both temporary and permanent differences and reserves. Significant temporary differences included are the differences between depreciation for accounting purposes versus capital cost allowance (CCA) for tax purposes.

The tax provision for the 2017 Test Year is detailed in Table 4-30 as follows:

1 **TABLE 4-30: 2017 TEST YEAR TAX PROVISION**

Line No	PILs Tax Provision - Test Year								
1								Wires Only	
2									
3	Regulatory Taxable Income						<u>I1</u>	\$ 1,119,341 A	
4									
5		Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate				
6	Ontario (Max 11.5%)	11.5%	11.5%	\$ 128,724	11.5%	B			
7	Federal (Max 15%)	15.0%	15.0%	\$ 167,901	15.0%	C			
8									
9	Combined effective tax rate (Max 26.5%)							26.50% D = B + C	
10									
11									
12	Total Income Taxes							\$ 296,625 E = A * D	
13									
14	Investment Tax Credits							F	
15	Miscellaneous Tax Credits							G	
16	Total Tax Credits							\$ - H = F + G	
17									
18	Corporate PILs/Income Tax Provision for Test Year							\$ 296,625 I = E - H	
19									
20	Corporate PILs/Income Tax Provision Gross Up ¹				73.50%	J = 1-D		\$ 106,947 K = I/J-I	
21									
22									
23	Income Tax (grossed-up)							\$ 403,572 L = K + I	

2

3

4 **EXPECTED 2017 TAX RATES**

5 Thunder Bay Hydro used a combined income tax rate of 26.5% for the 2017 Test Year.

6

7 **TAX CALCULATION**

8 The following Table 4-31 presents the tax calculation for the 2017 Test Year.

1 **TABLE 4-35: 2016 CUMULATIVE ELIGIBLE CAPITAL CONTINUITY SCHEDULE**

PILS Tax Provision - Bridge Year

Regulatory Taxable Income

	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate	
Ontario (Max 11.5%)	11.5%	11.5%	\$ 15,291	11.5%	B
Federal (Max 15%)	15.0%	15.0%	\$ 19,944	15.0%	C
Combined effective tax rate (Max 26.5%)					

Total Income Taxes

Investment Tax Credits	
Miscellaneous Tax Credits	
Total Tax Credits	

Corporate PILs/Income Tax Provision for Bridge Year

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.

Wires Only

Reference	
B1	\$ 132,963 A
	26.50% D = B + C
	\$ 35,235 E = A * D
	F
	G
	\$ - H = F + G
	\$ 35,235 I = E - H

2

3 **TABLE 4-36: 2017 CUMULATIVE ELIGIBLE CAPITAL CONTINUITY SCHEDULE**

Schedule 10 CEC - Test Year

Cumulative Eligible Capital

B10 **616,339**

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

Subtotal 616,339

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 616,339

Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income") 616,339 x 7% = 43,144 T1

Cumulative Eligible Capital - Closing Balance 573,195

4

5

6 **FUTURE EMPLOYEE BENEFITS**

7 Table 4-37 Taxable Add Back for Future Employee Benefits provides support for the addition to income.

8

1 **TABLE 4-37: TAXABLE ADD BACK FOR FUTURE EMPLOYEE BENEFITS**

Line No.	Taxable Add Back for Future Employee Benefits	
1	Actuarial expenses	156,843
2	Benefits paid	(70,343)
3	Portion of expense capitalized	(47,236)
4	Add back(deduct) on T2S(1)	39,264

2
3

4 **BOARD TAX MODEL**

5 Thunder Bay Hydro has completed the Board's Tax model submitted in Excel format as part of this
6 Application and included in Attachment 4-Y of this Exhibit.

7

8 **4.13.1 PROPERTY TAXES**

9 Thunder Bay Hydro pays property taxes to the Corporation of the City of Thunder Bay for its Operations
10 Centre, and substations and transformers stations. In addition, Thunder Bay Hydro makes annual
11 payments to Ontario Electricity Financial Corporation for "Payments in Lieu of Property Taxes". Property
12 taxes were calculated using the updated MPAC property values for 2016 and the 2016 tax assessment
13 rates.

14
15

1 **4.14 NON RECOVERABLE AND DISALLOWED EXPENSES**

2 Other than revenue and expenses from unregulated activities which have been excluded from the
3 regulated tax calculation, Thunder Bay Hydro does not have any expense that are deducted for general
4 tax purposes but for which recovery in 2017 distribution rates would be partially or fully disallowed.

5

1 **4.15 INTEGRITY CHECKS**

2 Thunder Bay Hydro confirms the following:

- 3 • The depreciation and amortization added back in the application's PILs model agree with the
4 numbers disclosed in the rate base section of the application;
- 5 • The capital additions and deductions in the UCC/ CCA Schedule 8 agree with the rate base
6 section for historical, bridge and test years;
- 7 • Thunder Bay Hydro has provided a reconciliation of the 2015 Schedule 8 (most recent federal T2
8 filed) to the opening (January 1) bridge year UCC;
- 9 • The CCA deductions in the application's PILS tax model for historical, bridge and test years agree
10 with the numbers in the UCC schedules for the same years filed in the application;
- 11 • Thunder Bay Hydro does not have any Loss carry-forwards;
- 12 • CCA has been maximized;
- 13 • Accounting OPEB and pension amounts added back to Schedule 1 to reconcile accounting
14 income to net income for tax purposes, agree with the OM&A analysis for compensation;
- 15 • The income tax rate used to calculate the tax expense must be consistent with the utility's actual
16 tax facts and evidence filed in the application.

17

18

4.16 CONSERVATION AND DEMAND MANAGEMENT

4.16.1 OVERVIEW

Thunder Bay Hydro has been committed to conservation programming for its customers since 2005. For the most recently ended framework (2011 to 2014), Thunder Bay Hydro achieved 99.2% of its assigned target of 47.38 GWh for its Net Energy Savings at the end user level. Thunder Bay Hydro also achieved 69.9% of its assigned target of 8.48 MW, related to Net Peak Demand Savings at the End User Level.

After very low level participation in 2011 and 2012, customers began to respond to the offers and incentives. Acquiring 3rd party partners for delivery continues to be an issue in the Northwest of Ontario. Overcoming this obstacle was not easy and reaching the target on the MWhs was a satisfying accomplishment. Thunder Bay Hydro is glad to have good vendor relationships in place for the current Conservation First Framework (2015-2020) and is confident that the new targets will be achieved. This same success was not reached with the Demand target. The Government's policy decision to cancel the Demand Response 3 program effectively dropped Thunder Bay Hydro from a projected achievement of 110% of target to an actual achievement of 69.93%. As experienced by most Distributors in Ontario, Thunder Bay Hydro also found it difficult to overcome these midstream changes, particularly when very successful offerings are removed.

The IESO confirmed final verified results from 2011-2014 can be found in this Exhibit, under Attachment 4-V, Thunder Bay Hydro 2011-2014 Final IESO CDM Results.

4.16.2 LRAMVA PROPOSAL

Program Overview

Conservation and Demand Management ("CDM") programs are designed to provide energy savings and peak demand reductions for customers, thus directly impacting local distribution company ("LDC") revenue. The Lost Revenue Adjustment Mechanism ("LRAM") was developed to remove the disincentive to LDC's and allow for compensation to an LDC for any lost revenue that may occur due to CDM programs.

Thunder Bay Hydro continues to participate in province-wide CDM programs, offering them to its customers to help them reduce their bills and better manage their electricity. In its 2013 Cost of Service settlement agreement (EB-2012-0167), it was agreed to reduce the forecasted load by 10.8 GWh to account for programs to be offered between 2011 and 2014. In accordance with the Ontario Energy Board's ("the Board") *Guidelines for Electricity Distributor Conservation and Demand Management*, EB-2012-0003, Thunder Bay Hydro tracks, at the customer rate-class level, actual savings from CDM programs compared to the forecasted amount and calculates the lost revenue implications of this variance.

1 For CDM programs delivered within the 2011-2014 period, the Board established Account 1568 as the
2 LRAM Variance Account (“LRAMVA”) to capture the variance between the Board approved CDM forecast
3 and the actual results at the customer rate class level.

4 **Past LRAMVA Disposition Request**

5 As part of its Incentive Regulation Mechanism (“IRM”) 2015 Price Cap IR application for 2016 rates (EB-
6 2015-0103), Thunder Bay Hydro had requested the approval for the recovery of lost revenue and related
7 carrying charges, resulting from its CDM activities pertaining to 2011 (persistence), 2012, 2013 and 2014
8 results, persisting until December 31, 2014. During the IRM process, Board staff inquired and requested
9 supporting evidence on several aspects of the LRAMVA claim, all of which were addressed. Board staff
10 did not find any issue with the LRAMVA as submitted by Thunder Bay Hydro.

11 On March 3, 2016, the Board issued notice that further review of the appropriate approach to calculating
12 any claim for lost revenues as a result of the deployment of demand response initiatives, where program
13 results have been verified by the IESO was required. As a result, the generic nature of these issues
14 required further review outside of the IRM application and Thunder Bay Hydro’s proposed lost revenues
15 with corresponding interest was not approved as part of the IRM for 2016 rates.

16 On May 19, 2016 (EB-2016-0182), the Board issued further direction regarding LRAMVA;

- 17 • Distributors should multiply the peak demand (kW) savings amounts from energy efficiency
18 programs included in the IESO Final Results by the number of months the IESO has indicated
19 those savings take place throughout the year (generally all 12 months).
- 20 • No peak demand (kW) savings from Demand Response (DR) programs should generally be
21 included within the LRAMVA calculation. A distributor that wants to present empirical evidence to
22 support Demand Response savings in the LRAMVA can only do so as part of a cost of service or
23 Custom IR application
- 24 • Distributors can use the information included within the IESO-approved 2015-2020 CDM plan
25 when developing its CDM manual adjustment for load forecast purposes.
26

27
28 Further, in the case of the Building Commissioning initiative, the demand savings providing the final CDM
29 results should only be multiplied by three, as these savings do not occur throughout the full year.

30 Accordingly, Thunder Bay Hydro confirms that it has followed this direction for efficiency programs and
31 demand response volumes in its LRAMVA claim.

1 On July 8, 2016 the Board released a new LRAM Work Form, to be used to determine related lost
2 revenues. Thunder Bay Hydro has completed this model and has filed the live excel model.

3 **IESO Results**

4 The Independent Electricity System Operator (“IESO”) has released final results for programs offered
5 between 2011 and 2014 (this program was formerly delivered by the Ontario Power Authority). Thunder
6 Bay Hydro confirms that it has relied on the most recent CDM report from the IESO in support of the lost
7 revenue calculation. A copy of this report can be found in Attachment 4-V of this Exhibit. Thunder Bay
8 Hydro did not run any Board approved programs, and as a result, no third party verification reports are
9 required.

10 The IESO reports results by “initiative”, which may apply to more than one rate class. In these cases,
11 Thunder Bay Hydro determined the split by rate class, drawing on specific information where available.
12 Due to limited information provided by the IESO and in a small number of cases, Thunder Bay Hydro
13 determined allocations to rate classes on these small IESO adjustments.

14 Thunder Bay Hydro confirms that it has used the most recent input assumptions available at the time of
15 the program evaluation.

16 **Revenue Calculations Overview**

17 The savings and demand reductions for a particular year, for a number of programs, persist in the
18 following years up to, and including, 2014. As discussed above, Thunder Bay Hydro has not included
19 Demand Response volumes. In addition, demand savings for the Time-of-Use initiative was not included
20 in the revenue calculation, as it pertains to load shifting and not load reductions. Thunder Bay Hydro’s
21 Program Enabled savings achieved in 2014 were reported by the IESO in kWh; however, this program
22 pertained to the GS 50-999 rate class. As a result, Thunder Bay Hydro determined the equivalent kW
23 volume to calculate related lost revenues.

24 The proposed new Large User class in this Application is comprised of one customer who will move from
25 the General Service 1000 to 4999 kW category. During the LRAMVA period, this customer contributed to
26 the LRAMVA balance in the 1000 to 4999 kW class, as such, they have been allocated a proportion of the
27 LRAMVA balance according to their kW average in their previous rate class from 2011 to 2014.

28 Attachment 4W contains the workform “Tab 4. 2011-2014 LRAM” worksheet from the Board Model.

29 **Lost Revenue Requested**

30 Thunder Bay Hydro is requesting disposition of \$36,280 plus carrying charges of \$1,504 (to April 30,
31 2017) for a total of \$37,784 from the LRAMVA account, to be recovered over one year through class-
32 specific volumetric rate riders. The Board LRAMVA Generic WorkForm has been completed, with details
33 in Attachment 4-W. A live copy of this model has also been filed with this application, which also shows all

1 of the CDM programs/initiatives applicable by rate class and related energy and demand savings. Actual
 2 lost revenue amounts compared to forecast and carrying charges are summarized in Table 4-38 below.

3 **TABLE 4-38: SUMMARY OF LOST REVENUE BALANCES BY RATE CLASS**

Line No.	Rate Class	CDM Results 2012-2014	Less: Forecast CDM results 2012- 2014	LRAMVA	Carry Charges to April 30, 2017	Total
1	Residential	\$96,825	(\$131,553)	(\$34,728)	(\$1,526)	(\$36,254)
2	General Service <50 kW	\$124,964	(\$55,523)	\$69,440	\$2,978	\$72,418
3	General Service > 50 to 999 kW	\$68,981	(\$57,045)	\$11,936	\$571	\$12,508
4	General Service > 1000 to 4999 kW	\$30,080	(\$35,117)	(\$5,037)	(\$260)	(\$5,297)
5	Large User	\$4,057	(\$4,736)	(\$679)	(\$35)	(\$714)
6	Unmetered Scattered Load	\$0	(\$664)	(\$664)	(\$27)	(\$691)
7	Sentinel Lights	\$0	(\$53)	(\$53)	(\$2)	(\$55)
8	Street Lighting	\$3,773	(\$7,709)	(\$3,936)	(\$195)	(\$4,131)
9	Total	\$328,679	(\$292,399)	\$36,280	\$1,504	\$37,784

4
 5 Thunder Bay Hydro proposes to allocate LRAMVA by the customer class as shown in Table 4-39 below.
 6 In accordance with Board direction, Residential LRAMVA has been allocated by customer.

7 **TABLE 4-39: LRAMVA ALLOCATION PER CUSTOMER CLASS**

Line No	Rate Class	2017 Customers	2017 Load kWh	2017 kW
1	Residential	45,489	336,152,125	
2	General Service <50 kW		140,123,695	
3	General Service > 50 to 999 kW		264,244,674	660,386
4	General Service > 1000 to 4999 kW		133,371,195	378,529
5	Large User		36,734,784	74,268
6	Unmetered Scattered Load		2,203,935	0
7	Sentinel Lights		112,765	308
8	Street Lighting		8,166,036	23,236
9	Total		921,109,210	1,136,726

8
 9
 10 Lost revenues are based on the Board approved volumetric distribution rates. As indicated in the
 11 *Guidelines for Electricity Distributor Conservation and Demand Management*, EB-2012-0003, volumetric
 12 rate riders for tax sharing were included where applicable.

13 Lost revenues in a particular rate class are the product of the savings or demand reductions in that class,
 14 less what was accounted for in the load forecast, multiplied by the rate for that class in the calendar year
 15 for which the energy savings were reported.

16 As part of its 2013 Cost of Service settlement agreement (EB-2012-0167), Thunder Bay Hydro was
 17 approved to recover its 2011 LRAM of \$19,741 plus related carrying charges of \$677, for a total of
 18 \$20,418. The 2011 amount recovered does not form part of this application, however, related persistence
 19 from 2011 CDM activities was not approved at that time and now form part of this application.

1 Additionally, Thunder Bay Hydro seeks to recover \$1,664.28 pertaining to a remaining amount for 2011
 2 (the difference between the approved amount of \$19,471 and the finalized amount of \$21,405).

3 Lost revenues before carrying charges for each customer class are provided in Tables 4-40 to 4-44
 4 below, with a corresponding Summary provided in Table 4-45.

5 **TABLE 4-40: LOST REVENUE – RESIDENTIAL**

Line No.	CDM Program	Rate	Load Reduction (kWh)					Lost Revenue \$		
			Forecast (no persistence)	Actual	2011 Persistence	2012 Persistence	2013 Persistence	Forecast	Actual (including persistence)	Difference
1	2011	\$0.0121								(\$574)
2	2012	\$0.0121		591,279	1,035,555				\$19,685	\$19,685
3	2013	\$0.0122	5,369,511	646,693	1,035,555	591,279		\$65,329	\$27,661	(\$37,668)
4	2014	\$0.0123	5,369,511	1,884,528	972,326	591,279	610,220	\$66,224	\$50,053	(\$16,171)
5	Total							\$131,553	\$97,399	(\$34,728)

7 **TABLE 4-41: LOST REVENUE – GENERAL SERVICE LESS THAN 50 KW**

Line No.	CDM Program	Rate	Load Reduction (kWh)					Lost Revenue \$		
			Forecast (no persistence)	Actual	2011 Persistence	2012 Persistence	2013 Persistence	Forecast	Actual (including persistence)	Difference
1	2011	\$0.0129								(\$94)
2	2012	\$0.0128		1,200,012	472,562				\$21,465	\$21,465
3	2013	\$0.0132	2,076,931	1,477,928	472,562	1,200,012		\$27,415	\$41,587	\$14,171
4	2014	\$0.0135	2,076,931	1,537,661	409,333	1,192,714	1,442,073	\$28,108	\$62,007	\$33,899
5	Total							\$55,523	\$125,058	\$69,440

9 **TABLE 4-42: LOST REVENUE – GENERAL SERVICE 50 TO 999 KW**

Line No.	CDM Program	Rate	Load Reduction (kW)					Lost Revenue \$		
			Forecast (no persistence)	Actual	2011 Persistence	2012 Persistence	2013 Persistence	Forecast	Actual (including persistence)	Difference
1	2011	\$1.3120								\$1,575
2	2012	\$1.3169		3,724	1,294				\$6,609	\$6,609
3	2013	\$2.0969	12,385	4,562	1,294	3,724		\$25,971	\$20,089	(\$5,882)
4	2014	\$2.5089	12,385	6,645	1,294	3,724	4,562	\$31,074	\$40,708	\$9,634
5	Total							\$57,045	\$67,406	\$11,936

11 **TABLE 4-43: LOST REVENUE – GENERAL SERVICE > 1000 KW**

Line No.	CDM Program	Rate	Load Reduction (kW)					Lost Revenue \$		
			Forecast (no persistence)	Actual	2011 Persistence	2012 Persistence	2013 Persistence	Forecast	Actual (including persistence)	Difference
1	2011	\$2.0009								\$757.87
2	2012	\$2.1298		0	406				\$865	\$865
3	2013	\$2.2034	8,992	3,570	406	0		\$19,813	\$8,762	(\$11,052)
4	2014	\$2.2285	8,992	6,682	406	0	3,570	\$20,040	\$23,752	\$3,712
5	Total							\$39,853	\$33,379	(\$5,716)

12
13
14
15
16
17

1 **TABLE 4-44: LOST REVENUE – UNMETERED SCATTERED LOAD**

Line No.	CDM Program	Rate	Load Reduction (kWh)					Lost Revenue \$		
			Forecast (no persistence)	Actual	2011 Persistence	2012 Persistence	2013 Persistence	Forecast	Actual (including persistence)	Difference
1	2011	\$0.0126								
2	2012	\$0.0125		0	0				\$0	\$0
3	2013	\$0.0108	32,005	0	0	0		\$345	\$0	(\$345)
4	2014	\$0.0100	32,005	0	0	0	0	\$319	\$0	(\$319)
5	Total							\$664	\$0	(\$664)

3 **TABLE 4-45: LOST REVENUE – SENTINEL LIGHTS**

Line No.	CDM Program	Rate	Load Reduction (kW)					Lost Revenue \$		
			Forecast (no persistence)	Actual	2011 Persistence	2012 Persistence	2013 Persistence	Forecast	Actual (including persistence)	Difference
1	2011	\$4.7334								
2	2012	\$4.6879		0	0				\$0	\$0
3	2013	\$5.1150	5	0	0	0		\$26	\$0	(\$26)
4	2014	\$5.3898	5	0	0	0	0	\$27	\$0	(\$27)
5	Total							\$53	\$0	(\$53)

5 **TABLE 4-46: LOST REVENUE – STREET LIGHTING**

Line No.	CDM Program	Rate	Load Reduction (kW)					Lost Revenue \$		
			Forecast (no persistence)	Actual	2011 Persistence	2012 Persistence	2013 Persistence	Forecast	Actual (including persistence)	Difference
1	2011	\$12.6926								
2	2012	\$12.7473		0	0				\$0	\$0
3	2013	\$8.7222	498	0	0	0		\$4,344	\$0	(\$4,344)
4	2014	\$6.7584	498	558	0	0	0	\$3,366	\$3,773	\$407
5	Total							\$7,709	\$3,773	(\$3,936)

7 **TABLE 4-47: LOST REVENUE – SUMMARY BY CLASS**

Description	Residential	General Service <50 kWh	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Sentinel Lighting	Street Lighting	Unmetered Scattered Load	Other	Total
2011 Forecast	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2011 Actuals	\$12,772	\$6,128	\$1,713	\$793	\$0	\$0	\$0	\$0	\$21,405
Amount Cleared	(\$13,346)	(\$6,222)	(\$138)	(\$35)	\$0	\$0	\$0	\$0	(\$19,741)
2012 Forecast	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2012 Actuals	\$19,685	\$21,465	\$6,609	\$865	\$0	\$0	\$0	\$0	\$48,624
Amount Cleared	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2013 Forecast	(\$65,329)	(\$27,415)	(\$25,971)	(\$19,813)	(\$26)	(\$4,344)	(\$345)	\$0	(\$143,243)
2013 Actuals	\$27,661	\$41,587	\$20,089	\$8,762	\$0	\$0	\$0	\$0	\$98,099
Amount Cleared	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2014 Forecast	(\$66,224)	(\$28,108)	(\$31,074)	(\$20,039)	(\$27)	(\$3,366)	(\$319)	\$0	(\$149,157)
2014 Actuals	\$50,053	\$62,007	\$40,708	\$23,752	\$0	\$3,773	\$0	\$0	\$180,292
Amount Cleared	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015 Forecast	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015 Actuals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Amount Cleared	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total before Carry Charges	(\$34,728)	\$69,440	\$11,936	(\$5,716)	(\$53)	(\$3,936)	(\$664)	\$0	\$36,280
Carrying Charges	(\$1,526)	\$2,978	\$571	(\$295)	(\$2)	(\$195)	(\$27)	\$0	\$1,504
Total LRAMVA Balance	(\$36,254)	\$72,418	\$12,508	(\$6,011)	(\$55)	(\$4,131)	(\$691)	\$0	\$37,784

9 Table 4-48 below presents a summary of lost revenue amounts requested for each customer rate class
 10 before interest, by the year they associated with and the year the lost revenue took place.

11
 12
 13
 14

1 **TABLE 4-48: LOST REVENUE BY CUSTOMER CLASS, BY YEAR**

Line No.	Rate Class	Lost Revenue \$ Summary		
		Forecast	Actual (including persistence)	Difference
1	Residential	\$131,553	\$96,825	(\$34,728)
2	GS <50 kW	\$55,523	\$124,964	\$69,440
3	GS > 50 to 999 kW	\$57,045	\$68,981	\$11,936
4	GS > 1000kW	\$39,853	\$34,137	(\$5,716)
5	Unmetered scattered load	\$664	\$0	(\$664)
6	Sentinel Lights	\$53	\$0	(\$53)
7	Street Lighting	\$7,709	\$3,773	(\$3,936)
8	Total	\$292,399	\$328,679	\$36,280

2
 3 Carrying charges accrue from the time of the energy savings or demand reduction, until disposition, are
 4 shown net of past amounts received in Table 4-49 below. Carrying charges are calculated on balances as
 5 if the amount of revenue was lost evenly throughout the year. Carrying charges on LRAMVA amounts are
 6 calculated using Board prescribed rates. Forecasted carrying charges were calculated based on the
 7 current prescribed rate of 1.10%.

8 **TABLE 4-49: CARRYING CHARGES BY CUSTOMER CLASS, BY YEAR**

Line No.	Year	Residential	GS <50 kW	GS > 50 to 999 kW	GS > 1000kW	Unmetered Scattered Load	Sentinel Lights	Streetlights	Total
1	2,011	(\$110)	(\$50)	\$10	\$5	\$0	\$0	\$0	(\$146)
2	2,012	(\$72)	\$52	\$66	\$16	\$0	\$0	\$0	\$62
3	2,013	(\$38)	\$379	\$80	(\$51)	(\$0)	(\$29)	(\$2)	\$338
4	2,014	(\$382)	\$751	\$99	(\$114)	(\$1)	(\$61)	(\$7)	\$285
5	2,015	\$602	(\$1,132)	(\$254)	\$143	\$1	\$90	\$10	(\$540)
6	2016 Forecast	(\$1,398)	\$2,724	\$528	(\$274)	(\$2)	(\$181)	(\$25)	\$1,371
7	2017 Forecast	(\$127)	\$255	\$44	(\$21)	(\$0)	(\$14)	(\$2)	\$133
8	Total	(\$1,526)	\$2,978	\$571	(\$295)	(\$2)	(\$195)	(\$27)	\$1,504

9
 10 Attachment 4-X contains detailed carrying charges, as per the Board model, Tab 7. Carrying Charges
 11 from the Board Model.

12 **Lost Revenue Requested**

13 In accordance with the Board's updated *Chapter 3 of the Filing Requirements for Electricity Distribution*
 14 *Rate Applications, – 2016 edition for 2017 Rate Applications*, issued July 14, 2016, Thunder Bay Hydro is
 15 requesting disposition of the balance in LRAMVA resulting from its CDM activities between 2011-2014
 16 with corresponding carrying amounts. Disposition is requested through a customer class specific
 17 volumetric rate rider over one year, as shown in Table 4-50 below.

18
 19
 20

1 **TABLE 4-50: REQUESTED RATE RIDER FOR DISPOSITION OF THE LRAMVA**

Line No.	Rate Class	Proposed Load / # customers	Allocated Balance	Recovery Period (Years)	Unit	Rate Rider
1	Residential	336,152,125	(\$36,254)	1	kWh	(\$0.00001)
2	General Service <50 kW	140,123,695	\$72,418	1	kWh	\$0.0005
3	General Service > 50 to 999 kW	660,386	\$12,508	1	kW	\$0.0189
4	General Service > 1000 to 4999 kW	378,529	(\$5,297)	1	kW	(\$0.0140)
5	Large User	74,268	(\$714)	1	kW	(\$0.0096)
6	Unmetered Scattered Load	2,203,935	(\$691)	1	kWh	(\$0.0003)
7	Sentinel Lights	308	(\$55)	1	kW	(\$0.1776)
8	Street Lighting	23,236	(\$4,131)	1	kW	(\$0.1778)
9	Total		\$37,784			

2

3

4

ATTACHMENT 4 – A

Summary of Recoverable

OM&A Expenses

Board Appendix 2-JA

Appendix 2-JA
Summary of Recoverable OM&A Expenses

	Last Rebasing Year (2013 Board-Approved)	Last Rebasing Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year
Reporting Basis						
Operations	\$3,495,297	\$3,356,496	\$3,166,762	\$3,167,155	\$3,400,584	\$3,322,661
Maintenance	\$3,780,833	\$3,446,710	\$4,149,144	\$4,274,077	\$4,633,065	\$4,703,516
SubTotal	\$ 7,276,131	\$ 6,803,206	\$ 7,315,906	\$ 7,441,232	\$ 8,033,649	\$ 8,026,177
%Change (year over year)			7.5%	1.7%	8.0%	-0.1%
%Change (Test Year vs Last Rebasing Year - Actual)						18.0%
Billing and Collecting	\$2,116,128	\$1,900,983	\$1,883,864	\$2,032,711	\$2,000,585	\$2,251,439
Community Relations	\$253,133	\$189,349	\$205,756	\$205,161	\$209,547	\$222,078
Administrative and General	\$4,654,608	\$4,339,346	\$4,416,991	\$4,564,900	\$5,170,603	\$5,230,177
SubTotal	\$ 7,023,869	\$ 6,429,678	\$ 6,506,611	\$ 6,802,772	\$ 7,380,734	\$ 7,703,695
%Change (year over year)			1.2%	4.6%	8.5%	4.4%
%Change (Test Year vs Last Rebasing Year - Actual)						19.8%
Total	\$ 14,300,000	\$ 13,232,884	\$ 13,822,518	\$ 14,244,004	\$ 15,414,383	\$ 15,729,872
%Change (year over year)			4.5%	3.0%	8.2%	2.0%

	Last Rebasing Year (2013 Board-Approved)	Last Rebasing Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year
Operations	\$3,495,297	\$3,356,496	\$3,166,762	\$3,167,155	\$3,400,584	\$3,322,661
Maintenance	\$3,780,833	\$3,446,710	\$4,149,144	\$4,274,077	\$4,633,065	\$4,703,516
Billing and Collecting	\$2,116,128	\$1,900,983	\$1,883,864	\$2,032,711	\$2,000,585	\$2,251,439
Community Relations	\$253,133	\$189,349	\$205,756	\$205,161	\$209,547	\$222,078
Administrative and General	\$4,654,608	\$4,339,346	\$4,416,991	\$4,564,900	\$5,170,603	\$5,230,177
Total	\$ 14,300,000	\$ 13,232,884	\$ 13,822,518	\$ 14,244,004	\$ 15,414,383	\$ 15,729,872
%Change (year over year)			4.5%	3.0%	8.2%	2.0%

	Last Rebasing Year (2013 Board-Approved)	Last Rebasing Year (2013 Actuals)	Variance 2013 BA - 2013 Actuals	2014 Actuals	Variance 2014 Actuals vs. 2013 Actuals	2015 Actuals	Variance 2015 Actuals vs. 2014 Actuals	2016 Bridge Year	Variance 2016 Bridge vs. 2015 Actuals	2017 Test Year	Variance 2017 Test vs. 2016 Bridge
Operations	\$3,495,297	\$3,356,496	\$138,801	\$3,166,762	(\$189,734)	\$3,167,155	\$393	\$3,400,584	\$233,429	\$3,322,661	(\$77,923)
Maintenance	\$3,780,833	\$3,446,710	\$334,123	\$4,149,144	\$702,434	\$4,274,077	\$124,933	\$4,633,065	\$358,987	\$4,703,516	\$70,451
Billing and Collecting	\$2,116,128	\$1,900,983	\$215,146	\$1,883,864	(\$17,119)	\$2,032,711	\$148,847	\$2,000,585	(\$32,126)	\$2,251,439	\$250,854
Community Relations	\$253,133	\$189,349	\$63,784	\$205,756	\$16,407	\$205,161	(\$596)	\$209,547	\$4,386	\$222,078	\$12,531
Administrative and General	\$4,654,608	\$4,339,346	\$315,262	\$4,416,991	\$77,644	\$4,564,900	\$147,909	\$5,170,603	\$605,703	\$5,230,177	\$59,575
Total OM&A Expenses	\$14,300,000	\$13,232,884	\$1,067,116	\$13,822,518	\$589,634	\$14,244,004	\$421,486	\$15,414,383	\$1,170,379	\$15,729,872	\$315,489
Adjustments for Total non-recoverable items (from Appendices 2-JA and 2-JB)											
Total Recoverable OM&A Expenses	\$14,300,000	\$13,232,884	\$1,067,116	\$13,822,518	\$589,634	\$14,244,004	\$421,486	\$15,414,383	\$1,170,379	\$15,729,872	\$315,489
Variance from previous year				\$589,634		\$421,486		\$1,170,379		\$315,489	
Percent change (year over year)				4%		3%		8%		2%	
Percent Change:											
Test year vs. Most Current Actual						10.43%					
Simple average of % variance for all years						18.87%					4%
Compound Annual Growth Rate for all years											3.5%
Compound Growth Rate (2015 Actuals vs. 2013 Actuals)						2.48%					

ATTACHMENT 4 – B

Recoverable OM&A

Cost Driver Table

Board Appendix 2-JB

Appendix 2-JB
Recoverable OM&A Cost Driver Table

OM&A	Last Rebasng Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year
<i>Reporting Basis</i>					
Opening Balance	\$ 14,300,000	\$ 13,232,884	\$ 13,822,518	\$ 14,244,004	\$ 15,414,383
Salaries, Wages and Benefits	(\$261,434)	\$268,444	\$2,439	\$326,878	\$222,607
Training	(\$89,161)	\$6,156	\$46,242	\$99,551	\$4,769
Memberships, Licenses, Fees	(\$2,268)	\$7,120	(\$1,306)	\$21,539	\$109,127
Safety Equipment	(\$56,447)	\$74,483	(\$78,973)	\$139,886	(\$53,100)
Safety Training	(\$72,635)	\$1,201	(\$32,555)	(\$8,266)	\$8,973
Trucking	(\$71,458)	\$297,945	(\$43,571)	(\$58,824)	\$12,582
Bad Debts	(\$9,926)	(\$51,752)	\$164,869	(\$86,245)	\$0
Community Relations	(\$23,791)	\$4,429	(\$8,604)	\$23,425	\$5,434
Materials	(\$31,133)	\$29,688	\$2,966	(\$12,931)	(\$4,239)
Computers	(\$15,137)	\$14,397	\$49	\$40,540	(\$13,286)
Telephone / Circuits	\$6,878	(\$50,405)	(\$40,782)	(\$9,732)	\$3,046
Outside Services	(\$20,890)	(\$1,682)	\$159,922	(\$69,360)	\$239,972
Postage / Courier	\$3,282	\$27,356	(\$50,716)	\$84,273	\$180,164
Professional Fees	\$23,716	(\$79,229)	(\$38,782)	\$268,045	(\$147,304)
Administrative	(\$215,733)	\$4,252	\$233,459	\$207,834	(\$48,042)
Affiliated Costs	(\$104,930)	(\$500)	\$0	\$0	\$0
Buidling / Station	\$39,759	(\$15,532)	\$50,214	\$10,966	(\$25,250)
Overhead Costs	(\$165,810)	\$53,263	\$56,615	\$192,800	(\$179,964)
All Other items	\$0	\$0	\$0	\$0	\$0

ATTACHMENT 4 – C

Recoverable OM&A Cost

Per Customer and Per FTE

Board Appendix 2-L

**Appendix 2-L
 Recoverable OM&A Cost per Customer and per FTE ¹**

	Last Rebasing Year - 2013- Board Approved	Last Rebasing Year - 2013- Actual	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year
Reporting Basis						
OM&A Costs						
O&M	7,276,131	6,803,206	7,315,906	7,441,232	8,033,649	8,026,177
Admin Expenses	7,023,869	6,429,678	6,506,611	6,802,772	7,380,734	7,703,695
Total Recoverable OM&A from Appendix 2-JB ⁵	14,300,000	13,232,884	13,822,518	14,244,004	15,414,383	15,729,872
Number of Customers ^{2,4}	49,907	50,003	50,200	50,373	50,512	50,652
Number of FTEs ^{3,4}	143	135	135	134	135	137
Customers/FTEs	348	370	373	376	374	369
OM&A cost per customer						
O&M per customer	146	136	146	148	159	158
Admin per customer	141	129	130	135	146	152
Total OM&A per customer	287	265	275	283	305	311
OM&A cost per FTE						
O&M per FTE	50,783	50,351	54,390	55,507	59,409	58,476
Admin per FTE	49,022	47,587	48,374	50,744	54,581	56,126
Total OM&A per FTE	99,805	97,938	102,764	106,251	113,990	114,602

ATTACHMENT 4 – D

OM&A Programs Table

OM&A Expenses

Board Appendix 2-JC

**Appendix 2-JC
 OM&A Programs Table**

Programs	Last Rebasing Year (2013 Board-Approved)	Last Rebasing Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year	Variance (Test Year vs. 2015 Actuals)	Variance (Test Year vs. Last Rebasing Year (2013 Board-Approved))
Reporting Basis								
Operations								
Meter Operations	\$249,368	\$167,451	\$165,756	\$176,873	\$231,403	\$243,015	\$66,142	(\$6,353)
System Control Operations	\$858,095	\$848,730	\$912,876	\$944,180	\$1,028,685	\$1,051,541	\$107,362	\$193,446
Overhead/Underground Operations	\$1,471,964	\$1,367,269	\$1,274,641	\$1,185,476	\$1,270,056	\$1,206,541	\$21,065	(\$265,423)
Operations Supervisory	\$466,723	\$378,269	\$283,074	\$344,097	\$379,495	\$374,781	\$30,684	(\$91,942)
Station Operations	\$449,147	\$594,777	\$530,416	\$516,529	\$490,945	\$446,783	(\$69,746)	(\$2,364)
Sub-Total	\$3,495,297	\$3,356,496	\$3,166,762	\$3,167,155	\$3,400,584	\$3,322,661	\$155,506	(\$172,636)
Maintenance								
Meter Maintenance	\$0	\$42,818	\$99,931	\$75,697	\$56,838	\$45,036	(\$30,661)	\$45,036
Maintenance Supervisory	\$898,723	\$743,190	\$952,437	\$1,066,445	\$1,229,061	\$1,153,888	\$87,443	\$255,165
Overhead/Underground Maintenance	\$1,816,396	\$1,719,788	\$2,148,335	\$2,168,277	\$2,228,115	\$2,221,864	\$53,587	\$405,468
Station Maintenance	\$249,200	\$112,925	\$138,701	\$127,196	\$286,452	\$279,139	\$151,943	\$29,939
Transformer Maintenance	\$126,630	\$143,114	\$96,855	\$72,267	\$116,249	\$115,352	\$43,085	(\$11,278)
Tree Trimming	\$689,884	\$684,873	\$712,884	\$764,196	\$716,350	\$888,237	\$124,041	\$198,353
Sub-Total	\$3,780,833	\$3,446,710	\$4,149,144	\$4,274,077	\$4,633,065	\$4,703,516	\$429,439	\$922,683
Community Relations								
LEAP	\$24,000	\$24,800	\$25,186	\$25,186	\$25,186	\$29,978	\$4,792	\$5,978
Community Relations	\$229,133	\$164,549	\$180,570	\$179,975	\$184,361	\$192,100	\$12,125	(\$37,033)
Sub-Total	\$253,133	\$189,349	\$205,756	\$205,161	\$209,547	\$222,078	\$16,917	(\$31,055)
Customer Service								
Bad Debt	\$130,000	\$120,074	\$68,322	\$233,191	\$146,946	\$146,946	(\$86,245)	\$16,946
Customer Billing	\$1,516,504	\$1,295,301	\$1,339,912	\$1,312,032	\$1,361,074	\$1,600,938	\$288,906	\$84,434
Customer Collection	\$454,624	\$485,608	\$475,630	\$487,488	\$492,565	\$503,555	\$16,067	\$48,931
Sub-Total	\$2,101,128	\$1,900,983	\$1,883,864	\$2,032,711	\$2,000,585	\$2,251,439	\$218,728	\$150,311
Administration								
Insurance	\$134,591	\$138,730	\$150,893	\$128,443	\$157,735	\$160,924	\$32,481	\$26,333
Office Supplies	\$54,215	\$42,316	\$38,659	\$35,660	\$65,737	\$45,417	\$9,757	(\$8,798)
General Building	\$0	\$1,143	\$234	\$259	\$300	\$300	\$41	\$300
Safety Training	\$16,045	\$13,664	\$12,213	\$9,374	\$27,081	\$19,503	\$10,129	\$3,458
Regulatory Affairs	\$192,666	\$192,170	\$191,252	\$219,660	\$236,656	\$275,305	\$55,645	\$82,639
Audit, Legal & Consulting	\$175,850	\$199,566	\$120,337	\$81,366	\$349,600	\$202,296	\$120,930	\$26,446
Administrative and Human Resource	\$4,096,241	\$3,751,757	\$3,903,402	\$4,090,138	\$4,333,494	\$4,526,432	\$436,295	\$430,191
Sub-Total	\$4,669,608	\$4,339,346	\$4,416,991	\$4,564,900	\$5,170,603	\$5,230,177	\$665,278	\$560,569

ATTACHMENT 4 – E.1

Thunder Bay Hydro

Employee Benefits Booklet

IBEW Inside and Outside Division

Welcome to your Group Benefit Program

This Benefit Booklet provides you easy access to the information you need about the benefits you are entitled to. Group Benefits not only provide you with financial assistance, but also security to you and your family when the unforeseen occurs. Your Plan Administrator can answer any questions you may have about your benefits, or how to submit a claim.

Your Program is Administered by:

Maximum Benefit
582 King Edward Street
Winnipeg, Manitoba R3H OP1

Phone: English- 1 800 893 7587 French- 1 888 558 7609
Monday to Friday between 7:30a.m. & 4:30p.m. Central Standard Time
Fax: 1 877 526 2515
Email: info@maximumbenefit.ca

You can also access your Maximum Benefit Group Benefit Program coverage online through ***my-benefits.ca***.

Get fast, convenient answers about your health or dental coverage on your personalized website. Secure and simple to use, you can view submitted and paid claims, print claim forms, and more!

By registering for ***my-benefits***, you also gain access to our health and wellness website, developed to equip you with the tools, information and resources needed to navigate the health care system.

Register now by going to www.my-benefits.ca. Click on **Log in now**, and then click on **Sign me up** from the top menu. Verify your identity, choose your own user ID, and your registration is complete. You will have immediate access to your secure my-benefits site.

BENEFIT SUMMARY

This *Benefit Summary* outlines the principal features of the benefits available under your company's benefit program. More detailed information regarding each benefit can be found in the *Benefit Descriptions* section. In the event of a discrepancy between this document and any contracts of insurance or services, the latter will govern.

If your company is a provider of benefits as listed below, this means that THUNDER BAY HYDRO plays a role similar to that of an insurance company for its employees. They have the sole legal and financial liability for the benefit and fund any claim payments. Maximum Benefit provides administrative services only on these benefits such as processing claims on behalf of the company.

GENERAL

Eligibility/Waiting Period:

All benefits commence immediately following 3 months of continuous employment

Minimum Number of Working Hours: Not less than 25 hours per week.

Common-law Relationship Coverage: Have lived continually in a common-law relationship for more than 12 months.

Age Limits for Dependents: Less than 21 years old, or less than 25 years old and in full-time attendance at an accredited institution of learning, or 21 years of age or over and financially dependent upon the employee because of mental or physical infirmity.

Re-instatement: Eligible for reinstatement if re-employed within 6 months following termination of his/her coverage.

BENEFITS

Benefits are underwritten or provided by:

EXTENDED HEALTH CARE

THUNDER BAY HYDRO / Group Policy# 51860

DENTAL

THUNDER BAY HYDRO / Group Policy# 51860

TRAVEL HEALTH

CO-OPERATORS LIFE INSURANCE COMPANY / Group Policy# 7949

STOP LOSS

CO-OPERATORS LIFE INSURANCE COMPANY / Group Policy# 7948



BENEFIT SUMMARY

Firm# 51861 THUNDER BAY HYDRO - UNION
CLASS 82 Union – All Others

EXTENDED HEALTH CARE (Effective: 01Jun2003) (Refer to Benefit Description Section for full details)

Prescription Drugs:

- will be covered at 100%, and
- have no overall maximum.

The plan will cover the cost of drugs and contraceptives which by law are only available with a prescription and are prescribed by a doctor or dentist using Telus Health Solutions Plan BOG base formulary.

The plan substitutes generic equivalents to prescription medications wherever possible.

Drugs for obesity are not covered.
Drugs for the treatment of erectile dysfunction are not covered.
Products for smoking cessation are not covered.
Drugs for the treatment of infertility are covered up to a maximum of \$2,000 per cycle, maximum of 6 cycles per lifetime.
(Reimbursement only, not provided through the drug card -subject to deductible, co-pay and dispense fee).
Preventative immunization vaccines and toxoids are covered.

Prescription drug purchases will:

- be handled on a card system- the Telus Health Solutions ASSURE card, and
- have no deductible.

The plan allows no more than \$6.50 as an eligible expense for the pharmacist's dispensing fee.

For residents of Quebec: Drugs listed in the Quebec Universal Drug Plan formulary will be reimbursed under this plan in accordance with the requirements of the Quebec Universal Drug Plan. After an individual has reached the out of pocket maximum (as determined by the Regie de l'assurance maladie du Quebec), Maximum Benefit will reimburse covered drugs at 100%.

Hospital Expense:

- covers the additional cost charged by the hospital (up to \$200 per day) for a semi-private room over a standard public ward.
- does not cover Convalescent Hospital.
- will be covered at 100%.

Vision Care:

-covers 100% of eligible expenses up to a maximum of \$300 in any 12 month period for dependent children under this plan, or in any 24 month period for any adult.

Laser Eye Surgery:

- covers 100% of eligible expenses for laser eye surgery up to a maximum of \$600 in any 72 month period. If an employee or eligible dependent opts to use the laser eye surgery benefit, they will not be eligible for the Vision Care benefit above for a 72 month period.
- eye examinations: included in Vision Care.
- eye exam maximum is included in the *Vision Care* maximum under this plan.

- dependent coverage is for children under the age of 18.

Other Eligible Expenses:

- will be covered at 100%,
- have no deductible, and include the following equipment and services:

Paramedical Services:

For the following paramedical practitioners, eligible expenses:

- will be covered at 100%,
- up to a maximum of \$300 per person per practitioner per calendar year.
 - Chiropractors
 - Massage Therapists (requires a written referral by a medical doctor every 12 months)
 - Naturopaths/Homeopaths
 - Osteopaths
 - Physiotherapists
 - Podiatrists
 - Chiropodists
 - Psychologists
 - Speech Therapists

Ontario only: Podiatry coverage will not begin until individuals have reached their Ontario Health Insurance Plan (OHIP) maximums.

Nursing Care: up to \$25,000 per calendar year.

Medical Equipment (rented or purchased) including:

- wheelchairs, up to \$2,000 per person lifetime.
- hospital beds, up to \$2,000 per person lifetime.

Hearing Aids: up to \$400 per person per lifetime.

Orthopedic Shoes: unlimited maximum.

Orthotics: 2 pairs per person per calendar year, to a maximum of \$375 per pair.

Therapeutic Equipment, Supplies and other Services:

- ground and air ambulance services.
- dental repairs as a result of an accident (no deductible & 100% co-insurance).
- custom made braces, spinal braces, walking aids, casts and splints.
- artificial limbs, eyes: diabetic, colostomy and ileostomy supplies: respirators and oxygen.
- wigs as a result of chemotherapy or accidental injury, up to a lifetime maximum of \$100 per person.
- breast prosthesis, 1 per person per 2 calendar years.
- surgical brassieres, up to 6 per person per calendar year.
- surgical stockings, up to 6 pairs per person per calendar year.
- glucometer, lifetime maximum of 1 unit per person.

Coverage for disabled employees continues for 30 months from the date of any disability if not covered by WSIB, or for 48 months from the date of disability if covered by WSIB.

Other features: 12 month Survivor Benefit.

Termination: Coverage terminates at the earlier of retirement or age 65.



DENTAL CARE (Effective: 01Jun2003)
(Refer to Benefit Description Section for full details)

Fee Guide: Current general practitioner's and specialist's fee guide.

Deductible: \$25 each calendar year for each person, up to a maximum of \$50 per family.

Basic Services:

- eligible expenses will be reimbursed at 100%.
- complete *oral exams* are covered once every 24 months and a complete series of *periapical films and panoramic film*- each limited to one in any 24 month period.
- recall exams* are limited to once in any 6 month period for dependent children under 18 years of age and once every 9 months for adults;
- specific exams* are unlimited;
- emergency exams*.
- polishing* is limited to once every 6 months dependent children under 18 years of age and once every 9 months for adults.
- topical application* of fluoride for dependent children under 18 years of age is limited to once every 6 months, for adults limited to once every 9 months.

- you are covered for up to 16 units of 15 minutes of scaling / root planing each calendar year.
- oral hygiene* instruction, once per 6 months for dependent children under 18 years of age and once per 9 months for adults;

Endodontic and Periodontal Services:

- these services are reimbursed at the same percentage as the *Basic* services.

Major Services:

- eligible expenses will be reimbursed at 50%.

Benefit Maximum -Basic & Major Services: \$1,500 per person per calendar year for all services combined.

Coverage for disabled employees continues for 30 months from the date of any disability if not covered by WSIB, or for 48 months from the date of disability if covered by WSIB.

Other features: 12 month Survivor Benefit.

Termination: Coverage terminates at the earlier of retirement or age 65.

TRAVEL HEALTH (Effective: 01Nov2005)

Benefit: The plan covers medical emergencies that take place outside your province or country of residence. Your plan covers trips of up to 60 days.

Termination: Coverage terminates at the earlier of retirement or age 65.

STOP LOSS INSURANCE (Effective: 01Nov2005)

Benefit: Covers medical expenses incurred by employees or dependents in excess of \$15,000 per year.

Coverage for disabled employees continues for 30 months from the date of disability if not covered by WSIB, or for 48 months from the date of disability if covered by WSIB.

Termination: For active employees coverage terminates at the earlier of retirement or age 65.

Benefit Descriptions

The purpose of this booklet is to outline the benefits for which you are eligible. Every effort has been made to ensure the accuracy of this booklet.

Your rights and benefits are governed by:

- the terms of the Group Policy for any insured Life and/or Disability benefits. If there are any discrepancies between this booklet and the Group Policy, the Group Policy will be the governing document in all cases. Any amendment to the governing documents is effective without notice to you, except as required by law.
- the terms of the Administrative Services Only Application and/or Benefit Election form made by THUNDER BAY HYDRO. Any amendment to this application is effective without notice to you except as required by law.

The booklet contains the major terms of coverage and payment of benefits under the Group Policy.

GENERAL INFORMATION

This section outlines general provisions used to administer the company's benefit program. Provisions pertaining to a specific underwriter will be described under the benefit wording sections of this document. In the event of a discrepancy between this document and any contracts of insurance or services, the latter will govern.

ACCESS TO DOCUMENTS

Where provincial legislation permits, you may obtain copies of the application, evidence of insurability, plan and booklet.

LEGAL ACTIONS

Every action or proceeding against your Short-Term Disability benefit provider for the recovery of money payable under the benefit program is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation.

APPEALS

You have the right to appeal a denial of all or part of the benefits described in the plan as long as you do so within one year of the initial denial of a benefit. An appeal must be in writing and must include your reasons for believing the denial to be incorrect.

BENEFIT LIMITATION FOR OVERPAYMENT

If benefits are paid that were not payable under the benefit plan, you are responsible for repayment within 30 days after Maximum Benefit sends you a notice of the overpayment, or within a longer period if agreed to in writing by Maximum Benefit. If you fail to fulfill this responsibility, further benefit payments will be withheld until the overpayment is recovered. This does not limit Maximum Benefit's right to use other legal means to recover the overpayment.

DEFINITIONS

Accident

An accidental bodily injury caused solely as a direct result of an external, violent and unexpected or unforeseen means, independent of all other causes.

Actively Employed / Actively at Work

Employees are considered to be actively working if they are performing all the usual and customary duties of their job with the employer for the scheduled number of hours for that day. This includes scheduled non-working days and periods of continuous paid vacation if the employee was actively working on the last scheduled working day. Employees are not considered actively at work if they are receiving disability benefits or are participating in a Maximum Benefit Short Term Disability rehabilitation program.

Child

The employee's natural or adopted unmarried child, or step child (excluding a foster child or ward), who is wholly dependent on the employee for support and:

- is less than 21 years old;
- is less than 25 years old, and is in full-time attendance at an accredited institute of learning (classified as an Over Age Dependent Child);
- is 21 years of age or over and is financially dependent upon the employee because of mental or physical infirmity provided such child was financially dependent on the employee and such infirmity has existed continuously from a time when the child was otherwise covered as a Dependent under this Plan.

Note: If you are a Quebec resident, full-time students are covered for prescription drug benefits until age 26.



Compassionate Care Leave of Absence

The period of a formal compassionate care leave to which the employee is entitled by legislation governing the Plan Sponsor, or a longer period, if the Plan Sponsor's normal practice permits.

Deductible

The amount of eligible expense that must be incurred and paid by the employee or their dependents before benefits are payable under this plan.

Dependent

The employee's spouse or child who is domiciled in Canada. For the purposes of Extended Health Care benefits, an eligible dependent must also be covered under a Provincial Health Plan.

Late Entrant

The employee or an eligible dependent who applies for coverage later than 31 days after the end of the waiting period, and for which a Statement of Health will be required, before benefits are issued.

Leave of Absence

A period of absence from work for which the dates are fixed by legislation or by mutual agreement between the Plan Sponsor and the Employee.

Maternity Leave of Absence

The period of formal maternity leave to which an employee is entitled by legislation governing the Plan Sponsor, or a longer period, if the Plan Sponsor's normal practice permits. For the purposes of this Plan, Maternity Leave of Absence will be deemed to commence on the earlier of:

- the date fixed by mutual agreement between the employee and the Plan Sponsor; or
- as required by legislation; or
- the date the child is born.

Medically Necessary

Broadly accepted by the medical profession as effective, appropriate and essential in the diagnosis or treatment of a sickness or injury, and based on generally recognized and accepted standards of health care.

Over Age Dependent

A dependent child who is enrolled at an accredited school/college/university as a full-time student. Coverage will be extended up to the earliest of September 30th of the next school year, the upper limit of the dependent definition age, graduation, or until the Employee's coverage is terminated. The Employee must re-apply for coverage for their Over Age Dependent Child each school year.

Parental Leave of Absence

The period of formal child care leave to which the employee is entitled by legislation governing the Plan Sponsor, or a longer period, if the Plan Sponsor's normal practice permits.

Physician

A Doctor of Medicine (MD), duly licensed to practice medicine, or any other practitioner recognized by the College of Physicians and Surgeons in the province in which the treatment is rendered.

Reasonable and Customary

Within the usual range of charges being made by others of similar standing in the area in which the charge is incurred when providing the same or comparable services or supplies.

Spouse

A person who is the employee's spouse by marriage or under any other formal union recognized by law, or a partner who has lived with the employee for at least 12 months and is publicly represented as the employee's spouse.

A divorced or ex-common-law spouse can be an eligible dependent for some of the benefits under this benefit program if mandated by court order. At any one time, only one person may be covered as the employee's spouse.

Temporary Lay-Off

A period during which the Employee is laid off work with an expectation of returning to work.

Waiting / Eligibility Period

The period of continuous employment with the employer which the employee must complete before they are eligible for benefits under this plan.

ELIGIBILITY

To be eligible for group benefits, the employee

- is a resident of Canada,
- is a permanent employee in an eligible class,
- is actively working for the employer at least 25 hours a week,
- is younger than the termination age limits specified in the benefit summary, and
- has completed the Waiting Period.

For the purposes of Extended Health Care benefits, individuals must be covered under their Provincial Health plan.

The employee's dependents are eligible for insurance on the date the employee becomes eligible, or the date the employee acquires a dependent, whichever is later. The employee's dependents must be the employee's spouse or child and a resident of Canada.

EVIDENCE OF INSURABILITY

Medical evidence is required when the employee applies for coverage in excess of any Non-Evidence limits. Medical evidence is also required for all benefits (except Dental), when the employee makes a late application for insurance on themselves or on their eligible dependents.

LATE ENTRANT / LATE APPLICATION

An application is considered late if the employee applies for coverage on any person after they have been eligible for benefits for more than 31 days.

If the employee applies for benefits that were previously waived because the employee was covered for similar benefits under their spouse's plan, the application is considered late when the employee applies for coverage more than 31 days after the date benefits terminated under their spouse's plan.

ENROLMENT

The employee must enroll to receive coverage by submitting a signed Enrolment Application within 31 days of becoming eligible for coverage.

When Life Insurance is included in the employee's coverage, we must have the original signed application on file in our office, otherwise the Beneficiary Designation is not valid. Any proceeds would be paid to the Estate.

If the employee or their dependents are covered for Extended Health or Dental benefits under another group plan the employee may refuse coverage in these benefits under this plan. The employee may later apply for these benefits without evidence of insurability by submitting an Enrolment Application within 31 days of the date benefits terminate under the other group plan.

An employee may not be covered as a Dependent except that if both husband and wife are Employees, one Employee may be covered as a Dependent of the other.

Note: An employee can only be covered once under the Health, Dental and Travel insurance. For example, if a husband and wife are both eligible employees at Thunder Bay Hydro, one of them will be given family Health, Dental and Travel coverage and the other will be covered under that family coverage.



EFFECTIVE DATE OF COVERAGE

If evidence of insurability is not required, the employee's benefits will be effective on the date the employee is eligible for coverage.

If evidence of insurability is required, the employee's benefits will be effective on the date the employee becomes eligible for coverage or the date the employee's application is approved, whichever is later.

The employee must be actively at work for insurance to become effective. If the employee is not actively at work on the date coverage would normally begin, their coverage will not begin until the employee returns to active work.

The employee's dependent's insurance becomes effective on the date the dependent becomes eligible, or the date any evidence of insurability on the dependent is approved, whichever is later. Dependent coverage cannot be effective prior to the date the employee's coverage becomes effective.

If a dependent (other than a new-born child) is confined to a hospital on the date their coverage would otherwise become effective, their coverage will not become effective until the first day immediately following their discharge from the hospital and pursuing normal activities.

If the employee's coverage under this plan terminates due to termination of employment and they are re-employed within 6 months immediately following the termination, the employee's coverage can be reinstated on the date the employee resumes employment provided an application for reinstatement is made within 31 days of their re-employment.

CHANGE OF COVERAGE

If the employee is actively at work, any change in the amount of coverage or change in benefit will become effective on the later of:

- the date the employee first becomes eligible for such change;
- the date the employee's application is approved if evidence of insurability is required.

If the employee is not actively at work when the change occurs, the change cannot take effect before the employee returns to active work, unless they are not actively at work due solely to a paid vacation or general holiday.

TERMINATION OF INSURANCE

The employee's group benefits will terminate on the earliest of:

- the date the employee ceases to be an eligible employee,
- the date the employee reaches the termination age of any coverage,
- the date the group contract ends, or coverage on the class to which the employee belongs terminates,
- the end of the period for which contributions have been paid for the employee's coverage,
- the date of the employee's death.
- the date on which the Employee ceases to be Actively at Work, which includes but is not restricted to, the date on which the Employee is pensioned or retired unless otherwise stated in the Benefit Schedule, the date on which the Employee goes on strike or is locked-out, or becomes a full-time Employee of the armed forces of any country.

However, if the Employee ceases to be Actively at Work

- Due to temporary lay-off or leave of absence (other than maternity or parental leave) and required contributions continue to be remitted, such Employee will be considered to be Actively At Work if the Plan Sponsor, acting on a basis precluding individual selection, continues the Employee's coverage with the exception of the Short Term Disability Benefit, for any predetermined period not exceeding 3 months or;
- Due to maternity, parental, and/or compassionate care leave and required contributions continue to be remitted, such Employee will be considered to be Actively At Work if the Plan Sponsor, acting on a basis precluding individual selection, continues the Employee's coverage, for any period not exceeding the period required under the relevant provincial or federal legislation.

A dependent's coverage terminates on the earliest of:

- the date the employee's coverage ends,
- the date the dependent is no longer an eligible dependent,

-the end of the period for which contributions have been paid for dependent coverage.

If federal or provincial legislation requires the employer to continue the employee's coverage beyond the date it would otherwise terminate, subject to continued required contribution payments, the employee's coverage will continue to the end of the period required by law but not beyond the date on which this plan terminates.

If the employee is disabled or becomes disabled, Extended Health Care and Dental benefits will terminate on the earliest of:

- if covered by WSIB, 48 months from the initial date of disability (first day not actively at work),
- if not covered by WSIB, 30 months from the initial date of disability (first day not actively at work),
- the end of the period for which contributions have been paid for the employee's coverage,
- the date the employer or Maximum Benefit terminates this plan.

CLAIMS

Claims will be paid in accordance with the coverage in force as shown on the employee's *Certificate of Insurance*. To ensure that coverage is kept up-to-date, it is important that the employee report any of the following changes to their employer:

- change of dependents,
- change of name,
- change of beneficiary.

If the age of the employee or their dependents has been misstated, the benefits payable under this plan will be based upon the actual age of the person concerned, at the relevant time.

There are time limits for making claims and these limits are discussed in the appropriate sections of this document. Notice and proof of any claim must be received by Maximum Benefit within these time limits. However, if this plan terminates, claims must be submitted within 30 days from the termination date for claims incurred prior to the termination date.

Claim payments are made payable to the employee unless otherwise indicated elsewhere in the plan, or the employee has authorized payment be made to a person and/or corporation which has rendered eligible services, treatments or supplies.

Maximum Benefit may require the employee to have a medical examination if they make a claim for benefits. If the employee fails or refuses to have this examination, Maximum Benefit will not be obligated to pay any benefits.

Upon providing payment for incurred expenses or loss of income, Maximum Benefit, on behalf of the Plan Sponsor, is subrogated to all rights of recovery of the Employee, or any Dependents, against any person or party and may bring action in the name of the Employee, or Dependent, to enforce such rights.

The amount of coverage in force for each Employee is determined by classification as shown in the Benefit Schedule. The Plan Sponsor must notify Maximum Benefit in writing, on a regular monthly basis, of any change in the amount of coverage of any person.

If the employee is covered for Extended Health or Dental benefits under this plan and another plan, the benefits under this plan will be coordinated with the other plan following insurance industry standards. If the employee is claiming benefits under this plan, they must furnish Maximum Benefit with any information necessary to implement the Coordination of Benefits provision.

Maximum Benefit may, with proper authorization, release to or obtain from any other insurance company or other organization or person any information, with respect to any person, which Maximum Benefit deems to be necessary for the purpose of determining the applicability of and implementing the terms of the Co-ordination of Benefits provision or any provisions of similar purpose of any other Plan. Any person claiming benefits under this plan will furnish to Maximum Benefit such information as may be necessary to implement the Co-ordination of Benefits provision.

Maximum Benefit, on behalf of the Plan Sponsor, has the right to recover any and all excesses of



payment, from any persons to or for whom such payments were made, if the payment was in excess of the maximum amount payable.

The employee's rights or interest under this plan are not assignable.

If the employee dies before payments to which they are entitled are made, or if the employee is not competent to give a valid release for payments to which they are entitled, to the extent permitted by law, Maximum Benefit may in its discretion pay these amounts to a relative by blood or connection by marriage or to any person appearing to Maximum Benefit to be entitled to such payment. Such payment will fully discharge Maximum Benefit to the extent of the amount paid if made in good faith.

For **drug expenses** to be handled on a card system, Maximum Benefit will provide the Plan Sponsor with an identification card for each employee, for presentation at the pharmacy when obtaining prescription drug services. Eligible benefits will be paid directly to participating pharmacies for employees and dependents covered under this plan. Any expense incurred by the use of the identification card, which is not payable under the terms of the plan but is incurred by a participating Pharmacy in respect of any employee (and is not collectible by the Pharmacy after reasonable effort) will be paid by the Plan Sponsor to Maximum Benefit, as billed.

EXTENDED HEALTH CARE

General

This plan covers reasonable and customary charges for supplies and services used to treat injury or illness. There is no overall lifetime maximum, but certain types of expenses are subject to limits and conditions.

To receive benefits, Employees and Dependents must be registered with their provincial health plan. If a Dependent is hospitalized before the effective date of this coverage, no benefits are payable for any charges during the hospitalization and coverage will begin the first day immediately following the date of discharge.

Eligible Expenses

Subject to the deductible and percentages specified in the Benefit Summary, the following services may be eligible for reimbursement, when incurred in Canada.

PRESCRIPTION DRUGS

The plan will cover the cost of eligible drugs and contraceptives which by law bear a Drug Identification Number (DIN) and are prescribed by a physician or dentist and obtained from a licensed pharmacist. Prescription purchases are limited to a 100-day supply.

Prescription drugs will:

- be covered at 100%, and
- have no overall maximum.

Eligible prescription drug expenses include prescription requiring drugs; most *over the counter drugs*; insulin and oral contraceptives.

The following are not eligible, unless otherwise stated in the Benefit Summary: proprietary or patent medicines; experimental drugs; drugs used for the treatment of hair loss; dietary or health foods; vitamins or vitamins used for weight loss; nutritional products; and charges for the administration of drugs, serums **or vaccines**.

The plan substitutes generic equivalents to prescription medications wherever possible, but a brand name drug will be covered if the generic is unacceptable. The employee's physician need only specify *No Substitutions* on the prescription.

Eligible drugs that are covered under a provincially funded drug program are limited to the provincial deductible and applicable co-insurance.

Drugs for the treatment of obesity are specifically excluded from this plan.

Drugs for the treatment of erectile dysfunction are specifically excluded from this plan.

Smoking cessation products are specifically excluded from this plan.

Drugs for the treatment of infertility are covered up to a maximum of \$2,000 per cycle, maximum of 6 cycles per lifetime.

(Reimbursement only, not provided through the drug card -subject to deductible, co-pay and dispense fee).

Preventative immunization vaccines and toxoids are covered.

Prescription drug expenses will be handled on a card system -the Telus Health Solutions ASSURE card.

There is no deductible on prescription drug purchases.

For each prescription filled, the plan allows no more than \$6.50 as an eligible expense for the

pharmacist's dispensing fee. Dispensing fee charges beyond the maximum are your responsibility.

HOSPITAL

This benefit pays the additional cost charged by the hospital (up to \$200 per day) for a semi-private room over a standard public ward, provided that the confinement starts while the person is covered under this benefit. Accommodation in a private room, while in a hospital as an in-patient, upon proof and approval of medical necessity, up to the hospital maximum specified in the Benefit Summary. If the covered person is confined in a hospital as of the effective date of their coverage, they will not become eligible for the hospital benefit until the day following their discharge from the hospital.

The plan will cover 100% of any eligible hospital expenses, up to any maximums or limitations specified in the Benefit Summary.

VISION CARE / LASER EYE SURGERY

Eligible expenses include contact lenses and eyeglasses, which require a prescription and are dispensed by an ophthalmologist, a licensed optometrist or a qualified optician. The benefit may also be used toward the cost of laser eye surgery. The plan will cover 100% of these eligible expenses up to \$300 per person in any 24 month period for adults and in any 12 month period for dependent children.

Eligible expenses for laser eye surgery are included up to a maximum of \$600 in any 72 month period. If an employee or eligible dependent opts to use the laser eye surgery benefit, they will not be eligible for the contact lenses and eyeglasses benefit above for a 72 month period.

Coverage includes prescription sunglasses, but does not include non-prescription sunglasses.

Coverage does not include safety glasses.

Eye exams (including eye refractions) are included in Vision Care. Services must be performed by a qualified ophthalmologist or licensed optometrist.

Eye exam maximum is included in the *Vision Care* maximum under this plan.

Eligible Dependents are children that are not married or in any other formal union recognized by law, and are under age 18.

MEDICAL SERVICES AND EQUIPMENT

The plan will cover 100% of the following eligible expenses, up to any maximums or limitations specified in the Benefit Summary.

Paramedical Services

The plan will reimburse 100% of eligible expenses of licensed, certified or registered paramedical practitioners (including written reports), operating within the scope of his/her license. The Plan will cover:

- the cost of the visit,
- up to a maximum of \$300 per person per practitioner per calendar year.

Eligible practitioners include:

- *Chiropractors*
- *Massage Therapists (requires a written referral by a medical doctor every 12 months)*
- *Naturopaths/Homeopaths (excluding food supplements and vitamins)*
- *Osteopaths*
- *Physiotherapists*
- *Podiatrists*
- *Chiropodists*
- *Psychologists*
- *Speech Therapists*

Ontario only: Podiatry coverage will not begin until individuals have reached their Ontario Health Insurance Plan (OHIP) maximums.

Private Duty Nursing

Nursing Care (not custodial care) provided in the covered person's home by a registered nurse or a licensed practical nurse or a registered nursing assistant none of whom is related by blood or marriage or normally live with you or any of your dependents.

A Nursing Care Questionnaire is required and approval of the charges is at the discretion of Maximum Benefit.

Maximum payment is \$25,000 per person per calendar year.

Medical Equipment

Rental or purchase, of the following medical equipment, will be covered. Prior approval from Maximum Benefit is required, for which a written recommendation from the Physician must be submitted, stating the medical necessity for the item.

- *Wheelchairs*, up to a lifetime maximum of \$2,000 per person.
- *Hospital beds*, up to a lifetime maximum of \$2,000 per person.

Hearing Aids

The plan allows for the purchase and installation of, but not batteries for or repairs of, hearing aids. Maximum payment is \$400 per person per lifetime.

Orthopedic Supplies

This plan will reimburse for the following:

- purchase but not repair of orthopedic shoes which have been specifically designed and custom made for the person and which are purchased from a recognized orthopedic supplier with an unlimited maximum. This does not include off-the-shelf shoes that have been modified.
- Referral by a physician, chiropractor, podiatrist, or chiropodist is required.
- purchase of custom made orthotics from a recognized supplier, 2 pairs per person per calendar year, to a maximum of \$375 per pair. Biomechanical assessment by a physician, chiropractor, podiatrist, or chiropodist is required with each purchase.

Ambulance

This plan covers the cost of transportation in a licensed ground ambulance when used to transport the covered person in any of the following circumstances because of either emergency or In-patient treatment:

- from the place where the person suffers the accident or sickness to the nearest Hospital where adequate medical treatment is available;
- from one Hospital to another Hospital, where specialized treatment is to be provided.

Proof of medical necessity of an ambulance may be required from the attending Physician.

Emergency Air Transportation

This plan covers the cost of transportation in a licensed air ambulance when used to transport the person because of an emergency to the nearest Hospital where adequate treatment is available or to another Hospital when certified as essential by the attending Physician.

Diagnostic Services

Diagnostic laboratory and x-ray procedures performed in the person's province of residence are covered when coverage is not available under his provincial government plan.

Dental Accidents

While employed with this Employer, services of a Dentist required for the repair or replacement of sound natural teeth because of an accidental blow to the mouth and not by an object wittingly or unwittingly placed in the mouth. This dental treatment must commence or a detailed treatment plan satisfactory to Maximum Benefit must be submitted to Maximum Benefit, within 90 days of such injury. No reimbursement will be provided for treatment performed more than 2 years after the date of the accident.

If there is a less expensive course of treatment that will give a professionally adequate result, the amount payable under this plan is equal to the cost of the less expensive treatment. If the Employee chooses to

proceed with the more expensive treatment, they will be responsible for the additional costs.

Deductible if any, does not apply and co-insurance is 100%

Other Eligible Expenses

This plan will reimburse charges for:

- purchase, but not the repair, of an artificial limb or eye; replacement is covered when required due to a physiological change.
- purchase, but not the repair, of a custom made brace (rigid support) that is required for daily living and not solely for sports purposes. A physician's letter stating the medical necessity is required.
- purchase of colostomy, ileostomy or urethrostomy supplies.
- purchase of diabetic supplies, including disposable needles and reagent strips.
- injectable drugs and serums.
- purchase of canes, casts, cervical collars, crutches, splints and walkers (may require physician's letter stating the medical necessity).
- oxygen, plasma, blood or blood substitutes and their administration.
- purchase of an aerochamber.
- Intra Uterine Devices (IUDs).
- diagnostic laboratory procedures rendered in a private laboratory in the province of Quebec (for Quebec residents only).
- purchase of wigs required as a result of chemotherapy or accidental injury, up to a lifetime maximum of \$100 per person.
- purchase of a breast prosthesis when required because of total or radical mastectomy- limited to a maximum of 1 per person per 2 calendar years.
- purchase of surgical brassieres when required because of total or radical mastectomy- limited to 6 per person per calendar year.
- purchase of medically necessary surgical elastic stockings on the written recommendation of a physician. They must have a compression factor of 25 mmHG or higher- limited to 6 pair per person per calendar year.
- purchase of a glucometer, up to a lifetime maximum of 1 per person.

Limitations and Exclusions

No reimbursement will be made under this benefit for the following:

- services or treatment, which in whole or in part, are prohibited from payment, or have been paid by, a government health plan;
- services, treatment or supplies which the person received without charge, or is eligible to receive without charge (or paid with a gift certificate);
- services or treatments which have been removed from a government health plan, and which are not specifically included in the listing of Eligible Expenses;
- any prescription drugs or medical expenses normally covered through a government program provided in a hospital, or any other means are not covered when offered on an out-patient basis or at a private clinic (unless legislated as in the province of Quebec);
- services, treatment or supplies which are experimental in nature;
- travel time, broken appointments, transportation costs, telephone or other indirect consultations;
- services, treatment or supplies which are required in order to participate in sporting activities;
- services or treatment which has been provided or performed by a person who is related or connected by marriage or normally resides with the Employee or Dependent;
- services, treatment or supplies provided to the Employee by the Employer;
- services, treatment or supplies not included in the list of Eligible Expenses;
- services, treatment or supplies which are not medically necessary, or not of a reasonable and customary nature;
- practitioner/physician charges for the administration of drugs, serums, vaccines or the completion of forms;
- cosmetic treatment other than due to an accidental bodily injury which is caused solely by external, violent and accidental means, independently of all other causes and which is sustained while the person is covered under this Benefit;
- eligible expenses which result directly or indirectly from the following:
 - a) intentionally self-inflicted injuries while sane or insane;

- b) committing or attempting to commit a criminal offence;
 - c) any cause for which payment is provided under any Workers' Compensation Act or similar legislation or under any other government plan;
 - d) war, whether war be declared or not, or service in the armed forces of any country, or participation in a riot, insurrection or civil commotion;
- Personal comfort items;
 - General health exams or physician fees.

Survivor Benefit

A Dependent, whose insurance under this policy would otherwise have ended because of the death of the Employee, will continue to be covered under this benefit in accordance with the other provisions of this policy until the earliest of the following dates:

- the end of the month of a 12 month period following the date of death of the Employee,
- the date on which the spouse remarries,
- the date on which the spouse becomes an Employee or Dependent under this or any other group plan,
- the date on which this benefit terminates.

Coordination of Benefits

If a person is covered under two different plans, they may be subject to Co-ordination of Benefits. The amount of any benefits payable during any calendar year will be coordinated, as per insurance industry guidelines, and the amount payable cannot exceed 100% of the eligible expenses incurred.

The insurance industry standards determine where a claim should be sent first for payment;

- a person considered an eligible Employee, under either plan, must submit their claims to their plan first After their plan issues a payment, send the explanation of benefits provided along with a claim form to the other plan for payment of any unpaid balance;
- dependent children's claims must be submitted through the group plan of the parent with the earlier birth day and month in the calendar year. Any unpaid balance would then be submitted to the other plan, along with a copy of what was already paid.
- in situations where parents are separated/divorced, then the following order for claims submission for children applies:
 - the plan of the parent with custody of the child,
 - the spouse of the parent with custody,
 - the parent not having custody of the child,
 - the spouse of the parent not having custody.

Proof of Claim

Written proof of a claim must be submitted to Maximum Benefit within 365 days of the date the expense was incurred. However, if this plan terminates, claims must be submitted within 30 days from the termination date for claims incurred prior to the termination date.

Original receipts, or an Explanation of Benefit statement and copies of receipts from any plan that has already paid a portion of the expense, is required to process a claim. Receipts must include the service date, a breakdown of the charges, and the practitioner's name, credentials, address and phone number.

Original receipts are not returned.

All claims must be sent to Maximum Benefit and **signed by the employee**. Claims for a spouse or dependent children can be signed by the employee's spouse, as long as the spouse is a covered dependent under this plan.

Termination

All health benefits will cease the earlier of the date on which the Employee ceases to be actively at work, the Employee's date of retirement or the Employee's 65th birthday.

DENTAL CARE

General

Dental benefits paid by the plan are based on the current approved General and Specialist Fee Guides established by the Provincial Dental Association. While they are not required to do so, the majority of dentists charge according to the rates set out in the Fee Guide. If the dentist charges more than the Fee Guide, the employee is responsible for the excess charge.

Deductible

The individual Deductible Amount is the amount of Eligible Expenses which must be paid by or on behalf of a person in any calendar year before reimbursement will be made under this Benefit. Once an employee and their dependents have satisfied the Deductible Amount during any calendar year, no further Deductible will be applied against Eligible Expenses incurred by any member of such during the balance of that calendar year.

Treatment Plan

When the total cost of any proposed dental treatment is expected to exceed \$500, the employee or dependent should submit a detailed treatment plan request to Maximum Benefit before commencement of treatment. Upon receipt of the Treatment Plan, Maximum Benefit will then advise the employee if the services are eligible and what amount is covered. Treatment Plan of benefits will not be given verbally over the phone. These Treatment Plans are only valid for 90 days.

Incurred Date of Service

Eligible expenses will be considered to have been incurred on the date the service or supply was provided. However, if the plan covers:

- *bridge, crown or dentures*; the date of insertion of such appliance will be the date such service was incurred.
- *root canal therapy*; the date of the final treatment shall be the date that the expense was incurred.

If coverage ceases due to termination of an Employee's coverage, treatment is considered to be started if, in the case of:

- *full or partial dentures*, the impression has been taken;
- *fixed bridgework or crowns*, the tooth has been prepped;
- *root canal therapy*, the tooth has been opened;
- *orthodontic treatment*, banding has taken place.

Alternate Treatment

If there is a less expensive course of treatment that will give a professionally adequate result, the amount payable under this Plan is equal to the cost of the less expensive treatment. If the employee chooses to proceed with the more expensive treatment, they will be responsible for the additional costs.

Eligible Expenses Outside Canada

Payment will be made for dental treatment rendered while traveling outside Canada, but only to the extent that payment would have been made under this Benefit if such treatment had been rendered in the employee's normal province or territory of residence and provided that such treatment was rendered for emergency purposes only.

Eligible Expenses

Subject to the deductible and percentages specified in the Benefit Summary, the following services may be eligible for reimbursement.

Basic Services, include:

Oral Examinations

- Complete oral examinations once every 24 months. A complete series of periapical films and panoramic film -each limited to one in any 24 month period;
- Recall examinations, once in any 6 month period for dependent children under 18 years of age and once every 9 months for adults;
- Specific examinations;

- Emergency examinations.

X-rays

- Bitewing films and X-rays to diagnose a symptom or examine progress of a particular course of treatment other than temporomandibular joint film.

Consultations, with patient

Preventative

- Polishing limited to once in any 6 month period for dependent children under 18 years of age and once every 9 months for adults;
- Topical application of fluoride limited to once in any 6 month period or dependent children under 18 years of age and once every 9 months for adults;
- Occlusal adjustment (8 units per calendar year);
- Night guards.
- Scaling- limited to 16 units per person per calendar year (combined with Periodontal root planing);
- Pit and fissure sealants on primary and permanent teeth are limited to one application per tooth (for dependent children under age 16 only);
- Space maintainers for missing primary teeth; not designed specifically for sporting activities;
- Temporary dressing for the emergency relief of pain.

Minor Restorative Services

- Bonded amalgam;
- Acrylic, silicate or composite restorations;
- Replacement fillings done within 12 months of original placement are not eligible;
- Pre-formed stainless steel and polycarbonate crowns (for dependent children under age 18 only).

Repair, rebasing and relining of partial or complete dentures, not including the replacement of teeth on a denture.

General Anesthesia required for all dental services.

Oral surgery

- Extraction of erupted or impacted teeth;
- Extraction of residual roots;
- Removal of excess gingival tissue;
- Suturing and post-operative treatment;
- Alveoloplasty.

Oral hygiene instruction, once per 6 months for dependent children under 18 years of age and once per 9 months for adults;

Endodontic and Periodontal Services are reimbursed at the same percentage as BASIC services.

Endodontics is root canal therapy and root canal fillings, and treatment of disease of the pulp tissue. Covered services include root canal therapy, apexification, apicoectomy, retro fillings, root amputation, hemisection, and vital pulpotomy.

Periodontics is the treatment of bone and gum disease. Covered services include gingival curettage, gingivoplasty, gingivectomy, flap approach, grafts and root planing combined with Preventative scaling.

Periodontal surgery is also covered as well as the following related periodontal services: provisional splinting, periodontal appliance, periodontal appliance adjustment or reline (limited to 4 units of time per calendar year).

Expenses incurred for implants or treatment related to implant services are not covered under Basic Services.

Major Services, include:

Metal inlay/onlay restorations.

Retentive pins in Inlays and Crowns.

Crowns (single restorations only):

- these services are eligible only if the tooth cannot be restored in any other way;
- molar teeth are covered for metal crowns only;
- replacement is covered if the existing crown is over 5 years old.

Prosthodontic Appliances (e.g. fixed bridgework, removable partial or complete dentures):

- construction and insertion of an initial permanent prosthodontic appliance if such appliance was necessary because of the extraction of at least one natural tooth while employed with this employer;
- replacement of an existing prosthodontic appliance with a permanent prosthodontic appliance;
- if such appliance was necessary because of the extraction of at least one natural tooth while employed with this employer, or
- if the existing appliance is at least 5 years old, or
- if the existing appliance is temporary and being replaced by a permanent appliance within 12 months of the date the temporary one was installed;
- denture adjustments with minor adjustments limited to once in a 6 month period
- repair of fixed bridgework.

Expenses incurred for implants or treatment related to implant services are not covered.

Benefit Maximums:

The plan will pay up to \$1,500 per person per calendar year for all BASIC and MAJOR services combined based on the fee guide shown on the Benefit Summary.

Late Entrants have a maximum benefit of \$250 per person for their first 12 months of coverage.

Limitations and Exclusions

No reimbursement will be made under this Benefit for the following:

- services or treatment, which in whole or in part, have been paid by a government health plan;
- services, treatment or supplies which the person received without charge, or is eligible to receive without charge;
- dental services and supplies not included in the list of Eligible Expenses;
- charges for services that are not reasonable and customary;
- any portion of charges that are over the suggested charge in the appropriate Fee Guide;
- lab fees in excess of 60% of the suggested fee for the particular dental treatment in the appropriate fee guide;
- any services, treatment or supplies provided to the employee by the employer;
- services or treatment which has been provided or performed by a person who is related or connected by marriage or normally resides with the employee or dependent;
- any services not recommended by a Dentist;
- any services not performed by either a Dentist, a Dental Hygienist under the supervision of a Dentist; or a licensed Denturist, where such services are outside the scope of his/her license;
- any dental treatment which is for cosmetic purposes including veneers and bleaching, when the form and function of the teeth are satisfactory and no pathological condition exists;
- expenses incurred for nutritional counseling and dental plaque control programs;
- any dental treatment rendered for full mouth reconstructions, for vertical dimension correction, for the restoration of occlusion, for the correction of temporomandibular joint (TMJ) dysfunction or for permanent splinting of teeth;
- charges for travel time, broken appointments, transportation costs, completion of claim forms, telephone or other indirect consultations;
- expenses incurred for the replacement of dentures and appliances that are lost, mislaid or stolen;
- any dental treatment which is not yet approved by the Canadian Dental Association or which is clearly experimental in nature;

- dental services, treatment or supplies which the person received without charge or which a government health plan prohibits from being paid;
- any dental treatment rendered outside Canada except as specifically provided under the BENEFIT OUTSIDE CANADA provision;
- Eligible Expenses which result directly or indirectly from the following: a) intentionally self-inflicted injuries while sane or insane; b) committing or attempting to commit a criminal offence; c) any cause for which payment is provided under any Workers' Compensation Act or similar legislation or under any other government plan; d) war, whether war be declared or not, or service in the armed forces of any country, or participation in a riot, insurrection or civil commotion;
- any services and supplies rendered for the treatment or correction of any congenital or developmental malformation;
- expenses incurred for temporary or transitional services;
- facility fees.

Survivor Benefit

A dependent, whose insurance under this policy would otherwise have ended because of the death of the employee, will continue to be covered under this benefit in accordance with the other provisions of this policy until the earliest of the following dates:

- the end of the month of 12 month period following the death of the employee,
- the date on which the Spouse remarries,
- the date on which the Spouse becomes an employee or dependent under this or any other group plan,
- the date on which this Benefit terminates.

Coordination of Benefits

If a person is covered under two different plans, they may be subject to Co-ordination of Benefits. The amount of any benefits payable during any calendar year will be coordinated, as per insurance industry guidelines, and the amount payable cannot exceed 100% of the eligible expenses incurred.

The insurance industry standards determine where a claim should be sent first for payment:

- a person considered an eligible employee, under either plan, must submit their claims to their plan first. After their plan issues a payment, send the explanation of benefits provided along with a claim form to the other plan for payment of any unpaid balance;
- dependent children's claims must be submitted through the group plan of the parent with the earlier birth day and month in the calendar year. Any unpaid balance would then be submitted to the other plan, along with a copy of what was already paid.
- in situations where parents are separated/divorced, then the following order for claims submission for children applies:
 - the plan of the parent with custody of the child,
 - the spouse of the parent with custody,
 - the parent not having custody of the child,
 - the spouse of the parent not having custody.

Proof of Claim

Written proof of a dental claim must be submitted to Maximum Benefit within 365 days of the date the expense was incurred. However, if this plan terminates, claims must be submitted within 30 days from the termination date for claims incurred prior to the termination date. Maximum Benefit reserves the right to request radiographs and other types of diagnostics such as specialist reports, periodontal charts and study models.

Original receipts, or an Explanation of Benefit statement and copies of receipts from any plan that has already paid a portion of the expense, is required to process a claim. Receipts must include the service date, a breakdown of the charges, and the practitioner's name, credentials, address and phone number.

Original receipts are not returned.

All claims must be signed by the employee: Claims for a spouse or dependent children can be signed by the employee's spouse, as long as the spouse is a covered dependent under this plan.

Termination

All dental benefits will cease the earlier of the date on which the employee ceases to be actively at work, the employee's date of retirement or the employee's 65th birthday.

TRAVEL HEALTH

General

This plan covers medical emergencies that take place outside the employee's province or country of residence. The Co-operators, through TIC, provides all emergency medical assistance services.

In the event of a medical emergency, Co-operators will cover the reasonable and customary costs, in excess of the coverage provided by the employee's provincial government health insurance plan, for the following services and supplies:

- treatment by a *physician*.
- laboratory tests and diagnostic x-rays* prescribed by the attending physician and are part of the emergency treatment.
- hospital accommodation* in a standard or semi-private ward or coronary care or intensive care unit (if medically necessary).
- medical supplies* provided during a covered hospital confinement, when approved in advance by Co-operators.
- paramedical services* provided out of hospital or during a covered hospital confinement are covered (up to \$250 per eligible profession) when approved in advance by the insurance company. Eligible professions include chiropractors, osteopaths, physiotherapists and podiatrists.
- prescription drugs* that are prescribed by a physician when medically necessary for emergency treatment. This benefit is limited to a 30 day supply unless the covered person is hospitalized.
- *ambulance services* by a licensed ambulance company to the nearest centre where essential treatment is available.
- *emergency air transportation* when approved in advance by Co-operators.
- up to \$2,000 per covered person for *emergency dental accident treatment*.
- up to \$5,000 for the professional services of a *registered private nurse*, when medically necessary and while hospitalized.
- when approved and arranged by Cooperators, *emergency medical transportation* to return the covered person to their home province or territory for emergency medical treatment.

The plan also provides the following travel benefits:

Transportation to Bedside- reimbursement for a single round-trip economy airfare plus up to \$150 per day to a maximum of \$3,000 for an individual *to be with the covered person* if the covered person was travelling alone and was hospitalized.

Return Transportation for Travelling Companion- if the covered person is returned *to their home province or territory* under the Medical Emergency Transportation benefit, Cooperators will reimburse the cost of a single one-way economy airfare for a travelling companion to return to Canada.

Meals and Accommodation- up to \$150 per day, to a maximum of \$3,000 per trip, for the *cost of commercial accommodation and meals* for the covered person and/or any of his/her dependents when their trip is extended beyond the last day of the scheduled trip due to the sickness and/or injury suffered by the covered person.

Vehicle Return- up to \$5,000 if neither the covered person nor someone travelling with the covered person is able to operate the covered person's vehicle, during the trip due to sickness and/or injury.

Return of Deceased- up to \$5,000 towards the cost of preparation and transportation of the deceased covered person to their province or territory of residence in the event of death due to sickness and/or injury.

Incidental Expenses- up to \$250 for the covered person's out-of-pocket expenses such as telephone charges, television rental and parking while the covered person is hospitalized for an emergency and the expenses are incurred as a direct result of such hospitalization.

Coverage Period

The plan covers trips of up to 60 days per trip. This is the maximum amount of time an employee or eligible dependent may be out of the country per trip. If a trip was to exceed the 60 day limit, anything over the 60th day would not be covered under this policy.

If an employee has a dependent that attends school outside of Canada, the trip duration will be extended to allow for the amount of time the dependent is actually attending school. It will also allow for up to 1 week of travel time to and from home and school.

Please see your *Maximum Benefit Travel Health* brochure to determine if a "Pre-existing Condition" and "Pre-existing Condition Stability Period" apply.

Dependent Survivor Benefits

In the event of an Employee's death, the coverage for an insured Dependent with respect to Out of Province/Out of Canada emergency coverage will continue for the duration of the Survivor Benefit included under the Maximum Benefit Extended Health Care benefit, provided this Policy and the Participating Company's coverage under this Policy remains in force and the Dependent does not become eligible for benefits under any other group insurance plan as either an Employee or Dependent and the Dependent remains eligible as defined under this Policy. Premiums are required for the extension of the Dependent's coverage.

Emergency Assistance

For 24 hour emergency medical travel assistance while travelling call:

Canada and USA	1 888 440 2667 (toll free) From
Other Countries	1416 3401316 (call collect)

IMPORTANT: In the event of an emergency hospital admission, the emergency medical travel assistance service **MUST** be notified within 48 hours. Failure to notify the service will limit benefits.

For full details regarding this coverage, please see the *Maximum Benefit Travel Health* brochure.

**Travel Health Coverage is not available should an employee, or any of their dependents, travel to a country that has a Travel Warning in effect. Current information regarding which countries have Travel Warnings can be accessed at www.voyage.gc.ca.

Termination

All emergency medical travel benefits Will cease the earlier of the employee's date of retirement or their 65th birthday.

STOP LOSS INSURANCE

Johnston Group Inc. provides Stop Loss Insurance to Employers who have Extended Health Care plans administered by Johnston Group Inc. through a master contract underwritten by Co-operators Life Insurance Company.

This is a summary of the provisions as provided in the agreement between Co-operators Life Insurance Company and Johnston Group Inc., and in no way constitutes the entire policy.

Coverage

When, by reason of bodily injury or sickness, an Employee or Dependent incurs any Medical Expenses, which are eligible expenses under the Extended Health Care plan and this Stop Loss policy, Co-operators Life Insurance shall reimburse the Employer for the expenses incurred over and above the Stop Loss Level of \$15,000 per person per financial plan year.

Financial Plan Year means the 12 month period that starts on the effective date of the Employer's Stop Loss Insurance.

Employee and Dependent Eligibility

As provided in the Employer's Extended Health Care plan, eligibility applies to all eligible active Employees, early retirees in this Class, and Employees on approved leave of absence or on disability, and their eligible Dependents. An Employee and their Dependents must have coverage under the Extended Health Care plan, as administered by Johnston Group Inc. in order to be eligible for Stop Loss coverage. The effective date of coverage under Stop Loss is the effective date of coverage under the Extended Health Care plan.

Coverage will not be provided to any Employee or Dependent if it is known by the Employer, at the effective date of the policy, that:

- the Employee or Dependent has an existing medical condition that will incur medical expenses in excess of the Stop Loss limit; or
- the Employee or Dependent are currently incurring medical expenses in excess of the Stop Loss Limit.

Limits

Reimbursement of the following expenses shall be limited to the lesser of the maximum provided under the Employer's Extended Health Care plan or the maximum listed below.

- services or supplies associated with:
 - *erectile dysfunction*, \$5,000 per Employee or Dependent per calendar year,
 - the diagnosis or *treatment of infertility*, \$15,000 per Employee or Dependent per calendar year.
 - anti-obesity treatment, including drugs, protein and dietary or food supplements whether or not prescribed for a medical reason, \$2,500 per Employee or Dependent per calendar year or \$5,000 per Employee or Dependent per lifetime.
 - insulin infusion pumps*, \$5,000 per Employee or Dependent per lifetime.
 - private duty nursing costs*, \$25,000 per Employee or Dependent per calendar year.
 - reasonable and customary *semi-private, or private hospital* room charges.
 - paramedical practitioner charges*, \$1,500 per practitioner per Employee or Dependent per calendar year.

Exclusions

Notwithstanding any provision in the Employer's Extended Health Care plan, no coverage is provided for any expenses caused directly or indirectly, in whole or in part, by any of the following:

- any treatment, surgery, care, service, examination or device which is not covered in the Employer's Extended Health Care plan;
- any treatment, surgery, care, service, examination or device which:
 - is not medically necessary;
 - is provided or required for cosmetic purposes;
 - is conducted as an experiment;
 - is provided or required for non-curative reasons;
 - or exceeds what is ordinarily provided or required by current therapeutic practice;

- therapeutic or elective abortion;
- laser vision surgery;
- homeopathic preparations, unless federal or provincial legislation requires a prescription for their sale;
- drugs which do not legally require a prescription and pharmaceutical supplies which are either experimental or not approved by the Canadian government or Provincial government regulatory body in the person's province or territory of residence, unless these drugs are listed in the Employer's Extended Health Care plan drug formulary;
- any treatment (other than prescription drug) related to or provided for drug addiction;
- medical air ambulance outside Canada, unless approved and arranged by the Insurer;
- war, invasion, act of a foreign enemy, declared or undeclared hostilities, civil war, rebellion, revolution, insurrection or military power;
- Terrorism or by any activity or decision of a government agency or any other entity to prevent, respond to or terminate Terrorism regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage except for ensuing loss or damage which results directly from fire or explosion;
- Coverage for any trip or sojourn outside Canada.

Special Provisions

This policy is subject to, and shall not contravene, any Federal or Provincial Statutory requirement with respect to any Hospital and/or Medical Plans, nor shall it duplicate any benefits which are provided under any Federal or Provincial Hospital or Medical Plans or Acts, or any other policy providing a reimbursement benefit, specifically:

- any cost plus claims;
- any individual Hospital or Medical Plan;
- any government Hospital or Medical Plan;
- any "Workers' Compensation Act";
- any public or tax-supported agency;
- for prescription drug expenses that are removed from coverage, under a government program and for which the government is normally primary payer, because a Private Health Services Plan is in effect.

Proof of Loss

The Employee will not be entitled to any Benefits where the Employee submits a Claim Form or any other Proof of Claim more than 12 months after the services or supplies are provided. If this Policy terminates, or the Employer's coverage under this Policy terminates, the Employee must submit incurred claims prior to the termination date.

Aggregate Maximum for all Employees. The total amount payable under the master policy for reimbursement of all eligible expenses which an Employee or Dependent has incurred as a result of sickness, or as the result of all injuries caused by an accident, shall not exceed an aggregate limit of one million dollars (\$1,000,000.00) per policy period.

This summary also contains further internal maximums in the *Exclusions, Limits and Special Provisions* sections.

Co-ordination of Benefits

Co-operators Life will co-ordinate benefits payable under this Policy with other Plans which also cover an insured person for similar benefits. If an Employee or Dependent who is covered for benefits under this Policy is also covered under any other Plan which provides similar benefits, the amount of benefits payable under this Policy for Allowable Expenses incurred during any benefit year shall be co-ordinated and/or reduced so that the benefits payable from all Plans shall not exceed 100% of the actual Allowable Expenses.

Whenever payments have been made by Co-operators Life with respect to Allowable Expenses in a total amount in excess of the maximum amount of payment necessary at that time to satisfy the intent of this plan, Co-operators Life shall have the right to recover such payments.



Dependent Survivor Benefits

In the event of an Employee's death, the coverage for an insured Dependent with respect to Out of Province/Out of Canada emergency coverage will continue for the duration of the Survivor Benefit included under the Maximum Benefit Extended Health Care benefit, provided this Policy and the Participating Company's coverage under this Policy remains in force and the Dependent does not become eligible for benefits under any other group insurance plan as either an Employee or Dependent and the Dependent remains eligible as defined under this Policy. Premiums are required for the extension of the Dependent's coverage.

Termination

Coverage for active Employees will terminate at the earlier of retirement, the attainment of age 65, or the date they cease to be eligible for coverage under the Extended Health Care plan.

ATTACHMENT 4 – E.2

Thunder Bay Hydro

Employee Benefits Booklet

Part-Time IBEW and Non-Union Employees



Welcome to your Group Benefit Program

This Benefit Booklet provides you easy access to the information you need about the benefits you are entitled to. Group Benefits not only provide you with financial assistance, but also security to you and your family when the unforeseen occurs. Your Plan Administrator can answer any questions you may have about your benefits, or how to submit a claim.

Your Program is Administered by:

Maximum Benefit
582 King Edward Street
Winnipeg, Manitoba R3H OP1

Phone: English- 1 800 893 7587 French - 1 888 558 7609
Monday to Friday between 7:30 a.m. & 4:30 p.m. Central Standard Time
Fax: 1 877 526 2515
Email: info@maximumbenefit.ca

You can also access your Maximum Benefit Group Benefit Program coverage online through ***my-benefits.ca***.

Get fast, convenient answers about your health or dental coverage on your personalized website. Secure and simple to use, you can view submitted and paid claims, print claim forms, and more!

By registering for ***my-benefits***, you also gain access to our health and wellness website, developed to equip you with the tools, information and resources needed to navigate the health care system.

Register now by going to www.my-benefits.ca. Click on **Log in now**, and then click on **Sign me up** from the top menu. Verify your identity, choose your own user ID, and your registration is complete. You will have immediate access to your secure my-benefits site.

BENEFIT SUMMARY

This *Benefit Summary* outlines the principal features of the benefits available under your company's benefit program. More detailed information regarding each benefit can be found in the *Benefit Descriptions* section. In the event of a discrepancy between this document and any contracts of insurance or services, the latter will govern.

If your company is a provider of benefits as listed below, this means that THUNDER BAY HYDRO plays a role similar to that of an insurance company for its employees. They have the sole legal and financial liability for the benefit and fund any claim payments. Maximum Benefit provides administrative services only on these benefits such as processing claims on behalf of the company.

GENERAL

Eligibility/Waiting Period:

All benefits commence immediately following 12 months of continuous employment.

Minimum Number of Working Hours: Not less than 24 hours per week.

Common-law Relationship Coverage: Have lived continually in a common-law relationship for more than 12 months.

Age Limits for Dependents: Less than 21 years old, or less than 25 years old and in full-time attendance at an accredited institution of learning, or 21 years of age or over and financially dependent upon the employee because of mental or physical infirmity.

Re-instatement: Eligible for reinstatement if re-employed within 6 months following termination of his/her coverage.

BENEFITS

Benefits are underwritten or provided by:

EXTENDED HEALTH CARE

THUNDER BAY HYDRO / Group Policy# 51860

DENTAL

THUNDER BAY HYDRO / Group Policy# 51860

TRAVEL HEALTH

CO-OPERATORS LIFE INSURANCE COMPANY / Group Policy# 7949

STOP LOSS

CO-OPERATORS LIFE INSURANCE COMPANY / Group Policy# 7948

BENEFIT SUMMARY

Firm# 51863 THUNDER BAY HYDRO- PART TIME EMPLOYEES
CLASS 01 Part Time Employees

EXTENDED HEALTH CARE (Effective: 01Jun2003)
(Refer to Benefit Description Section for full details)**Prescription Drugs:**

- will be covered at 100%, and
- have no overall maximum.

The plan will cover the cost of drugs and contraceptives which by law are only available with a prescription and are prescribed by a doctor or dentist using Telus Health Solutions Plan 60G base formulary.

The plan substitutes generic equivalents to prescription medications wherever possible.

Drugs for obesity are not covered.

Drugs for the treatment of erectile dysfunction are not covered.

Products for smoking cessation are not covered.

Drugs for the treatment of infertility are covered up to a maximum of \$2,000 per cycle, maximum of 6 cycles per lifetime.

(Reimbursement only, not provided through the drug card -subject to deductible, co-pay and dispense fee).

Preventative immunization vaccines and toxoids are covered.

Prescription drug purchases will:

- be handled on a card system -the Telus Health Solutions ASSURE card, and
- have no deductible.

The plan allows no more than \$6.50 as an eligible expense for the pharmacist's dispensing fee.

For residents of Quebec: Drugs listed in the Quebec Universal Drug Plan formulary will be reimbursed under this plan in accordance with the requirements of the Quebec Universal Drug Plan. After an individual has reached the out-of-pocket maximum (as determined by the Regie de l'assurance maladie du Quebec), Maximum Benefit will reimburse covered drugs at 100%.

Hospital Expense:

- covers the additional cost charged by the hospital (up to \$200 per day) for a semi-private room over a standard public ward.
- does not cover Convalescent Hospital.
- will be covered at 100%.

Vision Care:

- covers 100% of eligible expenses up to a maximum of \$300 in any 12 month period for dependent children under this plan, or in any 24 month period for any adult.

Laser Eye Surgery:

- covers 100% of eligible expenses for laser eye surgery up to a maximum of \$600 in any 72 month period. If an employee or eligible dependent opts to use the laser eye surgery benefit, they will **not** be eligible for the Vision Care benefit above for a 72 month period.

- eye examinations: included in Vision Care.

- eye exam maximum is included in the *Vision Care* maximum under this plan.

- dependent coverage is for children under the age of 18.

Other Eligible Expenses:

- will be covered at 100%,
- have no deductible, and include the following equipment and services:

Paramedical Services:

For the following paramedical practitioners, eligible expenses:

- will be covered at 100%,
- up to a maximum of \$300 per person per practitioner per calendar year.
 - Chiropractors
 - Massage Therapists (requires a written referral by a medical doctor every 12 months)
 - Naturopaths/Homeopaths
 - Osteopaths
 - Physiotherapists
 - Podiatrists
 - Chiropodists
 - Psychologists
 - Speech Therapists

Ontario only: Podiatry coverage will not begin until individuals have reached their Ontario Health Insurance Plan (OHIP) maximums.

Nursing Care: up to \$25,000 per calendar year.

Medical Equipment (rented or purchased) including:

- wheelchairs, up to \$2,000 per person lifetime.
- hospital beds, up to \$2,000 per person lifetime.

Hearing Aids: up to \$400 per person per lifetime.

Orthopedic Shoes: unlimited maximum.

Orthotics: 2 pairs per person per calendar year, to a maximum of \$375 per pair.

Therapeutic Equipment, Supplies and other Services:

- ground and air ambulance services.
- dental repairs as a result of an accident (no deductible & 100% co-insurance).
- custom made braces, spinal braces, walking aids, casts and splints.
- artificial limbs, eyes; diabetic, colostomy and ileostomy supplies; respirators and oxygen.
- wigs as a result of chemotherapy or accidental injury, up to a lifetime maximum of \$100 per person.
- breast prosthesis, 1 per person per 2 calendar years.
- surgical brassieres, up to 6 per person per calendar year.
- surgical stockings, up to 6 pairs per person per calendar year.
- glucometer, lifetime maximum of 1 unit per person.

Coverage for disabled employees continues for 30 months from the date of any disability if not covered by WSIB, or for 48 months from the date of disability if covered by WSIB.

Other features: 12 month Survivor Benefit.

Termination: Coverage terminates at the earlier of retirement or age 65.

DENTAL CARE (Effective: 01Jun2003)
(Refer to Benefit Description Section for full details)

Fee Guide: Current general practitioner's and specialist's fee guide.

Deductible: \$25 each calendar year for each person, up to a maximum of \$50 per family.

Basic Services:

- eligible expenses will be reimbursed at 100%.
 - complete *oral exams* are covered once every 24 months and a complete series of *periapical films and panoramic film*- each limited to one **in** any 24 month period.
 - recall exams* are limited to once in any 6 month period for dependent children under 18 years of age and once every 9 months for adults;
 - specific exams* are unlimited;
 - *emergency exams*.
 - polishing* is limited to once every 6 months dependent children under 18 years of age and once every 9 months for adults.
 - topical application* of fluoride for dependent children under 18 years of age is limited to once every 6 months, for adults limited to once every 9 months.
- you are covered for up to 16 units of 15 minutes of scaling / root planing each calendar year.
-*oral hygiene* instruction, once per 6 months for dependent children under 18 years of age and once per 9 months for adults;

Endodontic and Periodontal Services:

- these services are reimbursed at the same percentage as the *Basic* services.

Major Services:

- eligible expenses will be reimbursed at 50%.

Benefit Maximum- Basic & Major Services: \$1,500 per person per calendar year for all services combined.

Coverage for disabled employees continues for 30 months from the date of any disability if not covered by WSIB, or for 48 months from the date of disability if covered by WSIB.

Other features: 12 month Survivor Benefit.

Termination: Coverage terminates at the earlier of retirement or age 65.

TRAVEL HEALTH (Effective: 01Nov2005)

Benefit: The plan covers medical emergencies that take place outside your province or country of residence. Your plan covers trips of up to 60 days.

Termination: Coverage terminates at the earlier of retirement or age 65.

STOP LOSS INSURANCE (Effective: 01Nov2005)

Benefit: Covers medical expenses incurred by employees or dependents in excess of \$15,000 per year.

Coverage for disabled employees continues for 30 months from the date of disability if not covered by WSIB, or for 48 months from the date of disability if covered by WSIB.

Termination: For active employees coverage terminates at the earlier of retirement or age 65.

Benefit Descriptions

The purpose of this booklet is to outline the benefits for which you are eligible. Every effort has been made to ensure the accuracy of this booklet.

Your rights and benefits are governed by:

- the terms of the Group Policy for any insured Life and/or Disability benefits. If there are any discrepancies between this booklet and the Group Policy, the Group Policy will be the governing document in all cases. Any amendment to the governing documents is effective without notice to you, except as required by law.
- the terms of the Administrative Services Only Application and/or Benefit Election form made by THUNDER BAY HYDRO. Any amendment to this application is effective without notice to you except as required by law.

The booklet contains the major terms of coverage and payment of benefits under the Group Policy.

GENERAL INFORMATION

This section outlines general provisions used to administer the company's benefit program. Provisions pertaining to a specific underwriter will be described under the benefit wording sections of this document. In the event of a discrepancy between this document and any contracts of insurance or services, the latter will govern.

ACCESS TO DOCUMENTS

Where provincial legislation permits, you may obtain copies of the application, evidence of insurability, plan and booklet.

LEGAL ACTIONS

Every action or proceeding against your Short-Term Disability benefit provider for the recovery of money payable under the benefit program is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation.

APPEALS

You have the right to appeal a denial of all or part of the benefits described in the plan as long as you do so within one year of the initial denial of a benefit. An appeal must be in writing and must include your reasons for believing the denial to be incorrect.

BENEFIT LIMITATION FOR OVERPAYMENT

If benefits are paid that were not payable under the benefit plan, you are responsible for repayment within 30 days after Maximum Benefit sends you a notice of the overpayment, or within a longer period if agreed to in writing by Maximum Benefit. If you fail to fulfill this responsibility, further benefit payments will be withheld until the overpayment is recovered. This does not limit Maximum Benefit's right to use other legal means to recover the overpayment.

DEFINITIONS***Accident***

An accidental bodily injury caused solely as a direct result of an external, violent and unexpected or unforeseen means, independent of all other causes.

Actively Employed / Actively at Work

Employees are considered to be actively working if they are performing all the usual and customary duties of their job with the employer for the scheduled number of hours for that day. This includes scheduled non-working days and periods of continuous paid vacation if the employee was actively working on the last scheduled working day. Employees are not considered actively at work if they are receiving disability benefits or are participating in a Maximum Benefit Short Term Disability rehabilitation program.

Child

The employee's natural or adopted unmarried child, or step child (excluding a foster child or ward), who is wholly dependent on the employee for support and:

- is less than 21 years old;
- is less than 25 years old, and is in full-time attendance at an accredited institute of learning (classified as an Over Age Dependent Child);
- is 21 years of age or over and is financially dependent upon the employee because of mental or physical infirmity provided such child was financially dependent on the employee and such infirmity has existed continuously from a time when the child was otherwise covered as a Dependent under this Plan.

Note: If you are a Quebec resident, full-time students are covered for prescription drug benefits until age 26.

Compassionate Care Leave of Absence

The period of a formal compassionate care leave to which the employee is entitled by legislation governing the Plan Sponsor, or a longer period, if the Plan Sponsor's normal practice permits.

Deductible

The amount of eligible expense that must be incurred and paid by the employee or their dependents before benefits are payable under this plan.

Dependent

The employee's spouse or child who is domiciled in Canada. For the purposes of Extended Health Care benefits, an eligible dependent must also be covered under a Provincial Health Plan.

Late Entrant

The employee or an eligible dependent who applies for coverage later than 31 days after the end of the waiting period, and for which a Statement of Health will be required, before benefits are issued.

Leave of Absence

A period of absence from work for which the dates are fixed by legislation or by mutual agreement between the Plan Sponsor and the Employee.

Maternity Leave of Absence

The period of formal maternity leave to which an employee is entitled by legislation governing the Plan Sponsor, or a longer period, if the Plan Sponsor's normal practice permits. For the purposes of this Plan, Maternity Leave of Absence will be deemed to commence on the earlier of:

- the date fixed by mutual agreement between the employee and the Plan Sponsor; or
- as required by legislation; or
- the date the child is born.

Medically Necessary

Broadly accepted by the medical profession as effective, appropriate and essential in the diagnosis or treatment of a sickness or injury, and based on generally recognized and accepted standards of health care.

Over Age Dependent

A dependent child who is enrolled at an accredited school/college/university as a full-time student. Coverage will be extended up to the earliest of September 30th of the next school year, the upper limit of the dependent definition age, graduation, or until the Employee's coverage is terminated. The Employee must re-apply for coverage for their Over Age Dependent Child each school year.

Parental Leave of Absence

The period of formal child care leave to which the employee is entitled by legislation governing the Plan Sponsor, or a longer period, if the Plan Sponsor's normal practice permits.

Physician

A Doctor of Medicine (MD), duly licensed to practice medicine, or any other practitioner recognized by the College of Physicians and Surgeons in the province in which the treatment is rendered.

Reasonable and Customary

Within the usual range of charges being made by others of similar standing in the area in which the charge is incurred when providing the same or comparable services or supplies.

Spouse

A person who is the employee's spouse by marriage or under any other formal union recognized by law, or a partner who has lived with the employee for at least 12 months and is publicly represented as the employee's spouse.

A divorced or ex-common-law spouse can be an eligible dependent for some of the benefits under this benefit program if mandated by court order. At any one time, only one person may be covered as the employee's spouse.

Temporary Lay-Off

A period during which the Employee is laid off work with an expectation of returning to work.

Waiting / Eligibility Period

The period of continuous employment with the employer which the employee must complete before they are eligible for benefits under this plan.

ELIGIBILITY

To be eligible for group benefits, the employee

- is a resident of Canada,
- is a permanent employee in an eligible class,
- is actively working for the employer at least 24 hours a week,
- is younger than the termination age limits specified in the benefit summary, and
- has completed the Waiting Period.

For the purposes of Extended Health Care benefits, individuals must be covered under their Provincial Health plan.

The employee's dependents are eligible for insurance on the date the employee becomes eligible, or the date the employee acquires a dependent, whichever is later. The employee's dependents must be the employee's spouse or child and a resident of Canada.

EVIDENCE OF INSURABILITY

Medical evidence is required when the employee applies for coverage in excess of any Non-Evidence limits.

Medical evidence is also required for all benefits (except Dental), when the employee makes a late application for insurance on themselves or on their eligible dependents.

LATE ENTRANT / LATE APPLICATION

An application is considered late if the employee applies for coverage on any person after they have been eligible for benefits for more than 31 days.

If the employee applies for benefits that were previously waived because the employee was covered for similar benefits under their spouse's plan, the application is considered late when the employee applies for coverage more than 31 days after the date benefits terminated under their spouse's plan.

ENROLMENT

The employee must enrol to receive coverage by submitting a signed Enrolment Application within 31 days of becoming eligible for coverage.

When Life Insurance is included in the employees coverage, we must have the original signed application on file in our office, otherwise the Beneficiary Designation is not valid. Any proceeds would be paid to the Estate.

If the employee or their dependents are covered for Extended Health or Dental benefits under another group plan the employee may refuse coverage in these benefits under this plan. The employee may later apply for these benefits without evidence of insurability by submitting an Enrolment Application within 31 days of the date benefits terminate under the other group plan.

An employee may not be covered as a Dependent except that if both husband and wife are Employees, one Employee may be covered as a Dependent of the other.

Note: An employee can only be covered once under the Health, Dental and Travel insurance. For example, if a husband and wife are both eligible employees at Thunder Bay Hydro, one of them will be given family Health, Dental and Travel coverage and the other will be covered under that family coverage.

EFFECTIVE DATE OF COVERAGE

If evidence of insurability is not required, the employee's benefits will be effective on the date the employee is eligible for coverage.

If evidence of insurability is required, the employee's benefits will be effective on the date the employee becomes eligible for coverage or the date the employee's application is approved, whichever is later.

The employee must be actively at work for insurance to become effective. If the employee is not actively at work on the date coverage would normally begin, their coverage will not begin until the employee returns to active work.

The employee's dependent's insurance becomes effective on the date the dependent becomes eligible, or the date any evidence of Insurability on the dependent is approved, whichever is later. Dependent coverage cannot be effective prior to the date the employee's coverage becomes effective.

If a dependent (other than a new-born child) is confined to a hospital on the date their coverage would otherwise become effective, their coverage will not become effective until the first day immediately following their discharge from the hospital and pursuing normal activities.

If the employee's coverage under this plan terminates due to termination of employment and they are re-employed within 6 months immediately following the termination, the employee's coverage can be reinstated on the date the employee resumes employment provided an application for reinstatement is made within 31 days of their re-employment.

CHANGE OF COVERAGE

If the employee is actively at work, any change in the amount of coverage or change in benefit will become effective on the later of:

- the date the employee first becomes eligible for such change;
- the date the employee's application is approved if evidence of insurability is required.

If the employee is not actively at work when the change occurs, the change cannot take effect before the employee returns to active work, unless they are not actively at work due solely to a paid vacation or general holiday.

TERMINATION OF INSURANCE

The employee's group benefits will terminate on the earliest of:

- the date the employee ceases to be an eligible employee,
- the date the employee reaches the termination age of any coverage,
- the date the group contract ends, or coverage on the class to which the employee belongs terminates,
- the end of the period for which contributions have been paid for the employee's coverage,
- the date of the employee's death.
- the date on which the Employee ceases to be Actively at Work, which includes but is not restricted to, the date on which the Employee is pensioned or retired unless otherwise stated in the Benefit Schedule, the date on which the Employee goes on strike or is locked-out, or becomes a full-time Employee of the armed forces of any country.

However, if the Employee ceases to be Actively at Work

- Due to temporary lay-off or leave of absence (other than maternity or parental leave) and required contributions continue to be remitted, such Employee will be considered to be Actively At Work if the Plan Sponsor, acting on a basis precluding individual selection, continues the Employee's coverage with the exception of the Short Term Disability Benefit, for any predetermined period not exceeding 3 months or;
- Due to maternity, parental, and/or compassionate care leave and required contributions continue to be remitted, such Employee will be considered to be Actively At Work if the Plan Sponsor, acting on a basis precluding individual selection, continues the Employee's coverage, for any period not exceeding the period required under the relevant provincial or federal legislation.

A dependent's coverage terminates on the earliest of:

- the date the employee's coverage ends,
- the date the dependent is no longer an eligible dependent,

-the end of the period for which contributions have been paid for dependent coverage.

If federal or provincial legislation requires the employer to continue the employee's coverage beyond the date it would otherwise terminate, subject to continued required contribution payments, the employee's coverage will continue to the end of the period required by law but not beyond the date on which this plan terminates.

If the employee is disabled or becomes disabled, Extended Health Care and Dental benefits will terminate on the earliest of:

- if covered by WSIB, 48 months from the initial date of disability (first day not actively at work),
- if not covered by WSIB, 30 months from the initial date of disability (first day not actively at work),
- the end of the period for which contributions have been paid for the employee's coverage,
- the date the employer or Maximum Benefit terminates this plan.

CLAIMS

Claims will be paid in accordance with the coverage in force as shown on the employee's *Certificate of Insurance*. To ensure that coverage is kept up-to-date, it is important that the employee report any of the following changes to their employer:

- change of dependents,
- change of name,
- change of beneficiary.

If the age of the employee or their dependents has been misstated, the benefits payable under this plan will be based upon the actual age of the person concerned, at the relevant time.

There are time limits for making claims and these limits are discussed in the appropriate sections of this document. Notice and proof of any claim must be received by Maximum Benefit within these time limits. However, if this plan terminates, claims must be submitted within 30 days from the termination date for claims incurred prior to the termination date.

Claim payments are made payable to the employee unless otherwise indicated elsewhere in the plan, or the employee has authorized payment be made to a person and/or corporation which has rendered eligible services, treatments or supplies.

Maximum Benefit may require the employee to have a medical examination if they make a claim for benefits. If the employee fails or refuses to have this examination, Maximum Benefit will not be obligated to pay any benefits.

Upon providing payment for incurred expenses or loss of income, Maximum Benefit, on behalf of the Plan Sponsor, is subrogated to all rights of recovery of the Employee, or any Dependents, against any person or party and may bring action in the name of the Employee, or Dependent, to enforce such rights.

The amount of coverage in force for each Employee is determined by classification as shown in the Benefit Schedule. The Plan Sponsor must notify Maximum Benefit in writing, on a regular monthly basis, of any change in the amount of coverage of any person.

If the employee is covered for Extended Health or Dental benefits under this plan and another plan, the benefits under this plan will be coordinated with the other plan following insurance industry standards. If the employee is claiming benefits under this plan, they must furnish Maximum Benefit with any information necessary to implement the Coordination of Benefits provision.

Maximum Benefit may, with proper authorization, release to or obtain from any other insurance company or other organization or person any information, with respect to any person, which Maximum Benefit deems to be necessary for the purpose of determining the applicability of and implementing the terms of the Co-ordination of Benefits provision or any provisions of similar purpose of any other Plan. Any person claiming benefits under this plan will furnish to Maximum Benefit such information as may be necessary to implement the Co-ordination of Benefits provision.

Maximum Benefit, on behalf of the Plan Sponsor, has the right to recover any and all excesses of

payment, from any persons to or for whom such payments were made, if the payment was in excess of the maximum amount payable.

The employee's rights or interest under this plan are not assignable.

If the employee dies before payments to which they are entitled are made, or if the employee is not competent to give a valid release for payments to which they are entitled, to the extent permitted by law, Maximum Benefit may in its discretion pay these amounts to a relative by blood or connection by marriage or to any person appearing to Maximum Benefit to be entitled to such payment. Such payment will fully discharge Maximum Benefit to the extent of the amount paid if made in good faith.

For *drug expenses* to be handled on a card system, Maximum Benefit will provide the Plan Sponsor with an identification card for each employee, for presentation at the pharmacy when obtaining prescription drug services. Eligible benefits will be paid directly to participating pharmacies for employees and dependents covered under this plan. Any expense incurred by the use of the identification card, which is not payable under the terms of the plan but is incurred by a participating Pharmacy in respect of any employee (and is not collectible by the Pharmacy after reasonable effort) will be paid by the Plan Sponsor to Maximum Benefit, as billed.

EXTENDED HEALTH CARE

General

This plan covers reasonable and customary charges for supplies and services used to treat injury or illness. There is no overall lifetime maximum, but certain types of expenses are subject to limits and conditions.

To receive benefits, Employees and Dependents must be registered with their provincial health plan. If a Dependent is hospitalized before the effective date of this coverage, no benefits are payable for any charges during the hospitalization and coverage will begin the first day immediately following the date of discharge.

Eligible Expenses

Subject to the deductible and percentages specified in the Benefit Summary, the following services may be eligible for reimbursement, when incurred in Canada.

PRESCRIPTION DRUGS

The plan will cover the cost of eligible drugs and contraceptives which by law bear a Drug Identification Number (DIN) and are prescribed by a physician or dentist and obtained from a licensed pharmacist. Prescription purchases are limited to a 100-day supply.

Prescription drugs will:

- be covered at 100%, and
- have no overall maximum.

Eligible prescription drug expenses include prescription requiring drugs; most *over the counter* drugs; insulin and oral contraceptives.

The following are not eligible, unless otherwise stated in the Benefit Summary: proprietary or patent medicines; experimental drugs; drugs used for the treatment of hair loss; dietary or health foods; vitamins or vitamins used for weight loss; nutritional products; and charges for the administration of drugs, serums **or vaccines**.

The plan substitutes generic equivalents to prescription medications wherever possible, but a brand name drug will be covered if the generic is unacceptable. The employee's physician need only specify *No Substitutions* on the prescription.

Eligible drugs that are covered under a provincially funded drug program are limited to the provincial deductible and applicable co-insurance.

Drugs for the treatment of obesity are specifically excluded from this plan.

Drugs for the treatment of erectile dysfunction are specifically excluded from this plan.

Smoking cessation products are specifically excluded from this plan.

Drugs for the treatment of infertility are covered up to a maximum of \$2,000 per cycle, maximum of 6 cycles per lifetime.
(Reimbursement only, not provided through the drug card -subject to deductible, co-pay and dispense fee).

Preventative immunization vaccines and toxoids are covered.

Prescription drug expenses will be handled on a card system- the Telus Health Solutions ASSURE card.

There is no deductible on prescription drug purchases.

For each prescription filled, the plan allows no more than \$6.50 as an eligible expense for the

pharmacist's dispensing fee. Dispensing fee charges beyond the maximum are your responsibility.

HOSPITAL

This benefit pays the additional cost charged by the hospital (up to \$200 per day) for a semi-private room over a standard public ward, provided that the confinement starts while the person is covered under this benefit. Accommodation in a private room, while in a hospital as an in-patient, upon proof and approval of medical necessity, up to the hospital maximum specified in the Benefit Summary. If the covered person is confined in a hospital as of the effective date of their coverage, they will not become eligible for the hospital benefit until the day following their discharge from the hospital.

The plan will cover 100% of any eligible hospital expenses, up to any maximums or limitations specified in the Benefit Summary.

VISION CARE / LASER EYE SURGERY

Eligible expenses include contact lenses and eyeglasses, which require a prescription and are dispensed by an ophthalmologist, a licensed optometrist or a qualified optician. The benefit may also be used toward the cost of laser eye surgery. The plan will cover 100% of these eligible expenses up to \$300 per person in any 24 month period for adults and in any 12 month period for dependent children.

Eligible expenses for laser eye surgery are included up to a maximum of \$600 in any 72 month period. If an employee or eligible dependent opts to use the laser eye surgery benefit, they will not be eligible for the contact lenses and eyeglasses benefit above for a 72 month period.

Coverage includes prescription sunglasses, but does not include non-prescription sunglasses.

Coverage does not include safety glasses.

Eye exams (including eye refractions) are included in Vision Care. Services must be performed by a qualified ophthalmologist or licensed optometrist.

Eye exam maximum is included in the *Vision Care* maximum under this plan.

Eligible Dependents are children that are not married or in any other formal union recognized by law, and are under age 18.

MEDICAL SERVICES AND EQUIPMENT

The plan will cover 100% of the following eligible expenses, up to any maximums or limitations specified in the Benefit Summary.

Paramedical Services

The plan will reimburse 100% of eligible expenses of licensed, certified or registered paramedical practitioners (including written reports), operating within the scope of his/her license. The Plan will cover:

- the cost of the visit,
- up to a maximum of \$300 per person per practitioner per calendar year.

Eligible practitioners include:

- *Chiropractors*
- *Massage Therapists (requires a written referral by a medical doctor every 12 months)*
- *Naturopaths/Homeopaths (excluding food supplements and vitamins)*
- *Osteopaths*
- *Physiotherapists*
- *Podiatrists*
- *Chiropodists*
- *Psychologists*
- *Speech Therapists*

Ontario only: Podiatry coverage will not begin until individuals have reached their Ontario Health Insurance Plan (OHIP) maximums.

Private Duty Nursing

Nursing Care (not custodial care) provided in the covered person's home by a registered nurse or a licensed practical nurse or a registered nursing assistant none of whom is related by blood or marriage or normally live with you or any of your dependents.

A Nursing Care Questionnaire is required and approval of the charges is at the discretion of Maximum Benefit.

Maximum payment is \$25,000 per person per calendar year.

Medical Equipment

Rental or purchase, of the following medical equipment, will be covered. Prior approval from Maximum Benefit is required, for which a written recommendation from the Physician must be submitted, stating the medical necessity for the item.

- *Wheelchairs*, up to a lifetime maximum of \$2,000 per person.
- *Hospital beds*, up to a lifetime maximum of \$2,000 per person.

Hearing Aids

The plan allows for the purchase and installation of, but not batteries for or repairs of, hearing aids. Maximum payment is \$400 per person per lifetime.

Orthopedic Supplies

This plan will reimburse for the following:

- purchase but not repair of orthopedic shoes which have been specifically designed and custom made for the person and which are purchased from a recognized orthopedic supplier with an unlimited maximum. This does not include off-the-shelf shoes that have been modified.
- Referral by a physician, chiropractor, podiatrist, or chiropodist is required.
- purchase of custom made orthotics from a recognized supplier, 2 pairs per person per calendar year, to a **maximum of \$375 per pair. Biomechanical assessment by a physician, chiropractor, podiatrist, or chiropodist** is required with each purchase.

Ambulance

This plan covers the cost of transportation in a licensed ground ambulance when used to transport the covered person in any of the following circumstances because of either emergency or In-patient treatment:

- from the place where the person suffers the accident or sickness to the nearest Hospital where adequate medical treatment is available;
- from one Hospital to another Hospital, where specialized treatment is to be provided.

Proof of medical necessity of an ambulance may be required from the attending Physician.

Emergency Air Transportation

This plan covers the cost of transportation in a licensed air ambulance when used to transport the person because of an emergency to the nearest Hospital where adequate treatment is available or to another Hospital when certified as essential by the attending Physician.

Diagnostic Services

Diagnostic laboratory and x-ray procedures performed in the person's province of residence are covered when coverage is not available under his provincial government plan.

Dental Accidents

While employed with this Employer, services of a Dentist required for the repair or replacement of sound natural teeth because of an accidental blow to the mouth and not by an object wittingly or unwittingly placed in the mouth. This dental treatment must commence or a detailed treatment plan satisfactory to Maximum Benefit must be submitted to Maximum Benefit, within 90 days of such injury. No reimbursement will be provided for treatment performed more than 2 years after the date of the accident.

If there is a less expensive course of treatment that will give a professionally adequate result, the amount payable under this plan is equal to the cost of the less expensive treatment. If the Employee chooses to

proceed with the more expensive treatment, they will be responsible for the additional costs.

Deductible if any, does not apply and co-insurance is 100%.

Other Eligible Expenses

This plan will reimburse charges for:

- purchase, but not the repair, of an artificial limb or eye; replacement is covered when required due to a physiological change.
- purchase, but not the repair, of a custom made brace (rigid support) that is required for daily living and not solely for sports purposes. A physician's letter stating the medical necessity is required.
- purchase of colostomy, ileostomy or urethrostomy supplies.
- purchase of diabetic supplies, including disposable needles and reagent strips.
- injectable drugs and serums.
- purchase of canes, casts, cervical collars, crutches, splints and walkers (may require physician's letter stating the medical necessity).
- oxygen, plasma, blood or blood substitutes and their administration.
- purchase of an aerochamber.
- Intra Uterine Devices (IUDs).
- diagnostic laboratory procedures rendered in a private laboratory in the province of Quebec (for Quebec residents only).
- purchase of wigs required as a result of chemotherapy or accidental injury, up to a lifetime maximum of \$100 per person.
- purchase of a breast prosthesis when required because of total or radical mastectomy- limited to a maximum of 1 per person per 2 calendar years.
- purchase of surgical brassieres when required because of total or radical mastectomy- limited to 6 per person per calendar year.
- purchase of medically necessary surgical elastic stockings on the written recommendation of a physician. They must have a compression factor of 25 mmHG or higher- limited to 6 pair per person per calendar year.
- purchase of a glucometer, up to a lifetime maximum of 1 per person.

Limitations and Exclusions

No reimbursement will be made under this benefit for the following:

- services or treatment, which in whole or in part, are prohibited from payment, or have been paid by, a government health plan;
- services, treatment or supplies which the person received without charge, or is eligible to receive without charge (or paid with a gift certificate);
- services or treatments which have been removed from a government health plan, and which are not specifically included in the listing of Eligible Expenses;
- any prescription drugs or medical expenses normally covered through a government program provided in a hospital, or any other means are not covered when offered on an out-patient basis or at a private clinic (unless legislated as in the province of Quebec);
- services, treatment or supplies which are experimental in nature;
- travel time, broken appointments, transportation costs, telephone or other indirect consultations;
- services, treatment or supplies which are required in order to participate in sporting activities;
- services or treatment which has been provided or performed by a person who is related or connected by marriage or normally resides with the Employee or Dependent;
- services, treatment or supplies provided to the Employee by the Employer;
- services, treatment or supplies not included in the list of Eligible Expenses;
- services, treatment or supplies which are not medically necessary, or not of a reasonable and customary nature;
- practitioner/physician charges for the administration of drugs, serums, vaccines or the completion of forms;
- cosmetic treatment other than due to an accidental bodily injury which is caused solely by external, violent and accidental means, independently of all other causes and which is sustained while the person is covered under this Benefit;
- eligible expenses which result directly or indirectly from the following:
 - a) intentionally self-inflicted injuries while sane or insane;

- b) committing or attempting to commit a criminal offence;
 - c) any cause for which payment is provided under any Workers' Compensation Act or similar legislation or under any other government plan;
 - d) war, whether war be declared or not, or service in the armed forces of any country, or participation in a riot, insurrection or civil commotion;
- Personal comfort items;
 - General health exams or physician fees.

Survivor Benefit

A Dependent, whose insurance under this policy would otherwise have ended because of the death of the Employee, will continue to be covered under this benefit in accordance with the other provisions of this policy until the earliest of the following dates:

- the end of the month of a 12 month period following the date of death of the Employee,
- the date on which the spouse remarries,
- the date on which the spouse becomes an Employee or Dependent under this or any other group plan,
- the date on which this benefit terminates.

Coordination of Benefits

If a person is covered under two different plans, they may be subject to Co-ordination of Benefits. The amount of any benefits payable during any calendar year will be coordinated, as per insurance industry guidelines, and the amount payable cannot exceed 100% of the eligible expenses incurred.

The insurance industry standards determine where a claim should be sent first for payment;

- a person considered an eligible Employee, under either plan, must submit their claims to their plan first. After their plan issues a payment, send the explanation of benefits provided along with a claim form to the other plan for payment of any unpaid balance;
- dependent children's claims must be submitted through the group plan of the parent with the earlier birth day and month in the calendar year. Any unpaid balance would then be submitted to the other plan, along with a copy of what was already paid.
- in situations where parents are separated/divorced, then the following order for claims submission for children applies:
 - the plan of the parent with custody of the child,
 - the spouse of the parent with custody,
 - the parent not having custody of the child,
 - the spouse of the parent not having custody.

Proof of Claim

Written proof of a claim must be submitted to Maximum Benefit within 365 days of the date the expense was incurred. However, if this plan terminates, claims must be submitted within 30 days from the termination date for claims incurred prior to the termination date.

Original receipts, or an Explanation of Benefit statement and copies of receipts from any plan that has already paid a portion of the expense, is required to process a claim. Receipts must include the service date, a breakdown of the charges, and the practitioner's name, credentials, address and phone number.

Original receipts are not returned.

All claims must be sent to Maximum Benefit and signed by the employee. Claims for a spouse or dependent children can be signed by the employee's spouse, as long as the spouse is a covered dependent under this plan.

Termination

All health benefits will cease the earlier of the date on which the Employee ceases to be actively at work, the Employee's date of retirement or the Employee's 65th birthday.

DENTAL CARE

General

Dental benefits paid by the plan are based on the current approved General and Specialist Fee Guides established by the Provincial Dental Association. While they are not required to do so, the majority of dentists charge according to the rates set out in the Fee Guide. If the dentist charges more than the Fee Guide, the employee is responsible for the excess charge.

Deductible

The individual Deductible Amount is the amount of Eligible Expenses which must be paid by or on behalf of a person in any calendar year before reimbursement will be made under this Benefit. Once an employee and their dependents have satisfied the Deductible Amount during any calendar year, no further Deductible will be applied against Eligible Expenses incurred by any member of such during the balance of that calendar year.

Treatment Plan

When the total cost of any proposed dental treatment is expected to exceed \$500, the employee or dependent should submit a detailed treatment plan request to Maximum Benefit before commencement of treatment. Upon receipt of the Treatment Plan, Maximum Benefit will then advise the employee if the services are eligible and what amount is covered. Treatment Plan of benefits will not be given verbally over the phone. These Treatment Plans are only valid for 90 days.

Incurred Date of Service

Eligible expenses will be considered to have been incurred on the date the service or supply was provided. However, if the plan covers:

- bridge, crown or dentures*; the date of insertion of such appliance will be the date such service was incurred.
- root canal therapy*; the date of the final treatment shall be the date that the expense was incurred.

If coverage ceases due to termination of an Employee's coverage, treatment is considered to be started if, in the case of:

- *full or partial dentures*, the impression has been taken;
- *fixed bridgework or crowns*, the tooth has been prepped;
- *root canal therapy*, the tooth has been opened;
- *orthodontic treatment*, banding has taken place.

Alternate Treatment

If there is a less expensive course of treatment that will give a professionally adequate result, the amount payable under this Plan is equal to the cost of the less expensive treatment. If the employee chooses to proceed with the more expensive treatment, they will be responsible for the additional costs.

Eligible Expenses Outside Canada

Payment will be made for dental treatment rendered while traveling outside Canada, but only to the extent that payment would have been made under this Benefit if such treatment had been rendered in the employee's normal province or territory of residence and provided that such treatment was rendered for emergency purposes only.

Eligible Expenses

Subject to the deductible and percentages specified in the Benefit Summary, the following services may be eligible for reimbursement.

Basic Services, include:

Oral Examinations

- Complete oral examinations once every 24 months. A complete series of periapical films and panoramic film- each limited to one in any 24 month period;
- Recall examinations, once in any 6 month period for dependent children under 18 years of age and once every 9 months for adults;
- Specific examinations;
- Emergency examinations.

X-rays

- Bitewing films and X-rays to diagnose a symptom or examine progress of a particular course of treatment other than temporomandibular joint film.

Consultations, with patient

Preventative

- Polishing limited to once in any 6 month period for dependent children under 18 years of age and once every 9 months for adults;
- Topical application of fluoride limited to once in any 6 month period or dependent children under 18 years of age and once every 9 months for adults;
- Occlusal adjustment (8 units per calendar year);
- Night guards.
- Scaling -limited to 16 units per person per calendar year (combined with Periodontal root planing);
- Pit and fissure sealants on primary and permanent teeth are limited to one application per tooth (for dependent children under age 16 only);
- Space maintainers for missing primary teeth; not designed specifically for sporting activities;
- Temporary dressing for the emergency relief of pain.

Minor Restorative Services

- Bonded amalgam;
- Acrylic, silicate or composite restorations;
- Replacement fillings done within 12 months of original placement are not eligible;
- Pre-formed stainless steel and polycarbonate crowns (for dependent children under age 18 only).

Repair, rebasing and relining of partial or complete dentures, not including the replacement of teeth on a denture.

General Anesthesia required for all dental services.

Oral surgery

- Extraction of erupted or impacted teeth;
- Extraction of residual roots;
- Removal of excess gingival tissue;
- Suturing and post-operative treatment;
- Alveoloplasty.

Oral hygiene instruction, once per 6 months for dependent children under 18 years of age and once per 9 months for adults;

Endodontic and Periodontal Services are reimbursed at the same percentage as BASIC services.

Endodontics is root canal therapy and root canal fillings, and treatment of disease of the pulp tissue. Covered services include root canal therapy, apexification, apicoectomy, retro fillings, root amputation, hemisection, and vital pulpotomy.

Periodontics is the treatment of bone and gum disease. Covered services include gingival curettage, gingivoplasty, gingivectomy, flap approach, grafts and root planing combined with Preventative scaling.

Periodontal surgery is also covered as well as the following related periodontal services: provisional splinting, periodontal appliance, periodontal appliance adjustment or reline (limited to 4 units of time per calendar year).

Expenses incurred for implants or treatment related to implant services are not covered under Basic Services.

Major Services, include:

Metal inlay/onlay restorations.

Retentive pins in Inlays and Crowns.

Crowns (single restorations only):

- these services are eligible only if the tooth cannot be restored in any other way;
- molar teeth are covered for metal crowns only;
- replacement is covered if the existing crown is over 5 years old.

Prosthetic Appliances (e.g. fixed bridgework, removable partial or complete dentures):

- construction and insertion of an initial permanent prosthetic appliance if such appliance was necessary because of the extraction of at least one natural tooth while employed with this employer;
- replacement of an existing prosthetic appliance with a permanent prosthetic appliance;
- if such appliance was necessary because of the extraction of at least one natural tooth while employed with this employer, or
- if the existing appliance is at least 5 years old, or
- if the existing appliance is temporary and being replaced by a permanent appliance within 12 months of the date the temporary one was installed;
- denture adjustments with minor adjustments limited to once in a 6 month period
- repair of fixed bridgework.

Expenses incurred for implants or treatment related to implant services are not covered.

Benefit Maximums:

The plan will pay up to \$1,500 per person per calendar year for all BASIC and MAJOR services combined based on the fee guide shown on the Benefit Summary.

Late Entrants have a maximum benefit of \$250 per person for their first 12 months of coverage.

Limitations and Exclusions

No reimbursement will be made under this Benefit for the following:

- services or treatment, which in whole or in part, have been paid by a government health plan;
- services, treatment or supplies which the person received without charge, or is eligible to receive without charge;
- dental services and supplies not included in the list of Eligible Expenses;
- charges for services that are not reasonable and customary;
- any portion of charges that are over the suggested charge in the appropriate Fee Guide;
- lab fees in excess of 60% of the suggested fee for the particular dental treatment in the appropriate fee guide;
- any services, treatment or supplies provided to the employee by the employer;
- services or treatment which has been provided or performed by a person who is related or connected by marriage or normally resides with the employee or dependent;
- any services not recommended by a Dentist;
- any services not performed by either a Dentist, a Dental Hygienist under the supervision of a Dentist; or a licensed Denturist, where such services are outside the scope of his/her license;
- any dental treatment which is for cosmetic purposes including veneers and bleaching, when the form and function of the teeth are satisfactory and no pathological condition exists;
- expenses incurred for nutritional counseling and dental plaque control programs;
- any dental treatment rendered for full mouth reconstructions, for vertical dimension correction, for the restoration of occlusion, for the correction of temporomandibular joint (TMJ) dysfunction or for permanent splinting of teeth;
- charges for travel time, broken appointments, transportation costs, completion of claim forms, telephone or other indirect consultations;
- expenses incurred for the replacement of dentures and appliances that are lost, mislaid or stolen;
- any dental treatment which is not yet approved by the Canadian Dental Association or which is clearly experimental in nature;

- dental services, treatment or supplies which the person received without charge or which a government health plan prohibits from being paid;
- any dental treatment rendered outside Canada except as specifically provided under the BENEFIT OUTSIDE CANADA provision;
- Eligible Expenses which result directly or indirectly from the following: a) intentionally self-inflicted injuries while sane or insane; b) committing or attempting to commit a criminal offence; c) any cause for which payment is provided under any Workers' Compensation Act or similar legislation or under any other government plan; d) war, whether war be declared or not, or service in the armed forces of any country, or participation in a riot, insurrection or civil commotion;
- any services and supplies rendered for the treatment or correction of any congenital or developmental malformation;
- expenses incurred for temporary or transitional services;
- facility fees.

Survivor Benefit

A dependent, whose insurance under this policy would otherwise have ended because of the death of the employee, will continue to be covered under this benefit in accordance with the other provisions of this policy until the earliest of the following dates:

- the end of the month of 12 month period following the death of the employee,
- the date on which the Spouse remarries,
- the date on which the Spouse becomes an employee or dependent under this or any other group plan,
- the date on which this Benefit terminates.

Coordination of Benefits

If a person is covered under two different plans, they may be subject to Co-ordination of Benefits. The amount of any benefits payable during any calendar year will be coordinated, as per insurance industry guidelines, and the amount payable cannot exceed 100% of the eligible expenses incurred.

The insurance Industry standards determine where a claim should be sent first for payment:

- a person considered an eligible employee, under either plan, must submit their claims to their plan first. After their plan issues a payment, send the explanation of benefits provided along with a claim form to the other plan for payment of any unpaid balance;
- dependent children's claims must be submitted through the group plan of the parent with the earlier birth day and month in the calendar year. Any unpaid balance would then be submitted to the other plan, along with a copy of what was already paid.
- in situations where parents are separated/divorced, then the following order for claims submission for children applies:
 - the plan of the parent with custody of the child,
 - the spouse of the parent with custody,
 - the parent not having custody of the child,
 - the spouse of the parent not having custody.

Proof of Claim

Written proof of a dental claim must be submitted to Maximum Benefit within 365 days of the date the expense was incurred. However, if this plan terminates, claims must be submitted within 30 days from the termination date for claims incurred prior to the termination date. Maximum Benefit reserves the right to request radiographs and other types of diagnostics such as specialist reports, periodontal charts and study models.

Original receipts, or an Explanation of Benefit statement and copies of receipts from any plan that has already paid a portion of the expense, is required to process a claim. Receipts must include the service date, a breakdown of the charges, and the practitioner's name, credentials, address and phone number.

Original receipts are not returned.

All claims must be signed by the employee: Claims for a spouse or dependent children can be signed by the employee's spouse, as long as the spouse is a covered dependent under this plan.

Termination

All dental benefits will cease the earlier of the date on which the employee ceases to be actively at work, the employee's date of retirement or the employee's 65th birthday.

TRAVEL HEALTH

General

This plan covers medical emergencies that take place outside the employee's province or country of residence. The Co-operators, through TIC, provides all emergency medical assistance services.

In the event of a medical emergency, Co-operators will cover the reasonable and customary costs, in excess of the coverage provided by the employees's provincial government health insurance plan, for the following services and supplies:

- treatment by a *physician*.
- laboratory tests and diagnostic x-rays* prescribed by the attending physician and are part of the emergency treatment.
- hospital accommodation* in a standard or semi-private ward or coronary care or intensive care unit (if medically necessary).
- medical supplies* provided during a covered hospital confinement, when approved in advance by Co-operators.
- paramedical services* provided out of hospital or during a covered hospital confinement are covered (up to \$250 per eligible profession) when approved in advance by the insurance company. Eligible professions include chiropractors, osteopaths, physiotherapists and podiatrists.
- prescription drugs* that are prescribed by a physician when medically necessary for emergency treatment. This benefit is limited to a 30 day supply unless the covered person is hospitalized.
- ambulance* services by a licensed ambulance company to the nearest centre where essential treatment is available.
- *emergency air transportation* when approved in advance by Co-operators.
- up to \$2,000 per covered person for *emergency dental accident treatment*.
- up to \$5,000 for the professional services of a *registered private nurse*, when medically necessary and while hospitalized.
- when approved and arranged by Cooperators, *emergency medical transportation* to return the covered person to their home province or territory for emergency medical treatment.

The plan also provides the following travel benefits:

Transportation to Bedside- reimbursement for a single round-trip economy airfare plus up to \$150 per day to a maximum of \$3,000 for an individual to be with the covered person if the covered person was travelling alone and was hospitalized.

Return Transportation for Travelling Companion- if the covered person is returned to their home province or territory under the Medical Emergency Transportation benefit, Cooperators will reimburse the cost of a single one-way economy airfare for a travelling companion to return to Canada.

Meals and Accommodation- up to \$150 per day, to a maximum of \$3,000 per trip, for the cost of commercial accommodation and meals for the covered person and/or any of his/her dependents when their trip is extended beyond the last day of the scheduled trip due to the sickness and/or injury suffered by the covered person.

Vehicle Return- up to \$5,000 if neither the covered person nor someone travelling with the covered person is able to operate the covered person's vehicle, during the trip due to sickness and/or injury.

Return of Deceased- up to \$5,000 towards the cost of preparation and transportation of the deceased covered person to their province or territory of residence in the event of death due to sickness and/or injury.

Incidental Expenses- up to \$250 for the covered person's out-of-pocket expenses such as telephone charges, television rental and parking while the covered person is hospitalized for an emergency and the expenses are incurred as a direct result of such hospitalization.

Coverage Period

The plan covers trips of up to 60 days per trip. This is the maximum amount of time an employee or eligible dependent may be out of the country per trip. If a trip was to exceed the 60 day limit, anything over the 60th day would not be covered under this policy.

If an employee has a dependent that attends school outside of Canada, the trip duration will be extended to allow for the amount of time the dependent is actually attending school. It will also allow for up to 1 week of travel time to and from home and school.

Please see your *Maximum Benefit Travel Health* brochure to determine if a "Pre-existing Condition" and "Pre-existing Condition Stability Period" apply.

Dependent Survivor Benefits

In the event of an Employee's death, the coverage for an insured Dependent with respect to Out of Province/Out of Canada emergency coverage will continue for the duration of the Survivor Benefit included under the Maximum Benefit Extended Health Care benefit, provided this Policy and the Participating Company's coverage under this Policy remains in force and the Dependent does not become eligible for benefits under any other group insurance plan as either an Employee or Dependent and the Dependent remains eligible as defined under this Policy. Premiums are required for the extension of the Dependent's coverage.

Emergency Assistance

For 24 hour emergency medical travel assistance while travelling call: Canada
and USA 1 888 440 2667 (toll free)
From Other Countries 1 416 340 1316 (call collect)

IMPORTANT: In the event of an emergency hospital admission, the emergency medical travel assistance service **MUST** be notified within 48 hours. Failure to notify the service will limit benefits.

For full details regarding this coverage, please see the *Maximum Benefit Travel Health* brochure. "Travel

Health Coverage is not available should an employee, or any of their dependents, travel to a country that has a Travel Warning in effect. Current information regarding which countries have Travel Warnings can be accessed at www.voyage.gc.ca.

Termination

All emergency medical travel benefits will cease the earlier of the employee's date of retirement or their 65th birthday.

STOP LOSS INSURANCE

Johnston Group Inc. provides Stop Loss Insurance to Employers who have Extended Health Care plans administered by Johnston Group Inc. through a master contract underwritten by Co-operators Life Insurance Company.

This is a summary of the provisions as provided in the agreement between Co-operators Life Insurance Company and Johnston Group Inc., and in no way constitutes the entire policy.

Coverage

When, by reason of bodily injury or sickness, an Employee or Dependent incurs any Medical Expenses, which are eligible expenses under the Extended Health Care plan and this Stop Loss policy, Co-operators Life Insurance shall reimburse the Employer for the expenses incurred over and above the Stop Loss Level of \$15,000 per person per financial plan year.

Financial Plan Year means the 12 month period that starts on the effective date of the Employer's Stop Loss Insurance.

Employee and Dependent Eligibility

As provided in the Employer's Extended Health Care plan, eligibility applies to all eligible active Employees, early retirees in this Class, and Employees on approved leave of absence or on disability, and their eligible Dependents. An Employee and their Dependents must have coverage under the Extended Health Care plan, as administered by Johnston Group Inc. in order to be eligible for Stop Loss coverage. The effective date of coverage under Stop Loss is the effective date of coverage under the Extended Health Care plan.

Coverage will not be provided to any Employee or Dependent if it is known by the Employer, at the effective date of the policy, that:

- the Employee or Dependent has an existing medical condition that will incur medical expenses in excess of the Stop Loss limit; or
- the Employee or Dependent are currently incurring medical expenses in excess of the Stop Loss Limit.

Limits

Reimbursement of the following expenses shall be limited to the lesser of the maximum provided under the Employer's Extended Health Care plan or the maximum listed below.

- services or supplies associated with:
 - *erectile dysfunction*, \$5,000 per Employee or Dependent per calendar year,
 - the diagnosis or *treatment of infertility*, \$15,000 per Employee or Dependent per calendar year.
 - anti-obesity treatment, including drugs, protein and dietary or food supplements whether or not prescribed for a medical reason, \$2,500 per Employee or Dependent per calendar year or \$5,000 per Employee or Dependent per lifetime.
 - insulin infusion pumps*, \$5,000 per Employee or Dependent per lifetime.
 - private duty nursing costs*, \$25,000 per Employee or Dependent per calendar year.
 - reasonable and customary *semi-private, or private hospital* room charges.
 - paramedical practitioner charges*, \$1,500 per practitioner per Employee or Dependent per calendar year.

Exclusions

Notwithstanding any provision in the Employer's Extended Health Care plan, no coverage is provided for any expenses caused directly or indirectly, in whole or in part, by any of the following:

- any treatment, surgery, care, service, examination or device which is not covered in the Employer's Extended Health Care plan;
- any treatment, surgery, care, service, examination or device which:
 - is not medically necessary;
 - is provided or required for cosmetic purposes;
 - is conducted as an experiment;
 - is provided or required for non-curative reasons;
 - or exceeds what is ordinarily provided or required by current therapeutic practice;

- therapeutic or elective abortion;
- laser vision surgery;
- homeopathic preparations, unless federal or provincial legislation requires a prescription for their sale;
- drugs which do not legally require a prescription and pharmaceutical supplies which are either experimental or not approved by the Canadian government or Provincial government regulatory body in the person's province or territory of residence, unless these drugs are listed in the Employer's Extended Health Care plan drug formulary;
- any treatment (other than prescription drug) related to or provided for drug addiction;
- medical air ambulance outside Canada, unless approved and arranged by the Insurer;
- war, invasion, act of a foreign enemy, declared or undeclared hostilities, civil war, rebellion, revolution, insurrection or military power;
- Terrorism or by any activity or decision of a government agency or any other entity to prevent, respond to or terminate Terrorism regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage except for ensuing loss or damage which results directly from fire or explosion;
- Coverage for any trip or sojourn outside Canada.

Special Provisions

This policy is subject to, and shall not contravene, any Federal or Provincial Statutory requirement with respect to any Hospital and/or Medical Plans, nor shall it duplicate any benefits which are provided under any Federal or Provincial Hospital or Medical Plans or Acts, or any other policy providing a reimbursement benefit, specifically:

- any cost plus claims;
- any individual Hospital or Medical Plan;
- any government Hospital or Medical Plan;
- any "Workers' Compensation Act";
- any public or tax-supported agency;
- for prescription drug expenses that are removed from coverage, under a government program and for which the government is normally primary payer, because a Private Health Services Plan is in effect.

Proof of Loss

The Employee will not be entitled to any Benefits where the Employee submits a Claim Form or any other Proof of Claim more than 12 months after the services or supplies are provided. If this Policy terminates, or the Employer's coverage under this Policy terminates, the Employee must submit incurred claims prior to the termination date.

Aggregate Maximum for all Employees. The total amount payable under the master policy for reimbursement of all eligible expenses which an Employee or Dependent has incurred as a result of sickness, or as the result of all injuries caused by an accident, shall not exceed an aggregate limit of one million dollars (\$1,000,000.00) per policy period.

This summary also contains further internal maximums in the *Exclusions, Limits and Special Provisions* sections.

Co-ordination of Benefits

Co-operators Life will co-ordinate benefits payable under this Policy with other Plans which also cover an insured person for similar benefits. If an Employee or Dependent who is covered for benefits under this Policy is also covered under any other Plan which provides similar benefits, the amount of benefits payable under this Policy for Allowable Expenses incurred during any benefit year shall be co-ordinated and/or reduced so that the benefits payable from all Plans shall not exceed 100% of the actual Allowable Expenses.

Whenever payments have been made by Co-operators Life with respect to Allowable Expenses in a total amount in excess of the maximum amount of payment necessary at that time to satisfy the intent of this plan, Co-operators Life shall have the right to recover such payments.



Dependent Survivor Benefits

In the event of an Employee's death, the coverage for an insured Dependent with respect to Out of Province/Out of Canada emergency coverage will continue for the duration of the Survivor Benefit included under the Maximum Benefit Extended Health Care benefit, provided this Policy and the Participating Company's coverage under this Policy remains in force and the Dependent does not become eligible for benefits under any other group insurance plan as either an Employee or Dependent and the Dependent remains eligible as defined under this Policy. Premiums are required for the extension of the Dependent's coverage.

Termination

Coverage for active Employees will terminate at the earlier of retirement, the attainment of age 65, or the date they cease to be eligible for coverage under the Extended Health Care plan.

ATTACHMENT 4 – E.3

Thunder Bay Hydro

Employee Benefits Booklet

Non-Union Employees



Welcome to your Group Benefit Program

This Benefit Booklet provides you easy access to the information you need about the benefits you are entitled to. Group Benefits not only provide you with financial assistance, but also security to you and your family when the unforeseen occurs. Your Plan Administrator can answer any questions you may have about your benefits, or how to submit a claim.

Your Program is Administered by:

Maximum Benefit
582 King Edward Street
Winnipeg, Manitoba R3H OP1

Phone: English- 1 800 893 7587 French - 1 888 558 7609
Monday to Friday between 7:30 a.m. & 4:30 p.m. Central Standard Time
Fax: 1 877 526 2515
Email: info@maximumbenefit.ca

You can also access your Maximum Benefit Group Benefit Program coverage online through ***my-benefits.ca***.

Get fast, convenient answers about your health or dental coverage on your personalized website. Secure and simple to use, you can view submitted and paid claims, print claim forms, and more!

By registering for ***my-benefits***, you also gain access to our health and wellness website, developed to equip you with the tools, information and resources needed to navigate the health care system.

Register now by going to www.my-benefits.ca. Click on **Log in now**, and then click on **Sign me up** from the top menu. Verify your identity, choose your own user 1D, and your registration is complete. You will have immediate access to your secure my-benefits site.

BENEFIT SUMMARY

This *Benefit Summary* outlines the principal features of the benefits available under your company's benefit program. More detailed information regarding each benefit can be found in the *Benefit Descriptions* section. In the event of a discrepancy between this document and any contracts of insurance or services, the latter will govern.

If your company is a provider of benefits as listed below, this means that THUNDER BAY HYDRO plays a role similar to that of an insurance company for its employees. They have the sole legal and financial liability for the benefit and fund any claim payments. Maximum Benefit provides administrative services only on these benefits such as processing claims on behalf of the company.

GENERAL**Eligibility/Waiting Period:**

All benefits commence immediately

Minimum Number of Working Hours: Not less than 25 hours per week.

Common-law Relationship Coverage: Have lived continually in a common-law relationship for more than 12 months.

Age Limits for Dependents: Less than 21 years old, or less than 25 years old and in full-time attendance at an accredited institution of learning, or 21 years of age or over and financially dependent upon the employee because of mental or physical infirmity.

Re-instatement: Eligible for reinstatement if re-employed within 6 months following termination of his/her coverage.

BENEFITS

Benefits are underwritten or provided by:

EXTENDED HEALTH CARE

THUNDER BAY HYDRO / Group Policy # 51860

HEALTH SPENDING ACCOUNT

THUNDER BAY HYDRO / Group Policy # 51860

DENTAL

THUNDER BAY HYDRO / Group Policy # 51860

TRAVEL HEALTH

CO-OPERATORS LIFE INSURANCE COMPANY / Group Policy # 7949

STOP LOSS

CO-OPERATORS LIFE INSURANCE COMPANY / Group Policy # 7948

BENEFIT SUMMARY

Firm# 51860 THUNDER BAY HYDRO- MANAGEMENT
CLASS A2 Management- All Others

EXTENDED HEALTH CARE (Effective: 01Jan2008) (Refer to Benefit Description Section for full details)

Prescription Drugs:

- will be covered at 100%, and
- have no overall maximum.

The plan will cover the cost of drugs and contraceptives which by law are only available with a prescription and are prescribed by a doctor or dentist using Telus Health Solutions Plan 60G base formulary.

The plan substitutes generic equivalents to prescription medications wherever possible.

Drugs for obesity are not covered.

Drugs for the treatment of erectile dysfunction are not covered.

Products for smoking cessation are not covered.

Drugs for the treatment of infertility are covered up to a maximum of \$2,000 per cycle, maximum of 6 cycles per lifetime.

(Reimbursement only, not provided through the drug card -subject to deductible, co-pay and dispense fee).

Preventative immunization vaccines and toxoids are covered.

Prescription drug purchases will:

- be handled on a card system- the Telus Health Solutions ASSURE card, and
- have no deductible.

The plan allows no more than \$6.50 as an eligible expense for the pharmacist's dispensing fee.

For residents of Quebec: Drugs listed in the Quebec Universal Drug Plan formulary will be reimbursed under this plan in accordance with the requirements of the Quebec Universal Drug Plan. After an individual has reached the out-of-pocket maximum (as determined by the Regie de l'assurance maladie du Quebec), Maximum Benefit will reimburse covered drugs at 100%.

Hospital Expense:

- covers the additional cost charged by the hospital (up to \$200 per day) for a semi-private room over a standard public ward.
- does not cover Convalescent Hospital.
- will be covered at 100%.

Vision Care:

-covers 100% of eligible expenses up to a maximum of \$400 in any 12 month period for dependent children under this plan, or in any 24 month period for any adult.

Laser Eye Surgery:

-covers 100% of eligible expenses for laser eye surgery up to a maximum of \$1,200 in any 72 month period. If an employee or eligible dependent opts to use the laser eye surgery benefit, they will not be eligible for the Vision Care benefit above for a 72 month period.

-eye examinations: included in Vision Care.

-eye exam maximum is included in the *Vision Care* maximum under this plan.

- dependent coverage is for children under the age of 18.

Other Eligible Expenses:

- will be covered at 100%,
- have no deductible, and include the following equipment and services:

Paramedical Services:

For the following paramedical practitioners, eligible expenses:

- will be covered at 100%,
- up to a maximum of \$300 per person per practitioner per calendar year.
 - Naturopaths/Homeopaths
 - Osteopaths
 - Podiatrists
 - Chiropodists
 - Psychologists
 - Speech Therapists

For the following paramedical practitioners, eligible expenses:

- will be covered at 100%,
- up to a maximum of \$500 per person per calendar year.
 - Chiropractors
 - Massage Therapists (requires a written referral by a medical doctor every 12 months)
 - Physiotherapists

Ontario only: Podiatry coverage will not begin until individuals have reached their Ontario Health Insurance Plan (OHIP) maximums.

Nursing Care: up to \$25,000 per calendar year.

Medical Equipment (rented or purchased) including:

- wheelchairs, up to \$2,000 per person lifetime.
- hospital beds, up to \$2,000 per person lifetime.

Hearing Aids: up to \$400 per person per lifetime.

Orthopedic Shoes: unlimited maximum.

Orthotics: 2 pairs per person per calendar year, to a maximum of \$375 per pair.

Therapeutic Equipment, Supplies and other Services:

- ground and air ambulance services.
- dental repairs as a result of an accident (no deductible & 100% co-insurance).
- custom made braces, spinal braces, walking aids, casts and splints.
- artificial limbs, eyes; diabetic, colostomy and ileostomy supplies; respirators and oxygen.
- wigs as a result of chemotherapy or accidental injury, up to a lifetime maximum of \$100 per person.
- breast prosthesis, 1 per person per 2 calendar years.
- surgical brassieres, up to 6 per person per calendar year.
- surgical stockings, up to 6 pairs per person per calendar year.
- glucometer, lifetime maximum of 1 unit per person.

Health Spending Account: eligible expenses are covered up to a maximum of \$275 per family per calendar year.

Coverage for disabled employees continues for 30 months from the date of any disability if not covered by WSIB, or for 48 months from the date of disability if covered by WSIB.

Other features: 12 month Survivor Benefit.

Termination: Coverage terminates at the earlier of retirement or age 65.

HEALTH SPENDING ACCOUNT (Effective: 01Jan2008)

Benefit: Eligible expenses are covered up to a maximum of \$275 per family per calendar year.

Termination: Coverage terminates at the earlier of retirement or age 65.

**DENTAL CARE (Effective: 01Jan2008)
(Refer to Benefit Description Section for full details)**

Fee Guide: Current general practitioner's and specialist's fee guide.

Deductible: \$25 each calendar year for each person, up to a maximum of \$50 per family.

Basic Services:

- eligible expenses will be reimbursed at 100%.
- complete *oral exams* are covered once every 24 months and a complete series of *periapical films and panoramic film*- each limited to one in any 24 month period.
- recall exams* are limited to once in any 6 month period for dependent children under 18 years of age and once every 9 months for adults;
- specific *exams* are unlimited;
- *emergency exams*.
- polishing* is limited to once every 6 months dependent children under 18 years of age and once every 9 months for adults.
- *topical application* of fluoride for dependent children under 18 years of age is limited to once every 6 months, for adults limited to once every 9 months.

- you are covered for up to 16 units of 15 minutes of scaling / root planning each calendar year.
- *oral hygiene* instruction, once per 6 months for dependent children under 18 years of age and once per 9 months for adults;

Endodontic and Periodontal Services:

- these services are reimbursed at the same percentage as the *Basic* services.

Major Services:

- eligible expenses will be reimbursed at 50%.

Benefit Maximum- Basic & Major Services: \$1,500 per person per calendar year for all services combined.

Coverage for disabled employees continues for 30 months from the date of any disability if not covered by WSIB, or for 48 months from the date of disability if covered by WSIB.

Other features: 12 month Survivor Benefit.

Termination: Coverage terminates at the earlier of retirement or age 65.

TRAVEL HEALTH (Effective: 01Nov2005)

Benefit: The plan covers medical emergencies that take place outside your province or country of residence. Your plan covers trips of up to 60 days.

Termination: Coverage terminates at the earlier of retirement or age 65.

STOP LOSS INSURANCE (Effective: 01Nov2005)

Benefit: Covers medical expenses incurred by employees or dependents in excess of \$15,000 per year.

Coverage for disabled employees continues for 30 months from the date of disability if not covered by WSIB, or for 48 months from the date of disability if covered by WSIB.

Termination: For active employees coverage terminates at the earlier of retirement or age 65.

Benefit Descriptions

The purpose of this booklet is to outline the benefits for which you are eligible. Every effort has been made to ensure the accuracy of this booklet.

Your rights and benefits are governed by:

- the terms of the Group Policy for any insured Life and/or Disability benefits. If there are any discrepancies between this booklet and the Group Policy, the Group Policy will be the governing document in all cases. Any amendment to the governing documents is effective without notice to you, except as required by law.
- the terms of the Administrative Services Only Application and/or Benefit Election form made by THUNDER BAY HYDRO. Any amendment to this application is effective without notice to you except as required by law.

The booklet contains the major terms of coverage and payment of benefits under the Group Policy.

GENERAL INFORMATION

This section outlines general provisions used to administer the company's benefit program. Provisions pertaining to a specific underwriter will be described under the benefit wording sections of this document. In the event of a discrepancy between this document and any contracts of insurance or services, the latter will govern.

ACCESS TO DOCUMENTS

Where provincial legislation permits, you may obtain copies of the application, evidence of insurability, plan and booklet.

LEGAL ACTIONS

Every action or proceeding against your Short-Term Disability benefit provider for the recovery of money payable under the benefit program is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation.

APPEALS

You have the right to appeal a denial of all or part of the benefits described in the plan as long as you do so within one year of the initial denial of a benefit. An appeal must be in writing and must include your reasons for believing the denial to be incorrect.

BENEFIT LIMITATION FOR OVERPAYMENT

If benefits are paid that were not payable under the benefit plan, you are responsible for repayment within 30 days after Maximum Benefit sends you a notice of the overpayment, or within a longer period if agreed to in writing by Maximum Benefit. If you fail to fulfill this responsibility, further benefit payments will be withheld until the overpayment is recovered. This does not limit Maximum Benefit's right to use other legal means to recover the overpayment.

DEFINITIONS

Accident

An accidental bodily injury caused solely as a direct result of an external, violent and unexpected or unforeseen means, independent of all other causes.

Actively Employed / Actively at Work

Employees are considered to be actively working if they are performing all the usual and customary duties of their job with the employer for the scheduled number of hours for that day. This includes scheduled non-working days and periods of continuous paid vacation if the employee was actively working on the last scheduled working day. Employees are not considered actively at work if they are receiving disability benefits or are participating in a Maximum Benefit Short Term Disability rehabilitation program.

Child

The employee's natural or adopted unmarried child, or step child (excluding a foster child or ward), who is wholly dependent on the employee for support and:

- is less than 21 years old;
- is less than 25 years old, and is in full-time attendance at an accredited institute of learning (classified as an Over Age Dependent Child);
- is 21 years of age or over and is financially dependent upon the employee because of mental or physical infirmity provided such child was financially dependent on the employee and such infirmity has existed continuously from a time when the child was otherwise covered as a Dependent under this Plan,

Note: If you are a Quebec resident, full-time students are covered for prescription drug benefits until age 26.

Compassionate Care Leave of Absence

The period of a formal compassionate care leave to which the employee is entitled by legislation governing the Plan Sponsor, or a longer period, if the Plan Sponsor's normal practice permits.

Deductible

The amount of eligible expense that must be incurred and paid by the employee or their dependents before benefits are payable under this plan.

Dependent

The employee's spouse or child who is domiciled in Canada. For the purposes of Extended Health Care benefits, an eligible dependent must also be covered under a Provincial Health Plan.

Late Entrant

The employee or an eligible dependent who applies for coverage later than 31 days after the end of the waiting period, and for which a Statement of Health will be required, before benefits are issued.

Leave of Absence

A period of absence from work for which the dates are fixed by legislation or by mutual agreement between the Plan Sponsor and the Employee.

Maternity Leave of Absence

The period of formal maternity leave to which an employee is entitled by legislation governing the Plan Sponsor, or a longer period, if the Plan Sponsor's normal practice permits. For the purposes of this Plan, Maternity Leave of Absence will be deemed to commence on the earlier of:

- the date fixed by mutual agreement between the employee and the Plan Sponsor; or
- as required by legislation; or
- the date the child is born.

Medically Necessary

Broadly accepted by the medical profession as effective, appropriate and essential in the diagnosis or treatment of a sickness or injury, and based on generally recognized and accepted standards of health care.

Over Age Dependent

A dependent child who is enrolled at an accredited school/college/university as a full-time student. Coverage will be extended up to the earliest of September 30th of the next school year, the upper limit of the dependent definition age, graduation, or until the Employee's coverage is terminated. The Employee must re-apply for coverage for their Over Age Dependent Child each school year.

Parental Leave of Absence

The period of formal child care leave to which the employee is entitled by legislation governing the Plan Sponsor, or a longer period, if the Plan Sponsor's normal practice permits.

Physician

A Doctor of Medicine (MD), duly licensed to practice medicine, or any other practitioner recognized by the College of Physicians and Surgeons in the province in which the treatment is rendered.

Reasonable and Customary

Within the usual range of charges being made by others of similar standing in the area in which the charge is incurred when providing the same or comparable services or supplies.

Spouse

A person who is the employee's spouse by marriage or under any other formal union recognized by law, or a partner who has lived with the employee for at least 12 months and is publicly represented as the employee's spouse.

A divorced or ex-common-law spouse can be an eligible dependent for some of the benefits under this benefit program if mandated by court order. At any one time, only one person may be covered as the employee's spouse.

Temporary Lay-Off

A period during which the Employee is laid off work with an expectation of returning to work.

Waiting / Eligibility Period

The period of continuous employment with the employer which the employee must complete before they are eligible for benefits under this plan.

ELIGIBILITY

To be eligible for group benefits, the employee

- is a resident of Canada,
- is a permanent employee in an eligible class,
- is actively working for the employer at least 25 hours a week,
- is younger than the termination age limits specified in the benefit summary, and
- has completed the Waiting Period.

For the purposes of Extended Health Care benefits, individuals must be covered under their Provincial Health plan.

The employee's dependents are eligible for insurance on the date the employee becomes eligible, or the date the employee acquires a dependent, whichever is later. The employee's dependents must be the employee's spouse or child and a resident of Canada.

EVIDENCE OF INSURABILITY

Medical evidence is required when the employee applies for coverage in excess of any Non-Evidence limits. Medical evidence is also required for all benefits (except Dental), when the employee makes a late application for insurance on themselves or on their eligible dependents.

LATE ENTRANT / LATE APPLICATION

An application is considered late if the employee applies for coverage on any person after they have been eligible for benefits for more than 31 days.

If the employee applies for benefits that were previously waived because the employee was covered for similar benefits under their spouse's plan, the application is considered late when the employee applies for coverage more than 31 days after the date benefits terminated under their spouse's plan.

ENROLMENT

The employee must enroll to receive coverage by submitting a signed Enrolment Application within 31 days of becoming eligible for coverage.

When Life Insurance is included in the employees coverage, we must have the original signed application on file in our office, otherwise the Beneficiary Designation is not valid. Any proceeds would be paid to the Estate.

If the employee or their dependents are covered for Extended Health or Dental benefits under another group plan the employee may refuse coverage in these benefits under this plan. The employee may later apply for these benefits without evidence of insurability by submitting an Enrolment Application within 31 days of the date benefits terminate under the other group plan.

An employee may not be covered as a Dependent except that if both husband and wife are Employees, one Employee may be covered as a Dependent of the other.

Note: An employee can only be covered once under the Health, Dental and Travel insurance. For example, if a husband and wife are both eligible employees at Thunder Bay Hydro, one of them will be given family Health, Dental and Travel coverage and the other will be covered under that family coverage.

EFFECTIVE DATE OF COVERAGE

If evidence of insurability is not required, the employee's benefits will be effective on the date the employee is eligible for coverage.

If evidence of insurability is required, the employee's benefits will be effective on the date the employee becomes eligible for coverage or the date the employee's application is approved, whichever is later.

The employee must be actively at work for insurance to become effective. If the employee is not actively at work on the date coverage would normally begin, their coverage will not begin until the employee returns to active work.

The employee's dependent's insurance becomes effective on the date the dependent becomes eligible, or the date any evidence of insurability on the dependent is approved, whichever is later. Dependent coverage cannot be effective prior to the date the employee's coverage becomes effective.

If a dependent (other than a new-born child) is confined to a hospital on the date their coverage would otherwise become effective, their coverage will not become effective until the first day immediately following their discharge from the hospital and pursuing normal activities.

If the employee's coverage under this plan terminates due to termination of employment and they are re-employed within 6 months immediately following the termination, the employee's coverage can be reinstated on the date the employee resumes employment provided an application for reinstatement is made within 31 days of their re-employment.

CHANGE OF COVERAGE

If the employee is actively at work, any change in the amount of coverage or change in benefit will become effective on the later of:

- the date the employee first becomes eligible for such change;
- the date the employee's application is approved if evidence of insurability is required.

If the employee is not actively at work when the change occurs, the change cannot take effect before the employee returns to active work, unless they are not actively at work due solely to a paid vacation or general holiday.

TERMINATION OF INSURANCE

The employee's group benefits will terminate on the earliest of:

- the date the employee ceases to be an eligible employee,
- the date the employee reaches the termination age of any coverage,
- the date the group contract ends, or coverage on the class to which the employee belongs terminates,
- the end of the period for which contributions have been paid for the employee's coverage,
- the date of the employee's death.
- the date on which the Employee ceases to be Actively at Work, which includes but is not restricted to, the date on which the Employee is pensioned or retired unless otherwise stated in the Benefit Schedule, the date on which the Employee goes on strike or is locked-out, or becomes a full-time Employee of the armed forces of any country.

However, if the Employee ceases to be Actively at Work

- Due to temporary lay-off or leave of absence (other than maternity or parental leave) and required contributions continue to be remitted, such Employee will be considered to be Actively At Work if the Plan Sponsor, acting on a basis precluding individual selection, continues the Employee's coverage with the exception of the Short Term Disability Benefit, for any predetermined period not exceeding 3 months or;
- Due to maternity, parental, and/or compassionate care leave and required contributions continue to be remitted, such Employee will be considered to be Actively At Work if the Plan Sponsor, acting on a basis precluding individual selection, continues the Employee's coverage, for any period not exceeding the period required under the relevant provincial or federal legislation.

A dependent's coverage terminates on the earliest of:

- the date the employee's coverage ends,
- the date the dependent is no longer an eligible dependent,

-the end of the period for which contributions have been paid for dependent coverage.

If federal or provincial legislation requires the employer to continue the employee's coverage beyond the date it would otherwise terminate, subject to continued required contribution payments, the employee's coverage will continue to the end of the period required by law but not beyond the date on which this plan terminates.

If the employee is disabled or becomes disabled, Extended Health Care and Dental benefits will terminate on the earliest of:

- if covered by WSIB, 48 months from the initial date of disability (first day not actively at work),
- if not covered by WSIB, 30 months from the initial date of disability (first day not actively at work),
- the end of the period for which contributions have been paid for the employee's coverage,
- the date the employer or Maximum Benefit terminates this plan.

CLAIMS

Claims will be paid in accordance with the coverage in force as shown on the employee's *Certificate of Insurance*. To ensure that coverage is kept up-to-date, it is important that the employee report any of the following changes to their employer:

- change of dependents,
- change of name,
- change of beneficiary.

If the age of the employee or their dependents has been misstated, the benefits payable under this plan will be based upon the actual age of the person concerned, at the relevant time.

There are time limits for making claims and these limits are discussed in the appropriate sections of this document. Notice and proof of any claim must be received by Maximum Benefit within these time limits. However, if this plan terminates, claims must be submitted within 30 days from the termination date for claims incurred prior to the termination date.

Claim payments are made payable to the employee unless otherwise indicated elsewhere in the plan, or the employee has authorized payment be made to a person and/or corporation which has rendered eligible services, treatments or supplies.

Maximum Benefit may require the employee to have a medical examination if they make a claim for benefits. If the employee fails or refuses to have this examination, Maximum Benefit will not be obligated to pay any benefits.

Upon providing payment for incurred expenses or loss of income, Maximum Benefit, on behalf of the Plan Sponsor, is subrogated to all rights of recovery of the Employee, or any Dependents, against any person or party and may bring action in the name of the Employee, or Dependent, to enforce such rights.

The amount of coverage in force for each Employee is determined by classification as shown in the Benefit Schedule. The Plan Sponsor must notify Maximum Benefit in writing, on a regular monthly basis, of any change in the amount of coverage of any person.

If the employee is covered for Extended Health or Dental benefits under this plan and another plan, the benefits under this plan will be coordinated with the other plan following insurance industry standards. If the employee is claiming benefits under this plan, they must furnish Maximum Benefit with any information necessary to implement the Coordination of Benefits provision.

Maximum Benefit may, with proper authorization, release to or obtain from any other insurance company or other organization or person any information, with respect to any person, which Maximum Benefit deems to be necessary for the purpose of determining the applicability of and implementing the terms of the Co-ordination of Benefits provision or any provisions of similar purpose of any other Plan. Any person claiming benefits under this plan will furnish to Maximum Benefit such information as may be necessary to implement the Co-ordination of Benefits provision.

Maximum Benefit, on behalf of the Plan Sponsor, has the right to recover any and all excesses of

payment, from any persons to or for whom such payments were made, if the payment was in excess of the maximum amount payable.

The employee's rights or interest under this plan are not assignable.

If the employee dies before payments to which they are entitled are made, or if the employee is not competent to give a valid release for payments to which they are entitled, to the extent permitted by law, Maximum Benefit may in its discretion pay these amounts to a relative by blood or connection by marriage or to any person appearing to Maximum Benefit to be entitled to such payment. Such payment will fully discharge Maximum Benefit to the extent of the amount paid if made in good faith.

For **drug expenses** to be handled on a card system, Maximum Benefit will provide the Plan Sponsor with an identification card for each employee, for presentation at the pharmacy when obtaining prescription drug services. Eligible benefits will be paid directly to participating pharmacies for employees and dependents covered under this plan. Any expense incurred by the use of the identification card, which is not payable under the terms of the plan but is incurred by a participating Pharmacy in respect of any employee (and is not collectible by the Pharmacy after reasonable effort) will be paid by the Plan Sponsor to Maximum Benefit, as billed.

EXTENDED HEALTH CARE

General

This plan covers reasonable and customary charges for supplies and services used to treat injury or illness. There is no overall lifetime maximum, but certain types of expenses are subject to limits and conditions.

To receive benefits, Employees and Dependents must be registered with their provincial health plan. If a Dependent is hospitalized before the effective date of this coverage, no benefits are payable for any charges during the hospitalization and coverage will begin the first day immediately following the date of discharge.

Eligible Expenses

Subject to the deductible and percentages specified in the Benefit Summary, the following services may be eligible for reimbursement, when incurred in Canada.

PRESCRIPTION DRUGS

The plan will cover the cost of eligible drugs and contraceptives which by law bear a Drug Identification Number (DIN) and are prescribed by a physician or dentist and obtained from a licensed pharmacist. Prescription purchases are limited to a 100-day supply.

Prescription drugs will:

- be covered at 100%, and
- have no overall maximum.**

Eligible prescription drug expenses include prescription requiring drugs; most *over the counter drugs*; insulin and oral contraceptives.

The following are not eligible, unless otherwise stated in the Benefit Summary: proprietary or patent medicines; experimental drugs; drugs used for the treatment of hair loss; dietary or health foods; vitamins or vitamins used for weight loss; nutritional products; and charges for the administration of drugs, serums **or vaccines**.

The plan substitutes generic equivalents to prescription medications wherever possible, but a brand name drug will be covered if the generic is unacceptable. The employee's physician need only specify *No Substitutions* on the prescription.

Eligible drugs that are covered under a provincially funded drug program are limited to the provincial deductible and applicable co-insurance.

Drugs for the treatment of obesity are specifically excluded from this plan.

Drugs for the treatment of erectile dysfunction are specifically excluded from this plan.

Smoking cessation products are specifically excluded from this plan.

Drugs for the treatment of infertility are covered up to a maximum of \$2,000 per cycle, maximum of 6 cycles per lifetime. (Reimbursement only, not provided through the drug card- subject to deductible, co-pay and dispense fee).

Preventative immunization vaccines and toxoids are covered.

Prescription drug expenses will be handled on a card system- the Telus Health Solutions ASSURE card.

There is no deductible on prescription drug purchases.

For each prescription filled, the plan allows no more than \$6.50 as an eligible expense for the pharmacist's dispensing fee. Dispensing fee charges beyond the maximum are your responsibility.

HOSPITAL

This benefit pays the additional cost charged by the hospital (up to \$200 per day) for a semi-private room over a standard public ward, provided that the confinement starts while the person is covered under this benefit. Accommodation in a private room, while in a hospital as an in-patient, upon proof and approval of medical necessity, up to the hospital maximum specified in the Benefit Summary. If the covered person is confined in a hospital as of the effective date of their coverage, they will not become eligible for the hospital benefit until the day following their discharge from the hospital.

The plan will cover 100% of any eligible hospital expenses, up to any maximums or limitations specified in the Benefit Summary.

VISION CARE / LASER EYE SURGERY

Eligible expenses include contact lenses and eyeglasses, which require a prescription and are dispensed by an ophthalmologist, a licensed optometrist or a qualified optician. The benefit may also be used toward the cost of laser eye surgery. The plan will cover 100% of these eligible expenses up to \$400 per person in any 24 month period for adults and in any 12 month period for dependent children.

Eligible expenses for laser eye surgery are included up to a maximum of \$1,200 in any 72 month period. If an employee or eligible dependent opts to use the laser eye surgery benefit, they will not be eligible for the contact lenses and eyeglasses benefit above for a 72 month period.

Coverage includes prescription sunglasses, but does not include non-prescription sunglasses.

Coverage does not include safety glasses.

Eye exams (including eye refractions) are included in Vision Care. Services must be performed by a qualified ophthalmologist or licensed optometrist.

Eye exam maximum is included in the *Vision Care* maximum under this plan.

Eligible Dependents are children that are not married or in any other formal union recognized by law, and are under age 18.

MEDICAL SERVICES AND EQUIPMENT

The plan will cover 100% of the following eligible expenses, up to any maximums or limitations specified in the Benefit Summary.

Paramedical Services

The plan will reimburse 100% of eligible expenses of licensed, certified or registered paramedical practitioners (including written reports), operating within the scope of his/her license. The Plan will cover:

- the cost of the visit,
- up to a maximum of \$300 per person per practitioner per calendar year.

Eligible practitioners include:

- *Naturopaths/ Homeopaths (excluding food supplements and vitamins)*
- *Osteopaths*
- *Podiatrists*
- *Chiropractors*
- *Psychologists*
- *Speech Therapists*

The plan will reimburse 100% of eligible expenses of licensed, certified or registered paramedical practitioners (including written reports), operating within the scope of his/her license. The Plan will cover:

- the cost of the visit,
- up to a maximum of \$500 per person per practitioner per calendar year.

Eligible practitioners include:

- *Chiropractors*
- *Massage Therapists (requires a written referral by a medical doctor every 12 months)*
- *Physiotherapists*

Ontario only: Podiatry coverage will not begin until individuals have reached their Ontario Health Insurance Plan (OHIP) maximums.

Private Duty Nursing

Nursing Care (not custodial care) provided in the covered person's home by a registered nurse or a licensed practical nurse or a registered nursing assistant none of whom is related by blood or marriage or normally live with you or any of your dependents.

A Nursing Care Questionnaire is required and approval of the charges is at the discretion of Maximum Benefit.

Maximum payment is \$25,000 per person per calendar year.

Medical Equipment

Rental or purchase, of the following medical equipment, will be covered. Prior approval from Maximum Benefit is required, for which a written recommendation from the Physician must be submitted, stating the medical necessity for the item.

- *Wheelchairs*, up to a lifetime maximum of \$2,000 per person.
- *Hospital beds*, up to a lifetime maximum of \$2,000 per person.

Hearing Aids

The plan allows for the purchase and installation of, but not batteries for or repairs of, hearing aids. Maximum payment is \$400 per person per lifetime.

Orthopedic Supplies

This plan will reimburse for the following:

- purchase but not repair of orthopedic shoes which have been specifically designed and custom made for the person and which are purchased from a recognized orthopedic supplier with an unlimited maximum. This does not include off-the-shelf shoes that have been modified.
- Referral by a physician, chiropractor, podiatrist, or chiropodist is required.
- purchase of custom made orthotics from a recognized supplier, 2 pairs per person per calendar year, to a maximum of \$375 per pair. Biomechanical assessment by a physician, chiropractor, podiatrist, or chiropodist is required with each purchase.

Ambulance

This plan covers the cost of transportation in a licensed ground ambulance when used to transport the covered person in any of the following circumstances because of either emergency or In-patient treatment:

- from the place where the person suffers the accident or sickness to the nearest Hospital where adequate medical treatment is available;
- from one Hospital to another Hospital, where specialized treatment is to be provided.

Proof of medical necessity of an ambulance may be required from the attending Physician.

Emergency Air Transportation

This plan covers the cost of transportation in a licensed air ambulance when used to transport the person because of an emergency to the nearest Hospital where adequate treatment is available or to another Hospital when certified as essential by the attending Physician.

Diagnostic Services

Diagnostic laboratory and x-ray procedures performed in the person's province of residence are covered when coverage is not available under his provincial government plan.

Dental Accidents

While employed with this Employer, services of a Dentist required for the repair or replacement of sound natural teeth because of an accidental blow to the mouth and not by an object wittingly or unwittingly placed in the mouth. This dental treatment must commence or a detailed treatment plan satisfactory to Maximum Benefit must be submitted to Maximum Benefit, within 90 days of such injury. No reimbursement will be provided for treatment performed more than 2 years after the date of the accident.

If there is a less expensive course of treatment that will give a professionally adequate result, the amount payable under this plan is equal to the cost of the less expensive treatment. If the Employee chooses to proceed with the more expensive treatment, they will be responsible for the additional costs.

Deductible if any, does not apply and co-insurance is 100%.

Other Eligible Expenses

This plan will reimburse charges for:

- purchase, but not the repair, of an artificial limb or eye; replacement is covered when required due to a physiological change.
- purchase, but not the repair, of a custom made brace (rigid support) that is required for daily living and not solely for sports purposes. A physician's letter stating the medical necessity is required.
- purchase of colostomy, ileostomy or ureterostomy supplies.
- purchase of diabetic supplies, including disposable needles and reagent strips.
- injectable drugs and serums.
- purchase of canes, casts, cervical collars, crutches, splints and walkers (may require physician's letter stating the medical necessity).
- oxygen, plasma, blood or blood substitutes and their administration.
- purchase of an aerochamber.
- Intra Uterine Devices (IUDs).
- diagnostic laboratory procedures rendered in a private laboratory in the province of Quebec (for Quebec residents only).
- purchase of wigs required as a result of chemotherapy or accidental injury, up to a lifetime maximum of \$100 per person.
- purchase of a breast prosthesis when required because of total or radical mastectomy- limited to a maximum of 1 per person per 2 calendar years.
- purchase of surgical brassieres when required because of total or radical mastectomy- limited to 6 per person per calendar year.
- purchase of medically necessary surgical elastic stockings on the written recommendation of a physician. They must have a compression factor of 25 mmHG or higher- limited to 6 pair per person per calendar year.
- purchase of a glucometer, up to a lifetime maximum of 1 per person.

Health Spending Account (HSA)

A Health Spending Account is designed to cover charges that are eligible medical expenses under the Income Tax Act and are not paid by any other private or government plan. You can use your account to cover any eligible expenses under the Act, or to pay any unpaid portions of expenses from your benefits plan such as deductibles, coinsurance amounts, and amounts that exceed any plan maximums.

For a complete list of eligible expenses, visit the Canada Revenue Agency website at <http://www.cra-arc.gc.ca/txt/indv/dls/tpcs/ncm-txl/rtrn/cmpltng/ddctns/ins300-350/330/llwbl-eng.html>.

Eligible expenses may be claimed for yourself, or for anyone Canada Revenue Agency recognizes as your dependent under the Income Tax Act.

You cannot use your account to cover:

- health or dental expenses incurred before your effective date of coverage,
- services or supplies you are entitled to without charge, or
- any portion of the expense for services or supplies which are payable under your health or dental benefits, another group plan, or a government plan.

Benefit Maximums

Eligible expenses are covered up to the maximum shown in the Benefit Summary.

If you do not spend the entire amount allotted to your Health Spending Account in any given calendar year, any unused amounts are forfeited. Claims for expenses during any calendar year must be submitted by March 31st of the following calendar year.

Claims

Claim eligibility is determined on an incurred basis (based on the dates the services were performed or the dates the drugs or supplies were purchased). Please ensure that your claims are made only after other payment sources have made their payment. You should submit claims in the following order:

- 1) to your core benefit plan,
- 2) then, if you have coverage under another plan (like your spouse's plan), any unpaid portion should be submitted to that plan, and
- 3) finally, any unpaid amounts can be submitted to your Health Spending Account, using a *Health Spending Account Request* form.

You can also have any portion not paid under your Health and Dental benefits processed automatically through your Health Spending Account by checking the appropriate box on the Health or Dental claim forms.

Limitations and Exclusions

No reimbursement will be made under this benefit for the following:

- services or treatment, which in whole or in part, are prohibited from payment, or have been paid by, a government health plan;
- services, treatment or supplies which the person received without charge, or is eligible to receive without charge (or paid with a gift certificate);
- services or treatments which have been removed from a government health plan, and which are not specifically included in the listing of Eligible Expenses;
- any prescription drugs or medical expenses normally covered through a government program provided in a hospital, or any other means are not covered when offered on an out-patient basis or at a private clinic (unless legislated as in the province of Quebec);
- services, treatment or supplies which are experimental in nature;
- travel time, broken appointments, transportation costs, telephone or other indirect consultations;
- services, treatment or supplies which are required in order to participate in sporting activities;
- services or treatment which has been provided or performed by a person who is related or connected by marriage or normally resides with the Employee or Dependent;
- services, treatment or supplies provided to the Employee by the Employer;
- services, treatment or supplies not included in the list of Eligible Expenses;
- services, treatment or supplies which are not medically necessary, or not of a reasonable and customary nature;
- practitioner/physician charges for the administration of drugs, serums, vaccines or the completion of forms;
- cosmetic treatment other than due to an accidental bodily injury which is caused solely by external, violent and accidental means, independently of all other causes and which is sustained while the person is covered under this Benefit;
- eligible expenses which result directly or indirectly from the following:
 - a) intentionally self-inflicted injuries while sane or insane;
 - b) committing or attempting to commit a criminal offence;
 - c) any cause for which payment is provided under any Workers' Compensation Act or similar legislation or under any other government plan;
 - d) war, whether war be declared or not, or service in the armed forces of any country, or participation **in a riot, insurrection or civil commotion;**
- Personal comfort items;
- General health exams or physician fees.

Survivor Benefit

A Dependent, whose insurance under this policy would otherwise have ended because of the death of the Employee, will continue to be covered under this benefit in accordance with the other provisions of this policy until the earliest of the following dates:

- the end of the month of a 12 month period following the date of death of the Employee,
- the date on which the spouse remarries,
- the date on which the spouse becomes an Employee or Dependent under this or any other group plan,
- the date on which this benefit terminates.

Coordination of Benefits

If a person is covered under two different plans, they may be subject to Co-ordination of Benefits. The amount of any benefits payable during any calendar year will be coordinated, as per insurance industry guidelines, and the amount payable cannot exceed 100% of the eligible expenses incurred.

The insurance industry standards determine where a claim should be sent first for payment;

- a person considered an eligible Employee, under either plan, must submit their claims to their plan first. After their plan issues a payment, send the explanation of benefits provided along with a claim form to the other plan for payment of any unpaid balance;
- dependent children's claims must be submitted through the group plan of the parent with the earlier birth day and month in the calendar year. Any unpaid balance would then be submitted to the other plan, along with a copy of what was already paid.
- in situations where parents are separated/divorced, then the following order for claims submission for children applies:
 - the plan of the parent with custody of the child,
 - the spouse of the parent with custody,
 - the parent not having custody of the child,
 - the spouse of the parent not having custody.

Proof of Claim

Written proof of a claim must be submitted to Maximum Benefit within 365 days of the date the expense was incurred. However, if this plan terminates, claims must be submitted within 30 days from the termination date for claims incurred prior to the termination date.

Original receipts, or an Explanation of Benefit statement and copies of receipts from any plan that has already paid a portion of the expense, is required to process a claim. Receipts must include the service date, a breakdown of the charges, and the practitioner's name, credentials, address and phone number.

Original receipts are not returned.

All claims must be sent to Maximum Benefit and signed by the employee. Claims for a spouse or dependent children can be signed by the employee's spouse, as long as the spouse is a covered dependent under this plan.

Termination

All health benefits will cease the earlier of the date on which the Employee ceases to be actively at work, the Employee's date of retirement or the Employee's 65th birthday.

HEALTH SPENDING ACCOUNT (HSA)

A Health Spending Account is designed to cover charges that are eligible medical expenses under the Income Tax Act and are not paid by any other private or government plan. You can use your account to cover any eligible expenses under the Act, or to pay any unpaid portions of expenses from your benefits plan such as deductibles, coinsurance amounts, and amounts that exceed any plan maximums.

For a complete list of eligible expenses, visit the Canada Revenue Agency website at <http://www.cra-arc.gc.ca/tx/ndvds/tpcs/ncm-tx/ttrn/cmplng/ddctns/Ins300-350/330/lwbl-eng.html>.

Eligible expenses may be claimed for yourself, or for anyone Canada Revenue Agency recognizes as your dependent under the Income Tax Act.

You cannot use your account to cover:

- health or dental expenses incurred before your effective date of coverage,
- services or supplies you are entitled to without charge, or
- any portion of the expense for services or supplies which are payable under your health or dental benefits, another group plan, or a government plan.

Benefit Maximums

Eligible expenses are covered up to the maximum shown in the Benefit Summary.

If you do not spend the entire amount allotted to your Health Spending Account in any given calendar year, any unused amounts are forfeited. Claims for expenses during any calendar year must be submitted by March 31st of the following calendar year.

Claims

Claim eligibility is determined on an incurred basis (based on the dates the services were performed or the dates the drugs or supplies were purchased). Please ensure that your claims are made only after other payment sources have made their payment. You should submit claims in the following order:

- 1) to your core benefit plan,
- 2) then, if you have coverage under another plan (like your spouse's plan), any unpaid portion should be submitted to that plan, and
- 3) finally, any unpaid amounts can be submitted to your Health Spending Account, using a *Health Spending Account Request* form.

You can also have any portion not paid under your Health and Dental benefits processed automatically through your Health Spending Account by checking the appropriate box on the Health or Dental claim forms.

Termination

Benefits will cease the earlier of the date on which the Employee ceases to be actively at work, the Employee's date of retirement, or the Employee's 65th birthday.

DENTAL CARE

General

Dental benefits paid by the plan are based on the current approved General and Specialist Fee Guides established by the Provincial Dental Association. While they are not required to do so, the majority of dentists charge according to the rates set out in the Fee Guide. If the dentist charges more than the Fee Guide, the employee is responsible for the excess charge.

Deductible

The individual Deductible Amount is the amount of Eligible Expenses which must be paid by or on behalf of a person in any calendar year before reimbursement will be made under this Benefit. Once an employee and their dependents have satisfied the Deductible Amount during any calendar year, no further Deductible will be applied against Eligible Expenses incurred by any member of such during the balance of that calendar year.

Treatment Plan

When the total cost of any proposed dental treatment is expected to exceed \$500, the employee or dependent should submit a detailed treatment plan request to Maximum Benefit before commencement of treatment. Upon receipt of the Treatment Plan, Maximum Benefit will then advise the employee if the services are eligible and what amount is covered. Treatment Plan of benefits will not be given verbally over the phone. These Treatment Plans are only valid for 90 days.

Incurred Date of Service

Eligible expenses will be considered to have been incurred on the date the service or supply was provided. However, if the plan covers:

- bridge, crown or dentures*; the date of insertion of such appliance will be the date such service was incurred.
- root canal therapy*; the date of the final treatment shall be the date that the expense was incurred.

If coverage ceases due to termination of an Employee's coverage, treatment is considered to be started if, in the case of:

- *full or partial dentures*, the impression has been taken;
- *fixed bridgework or crowns*, the tooth has been prepped;
- root canal therapy*, the tooth has been opened;
- *orthodontic treatment*, banding has taken place.

Alternate Treatment

If there is a less expensive course of treatment that will give a professionally adequate result, the amount payable under this Plan is equal to the cost of the less expensive treatment. If the employee chooses to proceed with the more expensive treatment, they will be responsible for the additional costs.

Eligible Expenses Outside Canada

Payment will be made for dental treatment rendered while traveling outside Canada, but only to the extent that payment would have been made under this Benefit if such treatment had been rendered in the employee's normal province or territory of residence and provided that such treatment was rendered for emergency purposes only.

Eligible Expenses

Subject to the deductible and percentages specified in the Benefit Summary, the following services may be eligible for reimbursement.

Basic Services, include:

Oral Examinations

- Complete oral examinations once every 24 months. A complete series of periapical films and panoramic film- each limited to one in any 24 month period;
- Recall examinations, once in any 6 month period for dependent children under 18 years of age and once every 9 months for adults;
- Specific examinations;

- Emergency examinations.

X-rays

-Bitewing films and X-rays to diagnose a symptom or examine progress of a particular course of treatment other than temporomandibular joint film.

Consultations, with patient

Preventative

- Polishing limited to once in any 6 month period for dependent children under 18 years of age and once every 9 months for adults;
- Topical application of fluoride limited to once in any 6 month period or dependent children under 18 years of age and once every 9 months for adults;
- Occlusal adjustment (8 units per calendar year);
- Night guards.
- Scaling- limited to 16 units per person per calendar year (combined with Periodontal root planing);
- Pit and fissure sealants on primary and permanent teeth are limited to one application per tooth (for dependent children under age 16 only);
- Space maintainers for missing primary teeth; not designed specifically for sporting activities;
- Temporary dressing for the emergency relief of pain.

Minor Restorative Services

- Bonded amalgam;
- Acrylic, silicate or composite restorations;
- Replacement fillings done within 12 months of original placement are not eligible;
- Pre-formed stainless steel and polycarbonate crowns (for dependent children under age 18 only).

Repair, rebasing and relining of partial or complete dentures, not including the replacement of teeth on a denture.

General Anesthesia required for all dental services.

Oral surgery

- Extraction of erupted or impacted teeth;
- Extraction of residual roots;
- Removal of excess gingival tissue;
- Suturing and post-operative treatment;
- Alveoplasty.

Oral hygiene instruction, once per 6 months for dependent children under 18 years of age and once per 9 months for adults;

Endodontic and Periodontal Services are reimbursed at the same percentage as BASIC services.

Endodontics is root canal therapy and root canal fillings, and treatment of disease of the pulp tissue. Covered services include root canal therapy, apexification, apicoectomy, retro fillings, root amputation, hemisection, and vital pulpotomy.

Periodontics is the treatment of bone and gum disease. Covered services include gingival curettage, gingivoplasty, gingivectomy, flap approach, grafts and root planing combined with Preventative scaling.

Periodontal surgery is also covered as well as the following related periodontal services: provisional splinting, periodontal appliance, periodontal appliance adjustment or reline (limited to 4 units of time per calendar year).

Expenses incurred for implants or treatment related to implant services are not covered under Basic Services.

Major Services, include:
Metal inlay/on/ay restorations.

Retentive pins in Inlays and Crowns.

Crowns (single restorations only):

- these services are eligible only if the tooth cannot be restored in any other way;
- molar teeth are covered for metal crowns only;
- replacement is covered if the existing crown is over 5 years old.

Prosthetic Appliances (e.g. fixed bridgework, removable partial or complete dentures):

- construction and insertion of an initial permanent prosthetic appliance if such appliance was necessary because of the extraction of at least one natural tooth while employed with this employer;
- replacement of an existing prosthetic appliance with a permanent prosthetic appliance;
- if such appliance was necessary because of the extraction of at least one natural tooth while employed with this employer, or
- if the existing appliance is at least 5 years old, or
- if the existing appliance is temporary and being replaced by a permanent appliance within 12 months of the date the temporary one was installed;
- denture adjustments with minor adjustments limited to once in a 6 month period
- repair of fixed bridgework.

Expenses incurred for implants or treatment related to implant services are not covered.

Benefit Maximums:

The plan will pay up to \$1,500 per person per calendar year for all BASIC and MAJOR services combined based on the fee guide shown on the Benefit Summary.

Late Entrants have a maximum benefit of \$250 per person for their first 12 months of coverage.

Limitations and Exclusions

No reimbursement will be made under this Benefit for the following:

- services or treatment, which in whole or in part, have been paid by a government health plan;
- services, treatment or supplies which the person received without charge, or is eligible to receive without charge;
- dental services and supplies not included in the list of Eligible Expenses;
- charges for services that are not reasonable and customary;
- any portion of charges that are over the suggested charge in the appropriate Fee Guide;
- lab fees in excess of 60% of the suggested fee for the particular dental treatment in the appropriate fee guide;
- any services, treatment or supplies provided to the employee by the employer;
- services or treatment which has been provided or performed by a person who is related or connected by marriage or normally resides with the employee or dependent;
- any services not recommended by a Dentist;
- any services not performed by either a Dentist, a Dental Hygienist under the supervision of a Dentist; or a licensed Denturist, where such services are outside the scope of his/her license;
- any dental treatment which is for cosmetic purposes including veneers and bleaching, when the form and function of the teeth are satisfactory and no pathological condition exists;
- expenses incurred for nutritional counseling and dental plaque control programs;
- any dental treatment rendered for full mouth reconstructions, for vertical dimension correction, for the restoration of occlusion, for the correction of temporomandibular joint (TMJ) dysfunction or for permanent splinting of teeth;
- charges for travel time, broken appointments, transportation costs, completion of claim forms, telephone or other indirect consultations;
- expenses incurred for the replacement of dentures and appliances that are lost, mislaid or stolen;
- any dental treatment which is not yet approved by the Canadian Dental Association or which is clearly experimental in nature;

- dental services, treatment or supplies which the person received without charge or which a government health plan prohibits from being paid;
- any dental treatment rendered outside Canada except as specifically provided under the BENEFIT OUTSIDE CANADA provision;
- Eligible Expenses which result directly or indirectly from the following: a) intentionally self-inflicted injuries while sane or insane; b) committing or attempting to commit a criminal offence; c) any cause for which payment is provided under any Workers' Compensation Act or similar legislation or under any other government plan; d) war, whether war be declared or not, or service in the armed forces of any country, or participation in a riot, insurrection or civil commotion;
- any services and supplies rendered for the treatment or correction of any congenital or developmental malformation;
- expenses incurred for temporary or transitional services;
- facility fees.

Survivor Benefit

A dependent, whose insurance under this policy would otherwise have ended because of the death of the employee, will continue to be covered under this benefit in accordance with the other provisions of this policy until the earliest of the following dates:

- the end of the month of 12 month period following the death of the employee,
- the date on which the Spouse remarries,
- the date on which the Spouse becomes an employee or dependent under this or any other group plan,
- the date on which this Benefit terminates.

Coordination of Benefits

If a person is covered under two different plans, they may be subject to Co-ordination of Benefits. The amount of any benefits payable during any calendar year will be coordinated, as per insurance industry guidelines, and the amount payable cannot exceed 100% of the eligible expenses incurred.

The insurance industry standards determine where a claim should be sent first for payment:

- a person considered an eligible employee, under either plan, must submit their claims to their plan first. After their plan issues a payment, send the explanation of benefits provided along with a claim form to the other plan for payment of any unpaid balance;
- dependent children's claims must be submitted through the group plan of the parent with the earlier birth day and month in the calendar year. Any unpaid balance would then be submitted to the other plan, along with a copy of what was already paid.
- in situations where parents are separated/divorced, then the following order for claims submission for children applies:
 - the plan of the parent with custody of the child,
 - the spouse of the parent with custody,
 - the parent not having custody of the child,
 - the spouse of the parent not having custody.

Proof of Claim

Written proof of a dental claim must be submitted to Maximum Benefit within 365 days of the date the expense was incurred. However, if this plan terminates, claims must be submitted within 30 days from the termination date for claims incurred prior to the termination date. Maximum Benefit reserves the right to request radiographs and other types of diagnostics such as specialist reports, periodontal charts and study models.

Original receipts, or an Explanation of Benefit statement and copies of receipts from any plan that has already paid a portion of the expense, is required to process a claim. Receipts must include the service date, a breakdown of the charges, and the practitioner's name, credentials, address and phone number.

Original receipts are not returned.

All claims must be signed by the employee. Claims for a spouse or dependent children can be signed by the employee's spouse, as long as the spouse is a covered dependent under this plan.

Termination

All dental benefits will cease the earlier of the date on which the employee ceases to be actively at work, the employee's date of retirement or the employee's 65th birthday.

TRAVEL HEALTH

General

This plan covers medical emergencies that take place outside the employee's province or country of residence. The Co-operators, through TIC, provides all emergency medical assistance services.

In the event of a medical emergency, Co-operators will cover the reasonable and customary costs, in excess of the coverage provided by the employees's provincial government health insurance plan, for the following services and supplies:

- treatment by a *physician*.
- laboratory tests and diagnostic x-rays* prescribed by the attending physician and are part of the emergency treatment.
- hospital accommodation* in a standard or semi-private ward or coronary care or intensive care unit (if medically necessary).
- medical supplies* provided during a covered hospital confinement, when approved in advance by Co-operators.
- paramedical services* provided out of hospital or during a covered hospital confinement are covered (up to \$250 per eligible profession) when approved in advance by the insurance company. Eligible professions include chiropractors, osteopaths, physiotherapists and podiatrists.
- prescription drugs* that are prescribed by a physician when medically necessary for emergency treatment. This benefit is limited to a 30 day supply unless the covered person is hospitalized.
- ambulance services* by a licensed ambulance company to the nearest centre where essential treatment is available.
- emergency air transportation* when approved in advance by Co-operators.
- up to \$2,000 per covered person for *emergency dental accident treatment*.
- up to \$5,000 for the professional services of a *registered private nurse*, when medically necessary and while hospitalized.
- when approved and arranged by Cooperators, *emergency medical transportation* to return the covered person to their home province or territory for emergency medical treatment.

The plan also provides the following travel benefits:

Transportation to Bedside- reimbursement for a single round-trip economy airfare plus up to \$150 per day to a maximum of \$3,000 for an individual to be with the covered person if the covered person was travelling alone and was hospitalized.

Return Transportation for Travelling Companion- if the covered person is returned to their home province or territory under the Medical Emergency Transportation benefit, Cooperators will reimburse the cost of a single one-way economy airfare for a travelling companion to return to Canada.

Meals and Accommodation- up to \$150 per day, to a maximum of \$3,000 per trip, for the cost of commercial accommodation and meals for the covered person and/or any of his/her dependents when their trip is extended beyond the last day of the scheduled trip due to the sickness and/or injury suffered by the covered person.

Vehicle Return- up to \$5,000 if neither the covered person nor someone travelling with the covered person is able to operate the covered person's vehicle, during the trip due to sickness and/or injury.

Return of Deceased- up to \$5,000 towards the cost of preparation and transportation of the deceased covered person to their province or territory of residence in the event of death due to sickness and/or injury.

Incidental Expenses- up to \$250 for the covered person's out-of-pocket expenses such as telephone charges, television rental and parking while the covered person is hospitalized for an emergency and the expenses are incurred as a direct result of such hospitalization.

Coverage Period

The plan covers trips of up to 60 days per trip. This is the maximum amount of time an employee or eligible dependent may be out of the country per trip. If a trip was to exceed the 60 day limit, anything over the 60th day would not be covered under this policy.

If an employee has a dependent that attends school outside of Canada, the trip duration will be extended to allow for the amount of time the dependent is actually attending school. It will also allow for up to 1 week of travel time to and from home and school.

Please see your *Maximum Benefit Travel Health* brochure to determine if a "Pre-existing Condition" and "Pre-existing Condition Stability Period" apply.

Dependent Survivor Benefits

In the event of an Employee's death, the coverage for an insured Dependent with respect to Out of Province/Out of Canada emergency coverage will continue for the duration of the Survivor Benefit included under the Maximum Benefit Extended Health Care benefit, provided this Policy and the Participating Company's coverage under this Policy remains in force and the Dependent does not become eligible for benefits under any other group insurance plan as either an Employee or Dependent and the Dependent remains eligible as defined under this Policy. Premiums are required for the extension of the Dependent's coverage.

Emergency Assistance

For 24 hour emergency medical travel assistance while travelling call: Canada
and USA 1 888 440 2667 (toll free)
From Other Countries 1 416 340 1316 (call collect)

IMPORTANT: In the event of an emergency hospital admission, the emergency medical travel assistance service **MUST** be notified within 48 hours. Failure to notify the service will limit benefits.

For full details regarding this coverage, please see the *Maximum Benefit Travel Health* brochure. "Travel

Health Coverage is not available should an employee, or any of their dependents, travel to a country that has a Travel Warning in effect. Current information regarding which countries have Travel Warnings can be accessed at www.voyage.gc.ca.

Termination

All emergency medical travel benefits will cease the earlier of the employee's date of retirement or their 65th birthday.

STOP LOSS INSURANCE

Johnston Group Inc. provides Stop Loss Insurance to Employers who have Extended Health Care plans administered by Johnston Group Inc. through a master contract underwritten by Co-operators Life Insurance Company.

This is a summary of the provisions as provided in the agreement between Co-operators Life Insurance Company and Johnston Group Inc., and in no way constitutes the entire policy.

Coverage

When, by reason of bodily injury or sickness, an Employee or Dependent incurs any Medical Expenses, which are eligible expenses under the Extended Health Care plan and this Stop Loss policy, Co-operators Life Insurance shall reimburse the Employer for the expenses incurred over and above the Stop Loss Level of \$15,000 per person per financial plan year.

Financial Plan Year means the 12 month period that starts on the effective date of the Employer's Stop Loss Insurance.

Employee and Dependent Eligibility

As provided in the Employer's Extended Health Care plan, eligibility applies to all eligible active Employees, early retirees in this Class, and Employees on approved leave of absence or on disability, and their eligible Dependents. An Employee and their Dependents must have coverage under the Extended Health Care plan, as administered by Johnston Group Inc. in order to be eligible for Stop Loss coverage. The effective date of coverage under Stop Loss is the effective date of coverage under the Extended Health Care plan.

Coverage will not be provided to any Employee or Dependent if it is known by the Employer, at the effective date of the policy, that:

- the Employee or Dependent has an existing medical condition that will incur medical expenses in excess of the Stop Loss limit; or
- the Employee or Dependent are currently incurring medical expenses in excess of the Stop Loss Limit.

Limits

Reimbursement of the following expenses shall be limited to the lesser of the maximum provided under the Employer's Extended Health Care plan or the maximum listed below.

- services or supplies associated with:
 - erectile dysfunction*, \$5,000 per Employee or Dependent per calendar year,
 - the diagnosis or *treatment of infertility*, \$15,000 per Employee or Dependent per calendar year.
- anti-obesity treatment, including drugs, protein and dietary or food supplements whether or not prescribed for a medical reason, \$2,500 per Employee or Dependent per calendar year or \$5,000 per Employee or Dependent per lifetime.
- insulin infusion pumps*, \$5,000 per Employee or Dependent per lifetime.
- private duty nursing costs*, \$25,000 per Employee or Dependent per calendar year.
- reasonable and customary *semi-private, or private hospital* room charges.
- paramedical practitioner charges*, \$1,500 per practitioner per Employee or Dependent per calendar year.

Exclusions

Notwithstanding any provision in the Employer's Extended Health Care plan, no coverage is provided for any expenses caused directly or indirectly, in whole or in part, by any of the following:

- any treatment, surgery, care, service, examination or device which is not covered in the Employer's Extended Health Care plan;
- any treatment, surgery, care, service, examination or device which:
 - is not medically necessary;
 - is provided or required for cosmetic purposes;
 - is conducted as an experiment;
 - is provided or required for non-curative reasons;
 - or exceeds what is ordinarily provided or required by current therapeutic practice;

- therapeutic or elective abortion;
- laser vision surgery;
- homeopathic preparations, unless federal or provincial legislation requires a prescription for their sale;
- drugs which do not legally require a prescription and pharmaceutical supplies which are either experimental or not approved by the Canadian government or Provincial government regulatory body in the person's province or territory of residence, unless these drugs are listed in the Employer's Extended Health Care plan drug formulary;
- any treatment (other than prescription drug) related to or provided for drug addiction;
- medical air ambulance outside Canada, unless approved and arranged by the Insurer;
- war, invasion, act of a foreign enemy, declared or undeclared hostilities, civil war, rebellion, revolution, insurrection or military power;
- Terrorism or by any activity or decision of a government agency or any other entity to prevent, respond to or terminate Terrorism regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage except for ensuing loss or damage which results directly from fire or explosion;
- Coverage for any trip or sojourn outside Canada.

Special Provisions

This policy is subject to, and shall not contravene, any Federal or Provincial Statutory requirement with respect to any Hospital and/or Medical Plans, nor shall it duplicate any benefits which are provided under any Federal or Provincial Hospital or Medical Plans or Acts, or any other policy providing a reimbursement benefit, specifically:

- any cost plus claims;
- any individual Hospital or Medical Plan;
- any government Hospital or Medical Plan;
- any "Workers' Compensation Act";
- any public or tax-supported agency;
- for prescription drug expenses that are removed from coverage, under a government program and for which the government is normally primary payer, because a Private Health Services Plan is in effect.

Proof of Loss

The Employee will not be entitled to any Benefits where the Employee submits a Claim Form or any other Proof of Claim more than 12 months after the services or supplies are provided. If this Policy terminates, or the Employer's coverage under this Policy terminates, the Employee must submit incurred claims prior to the termination date.

Aggregate Maximum for all Employees. The total amount payable under the master policy for reimbursement of all eligible expenses which an Employee or Dependent has incurred as a result of sickness, or as the result of all injuries caused by an accident, shall not exceed an aggregate limit of one million dollars (\$1,000,000.00) per policy period.

This summary also contains further internal maximums in the *Exclusions, Limits and Special Provisions* sections.

Co-ordination of Benefits

Co-operators Life will co-ordinate benefits payable under this Policy with other Plans which also cover an insured person for similar benefits. If an Employee or Dependent who is covered for benefits under this Policy is also covered under any other Plan which provides similar benefits, the amount of benefits payable under this Policy for Allowable Expenses incurred during any benefit year shall be co-ordinated and/or reduced so that the benefits payable from all Plans shall not exceed 100% of the actual Allowable Expenses.

Whenever payments have been made by Co-operators Life with respect to Allowable Expenses in a total amount in excess of the maximum amount of payment necessary at that time to satisfy the intent of this plan, Co-operators Life shall have the right to recover such payments.



Dependent Survivor Benefits

In the event of an Employee's death, the coverage for an insured Dependent with respect to Out of Province/Out of Canada emergency coverage will continue for the duration of the Survivor Benefit included under the Maximum Benefit Extended Health Care benefit, provided this Policy and the Participating Company's coverage under this Policy remains in force and the Dependent does not become eligible for benefits under any other group insurance plan as either an Employee or Dependent and the Dependent remains eligible as defined under this Policy. Premiums are required for the extension of the Dependent's coverage.

Termination

Coverage for active Employees will terminate at the earlier of retirement, the attainment of age 65, or the date they cease to be eligible for coverage under the Extended Health Care plan.

ATTACHMENT 4 – F

Employee Costs

Board Appendix 2-K

**Appendix 2-K
 Employee Costs**

	Last Rebasing Year - 2013- Board Approved	Last Rebasing Year - 2013- Actual	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year
Number of Employees (FTEs including Part-Time)¹						
Management (including executive)	23.00	22.71	23.35	24.19	24.51	23.87
Non-Management (union and non-union)	120.28	112.40	110.55	110.03	111.72	114.41
Total	143.28	135.12	133.90	134.22	136.23	138.28
Total Salary and Wages including overtime and incentive pay						
Management (including executive)	\$2,448,655	\$2,464,244	\$2,556,328	\$2,725,063	\$2,729,507	\$2,793,563
Non-Management (union and non-union)	\$8,221,662	\$7,771,547	\$7,890,473	\$7,861,435	\$8,019,476	\$8,689,968
Total	\$10,670,317	\$10,235,791	\$10,446,801	\$10,586,498	\$10,748,983	\$11,483,532
Total Benefits (Current + Accrued)²						
Management (including executive)	\$642,844	\$589,535	\$651,114	\$712,598	\$708,489	\$706,124
Non-Management (union and non-union)	\$2,039,334	\$1,786,783	\$1,829,751	\$1,864,592	\$1,965,925	\$2,115,291
Total	\$2,682,178	\$2,376,318	\$2,480,865	\$2,577,190	\$2,674,414	\$2,821,415
Total Compensation (Salary, Wages, & Benefits)						
Management (including executive)	\$3,091,499	\$3,053,778	\$3,207,442	\$3,437,661	\$3,437,996	\$3,499,687
Non-Management (union and non-union)	\$10,260,996	\$9,558,330	\$9,720,224	\$9,726,027	\$9,985,401	\$10,805,259
Total	\$13,352,495	\$12,612,109	\$12,927,666	\$13,163,688	\$13,423,397	\$14,304,947

ATTACHMENT 4 – G

OPEBs (Other Post-Employment Benefits)

Costs

File Number: EB-2016-0105
Exhibit: 4
Tab:
Attachment: 4-G
Page:
Date: 09-Sep-16

Appendix 2-KA
OPEBs (Other Post-Employment Benefits) Costs

A Please indicate if OPEBs were recovered on a cash or accrual accounting basis for each year since the distributor started to recover OPEBs in distribution rates from customers: Accrual

Notes:
 (Please add any information to explain the accounting basis used for OPEBs cost recovery in rate setting. If basis is other than Cash or Accrual, an explanation is required.)

Thunder Bay Hydro uses the Accrual method; Effective January 1, 2015, Thunder Bay Hydro adopted MIFRS and accordingly restated January 1, 2014 balances. As a result \$830,301 of unamortized gains was adjusted through opening retained earnings and \$548,925 of actuarial gains due to a valuation update were recognized in Other Comprehensive Income in 2015. Thunder Bay Hydro will be getting it's next valuation update effective January 1, 2018.

B Please complete the following table:

OPEBS	First Year of recovery to 2011	2012	2013	2014	2015	2016	2017	Total
Amounts included in Rates								
OM&A	\$ 272,477	\$ 239,546	\$ 1,983	\$ 145,668	\$ 120,247	\$ 110,674	\$ 109,607	\$ 1,000,202
Capital	\$ 51,989	\$ 90,786	\$ 844	\$ 55,396	\$ 53,435	\$ 41,019	\$ 47,236	\$ 340,705
Total	\$ 324,466	\$ 330,332	\$ 2,827	\$ 201,064	\$ 173,682	\$ 151,693	\$ 156,843	\$ 1,340,907
Paid benefit amounts	\$ 381,968	\$ 90,042	\$ 148,275	\$ 148,051	\$ 182,917	\$ 141,705	\$ 70,343	\$ 1,163,301
Net excess amount included in rates relative to amounts actually paid.	(\$57,502)	\$ 240,290	(\$145,448)	\$ 53,013	(\$9,235)	\$ 9,988	\$ 86,500	\$ 177,606

C Please describe what the distributor has done with the recoveries in excess of cash payments:

Thunder Bay Hydro has not segregated any excess or deficiencies in cash payments

ATTACHMENT 4 – H

Collin Barrow Actuary Report

Sick Leave Benefits and

Post Retirement Non Pension Benefits

COLLINS BARROW TORONTO
ACTUARIAL SERVICES

THUNDER BAY HYDRO
DISTRIBUTION INC.

Report on the Actuarial Valuation
of
Sick Leave Benefits

As at December 31, 2015

March 3, 2016 - Final



Collins Barrow

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
PURPOSE	1
SUMMARY OF KEY RESULTS	1
ACTUARIAL CERTIFICATION.....	3
SECTION A- VALUATION RESULTS	4
VALUATION RESULTS	5
SENSITIVITY ANALYSIS	6
RECONCILIATION OF CHANGES IN THE DEFINED BENEFIT OBLIGATION.....	7
SECTION B- PLAN PARTICIPANTS.....	8
PARTICIPANT DATA	9
PARTICIPATION RECONCILIATION	11
SECTION C- SUMMARY OF ACTUARIAL METHOD AND ASSUMPTIONS	12
ACTUARIAL METHOD.....	12
ECONOMIC ASSUMPTIONS	14
SECTION D- SUMMARY OF POST-EMPLOYMENT BENEFITS	17
GOVERNING DOCUMENTS	17
ELIGIBILITY.....	17
PARTICIPANT CONTRIBUTIONS.....	17
PAST SERVICE	17
LENGTH OF SERVICE	17
SUMMARY OF BENEFITS	17
SECTION E- EMPLOYER CERTIFICATION	18

EXECUTIVE SUMMARY

PURPOSE

Collins Barrow Toronto Actuarial Services Inc. was engaged by Thunder Bay Hydro Distribution Inc. (the "Corporation") to perform an actuarial valuation of the accumulated vested and non-vested sick leave benefits sponsored by the Corporation and to determine the accounting results for those benefits for the fiscal period ending December 31, 2015. The nature of these benefits is defined benefit.

This report is prepared in accordance with the International Financial Reporting Standards (the "IFRS") guidelines for employee benefits as outlined in the amendments to the International Accounting Standard 19- Employee Benefits ("IAS 19") issued in June 2011. The Corporation will be reporting on the basis of IFRS for the fiscal year beginning January 1, 2015. Prior to this date, the valuation of the Corporation's sick leave benefits was prepared in accordance with the Canadian Institute of Chartered Accountants ("CICA") guidelines outlined in Employee Future Benefits, Section 3461 of the CICA Handbook- Accounting ("CICA 3461").

The most recent full valuation with regards to the vested portion of the sick leave benefits was prepared as at January 1, 2013 based on the then appropriate assumptions and in accordance with CICA 3461. An estimate of the liability for the accumulated non-vested sick leave benefits portion was most recently prepared as at December 31, 2014.

The purpose of this valuation is threefold:

- i) to determine the Corporation's liabilities in respect of the sick leave benefits at December 31, 2015;
- ii) to determine the expense to be recognized in the income statement for fiscal year 2016; and iii)
to provide all other pertinent information necessary for compliance with IAS 19.

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

SUMMARY OF KEY RESULTS

The Present Value of Defined Obligation (PV DBO) as at December 31, 2015 with regards to the vested sick leave benefit payouts is determined to be approximately \$95,800. The total Current Service Cost for fiscal year 2016 for these same benefits is determined to be approximately \$1,100.

We have determined the cash value of the benefit as at December 31, 2015 for members with vested sick leave entitlements to be approximately \$93,100. The cash value is the total value required if benefits were paid out at December 31, 2015 at the rate at which the employees would be entitled.

The results of our non-vested sick leave benefit calculations indicate that the estimated value of future payments to be made as a result of Thunder Bay Hydro employees' unused sick leave bank hours is as follows:

	December 31, 2015
MANAGEMENT	\$134,600
UNION	\$496,600
Total	\$631,200

A summary of the valuation results is shown in Section A of this report. The participant data and the plan provisions are summarized in Section B of this report, and the actuarial method and assumptions used to determine the PV DBO are described in detail in Section C of this report.

ACTUARIAL CERTIFICATION

An actuarial valuation has been performed on the accumulating sick leave benefit plans sponsored by Thunder Bay Hydro Distribution Inc. (the "Corporation") as at December 31, 2015, for the purposes described in this report.

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

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

We are not aware of any subsequent events after December 31, 2015 that would have a significant effect on our valuation.

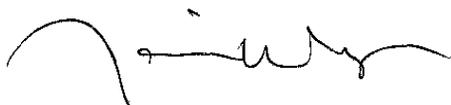
The latest date on which the next actuarial valuation should be performed is December 31, 2018. If any supplemental advice or explanation is required, please advise the undersigned.

Respectfully submitted,

COLLINS BARROW TORONTO ACTUARIAL SERVICES INC.



Stanley Caravaggio, FSA FCIA
Senior Manager



Jamie Wong
Actuarial Analyst

Toronto, Ontario

March 3, 2016

SECTION A- VALUATION RESULTS

Section A- 1 shows the key valuation results for both the vested and non-vested portion of the sick leave benefits for the prior valuation and the current valuation.

Section A- 2 shows the sensitivity of the valuation results to certain changes in assumptions. We have shown an increase/decrease in the discount rate by 1% per annum.

Section A- 3 presents the reconciliation of changes in the liability calculations at December 31, 2015.

VALUATION RESULTS

Section A.1-Valuation Results

Sick Leave Benefits- Vested Portion (in thousands of dollars)

	January 1, 2013 (CICA 3461)	December 31, 2015 (IAS 19)
Total PVDBO	287	96

	CY 2013 (CICA 3461)	CY 2016 (IAS 19)
Current Service Cost	4	1
Interest Cost	10	3
Recognition of Actuarial (Gains)/Losses Defined Benefit Cost Recognized in Income Statement	(113) (99)	. 4
Actuarial (Gains)/Losses Defined Benefit Cost Recognized in Other Comprehensive Income	n/a n/a	. .
Total Defined Benefit Cost	(99)	4
Expected Benefit Payments	67	64

The benefit payments for CY 2016 are based on the estimated payments to be made for those expected to retire and be eligible for a lump sum benefit payout upon retirement.

Sick Leave Benefits - Non-Vested Portion

The results of our calculations indicate that the estimated value of future payments to be made as a result of Thunder Bay Hydro employees' unused sick leave bank hours is as follows. For comparison purposes we have shown the prior valuation results at December 31, 2014 as well.

	December 31, 2014	December 31, 2015
Management Union	\$184,700	\$134,600
	\$710,400	\$496,600
Total	\$895,100	\$631,200

SENSITIVITY ANALYSIS

Section A.2-Sensitivity Analysis

Sick Leave Benefits - Vested Portion (in thousands of dollars)

	December 31, 2015 (IAS 19)		
	Valuation Results	5.0% Discount Rate	3.0% Discount Rate
Total PVDBO	96	93	99

	CY 2016 (IAS 19)		
	Valuation Results	5.0% Discount Rate	3.0% Discount Rate
Current Service Cost	1	1	1
Interest Cost	3	3	2

Sick Leave Benefits- Non-Vested Portion

The estimated value of future payments to be made as a result of Thunder Bay Hydro employees' unused sick leave bank hours would be impacted by a change in the discount rate as follows.

	Valuation Results	5.0% Discount Rate	3.0% Discount Rate
Management	\$134,600	\$125,400	\$145,000
Union	\$496,600	\$462,300	\$535,700
TOTAL	\$631,200	\$587,700	\$680,700

RECONCILIATION OF CHANGES IN THE DEFINED BENEFIT OBLIGATION

Section A.3-Reconciliation of Changes in the Defined Benefit Obligation

Sick Leave Benefits- Vested Portion (in thousands of dollars)

PV DBO at December 31, 2014 (IAS 19)	197
2015 Current Service Cost	2
2015 Benefit Payments	(96)
2015 Interest Cost	7
Expected PV D80 at December 31, 2015	110
 PV D80 at December 31, 2015	 96
 Change due to re-measurement of PV D80 at December 31, 2015	 (14)

The change due to re-measurement of the PV DBO at December 31, 2015 is a decrease of approximately \$14,000 as compared to the projected December 31, 2015 PV DBO. The following provides a breakdown of the items impacting the calculations.

- A change in the valuation methodology, including the accrual/utilization of future sick leave bank hours and *move* to serial calculation format (an increase of approximately \$9,000)
- A change in the future sick leave utilization assumptions (an increase of approximately \$3,000)
- A change in the discount rate assumption (an increase of approximately \$2,000)
- A change in the demographics, membership data and sick leave experience of the valuation group (a decrease of approximately \$28,000)

Sick Leave Benefits - Non-Vested Portion

The estimated value of future payments to be made as a result of unused sick leave bank hours has decreased by \$264,000 from our calculations at December 31, 2014 to the updated figures at December 31, 2015. A summary of the items impacting the change is summarized as follows.

- A change in the discount rate assumption (an increase of approximately \$27,000)
- A change in the mortality table assumption (a decrease of approximately \$10,000)
- A change in the future sick leave utilization assumptions (a decrease of approximately \$121,000)
- A change in the valuation methodology, including the accrual/utilization of future sick leave bank hours and *move* to serial calculation format (a decrease of approximately \$148,000)
- A change in the valuation date and demographics, membership data and sick leave experience of the valuation group (a decrease of approximately \$12,000)

SECTION 8- PLAN PARTICIPANTS

Table B- 1 sets out the summary information with respect to the plan participants valued in the report, along with comparisons to the participants in the previous valuations with data as of January 1, 2013 for those entitled to vested sick leave benefits and data as of December 31, 2014 for those entitled to non- vested sick leave benefits.

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

PARTICIPANT DATA

Table 8.1-Participant Data

Membership data as at December 31, 2015 was received from the Corporation via e-mail and included information such as name, sex, age, date of hire, current salary, benefit amounts and other applicable details for all active employees and people in receipt of benefits.

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

- Date of hire prior to date of birth
- Salaries less than \$20,000 per year, or greater than \$250,000 per year
- Ages under 18 or over 100
- Accumulation of sick leave credits exceeding the allowable rates of accumulation
- Payouts of sick leave banks exceeding the allowable levels of payout
- Duplicate records

In addition, the following tests were performed:

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

Sick Leave Benefits- Vested Portion

	January 1, 2013 (Vested Only)	December 31, 2015 (Vested Only)
Total valued participants	12	4
Total annual pay	\$714,000	\$211,000
Average annual pay	\$59,000	\$53,000
Average age	54.4	56.6
Average service (years)	31.6	33.0

Sick Leave Benefits- Non-Vested Portion

	December 31, 2014 (Non-Vested Only)	December 31, 2015 (All Actives)
Total valued participants Management Union	39 82	41 82
Total annual pay Management Union	\$3,765,000 \$5,697,000	\$3,940,000 \$5,667,000
Average annual pay Management Union	\$97,000 \$69,000	\$96,000 \$69,000
Average age Management Union	46.6 42.4	45.7 41.5
Average service (years) Management Union	12.5 13.5	11.6 12.5

PARTICIPATION RECONCILIATION

Table 8.2-Participation Reconciliation

Sick Leave Benefits- Vested Portion

	Actives	LTD
As at Jan. 1, 2013	11	1
New Entrants		
Active		•
LTD	•	
Terminated		
Deceased		
Retired	(7)	
No Longer Eligible -----		
As at Dec. 31, 2015 -----	4 -----	1 -----

• This figure represents the net of one individual recovering from LTO and another individual becoming disabled since the previous valuation.

Sick Leave Benefits - Non-Vested Portion

	Actives	
As at December 31, 2014	121	
New Entrants	11	
Active		3
LTD	(3)	
Terminated	(2)	
Deceased		
Retired	(4)	
No Longer Eligible -----		
As at Dec 31, 2015 -----	123 -----	3 -----

SECTION C- SUMMARY OF ACTUARIAL METHOD AND ASSUMPTIONS

ACTUARIAL METHOD

Sick Leave Benefits

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

- make assumptions for discount rates, salary rate increases, mortality and other decrements;
- use these assumptions to calculate the present value of the expected future benefits; and
- adopt an actuarial cost method to allocate the present value of expected future benefits to the specific years of employment (in the case of vested sick leave benefits).

The actuarial valuation includes analysis of both vested and non-vested sick leave benefits. Vested sick leave benefits account for the payout of accrued sick leave bank hours at retirement, death, or termination, as applicable. Non-vested sick leave benefits account for usage of accrued sick leave bank hours by employees before retirement, death, or termination, as applicable.

We have used a stochastic model to value the vested and non-vested sick leave liability. With this approach, future utilization hours (and therefore sick leave bank levels) are simulated for each member from the valuation date until retirement. The simulation is performed 10,000 times, and the results are averaged to obtain the 'mean' or expected liability. The different scenarios are generated based on the probability distribution for sick leave utilization described further in the section below on sick leave utilization assumptions.

Note that the economic assumptions, accrual rates, and utilization levels used in the model apply to both the vested and non-vested portions of the sick leave liability. The difference between the two arises from the type of benefit being valued: the vested liability accounts only for hours paid out at retirement, death, or termination, while the non-vested liability accounts only for bank hours used by employees in the period before retirement, death, or termination.

Vested Sick Leave Liability

The Present Value of the Defined Benefit Obligation and Current Service Cost for the members with vested sick leave benefits were determined using the projected benefit method, pro-rated on service. This is the method stipulated by IAS 19 when future salary levels or cost escalation affect the amount of the employee's future benefits. Under this method, the projected benefits are deemed to be earned on a pro-rata basis over the years of service in the attribution period. IAS 19 stipulates that the attribution period commences on the date when service by the employee first leads to vested sick leave benefits under the plan and ends on the date when further service by the employee will lead to no material amount of further post-employment vested sick leave benefits under the plan, other than from further salary increases.

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

Non Vested Sick Leave Liability

Our calculations have been done on a seriatim basis using the employee data provided by the Corporation. Our results use present value calculations and therefore incorporate the time value of money.

For clarity, our estimates are based on a projection of the value of employees' future sick leave bank usage as a result of employees exceeding the annual accrued sick leave hours available to them during the year and having to utilize sick leave bank hours which have been accrued on or before the valuation date of December 31, 2015. As such, future accruals of sick leave hours are not included in our valuation as of December 31, 2015 (in other words, future projected sick leave hours are only valued insofar as they exceed the accrued hours for a year and require the use of bank hours accrued prior to the valuation date).

The calculations are done on a seriatim basis for each employee with the liability figure for each employee classification (Management, Union) equal to the sum of the liability for each employee in the group. Our calculations at December 31, 2015 are based on membership data and management's best estimate assumptions at December 31, 2015.

MANAGEMENT'S BEST-ESTIMATE ASSUMPTIONS

The following are management's best estimate economic and demographic assumptions as at December 31, 2015.

ECONOMIC ASSUMPTIONS

Consumer Price Index

The consumer price index is assumed to be 2.00% per annum. This assumption remains unchanged from the previous valuation.

Discount Rate

The rate used to discount future benefits is assumed to be 4.00% per annum as at December 31, 2015. This rate reflects the Corporation's expected projected benefit cash flows for post-retirement non-pension benefits and the market yields on high quality bonds at December 31, 2015.

The assumption used in the previous valuation was 3.75% per annum as at January 1, 2013, which was subsequently updated to 4.60% as at December 31, 2013.

Salary Increase Rate

The rate used to increase salaries is assumed to be 2.90% per annum. This rate reflects the expected Consumer Price Index adjusted for productivity, merit and promotion adjusted for company-specific information.

This assumption remains unchanged from the previous valuation.

DEMOGRAPHIC ASSUMPTIONS

Mortality Table

The mortality tables used are as per the Canadian Institute of Actuaries Canadian Pensioners' Mortality Pension Experience Subcommittee final report dated February 11, 2014 (CIA Report). More specifically, the Canada Pensioners Mortality ("CPM") Table Public Sector (CPM2014 PUBL) has been used with the generational projection of mortality improvement based upon CPM Improvement Scale 81-2014.

Mortality rates are applied on a sex-distinct basis.

The assumption used in the previous valuation was the 1994 Uninsured Pensioner Mortality (UP-94) table, with a generational projection of mortality improvements based upon Projection Scale AA. It was subsequently updated to the CPM Table and CPM Improvement Scale A1-2014 provided in the draft CIA Report, dated July 2013.

Rates of Withdrawal

Termination of employment is assumed to be in accordance with the following withdrawal table, which was compiled using withdrawal experience for a group of local distribution companies and municipalities for which data was available:

Age Bucket	Current Valuation	Previous Valuation
18-29	3.50%	2.75%
30-34	2.50%	2.25%
35-39	2.15%	2.00%
40-49	1.75%	1.50%
50-54	1.40%	1.50%

This assumption remains unchanged from the previous valuation.

Retirement Age

All active employees are assumed to retire at age 58 (or immediately if currently over age 58), which was based on the Corporation's retirement experience as well as a seven year retirement experience study on a group of local distribution companies for which data was available.

This assumption remains unchanged from the previous valuation.

Disability

No provision was made for future disability.

This assumption remains unchanged from the previous valuation.

Expenses and Taxes

We have assumed 5% of benefits is required for the cost of sponsoring the program.

This assumption remains unchanged from the previous valuation.

Sick Leave Utilization and Accrual

The following assumptions have been chosen for the purpose of projecting the future sick leave utilization for both vested and non-vested employees. These levels are based on the Corporation's experience data of the utilization of sick leave hours from 2010 to 2015 for all employees.

Union

	Percentage of Employees	Average Utilization (hrs)
Employees Exceeding Annual Accrual Level	17%	267
Employees Not Exceeding Annual Accrual Level	83%	28

Management

	Percentage of Employees	Average Utilization (hrs)
Employees Exceeding Annual Accrual Level	4%	333
Employees Not Exceeding Annual Accrual Level	96%	12

To project future liabilities for vested and non-vested sick leave benefits, a probability distribution is used for each of the union and management employees for future utilization of sick leave hours. This distribution assigns likelihoods to utilization levels, and is the basis for the projection.

For example, the assumption above indicates that 17% of the time, a union employee will use 267 sick leave hours in a year, and 83% of the time, a union employee will use 28 sick leave hours in a year. Similarly, 4% of the time, a management employee will use 333 sick leave hours in a year, and 96% of the time, a management employee will use 12 sick leave hours in a year.

The utilization assumptions above are exclusive of the annual accrual of sick leave hours, which is determined separately. The annual accrual assumptions chosen by management for the current valuation calculations are as follows:

	Management	Union
Annual Accrual of Sick Leave Hours	126	140

For the previous valuations, the assumptions to value non-vested and vested sick leave benefits were separated at the different valuation dates. The utilization assumption of the vested benefit entitlement for members at January 1, 2013 was chosen to be a flat 12.00 sick leave days per annum. For the non-vested valuation at December 31, 2014, we performed a separate calculation and the assumption chosen was as follows:

	Management	Union
Avg % of Individuals Using Sick Leave Bank Per Year	3.6%	16.8%
Avg Amount of Sick Leave Bank Hours Used Per Individual Per Usaae	278	167

In previous valuations, the above assumptions for non-vested sick leave benefits for each group were transformed into flat utilization assumptions for all members (10 hours per year for Management employees, on average, and 28 hours per year for Union employees, on average). This differs from our current approach of applying a probabilistic assumption. Note further that these sick leave bank utilization hours are after taking into account (i.e. are inclusive of) annual accrual of sick leave hours.

SECTION D- SUMMARY OF POST-EMPLOYMENT BENEFITS

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

GOVERNING DOCUMENTS

The program is governed by the following documents:

- Principle and Supplementary Agreements between Thunder Bay Hydro Electricity Distribution Inc. and Local Union 339 of the International Brotherhood of Electrical Workers (Office and Outside Staff), effective May 1, 2013 to April 30, 2016

What follows is only a summary of the accumulated vested and non-vested sick leave benefits program. For a complete description, please refer to the above-noted documents.

ELIGIBILITY

All employees who were hired prior to May 1, 1986 with a minimum of 5 years of active service are eligible for a payout of accumulated vested sick leave benefits at retirement.

PARTICIPANT CONTRIBUTIONS

The Corporation shall pay 100% of the cost of the vested sick leave benefits for eligible retirees.

PAST SERVICE

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

LENGTH OF SERVICE

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

SUMMARY OF BENEFITS

Accumulated sick leave credits for all employees, accumulate at a rate of one and one-half days per calendar month. For those whose credits are vested, the sick leave credits are paid out in the event of early retirement only (retiring prior to age 65).

For vested sick leave entitlements, the plan provides for an equivalent credit to retirement as the number of accrued sick days less 75 days (a minimum 76 days of sick leave is required to access this option). The maximum credit to retirement under the plan is 150 days. Management/Non-Management Union staff officially have a choice to have the days paid out, or to run out the time right before retirement.

SECTION E- EMPLOYER CERTIFICATION

Sick Leave Benefit Plan of Thunder Bay Hydro Distribution Inc. Actuarial Valuation as at December 31, 2015

I hereby confirm as an authorized signing officer of the administrator of the Sick Leave Benefit Plan of Thunder Bay Hydro Distribution Inc. that, to the best of my knowledge and belief, for the purposes of the valuation:

- i) the membership data summarized in Section B is accurate and complete;
- ii) the assumptions upon which this report is based as summarized in Section C, are management's best estimate assumptions and are adequate and appropriate for the purposes of this valuation; and
- iii) the summary of Plan Provisions in Section D is an accurate and complete summary of the terms of the Plan in effect on December 31, 2015.

THUNDER BAY HYDRO DISTRIBUTION INC.

Feb 02/16
Date

C. Speziale
Signature

CINDY SPEZIALE
Name

Vice President Finance
Title

Thunder Bay Hydro Distribution Inc.
 Estimated Benefit Expense(IAS19)
 Vested Sick Leave Benefits
 FINAL

	CV2015	Projected • CV 2016	Projected • CV 2017	Projected • CV 2018
Discount Rate at January 1	4.60%	4.00%	4.00%	4.00%
Discount Rate at December 31	4.00%	4.00%	4.00%	4.00%
Salary Scale Rate	2.90%	2.90%	2.90%	2.90%
Assumed Increase In Employer Contributions	actuals	expected**	expected **	expected**
A. Change in the Net Defined Benefit Liability/(Asset) Recognized In Balance Sheet				
Net Defined Benefit Liability/(Asset) as at January 1	196,790	95,781	35,427	38,032
Defined Benefit Cost Recognized In Income Statement	9,362	3,592	2,604	2,756
Defined Benefit Cost Recognized In Other Comprehensive Income	(14,411)			
Benefits Paid by the Employer	(95,959)	(64,045)		
Net Defined Benefit Liability/(Asset) as at December 31	95,781	35,427	38,032	40,788
B. Determination of Defined Benefit Cost				
81. Determination of Defined Benefit Cost Recognized in Income Statement				
Current Service Cost	2,516	1,142	1,187	1,235
Interest Cost	5,845	2,550	1,417	1,521
Defined Benefit Cost Recognized In Income Statement	9,352	3,592	2,604	2,755
B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized In Other Comprehensive Income				
Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	1,620			
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	2,640			
Net Actuarial Loss/(Gain) arising from Experience and Methodology Adjustments	(18,671)			
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)				
Change In Effect of Asset Ceiling				
Defined Benefit Cost Recognized in Other Comprehensive Income	(14,411)			
Total Defined Benefit cost	(5,049)	3,692	2,604	2,756
C. Change In the Present Value of Defined Benefit Obligation				
Present Value of Defined Benefit Obligation as at January 1	196,790	95,781	35,427	38,032
Current Service Cost	2,516	1,142	1,187	1,235
Interest Cost	6,845	2,550	1,417	1,521
Benefits Paid	(95,959)	(64,046)		
Net Actuarial Loss/(Gain)	(14,411)			
Present Value of Defined Benefit Obligation as at December 31	95,781	35,427	38,032	40,788

* Projected CY 2016 to 2018 results are provided for informational purposes only, Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review.

** Based on expected benefits to be paid to those eligible for benefits.

Thunder Bay Hydro Distribution Inc.
 Estimated Benefit Expense (IAS19)
 Vested Sick Leave Benefits
 FINAL

	CV 2015	Projected* CV 2016	Projected CV 2017	Projected* CV 2018
Discount Rate at January 1	4.60%	4.00%	4.00%	4.00%
Discount Rate at December 31	4.00%	4.00%	4.00%	4.00%
Salary Scale Rate	2.90%	2.90%	2.90%	2.90%
Assumed Increase In Employer Contributions	actuels	expected *	expected **	expected**

0. Calculation of Component Items

Interest Cost				
Present Value of Defined Benefit Obligation as at January 1	196,790	95,781	35,427	38,032
Benefits Paid	(47,979)	(32,023)		
Accrued Benefits	148,810	63,758	35,427	38,032
Interest Cost	6,845	2,550	1,417	1,521
Expected Present Value of Defined Benefit Obligation as at December 31				
Present Value of Defined Benefit Obligation as at January 1	196,790	95,781	35,427	38,032
Current Service Cost	2,516	1,142	1,187	1,235
Benefits Paid	(95,959)	(64,046)		
Interest Cost	6,845	2,550	1,417	1,521
Expected Present Value of Defined Benefit Obligation as at December 31	110,193	35,427	38,032	40,788

E. Net Actuarial Loss/ Gain

Net Actuarial Loss/(Gain) as at December 31				
Expected Present Value of Defined Benefit Obligation	110,193	35,427	38,032	40,788
Actual Present Value of Defined Benefit Obligation Net	95,781	35,427	38,032	40,788
Actuarial Loss/(Gain) as at December 31	(14,411)			

* Projected CY 2016 to 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review.

** Based on expected benefits to be paid to those eligible for benefits

COLLINS BARROW TORONTO

ACTUARIAL SERVICES

THUNDER BAY HYDRO DISTRIBUTION INC.

ACTUARIAL SERVICES

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

As at December 31, 2015

March 3, 2016 – Final

Clarity Defined.™
www.collinsbarrow.com

 Collins Barrow

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
PURPOSE	1
SUMMARY OF KEY RESULTS	2
ACTUARIAL CERTIFICATION	3
SECTION A- VALUATION RESULTS	4
VALUATION RESULTS	5
SENSITIVITY ANALYSIS.....	6
RECONCILIATION OF CHANGES IN THE DEFINED BENEFIT OBLIGATION.....	7
SECTION B- PLAN PARTICIPANTS	8
PARTICIPANT DATA	9
PARTICIPATION RECONCILIATION	12
SECTION C- SUMMARY OF ACTUARIAL METHOD AND ASSUMPTIONS	13
ACTUARIAL METHOD.....	13
MANAGEMENT'S BEST ESTIMATE ASSUMPTIONS	14
ECONOMIC ASSUMPTIONS	14
DEMOGRAPHIC ASSUMPTIONS	15
SECTION D- SUMMARY OF POST-RETIREMENT BENEFITS	17
GOVERNING DOCUMENTS	17
ELIGIBILITY	17
PARTICIPANT CONTRIBUTIONS.....	17
PAST SERVICE	17
LENGTH OF SERVICE	17
SUMMARY OF BENEFITS	18
SECTION E- EMPLOYER CERTIFICATION	19

EXECUTIVE SUMMARY

PURPOSE

Collins Barrow Toronto Actuarial Services Inc. was engaged by Thunder Bay Hydro Distribution Inc. (the "Corporation") to perform an actuarial valuation of the post-retirement non-pension benefits sponsored by the Corporation and to determine the accounting results for those benefits for the fiscal period ending December 31, 2015. The nature of these benefits is defined benefit.

This report is prepared in accordance with the International Financial Reporting Standards (the "IFRS") guidelines for post-retirement non-pension benefits as outlined in the amendments to the International Accounting Standard 19- Employee Benefits ("IAS 19") issued in June 2011. The Corporation began reporting on the basis of IFRS for the fiscal year beginning January 1, 2015. Prior to this date, the valuation of the Corporation's post-retirement non-pension benefits was prepared in accordance with the Canadian Institute of Chartered Accountants ("CICA") guidelines outlined in Employee Future Benefits, Section 3461 of the CICA Handbook-Accounting ("CICA 3461").

The most recent full valuation was prepared as at January 1, 2013 based on the then appropriate assumptions and in accordance with CICA 3461.

The purpose of this valuation is threefold:

- i) to determine the Corporation's liabilities in respect of post-retirement non-pension benefits at December 31, 2015;
- ii) to determine the expense to be recognized in the income statement for fiscal year 2016; and iii)
to provide all other pertinent information necessary for compliance with IAS 19.

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

SUMMARY OF KEY RESULTS

The key results of this actuarial valuation as at December 31, 2015 with comparative results from the previous valuation as at January 1, 2013 are shown below, in thousands of dollars:

	January 1, 2013 (CICA 3461)	December 31, 2015 (IAS 19)
Present Value of Defined Benefit Obligation (PV DBO)		
a) People in Receipt of Benefits	677	510
b) Fully Eligible Actives	242	325
c) Not Fully Eligible Actives	1,095	855
Total PV DBO	2,014	1,690

	CY 2013 (CICA 3461)	CY 2016 (IAS 19)
Current Service Cost	93	82
Interest Cost	77	66
Recognition of Actuarial (Gains)/Losses	(42)	n/a
Defined Benefit Cost Recognized in Income Statement	128	148
Defined Benefit Cost Recognized in Other Comprehensive Income	n/a	0

ACTUARIAL CERTIFICATION

An actuarial valuation has been performed on the post-retirement non-pension benefit plans sponsored by Thunder Bay Hydro Distribution Inc. (the "Corporation") as at December 31, 2015, for the purposes described in this report.

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

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

We are not aware of any subsequent events after December 31, 2015 that would have a significant effect on our valuation.

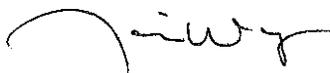
The latest date on which the next actuarial valuation should be performed is December 31, 2018. If any supplemental advice or explanation is required, please advise the undersigned.

Respectfully submitted,

COLLINS BARROW TORONTO ACTUARIAL SERVICES INC.



Stanley Caravaggio, FSA FCIA
Senior Manager



Jamie Wong
Actuarial Analyst

Toronto, Ontario

March 3, 2016

SECTION A- VALUATION RESULTS

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

Table A" 2 shows the sensitivity of the valuation results to certain changes in assumptions. We have shown a change to the assumed retirement age from age 58 to 56, an increase/decrease in the health claims cost trend rates by 1% per annum, and an increase/decrease in the discount rate by 1% per annum.

Table A, 3 presents the reconciliation of changes in the present value of defined benefit obligation at December 31, 2015.

VALUATION RESULTS

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

	January 1, 2013 (CICA 3461)	December 31, 2015 (IAS 19)
Present Value of Defined Benefit Obligation (PV DBO)		
a) People in Receipt of Benefits	677	510
b) Fully Eligible Actives	242	325
c) Not Fully Eligible Actives	1,095	855
Total PV DBO	2,014	1,690

	CY 2013 (CICA 3461)	CY 2016 (IAS 19)
Current Service Cost	93	82
Interest Cost	77	66
Recognition of Actuarial (Gains)/Losses Defined Benefit Cost Recognized in Income Statement	(41)	n/a
	129	148
Actuarial (Gains)/Losses Defined Benefit Cost Recognized in Other	n/a	0
Comprehensive Income	n/a	0
Total Defined Benefit Cost	129	148
Expected Benefit Payments	84	78

The benefit payments for CY 2016 are based on the estimated payments to be made for those expected to be eligible for benefits.

SENSITIVITY ANALYSIS

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

	PV DBO at December 31, 2014			CY		
	People in Receipt of Benefits	Fully Eligible Actives	Not Fully Eligible Actives	Total PVDBO	Current Service Cost	Interest Cost
Valuation Results	510	325	855	1,690	82	66
Retirement Age 56	510	359	1,057	1,926	102	75
Cost Trends +1%	517	333	935	1,785	93	70
Cost Trends -1%	503	318	784	1,605	73	63
Discount Rate 5%	477	304	744	1,525	70	74
Discount Rate 3%	551	350	991	1,892	97	56

RECONCILIATION OF CHANGES IN THE DEFINED BENEFIT OBLIGATION

Table A.3-Reconciliation of Changes in the Defined Benefit Obligation
(in thousands of dollars)

PV DBO at December 31, 2014 (IAS 19)	1,882
2015 Current Service Cost	80
2015 Benefit Payments	(86)
2015 Interest Cost	<u>84</u>
Expected PV DBO at December 31, 2015	1,960
Adjustment for Demographic Changes	(113)
Change in Assumptions at December 31, 2015	(157)
PV DBO at December 31, 2015	1,690

The decrease indicated above of \$270,000 in the PV DBO from the expected PV DBO at December 31, 2015 is due to re-measurement of the liability; a breakdown of the changes is as follows:

- A change in the discount rate assumption (an increase of approximately \$103,000)
- A change in the mortality assumption (an increase of approximately \$28,000)
- A change in the claims cost trend rate assumption (an increase of approximately \$22,000)
- A change in the withdrawal table assumption (a decrease of approximately \$3,000)
- Differences between the actual and expected health benefit cost rates (a decrease of approximately \$307,000)
- Deviations from the expected demographic changes of the valued groups due to factors such as the difference between actual and expected salary increases, changes in coverage types, changes in employee status, and new hires (a total decrease of approximately \$113,000)

Pursuant to IAS 19, the re-measurement of the PV DBO at December 31, 2015 based on the changes in the assumptions and experience is recognized as an adjustment to the defined benefit cost recognized in other comprehensive income.

SECTION B- PLAN PARTICIPANTS

Table B- 1 sets out the summary information with respect to the plan participants valued in the report, along with comparisons to the participants in the previous valuation with data as of January 1, 2013.

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

PARTICIPANT DATA

Table 8.1-Participant Data

Membership data as at November 30, 2015 was received from the Corporation via e-mail and included information such as name, sex, age, date of hire, current salary, benefit amounts and other applicable details for all active employees and people in receipt of benefits.

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

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

In addition, the following tests were performed:

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

Active Employees

	January 1, 2013			November 30, 2015		
	Male	Female	Total	Male	Female	Total
Number of Employees	88	28	116	91	32	123
Avg. Length of Service	11.4	19.1	13.2	11.9	12.1	12.0

Count as of November 30, 2015						
Age Band	Active Lives - Not Fully Eligible			Active Lives - Fully Eligible		
	Male	Female	Total	Male	Female	Total
Less than 30	15	7	22			
30-35	16	2	18			
36-40	10	2	12			
41-45	10	4	14			
46-50	14	7	21			
51-55	16	3	19	4		5
56-60				5	5	10
61-65						2
66-70						
71-75						
Greater than 75						
Total	81	25	106	10	7	17

Average Service as of November 30, 2015						
Age Band	Active Lives - Not Fully Eligible			Active Lives - Fully Eligible		
	Male	Female	Total	Male	Female	Total
Less than 30	4.1	0.7	3.0			
30-35	4.8	2.3	4.6			
36-40	5.1	9.0	5.7			
41-45	14.4	7.7	12.5			
46-50	16.3	13.2	15.3			
51-55	20.1	26.3	21.1	22.0	8.7	19.3
56-60				21.3	22.6	21.9
61-65				5.1	36.9	21.0
66-70						
71-75						
Greater than 75						
Total	10.9	9.2	10.5	19.9	22.6	21.0

People in Receipt of Benefits (includes people on LTD)

Number of Members	January 1, 2013			November 30, 2015		
	Male	Female	Total	Male	Female	Total
	48	20	68	53	27	80

Expected Annual Benefit Payments for CY 2016			
Age Band	Male	Female	Total
Less than 30			
30-35			
36-40			
41-45			
46-50			
51-55		1,657	1,657
56-60	14,804	14,583	29,387
61-65	25,776	4,907	30,684
66-70			
71-75			
Greater than 75			
Total	40,580	21,148	61,729

PARTICIPATION RECONCILIATION

Table 8.2-Participation Reconciliation

Participant Reconciliation			
	Actives	Disabled	Retired
As at Jan. 1, 2013	116	1	37.
New Entrants	26		
Active		(3)**	10
Disabled	(3)**		
Terminated	(6)		
Deceased			(1)
Retired	(10)		
No Longer Eligible			10***
As at Nov. 30, 2015	123	(2)	36

• *The number of retirees indicated in previous report was 67. However, this figure include retirees over age 65 that were no longer receiving benefits.*

** *This figure represents the net of one individual recovering from LTD and four individuals become disabled since the previous valuation.*

*** *This figure represents ten retirees who reached age 65 since the previous valuation and are no longer receiving benefits.*

SECTION C- SUMMARY OF ACTUARIAL METHOD AND ASSUMPTIONS

ACTUARIAL METHOD

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

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

The Present Value of the Defined Benefit Obligation and Current Service Cost were determined using the projected benefit method, pro-rated on service. This is the method stipulated by IAS 19 when future salary levels or cost escalation affect the amount of the employee's future benefits. Under this method, the projected post-retirement benefits are deemed to be earned on a pro-rata basis over the years of service in the attribution period. IAS 19 stipulates that the attribution period commences on the date when service by the employee first leads to post-retirement non-pension benefits under the plan and ends on the date when further service by the employee will lead to no material amount of further post- retirement non-pension benefits under the plan, other than from further salary increases.

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

For health benefits, the Corporation has selected the funding levels charged to retirees as management's best estimate of the benefits costs to be incurred. The total monthly premium rates, inclusive of premium taxes, used are as follows, effective August 1, 2015 to July 31, 2016:

Age Group	Health Premiums	
	Single Coverage	Family Coverage
Under Age 60	\$ 75.96	\$ 188.01
Between AQes 60 and 64	\$ 80.33	\$ 196.74

The above premium rates were provided by the Corporation and represent the rates at 100%, prior to any cost-sharing provisions.

The PV DBO at December 31, 2015 is based on membership data as at November 30, 2015 and management's best estimate assumptions as at December 31, 2015.

MANAGEMENT'S BEST ESTIMATE ASSUMPTIONS

The following are management's best estimate economic and demographic assumptions as at December 31, 2015.

ECONOMIC ASSUMPTIONS

Consumer Price Index

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

This assumption remains unchanged from the previous valuation.

Discount Rate

The rate used to discount future benefits is assumed to be 4.00% per annum as at December 31, 2015. This rate reflects the Corporation's expected projected benefit cash flows for post-retirement non-pension benefits and the market yields on high quality bonds at December 31, 2015.

The assumption used in the previous valuation was 3.75% per annum as at January 1, 2013, which was subsequently updated to 4.60% per annum as at December 31, 2013.

Salary Increase Rate

The rate used to increase salaries is assumed to be 2.90% per annum. This rate reflects the expected Consumer Price Index adjusted for productivity, merit and promotion adjusted for company-specific information.

This assumption remains unchanged from the previous valuation.

Claims Cost Trend Rate

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

End of Year	Current Valuation	Previous Valuation
2016	6.50%	6.10%
2017	6.25%	5.80%
2018	6.00%	5.50%
2019	5.75%	5.20%
2020	5.50%	4.90%
2021	5.25%	4.60%
2022	5.00%	4.60%
2023	4.75%	4.60%
2024 and Thereafter	4.50%	4.60%

DEMOGRAPHIC ASSUMPTIONS

Mortality Table

The mortality tables used are as per the Canadian Institute of Actuaries Canadian Pensioners' Mortality Pension Experience Subcommittee final report dated February 11, 2014 (CIA Report). More specifically, the Canada Pensioners Mortality ("CPM") Table Public Sector (CPM2014 PUBL) has been used with the generational projection of mortality improvement based upon CPM Improvement Scale 81-2014.

Mortality rates are applied on a sex-distinct basis.

The assumption used in the previous valuation was 1994 Uninsured Pensioner Mortality (UP-94) table, with a generational projection of mortality improvements based upon Project Scale AA. It was subsequently updated on December 31, 2013 to the CPM Table and CPM Improvement Scale A1-2014 provided in the draft CIA Report, dated July 2013.

Rates of Withdrawal

Termination of employment is assumed to be in accordance with the following withdrawal table, which was compiled using withdrawal experience for a group of local distribution companies and municipalities for which data was available:

Age Bucket	Current Valuation	Previous Valuation
18-29	3.50%	2.75%
30-34	2.50%	2.25%
35-39	2.15%	2.00%
40-49	1.75%	1.50%
50-54	1.40%	1.50%

Retirement Age

All active employees are assumed to retire at age 58 (or immediately if currently over age 58), which was based on the Corporation's retirement experience as well as a seven year retirement experience study on a group of local distribution companies for which data was available.

This assumption remains unchanged from the previous valuation.

Disability

No provision was made for future disability.

This assumption remains unchanged from the previous valuation.

Family/Single Coverage

It is assumed that the coverage type as at December 31, 2015, as provided by the Corporation, will remain the same until the employee reaches the assumed retirement age. For family coverage, it is assumed that the retiree has a spouse of opposite gender and no other dependents. Male spouses are assumed to be three years older than female spouses.

These assumptions remain unchanged from the previous valuation.

Expenses and Taxes

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

These assumptions remain unchanged from the previous valuation.

SECTION D- SUMMARY OF POST-RETIREMENT BENEFITS

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

GOVERNING DOCUMENTS

The program is governed by the following documents:

- Principle and Supplementary Agreements between Thunder Bay Hydro Electricity Distribution Inc. and Local Union 339 of the International Brotherhood of Electrical Workers (Office and Outside Staff), effective May 1, 2013 to April 30, 2016
- Thunder Bay Hydro Early Retirees (to Age 65) Benefit Summary

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

ELIGIBILITY

All employees are eligible for post-retirement life insurance and extended health care benefits.

PARTICIPANT CONTRIBUTIONS

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

PAST SERVICE

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

LENGTH OF SERVICE

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

SUMMARY OF BENEFITS

Life Insurance

Eligible employees are entitled to the following post-retirement life insurance coverage:

Classes 1, 3, 5, 10, 11 (president and those with a grandfathered coverage amount)

- Basic coverage amount of 1.75x salary at retirement to age 65
- At age 65, there is paid-up life insurance coverage of \$7,000

Other retiree classes

- Basic coverage amount of 1.5x salary at retirement to age 65
- At age 65, there is paid-up life insurance coverage of \$7,000

Health Benefits

Eligible employees are entitled to post-retirement health benefits to age 65. Coverage for health benefits continues to the eligible dependents of a deceased employee or pensioner for a period of 12 months. A detailed description of the health benefits covered under the post-retirement non-pension benefits plan can be found in the above-noted governing documents.

SECTION E- EMPLOYER CERTIFICATION

Post-Retirement Non-Pension Benefit Plan of Thunder Bay Hydro Distribution Inc. Actuarial Valuation as at December 31, 2015

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

- i) the membership data summarized in Section B is accurate and complete;
- ii) the assumptions upon which this report is based as summarized in Section C, are management's best estimate assumptions and are adequate and appropriate for the purposes of this valuation; and
- iii) the summary of Plan Provisions in Section D is an accurate and complete summary of the terms of the Plan in effect on December 31, 2015.

THUNDER BAY HYDRO DISTRIBUTION INC.

Feb 22, 2016
Date

C. Speziale
Signature

CINDY SPEZIALE
Name

Vice President, Finance
Title

Thunder Bay Hydro Distribution Inc.
Estimated Benefit Expense (IAS 19)
Post-Retirement Non-Pension Benefits
FINAL

	CV 2015	Projected • CV 2016	Projected CV 2017	Projected • CV 2018
Discount Rate at January 1	4.60%	4.00%	4.00%	4.00%
Discount Rate at December 31	4.00%	4.00%	4.00%	4.00%
Health Benefit Cost Trend Rate at December 31				
Trend Rate	6.40%	6.50%	6.25%	6.00%
Ultimate Rate	4.60%	4.50%	4.50%	4.50%
Year Ultimate Rate Reached	2024	2024	2024	2024
Salary Scale Rate	2.90%	2.90%	2.90%	2.90%
Assumed Increase in Employer Contributions	actuels	expected **	expected**	expected**
A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet				
Net Defined Benefit Liability/(Asset) as at January 1	1,881,696	1,689,646	1,759,987	1,843,883
Defined Benefit Cost Recognized In Income Statement	164,322	148,000	154,239	160,952
Defined Benefit Cost Recognized In Other Comprehensive Income	(270,814)			
Benefits Paid by the Employer	(85,558)	(77,659)	(70,343)	(72,983)
Net Defined Benefit Liability/(Asset) as at December 31	1,689,646	1,759,987	1,843,883	1,931,851
B. Determination of Defined Benefit Cost				
B1. Determination of Defined Benefit Cost Recognized In Income Statement				
Current Service Cost	79,732	81,968	85,246	88,656
Interest Cost	84,590	66,033	68,993	72,296
Defined Benefit Cost Recognized in Income Statement	164,322	143,000	154,239	160,952
B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized In Other Comprehensive Income				
Net Actuarial Loss/(Gain) arising from Changes In Financial Assumptions	(182,024)			
Net Actuarial Loss/(Gain) arising from Changes In Demographic Assumptions	24,513			
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(113,302)			
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)				
Change In Effect of Asset Ceiling				
Defined Benefit Cost Recognized in Other Comprehensive Income	(270,814)			
Total Defined Benefit Cost	(106,492)	148,000	154,239	160,952
c. Change in the Present Value of Defined Benefit Obligation				
Present Value of Defined Benefit Obligation as at January 1	1,881,696	1,689,646	1,759,987	1,843,883
Current Service Cost	79,732	81,968	85,246	88,656
Interest Cost	84,590	66,033	68,993	72,296
Benefits Paid	(85,558)	(77,659)	(70,343)	(72,983)
Net Actuarial Loss/(Gain)	(270,814)			
Present Value of Defined Benefit Obligation as at December 31	1,689,646	1,759,987	1,843,883	1,931,851

* Projected CY 2016 to 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review.

**Based on expected benefits to be paid to those eligible for benefits.

Thunder Bay Hydro Distribution Inc.
Estimated Benefit Expense (IAS 19)
Post-Retirement Non-Pension
Benefits FINAL

	CV 2015	Projected* CV 2016	Projected* CV 2017	Projected* CV 2018
Discount Rate at January 1	4.60%	4.00%	4.00%	4.00%
Discount Rate at December 31	4.00%	4.00%	4.00%	4.00%
Health Benefit Cost Trend Rate at December 31				
Trend Rate	5.40%	6.50%	6.25%	6.00%
Ultimate Rate	4.60%	4.50%	4.50%	4.50%
Year Ultimate Rate Reached	2024	2024	2024	2024
Salary Scale Rate	2.90%	2.90%	2.90%	2.90%
Assumed Increase in Employer Contributions	actuals	expected*	expected *	expected **

D. Calculation of Component Items
Interest Cost

Present Value of Defined Benefit Obligation as at January 1	1,881,696	1,689,646	1,759,987	1,843,883
Benefits Paid	(42,779)	(38,830)	(35,171)	(36,492)
Accrued Benefits	1,838,917	1,650,816	1,724,816	1,807,391
Interest Cost	84,590	66,033	68,993	72,296

Expected Present Value of Defined Benefit Obligation as at December 31

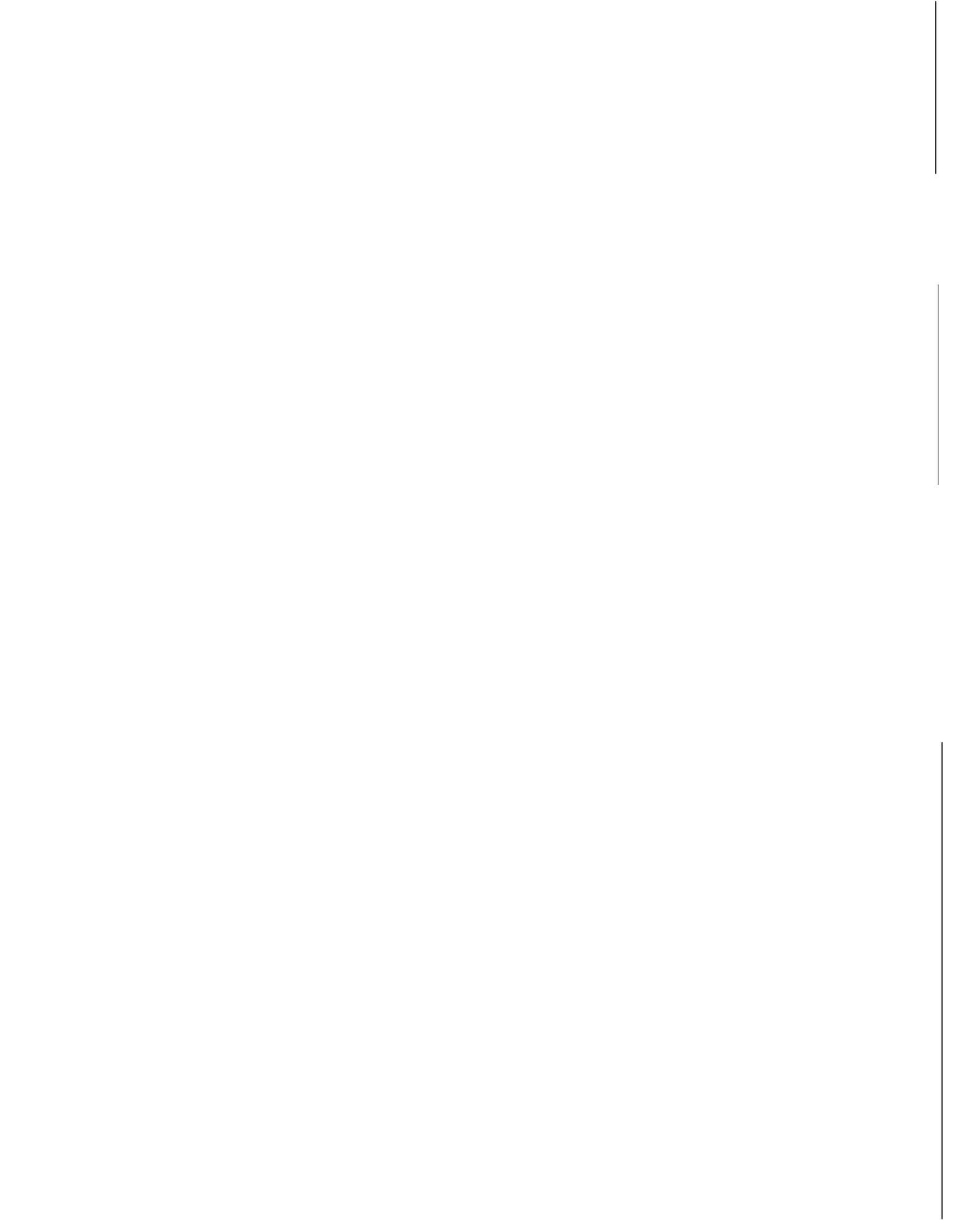
Present Value of Defined Benefit Obligation as at January 1	1,881,696	1,689,646	1,759,987	1,843,883
Current Service Cost	79,732	81,968	85,246	88,656
Benefits Paid	(85,558)	(77,659)	(70,343)	(72,983)
Interest Cost	84,590	66,033	68,993	72,296
Expected Present Value of Defined Benefit Obligation as at December 31	1,960,460	1,759,987	1,843,883	1,931,851

E. Net Actuarial Loss/ (Gain)
Net Actuarial Loss/ (Gain) as at December 31

Expected Present Value of Defined Benefit Obligation	1,960,460	1,759,987	1,843,883	1,931,851
Obligation Actual Present Value of Defined Benefit	1,689,646	1,759,987	1,843,883	1,931,851
Obligation Net Actuarial Loss/ (Gain) as at December 31	(270,814)			

*Projected CY 2016 to 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review.

**Based on expected benefits to be paid to those eligible for benefits.



ATTACHMENT 4 – I

Shared Services and Corporate Cost Allocation

Board Appendix 2-N

Appendix 2-N
 Shared Services and Corporate Cost Allocation ¹

Year: 2013

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To				
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Utility Services Inc.	Conservation & Demand Mgmt. Utility Billing Services, Meter Services, IT Services	Cost + Greater of Bank Prime OR Approved ROE (7.00%, EB-2008-0245)	\$ 186,583	\$ 171,051
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Utility Services Inc.	Corporate/Administrative Costs/IT Services	Fully Allocated Costs	\$ 56,506	\$ 56,506
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Corp.	Board Honourarium	Fully Allocated Costs	\$ 6,646	\$ 6,646
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Renewable Power Incorporated	Corporate/Administrative Costs	Fully Allocated Costs	\$ 95,911	\$ 77,828
Total:				\$ 345,646	\$ 312,031

Year: 2014

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To				
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Utility Services Inc.	Conservation & Demand Mgmt. Utility Billing Services, Meter Services, IT Services	Cost + Greater of Bank Prime OR Approved ROE (7.00%, EB-2008-0245)	\$ 241,276	\$ 221,505
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Utility Services Inc.	Corporate/Administrative Costs/IT Services	Fully Allocated Costs	\$ 52,058	\$ 52,058
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Corp.	Corporate/Administrative Costs/Board Honourarium	Fully Allocated Costs	\$ 6,591	\$ 6,591
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Renewable Power Incorporated	Corporate/Administrative Costs	Fully Allocated Costs	\$ 90,423	\$ 95,310
Total:				\$ 390,348	\$ 375,464

Year: 2015

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To				
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Utility Services Inc.	Conservation & Demand Mgmt. Utility Billing Services, Meter Services, IT Services	Cost + Greater of Bank Prime OR Approved ROE (7.00%, EB-2008-0245)	\$ 258,730	\$ 234,930
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Utility Services Inc.	Corporate/Administrative Costs/IT Services	Fully Allocated Costs	\$ 52,058	\$ 52,058
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Corp.	Board Honourarium	Fully Allocated Costs	\$ 6,528	\$ 6,528
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Renewable Power Incorporated	Corporate/Administrative Costs	Fully Allocated Costs	\$ 88,898	\$ 93,073
Total:				\$ 405,214	\$ 386,589

Year: 2016

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To				
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Utility Services Inc.	Conservation & Demand Mgmt. Utility Billing Services, Meter Services, IT Services	Cost + Greater of Bank Prime OR Approved ROE (7.00%, EB-2008-0245)	\$ 322,018	\$ 300,951
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Utility Services Inc.	Corporate/Administrative Costs/IT Services	Fully Allocated Costs	\$ 88,444	\$ 88,444
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Corp.	Board Honourarium	Fully Allocated Costs	\$ 8,124	\$ 8,124
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Renewable Power Incorporated	Corporate/Administrative Costs	Fully Allocated Costs	\$ 75,300	\$ 84,280
Total:				\$ 493,886	\$ 481,809

Year: 2017

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To				
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Utility Services Inc.	Conservation & Demand Mgmt. Utility Billing Services, Meter Services, IT Services	Cost + Greater of Bank Prime OR Approved ROE (8.19%, EB-2008-0245)	\$ 357,287	\$ 321,012
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Utility Services Inc.	Corporate/Administrative Costs/IT Services	Fully Allocated Costs	\$ 91,789	\$ 91,789
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Hydro Corp.	Board Honourarium	Fully Allocated Costs	\$ 8,013	\$ 8,013
Thunder Bay Hydro Electricity Distribution Inc.	Thunder Bay Renewable Power Incorporated	Corporate/Administrative Costs	Fully Allocated Costs	\$ 75,605	\$ 82,569
Total:				\$ 532,794	\$ 503,383

Note:

1 This appendix must be completed in relation to each service provided or received for the Historical (actuals), Bridge and Test years. The required information includes:

- **Type of Service:** Services such as billing, accounting, payroll, etc. The applicant must identify any costs related to the Board of Directors of the parent company that are allocated to the applicant.
- **Pricing Methodology:**

Pricing Methodology includes approaches such as cost-based, market-based, tendering, etc. The applicant must provide evidence demonstrating the pricing methodology used. The applicant must also provide a description of why that pricing methodology was chosen, whether or not it is in conformity with ARC, and why it is appropriate.

- **% Allocation:**

The applicant must provide the percentage of the costs allocated to the entity for the service being offered. The Applicant must also provide a description of the allocator and why it is an appropriate allocator.

ATTACHMENT 4 – J

Thunder Bay Renewable Power Incorporated

Service Agreement

SERVICES AGREEMENT

THIS AGREEMENT made as of the 29th day of April 2009,

BETWEEN:

THUNDER BAY HYDRO ELECTRICITY DISTRIBUTION INC., a corporation incorporated under the Ontario *Business Corporations Act*, R.S.O. 1990, c. B.18 (hereinafter referred to as "DISTRIBUTION")

OF THE FIRST PART

and

-

THUNDER BAY HYDRO RENEWABLE POWER INCORPORATED., a corporation incorporated under the *Ontario Business Corporations Act*, R.S.O. 1990, c. B.18 (hereinafter referred to as "RENEWABLE")

OF THE SECOND PART

WHEREAS DISTRIBUTION is required by the Ontario Energy Board to enter a service agreement (hereinafter referred to as the "Agreement") with RENEWABLE under the Affiliate Relationships Code for Electricity Distributors and Transmitters (revised May 16, 2008 and as may be amended from time to time) (hereinafter referred to as the "Code");

AND WHEREAS the Code provides that DISTRIBUTION and any affiliate with which it shares services, shall do so in accordance with a Services Agreement

AND WHEREAS DISTRIBUTION has agreed to share services of certain of its employees with RENEWABLE for a fee, subject to the terms and conditions set forth herein;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and agreements herein contained, it is mutually declared, covenanted and agreed by and between the parties hereto as follows:

1. SERVICES PROVIDED

(a) DISTRIBUTION shall provide management services to RENEWEABLE as RENEWEABLE may reasonably require from time to time. The management services shall consist of providing direction, planning and administration in project construction and operations for RENEWEABLE business functions.

(b) DISTRIBUTION shall sell all services, resources, and products to RENEWEABLE at DISTRIBUTION'S fully-allocated cost to provide the service, resource, or product, which shall include the sum of (i) direct project construction and operations management costs and (ii) RENEWEABLE's allocated portion of shared corporate overhead services. DISTRIBUTION shall calculate the fully-allocated cost on an annual basis and invoice RENEWEABLE a fixed monthly charge accordingly.

(c) DISTRIBUTION shall not incur any third party costs in providing services to RENEWEABLE without the prior written approval of RENEWEABLE. RENEWEABLE shall reimburse DISTRIBUTION for any third party costs incurred. DISTRIBUTION shall submit to RENEWEABLE an invoice or similar evidence of payment in respect of all third party costs for which it seeks reimbursement hereunder.

(d) DISTRIBUTION shall sell assets to RENEWEABLE at the greater of market price and the net book value of the asset. Before selling an asset to RENEWEABLE with a net book value that exceeds \$100,000 or 0.1% of DISTRIBUTION's utility revenue, whichever is greater, DISTRIBUTION shall obtain an independent assessment of its market price.

(e) DISTRIBUTION shall purchase assets from RENEWEABLE at a price no more than the market price. Before DISTRIBUTION purchases an asset from RENEWEABLE with a net book value that exceeds \$100,000 or 0.1% of DISTRIBUTION's utility revenue, whichever is greater, the utility shall obtain an independent assessment of its market price.

(f) DISTRIBUTION may provide loans, guarantee the indebtedness of, or invest in the securities of RENEWEABLE, but shall not invest or provide guarantees or any other form of financial support if the amount of support or investment, on an aggregated basis over all transactions with all affiliates, would equal an amount greater than 25% of DISTRIBUTION's total equity. In addition, the terms of any loan, investment, or other financial support provided to RENEWEABLE are to be no more favourable than what RENEWEABLE would be able to obtain on its own from the capital markets and in all cases at no more favourable terms than DISTRIBUTION could obtain directly for itself in capital markets.

(g) All amounts owing by RENEWABLE will be settled as incurred, or at a minimum, on a monthly basis. Both DISTRIBUTION and RENEWABLE, will settle any amounts owing within three months following the year end of DISTRIBUTION.

(h) DISTRIBUTION shall take all reasonable steps to ensure that RENEWABLE does not use DISTRIBUTION's name, logo or other distinguishing characteristics in a manner which would mislead consumers as to the distinction between DISTRIBUTION and RENEWABLE.

(i) DISTRIBUTION shall take reasonable steps to ensure that RENEWABLE does not imply in its marketing material favoured treatment or preferential access to DISTRIBUTION's system or services. If DISTRIBUTION becomes aware of inappropriate marketing activity by RENEWABLE, it shall (1) immediately take reasonable steps to notify affected customers of the violation (2) take necessary steps to ensure the affiliate is aware of the concern, and (3) inform the Board in writing of such activity and the remedial measures that were undertaken by DISTRIBUTION.

(j) Requests by RENEWABLE or RENEWABLE's customers for access to DISTRIBUTION's distribution network or for utility services shall be processed and provided by DISTRIBUTION in the same manner as would be processed or provided for similarly situated non-affiliated parties.

2. LIMITATION OF LIABILITY

All risk arising under this Agreement and extraneous to this Agreement is with RENEWABLE. DISTRIBUTION assumes no risk. In no event shall DISTRIBUTION be liable for damages arising from risks associated with the provision of services under this Agreement or otherwise.

3. DISPUTE RESOLUTION PROCESS

Any dispute arising between DISTRIBUTION and RENEWABLE under this Agreement or arising over the terms of the Agreement shall be resolved by arbitration under the Arbitrations Act, 1991, S.O. 1991, Chapter 17.

4. TERMINATION

The term of this Agreement is on a year-to-year basis commencing on the date hereof. This Agreement may be terminated by RENEWABLE by giving written notice to DISTRIBUTION, or by DISTRIBUTION by giving written notice to RENEWABLE, given at least six months prior to any anniversary of the date hereof. Any changes in the amounts payable under this Agreement shall be changed as of January 1st in each year,

based on the change, if any, in the Consumer Price Index for Thunder Bay as of the end of October for the prior year from the previous end of October.

5. **ENTIRE AGREEMENT**

This Agreement contains the entire agreement amongst DISTRIBUTION and RENEWABLE and no amendment hereof shall be binding upon DISTRIBUTION and RENEWABLE unless same is in writing and signed by DISTRIBUTION and RENEWABLE. Amendments to this Agreement come into effect on the anniversary of a six-month notice period.

6. **PERSONAL SERVICES AGREEMENT**

This Agreement is a personal services agreement and may not be assigned by either party hereto without the prior written consent of the other party.

7. **CONFIDENTIALITY**

(a) Information that becomes known through the relationship between DISTRIBUTION and RENEWABLE remains confidential, and neither DISTRIBUTION nor RENEWABLE may disclose said information to any third party.

(b) All confidential information that DISTRIBUTION shares with RENEWABLE under this Agreement is to be protected from access by RENEWABLE. Access to DISTRIBUTION's information services shall include appropriate computer data management and data access protocols as well as contractual provisions regarding the breach of any access protocols. Compliance with the access protocols and the Agreement shall be ensured as necessary, through a review which complies with the provisions of Section 5970 of the Canadian Institute of Chartered Accountants Handbook (hereinafter referred to as the "CICA Handbook"). The Ontario Energy Board (hereinafter referred to as the "Board") may provide direction regarding the terms of the Section 5970 review. The results of any review shall be made available to the Board.

(c) Services to be provided by DISTRIBUTION's employees under Section 1 of this Agreement are subject to the provision that these employees are not directly involved in collecting, and do not have access to, confidential information.

(d) DISTRIBUTION shall not release to RENEWABLE confidential information relating to a smart sub-metering provider, wholesaler, consumer, retailer, or generator without the consent of that smart sub-metering provide, wholesaler, consumer, retailer, or generator.

(e) DISTRIBUTION shall not disclose confidential information to RENEWABLE without the consent in writing of the smart sub-metering provider, wholesaler, consumer, retailer, or generator, as the case may be, except where confidential information is required to be disclosed:

- (i) for billing or market operation purposes;
- (ii) for law enforcement purposes;
- (iii) for the purpose of complying with a legal requirement; or
- (iv) for the processing of past due accounts of the consumer which have been passed to a debt collection agency.

(f) Confidential information may be disclosed where the information has been sufficiently aggregated such that any individual smart sub-metering provider, wholesaler, consumer, retailer, or generator's information cannot reasonably be identified. If such information is aggregated it must be disclosed on a non-discriminatory basis to any party requesting the information.

8. DEGREE OF SEPARATION

DISTRIBUTION shall ensure accounting and financial separation from RENEWABLE and shall maintain separate financial records and books of accounts in accordance with guidelines specified in the Code.

9. QUALITY OF SERVICE

DISTRIBUTION shall meet its obligations to RENEWABLE under this Agreement by providing a quality of service at least equal to that which would be provided by an independent third party.

10. FORCE MAJEURE

"Force Majeure" means a strike, lockout, riot, insurrection, war, fire, tempest, flood, act of God, lack of materials or supply of service which results notwithstanding the diligent efforts of DISTRIBUTION. During the occurrence of an event of Force Majeure, the obligations of the party effected by such event of Force Majeure, to the extent that such obligations cannot be performed as a result of such event of Force Majeure, shall be suspended, and such a party shall not be considered to be in default hereunder, for the period of such occurrence, except that the occurrence of an event of Force Majeure affecting RENEWABLE (but not affecting the performance of DISTRIBUTION's obligations hereunder) shall not relieve it of its obligations to make payments to DISTRIBUTION hereunder. The non-performing party shall give the other party prompt written notice of the particulars of the event of Force Majeure and its expected duration and shall continue to furnish regular reports with respect thereto on a timely basis during

the continuance of the event of Force Majeure and shall use its best efforts to remedy its inability to perform. The suspension of performance is to be of no greater scope and of no longer duration than is required by the Force Majeure condition. No obligations of either Party that arose before the Force Majeure causing the suspension of performance are excused as a result of the Force Majeure.

11. TIME

Time shall be of the essence herein.

12. PREVIOUS AGREEMENTS

This Agreement terminates, cancels and supersedes any and all other written and verbal agreements between the parties relating to these issues herein.

13. INUREMENT

This Agreement shall bind DISTRIBUTION, RENEWABLE, and their respective legal representatives, executors, administrators, successors and permitted assigns.

14(1). DEFINITIONS

All words in the Agreement are defined under Sections 1.2 and 1.3 of the Affiliate Relationships Code for Electricity Distributors and Transmitters as of its revised date May 16, 2008 (hereinafter referred to as the "Code"), unless the context otherwise requires.

14(2) APPLICATION OF THE 'AFFILIATE RELATIONSHIPS CODE' TO THE AGREEMENT

All sections of the code apply to this Agreement and are incorporated by reference.

15. CONSTRUCTION

The Agreement herein shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Ontario. Each party hereto accepts the jurisdiction of the courts of the Province of Ontario and all courts of appeal therefrom.

16. HEADINGS

The headings of clauses herein are inserted for convenience or reference only and shall not affect or be considered the construction of the provisions hereof.

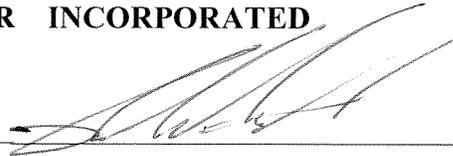
IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

**THUNDER BAY HYDRO ELECTRICITY
DISTRIBUTION INC.**

Per:



**THUNDER BAY HYDRO RENEWABLE
POWER INCORPORATED**



ATTACHMENT 4 – K

Thunder Bay Hydro Utility Services Inc.

Service Agreement

SERVICES AGREEMENT

THIS AGREEMENT made as of the 30th day of June 2006,

BETWEEN:

THUNDER BAY HYDRO ELECTRICITY DISTRIBUTION INC., a corporation incorporated under the *Ontario Business Corporations Act*, R.S.O. 1990, c. B.18 (hereinafter referred to as "DISTRIBUTION")

OF THE FIRST PART

and

-

THUNDER BAY HYDRO UTILITY SERVICES INC., a corporation incorporated under the *Ontario Business Corporations Act*, R.S.O. 1990, c. B.18 (hereinafter referred to as "SERVICES")

OF THE SECOND PART

WHEREAS DISTRIBUTION is required by the Ontario Energy Board to enter a service agreement (hereinafter referred to as the "Agreement") with SERVICES under the Affiliate Relationships Code for Electricity Distributors and Transmitters (revised November 24, 2003 and as may be amended from time to time) (hereinafter referred to as the "Code");

AND WHEREAS the Code provides that DISTRIBUTION and any affiliate with which it shares services, shall do so in accordance with a Services Agreement

AND WHEREAS DISTRIBUTION has agreed to share services of certain of its employees with SERVICES for a fee, subject to the terms and conditions set forth herein;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and agreements herein contained, it is mutually declared, covenanted and agreed by and between the parties hereto as follows:

1. SERVICES PROVIDED

(a) DISTRIBUTION shall provide meter services to SERVICES as SERVICES may reasonably require from time to time. The meter services shall consist of a contract employee to service customers of the meter service provider business, a qualified meter technician on an "as is required" basis and 364 square feet of office space. All such services shall be provided on a cost recovery plus the prime rate of DISTRIBUTION'S Bank (Bank Prime Rate) adjusted quarterly. The current Prime Rate of DISTRIBUTION'S Bank is 6% per annum.

(b) DISTRIBUTION shall provide utility billing services to SERVICES as SERVICES may reasonably require from time to time and this will include download meter reading data, wholesale settlement, electronic business transaction functions, remote meter reader function, information services, customer information services, accounting services and purchasing services. These shall be provided on a cost recovery plus Bank Prime Rate adjusted quarterly, which Bank Prime Rate is presently 6% per annum.

(c) In addition to any payments made under paragraphs 1(a) and (b), SERVICES shall reimburse DISTRIBUTION for any third party costs incurred by DISTRIBUTION in accordance with paragraphs 1 (a) and (b). DISTRIBUTION shall, if requested by SERVICES, be required to submit an invoice or similar evidence of payment in respect of all third party costs for which it seeks reimbursement hereunder.

(d) All amounts owing by SERVICES will be settled as incurred, or at a minimum, on a monthly basis. Both DISTRIBUTION and SERVICES, will settle any amounts owing within three months following the year end of Distribution

(e) All services, resources, and products sold according to paragraph 1 (b) and paragraph 1 (c) are to be sold at a minimum of the fair market value of the service, resource, or product.

(f) Where a fair market value is not available for any product, resource, or service provided under paragraph 1, DISTRIBUTION shall charge no less than a cost-based price, and shall pay no more than a cost-based price. A cost-based price shall reflect the costs of producing the service or product, including a return on invested capital. The return component shall be the higher of DISTRIBUTION's approved rate of return or the bank prime rate.

(g) DISTRIBUTION shall sell assets to SERVICES at a price no less than the net book value of the asset.

2. **LIMITATION OF LIABILITY**

All risk arising under this Agreement and extraneous to this Agreement is with SERVICES. DISTRIBUTION assumes no risk. In no event shall DISTRIBUTION be liable for damages arising from risks associated with the provision of services under this Agreement or otherwise.

3. **DISPUTE RESOLUTION PROCESS**

Any dispute arising between DISTRIBUTION and SERVICES under this Agreement or arising over the terms of the Agreement shall be resolved by arbitration under the Arbitrations Act, 1991, S.O. 1991, Chapter 17.

4. **TERMINATION**

The term of this Agreement is on a year-to-year basis commencing on the date hereof. This Agreement may be terminated by SERVICES by giving written notice to DISTRIBUTION, or by DISTRIBUTION by giving written notice to SERVICES, given at least six months prior to any anniversary of the date hereof. Any changes in the amounts payable under this Agreement shall be changed as of January 1st in each year, based on the change, if any, in the Consumer Price Index for Thunder Bay as of the end of October for the prior year from the previous end of October.

5. **ENTIRE AGREEMENT**

This Agreement contains the entire agreement amongst DISTRIBUTION and SERVICES and no amendment hereof shall be binding upon DISTRIBUTION and SERVICES unless same is in writing and signed by DISTRIBUTION and SERVICES. Amendments to this Agreement come into effect on the anniversary of a six-month notice period.

6. **PERSONAL SERVICES AGREEMENT**

This Agreement is a personal services agreement and may not be assigned by either party hereto without the prior written consent of the other party.

7. **CONFIDENTIALITY**

(a) Information that becomes known through the relationship between DISTRIBUTION and SERVICES remains confidential, and neither DISTRIBUTION nor SERVICES may disclose said information to any third party.

(b) All confidential information that DISTRIBUTION shares with SERVICES under this Agreement is to be protected from access by SERVICES. Access to Distribution's information services shall include appropriate computer data management and data access protocols as well as contractual provisions regarding the breach of any access protocols. Compliance with the access protocols and the Agreement shall be ensured as necessary, through a review which complies with the provisions of Section 5900 of the Canadian Institute of Chartered Accountants Handbook (hereinafter referred to as the "CICA Handbook"). The Ontario Energy Board (hereinafter referred to as the "Board") may provide direction regarding the terms of the Section 5900 review. The results of any review shall be made available to the Board.

(c) Services to be provided by DISTRIBUTION's employees under Section 1 of this Agreement are subject to the provision that these employees are not directly involved in collecting, and do not have access to, confidential information.

(d) DISTRIBUTION shall not release to SERVICES confidential information relating to a consumer, retailer, or generator without the consent of that consumer, retailer, or generator.

(e) DISTRIBUTION shall not disclose confidential information to SERVICES without the consent in writing of the consumer, retailer, or generator, as the case may be, except where confidential information is required to be disclosed:

- (i) for billing or market operation purposes;
- (ii) for law enforcement purposes;
- (iii) for the purpose of complying with a legal requirement; or
- (iv) for the processing of past due accounts of the consumer which have been passed to a debt collection agency.

(f) Confidential information may be disclosed where the information has been sufficiently aggregated such that any individual consumer, retailer, or generator's information cannot reasonably be identified. If such information is aggregated it must be disclosed on a non-discriminatory basis to any party requesting the information.

8. **QUALITY OF SERVICE**

DISTRIBUTION shall meet its obligations to SERVICES under this Agreement by providing a quality of service at least equal to that which would be provided by an independent third party.

9. **FORCE MAJEURE**

"Force Majeure" means a strike, lockout, riot, insurrection, war, fire, tempest, flood, act of God, lack of materials or supply of service which results notwithstanding the diligent efforts of DISTRIBUTION. During the occurrence of an event of Force Majeure, the obligations of the party effected by such event of Force Majeure, to the extent that such obligations cannot be performed as a result of such event of Force Majeure, shall be suspended, and such a party shall not be considered to be in default hereunder, for the period of such occurrence, except that the occurrence of an event of Force Majeure affecting SERVICES (but not affecting the performance of DISTRIBUTION's obligations hereunder) shall not relieve it of its obligations to make payments to DISTRIBUTION hereunder. The non-performing party shall give the other party prompt written notice of the particulars of the event of Force Majeure and its expected duration and shall continue to furnish regular reports with respect thereto on a timely basis during the continuance of the event of Force Majeure and shall use its best efforts to remedy its inability to perform. The suspension of performance is to be of no greater scope and of no longer duration than is required by the Force Majeure condition. No obligations of either Party that arose before the Force Majeure causing the suspension of performance are excused as a result of the Force Majeure.

10. **TIME**

Time shall be of the essence herein.

11. **PREVIOUS AGREEMENTS**

This Agreement terminates, cancels and supersedes any and all other written and verbal agreements between the parties relating to these issues herein.

12. **INUREMENT**

This Agreement shall bind DISTRIBUTION, SERVICES, and their respective legal representatives, executors, administrators, successors and permitted assigns.

13(1). **DEFINITIONS**

All words in the Agreement are defined under Sections 1.2 and 1.3 of the Affiliate Relationships Code for Electricity Distributors and Transmitters as of its revised date February 1, 2001 (hereinafter referred to as the "Code"), unless the context otherwise requires.

13(2) APPLICATION OF THE 'AFFILIATE RELATIONSHIPS CODE" TO THE AGREEMENT

All sections of the code apply to this Agreement and are incorporated by reference.

14. CONSTRUCTION

The Agreement herein shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Ontario. Each party hereto accepts the jurisdiction of the courts of the Province of Ontario and all courts of appeal therefrom.

15. HEADINGS

The headings of clauses herein are inserted for convenience or reference only and shall not affect or be considered the construction of the provisions hereof.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

**THUNDER BAY HYDRO ELECTRICTY
DISTRIBUTION INC.**

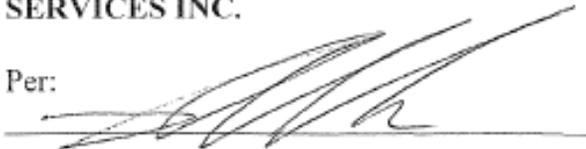
Per:



Per:

**THUNDER BAY HYDRO UTILITY
SERVICES INC.**

Per:



Per:

ATTACHMENT 4 – L

Thunder Bay Hydro Corporation

Service Agreement

SERVICES AGREEMENT

THIS AGREEMENT made as of the **29th day of June 2012,**

BETWEEN:

THUNDER BAY HYDRO ELECTRICITY DISTRIBUTION INC., a corporation incorporated under the *Ontario Business Corporations Act*, R.S.O. 1990, c. B.18 (hereinafter referred to as "DISTRIBUTION")

OF THE FIRST PART

and

-

THUNDER BAY HYDRO CORPORATION, a corporation incorporated under the *Ontario Business Corporations Act*, R.S.O. 1990, c. B.18 (hereinafter referred to as "HYDRO CORP")

OF THE SECOND PART

WHEREAS DISTRIBUTION is required by the Ontario Energy Board to enter a service agreement (hereinafter referred to as the "Agreement") with HYDRO CORP under the Affiliate Relationships Code for Electricity Distributors and Transmitters (revised March 15, 2010 and as may be amended from time to time) (hereinafter referred to as the "Code");

AND WHEREAS the Code provides that DISTRIBUTION and any affiliate with which it shares services, shall do so in accordance with a Services Agreement

AND WHEREAS DISTRIBUTION has agreed to share services of certain of its employees with HYDRO CORP for a fee, subject to the terms and conditions set forth herein;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and agreements herein contained, it is mutually declared, covenanted and agreed by and between the parties hereto as follows:

1. SERVICES PROVIDED

(a) DISTRIBUTION shall provide management services to HYDRO CORP as HYDRO CORP may reasonably require from time to time. The management services shall consist of providing direction, planning and administration in project construction and operations for HYDRO CORP business functions.

(b) DISTRIBUTION shall sell all services, resources, and products to HYDRO CORP at DISTRIBUTION'S fully-allocated cost to provide the service, resource, or product, which shall include the sum of (i) direct project construction and operations management costs and (ii) HYDRO CORP's allocated portion of shared corporate overhead services. DISTRIBUTION shall calculate the fully-allocated cost on an annual basis and invoice HYDRO CORP a fixed monthly charge accordingly.

(c) DISTRIBUTION shall not incur any third party costs in providing services to HYDRO CORP without the prior written approval of HYDRO CORP. HYDRO CORP shall reimburse DISTRIBUTION for any third party costs incurred. DISTRIBUTION shall submit to HYDRO CORP an invoice or similar evidence of payment in respect of all third party costs for which it seeks reimbursement hereunder.

(d) DISTRIBUTION shall sell assets to HYDRO CORP at the greater of market price and the net book value of the asset. Before selling an asset to HYDRO CORP with a net book value that exceeds \$100,000 or 0.1% of DISTRIBUTION's utility revenue, whichever is greater, DISTRIBUTION shall obtain an independent assessment of its market price.

(e) DISTRIBUTION shall purchase assets from HYDRO CORP at a price no more than the market price. Before DISTRIBUTION purchases an asset from HYDRO CORP with a net book value that exceeds \$100,000 or 0.1% of DISTRIBUTION's utility revenue, whichever is greater, the utility shall obtain an independent assessment of its market price.

(f) DISTRIBUTION may provide loans, guarantee the indebtedness of, or invest in the securities of HYDRO CORP, but shall not invest or provide guarantees or any other form of financial support if the amount of support or investment, on an aggregated basis over all transactions with all affiliates, would equal an amount greater than 25% of DISTRIBUTION's total equity. In addition, the terms of any loan, investment, or other financial support provided to HYDRO CORP are to be no more favourable than what HYDRO CORP would be able to obtain on its own from the capital markets and in all cases at no more favourable terms than DISTRIBUTION could obtain directly for itself in capital markets.

(g) All amounts owing by HYDRO CORP will be settled as incurred, or at a minimum, on a monthly basis. Both DISTRIBUTION and HYDRO CORP will settle any amounts owing within three months following the year end of DISTRIBUTION.

(h) DISTRIBUTION shall take all reasonable steps to ensure that HYDRO CORP does not use DISTRIBUTION's name, logo or other distinguishing characteristics in a manner which would mislead consumers as to the distinction between DISTRIBUTION and HYDRO CORP.

(i) DISTRIBUTION shall take reasonable steps to ensure that HYDRO CORP does not imply in its marketing material favoured treatment or preferential access to DISTRIBUTION's system or services. If DISTRIBUTION becomes aware of inappropriate marketing activity by HYDRO CORP, it shall (1) immediately take reasonable steps to notify affected customers of the violation (2) take necessary steps to ensure the affiliate is aware of the concern, and (3) inform the Board in writing of such activity and the remedial measures that were undertaken by DISTRIBUTION.

(j) Requests by HYDRO CORP or HYDRO CORP's customers for access to DISTRIBUTION's distribution network or for utility services shall be processed and provided by DISTRIBUTION in the same manner as would be processed or provided for similarly situated non-affiliated parties.

2. LIMITATION OF LIABILITY

All risk arising under this Agreement and extraneous to this Agreement is with HYDRO CORP. DISTRIBUTION assumes no risk. In no event shall DISTRIBUTION be liable for damages arising from risks associated with the provision of services under this Agreement or otherwise.

3. DISPUTE RESOLUTION PROCESS

Any dispute arising between DISTRIBUTION and HYDRO CORP under this Agreement or arising over the terms of the Agreement shall be resolved by arbitration under the Arbitrations Act, 1991, S.O. 1991, Chapter 17.

4. TERMINATION

The term of this Agreement is on a year-to-year basis commencing on the date hereof. This Agreement may be terminated by HYDRO CORP by giving written notice to DISTRIBUTION, or by DISTRIBUTION by giving written notice to HYDRO CORP, given at least six months prior to any anniversary of the date hereof. Any changes in the amounts payable under this Agreement shall be changed as of January 1st in each year, based on the change, if any, in the Consumer Price Index for Thunder Bay as of the end of October for the prior year from the previous end of October.

5. ENTIRE AGREEMENT

This Agreement contains the entire agreement amongst DISTRIBUTION and HYDRO CORP and no amendment hereof shall be binding upon DISTRIBUTION and HYDRO CORP unless same is in writing and signed by DISTRIBUTION and HYDRO CORP. Amendments to this Agreement come into effect on the anniversary of a six-month notice period.

6. PERSONAL SERVICES AGREEMENT

This Agreement is a personal services agreement and may not be assigned by either party hereto without the prior written consent of the other party.

7. CONFIDENTIALITY

(a) Information that becomes known through the relationship between DISTRIBUTION and HYDRO CORP remains confidential, and neither DISTRIBUTION nor HYDRO CORP may disclose said information to any third party.

(b) All confidential information that DISTRIBUTION shares with HYDRO CORP under this Agreement is to be protected from access by HYDRO CORP. Access to DISTRIBUTION's information services shall include appropriate computer data management and data access protocols as well as contractual provisions regarding the breach of any access protocols. Compliance with the access protocols and the Agreement shall be ensured as necessary, through a review which complies with the provisions of Section 5970 of the Canadian Institute of Chartered Accountants Handbook (hereinafter referred to as the "CICA Handbook"). The Ontario Energy Board (hereinafter referred to as the "Board") may provide direction regarding the terms of the Section 5970 review. The results of any review shall be made available to the Board.

(c) Services to be provided by DISTRIBUTION's employees under Section 1 of this Agreement are subject to the provision that these employees are not directly involved in collecting, and do not have access to, confidential information.

(d) DISTRIBUTION shall not release to HYDRO CORP confidential information relating to a smart sub-metering provider, wholesaler, consumer, retailer, or generator without the consent of that smart sub-metering provide, wholesaler, consumer, retailer, or generator.

(e) DISTRIBUTION shall not disclose confidential information to HYDRO CORP without the consent in writing of the smart sub-metering provider, wholesaler, consumer, retailer, or generator, as the case may be, except where confidential information is required to be disclosed:

- (i) for billing or market operation purposes;
- (ii) for law enforcement purposes;
- (iii) for the purpose of complying with a legal requirement; or
- (iv) for the processing of past due accounts of the consumer which have been passed to a debt collection agency.

(f) Confidential information may be disclosed where the information has been sufficiently aggregated such that any individual smart sub-metering provider, wholesaler, consumer, retailer, or generator's information cannot reasonably be identified. If such information is aggregated it must be disclosed on a non-discriminatory basis to any party requesting the information.

8. DEGREE OF SEPARATION

DISTRIBUTION shall ensure accounting and financial separation from HYDRO CORP and shall maintain separate financial records and books of accounts in accordance with guidelines specified in the Code.

9. QUALITY OF SERVICE

DISTRIBUTION shall meet its obligations to HYDRO CORP under this Agreement by providing a quality of service at least equal to that which would be provided by an independent third party.

10. FORCE MAJEURE

"Force Majeure" means a strike, lockout, riot, insurrection, war, fire, tempest, flood, act of God, lack of materials or supply of service which results notwithstanding the diligent efforts of DISTRIBUTION. During the occurrence of an event of Force Majeure, the obligations of the party effected by such event of Force Majeure, to the extent that such obligations cannot be performed as a result of such event of Force Majeure, shall be suspended, and such a party shall not be considered to be in default hereunder, for the period of such occurrence, except that the occurrence of an event of Force Majeure affecting HYDRO CORP (but not affecting the performance of DISTRIBUTION's obligations hereunder) shall not relieve it of its obligations to make payments to DISTRIBUTION hereunder. The non-performing party shall give the other party prompt written notice of the particulars of the event of Force Majeure and its expected duration and shall continue to furnish regular reports with respect thereto on a timely basis during the continuance of the event of Force Majeure and shall use its best efforts to remedy its inability to perform. The suspension of performance is to be of no greater scope and of no longer duration than is required by the Force Majeure condition. No obligations of either Party that arose before the Force Majeure causing the suspension of performance are excused as a result of the Force Majeure.

11. **TIME**

Time shall be of the essence herein.

12. **PREVIOUS AGREEMENTS**

This Agreement terminates, cancels and supersedes any and all other written and verbal agreements between the parties relating to these issues herein.

13. **INUREMENT**

This Agreement shall bind DISTRIBUTION, HYDRO CORP, and their respective legal representatives, executors, administrators, successors and permitted assigns.

14(1). **DEFINITIONS**

All words in the Agreement are defined under Sections 1.2 and 1.3 of the Affiliate Relationships Code for Electricity Distributors and Transmitters as of its revised date March 15, 2012 (hereinafter referred to as the "Code"), unless the context otherwise requires.

14(2) **APPLICATION OF THE 'AFFILIATE RELATIONSHIPS CODE' TO THE AGREEMENT**

All sections of the code apply to this Agreement and are incorporated by reference.

15. **CONSTRUCTION**

The Agreement herein shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Ontario. Each party hereto accepts the jurisdiction of the courts of the Province of Ontario and all courts of appeal therefrom.

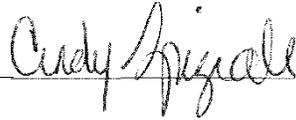
16. **HEADINGS**

The headings of clauses herein are inserted for convenience or reference only and shall not affect or be considered the construction of the provisions hereof.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

**THUNDER BAY HYDRO
ELECTRICITY DISTRIBUTION INC.**

Per:



THUNDER BAY HYDRO CORPORATION

Per:



ATTACHMENT 4 – M

Thunder Bay Hydro

Purchasing Policy



FINANCE DIVISION PURCHASING DEPARTMENT

PURCHASING POLICIES

JANUARY 2008

Prepared by _____ Date _____
Rosemary Pietrzyk, HB.Comm
Manager, Purchasing & Stores

Reviewed by _____ Date _____
Cindy Speziale, CA
Vice President, Finance

Authorized by _____ Date _____
Robert Mace, MBA
President

REVISION HISTORY

REV. NO	ISSUE DATE (Revised)	PREPARED BY	REVIEWED BY AND DATE	APPROVED BY AND DATE	DESCRIPTION OF REVISION
	January 2008	R. Pietrzyk	C. Speziale	R. Mace	Original Issue
01	January 27/09	C. Speziale	C.S. on 27/01/09		Policy 5.6.3-Insurance Requirements increased
02	January 24, 2011	J. Dosen			Changed GST and PST to HST throughout document
03					
04					

TABLE OF CONTENTS

THUNDER BAY HYDRO'S VISION AND VALUES.....	IV
A STATEMENT OF ETHICS FOR PUBLIC PURCHASERS.....	V
1.0 CORPORATE PURCHASING POLICY	1
1.1 POLICY STATEMENT	1
1.2 PURCHASING OBJECTIVES.....	1
1.3 GENERAL CONDITIONS	2
1.4 RESTRICTIONS	2
1.5 EXCLUSIONS.....	3
2.0 PURCHASING DEPARTMENT RESPONSIBILITIES.....	4
2.1 PURCHASING DEPARTMENT RESPONSIBILITIES.....	4
3.0 DEFINITIONS.....	5
4.0 GENERAL OVERVIEW OF PROCUREMENT	10
4.1 TYPES AND GOALS OF PROCUREMENT PROCESSES.....	10
4.2 CIRCUMSTANCES FOR USE OF PROCUREMENT PROCESSES	11
4.3 GENERAL PROCUREMENT.....	12
4.3.1 AUTHORITIES	12
4.3.2 GUIDELINES FOR METHOD OF PURCHASE.....	12
4.3.3 REFERENCE	17
5.0 POLICIES	18
5.1 POLICY #1 – NON-COMPETITIVE PURCHASES.....	18
5.1.1 POLICY	18
5.1.2 REFERENCE	19
5.2 POLICY #2 – ADMINISTRATIVE FEE	20
5.2.1 POLICY	20
5.2.2 REFERENCE	20
5.3 POLICY #3 – PREQUALIFICATION OF ACCEPTABLE BIDDERS	21
5.3.1 POLICY	21
5.3.2 CRITERIA	21
5.3.3 REFERENCE	22
5.4 POLICY #4 – SPECIFICATIONS	23
5.4.1 POLICY	23
5.4.2 REFERENCE	24
5.5 POLICY #5 – PROPOSALS	25
5.5.1 POLICY	25
5.5.2 ROLES AND RESPONSIBILITIES	25
5.5.3 SELECTION COMMITTEE	26

5.5.4	COMMUNICATION WITH PROPONENTS.....	26
5.5.5	REFERENCE	26
5.6	POLICY #6 – FINANCIAL SECURITY REQUIREMENTS	27
5.6.1	BID DEPOSIT	27
5.6.2	BONDING REQUIREMENTS	28
5.6.3	INSURANCE REQUIREMENTS.....	28
5.6.4	WORKPLACE REQUIREMENTS	29
5.6.5	REFERENCE	29
5.7	POLICY #7 – EXERCISE OF CONTRACT RENEWAL OPTION	30
5.7.1	POLICY	30
5.7.2	REFERENCE	30
5.8	POLICY #8 - CONTRACT AMENDMENTS AND REVISIONS	31
5.8.1	REFERENCE	31
5.9	POLICY #9 – LOCAL SUPPLIERS	32
5.9.1	POLICY	32
5.9.2	REFERENCE	32
5.10	POLICY #10 – EMERGENCY PURCHASING	33
5.10.1	POLICY	33
5.10.2	REFERENCE	33
5.11	POLICY #11 – RECOMMENDATION TO PURCHASE (RTP)	34
5.11.1	POLICY	34
5.11.2	REFERENCE	34
5.12	POLICY #12 – BID IRREGULARITIES	35
5.12.1	POLICY	35
5.12.2	ACTION TAKEN	35
5.12.3	REFERENCE	35
5.13	POLICY #13 – CONSULTING AND PROFESSIONAL SERVICES.....	36
5.13.1	POLICY	36
5.13.2	SELECTION TYPES.....	36
5.13.3	TYPE OF CONTRACT.....	38
5.13.4	REFERENCE	38
5.14	POLICY #14 – COOPERATIVE PURCHASING.....	39
5.14.1	POLICY	39
5.14.2	REFERENCE	39
5.15	POLICY #15 – DISPOSAL OF SURPLUS GOODS POLICY.....	40
5.15.1	POLICY	40
5.15.2	METHOD OF DISPOSAL	40
5.15.3	REFERENCE	40
5.16	POLICY #16 – PURCHASING CARD POLICY AND PROCEDURES	41
5.16.1	INTRODUCTION	41
5.16.2	POLICY	41
5.16.3	RESPONSIBILITIES.....	43
5.16.4	PROCEDURES	45
5.16.5	REFERENCE	50

APPENDICES

APPENDIX A - RECURRING OR NON-COMPETITIVE EXPENDITURES	51
APPENDIX B - NON-COMPETITIVE PURCHASE FORM (POLICY #1).....	52
APPENDIX C - SAMPLE FRONT END AND RFP DOCUMENT	53
APPENDIX D – CONTRACTOR SAFETY MANAGEMENT PROGRAM.....	72
APPENDIX E – PREQUALIFICATION/TENDER PROCESS FLOW CHART FOR SERVICES	74
APPENDIX F - CONTRACTOR RISK ASSESSMENT FORM	76
APPENDIX G - INSTRUCTIONS TO ASSIST THE HIRING SUPERVISOR.....	77
HIRING SUPERVISOR INSTRUCTION FORM	78
PREQUALIFICATION REVIEW - MANAGER SAFETY & TRAINING	79
PREQUALIFICATION REVIEW - HIRING SUPERVISOR	80
APPENDIX H - SAMPLE PREQUALIFICATION DOCUMENT	81
APPENDIX I - EMERGENCY REPORTING FORM (POLICY #10)	89
APPENDIX J - PURCHASING GUIDELINES REGARDING BID IRREGULARITIES	90
APPENDIX K - SURPLUS/SCRAP IDENTIFICATION AND DISPOSAL FORM.....	92
APPENDIX L - SURPLUS/SCRAP VEHICLE IDENTIFICATION AND DISPOSAL FORM.....	93
APPENDIX M - PURCHASING CARD APPLICATION FORM	94
APPENDIX N - PURCHASING CARD - PURCHASING ACKNOWLEDGEMENT OF RESPONSIBILITIES AND OBLIGATIONS	95
APPENDIX O - PURCHASING CARD PURCHASES RECORD	97
APPENDIX P - PURCHASING CARD REQUEST FOR CHANGE	98
APPENDIX Q - PURCHASING 101 (WHERE DO I START)	99
APPENDIX R – BEFORE ENTERING A PURCHASE REQUISITION	101
HOW TO CREATE AND COMPLETE A REQUISITION	103
APPENDIX S - CONTRACT DOCUMENTS, UNDERTAKING TO COMPLY, STANDARD CONDITIONS FOR CONTRACT SERVICES	109

THUNDER BAY HYDRO'S VISION AND VALUES

Our Vision

Thunder Bay Hydro is people working together, providing services of the best value and quality to our customers.

Our Values

At Thunder Bay Hydro, we....

are committed to continually improving our level of service to all our customers, internal and external.

will treat all individuals with respect, fairness, trust and dignity.

strive to respond to customer and employee concerns effectively.

emphasize our commitment to safety, training and respect for the environment.

will develop and implement leading edge technology to benefit our customers.

Our Motto

“COMMITTED TO CUSTOMER SATISFACTION”

A STATEMENT OF ETHICS FOR PUBLIC PURCHASERS

Thunder Bay Hydro is a member of the Ontario Public Buyers Association and supports the following code of ethics. These ethics shall be adhered to by all persons with Thunder Bay Hydro who are authorized to procure goods and/or services in any capacity.

1. **Open and Honest Dealings with Everyone who is involved in the Purchasing Process.** This includes all businesses with which Thunder Bay Hydro contracts or from which it purchases goods and/or services.
2. **Fair and Impartial Award Recommendations for All Contracts and Tenders.** Thunder Bay Hydro does not extend preferential treatment to any vendor, including local companies. Referencing the Province of Ontario's Discriminatory Business Practices Act (R.S.O. 1990), granting preference to local vendors cannot be undertaken. Moreover, it is not good business practice since it limits fair and open competition for all vendors and is therefore a detriment to obtaining the best possible value for Thunder Bay Hydro.
3. **An Irreproachable Standard of Personal Integrity on the Part of all those Designated as Purchasing Representatives for Thunder Bay Hydro.** Absolutely no gifts or favours are accepted by the purchasing representatives of Thunder Bay Hydro in return for business or the consideration of business. Furthermore, the purchasing representatives of Thunder Bay Hydro do not publicly endorse one company in order to give that company an advantage over others.
4. **Cooperation with Other Public Agencies in Order to Obtain the Best Possible Value for Every Tax Dollar.** Thunder Bay Hydro is a member of a cooperative purchasing group. Made up of several public agencies, this group pools its expertise and resources in order to practice good value analysis and where possible, purchase goods and/or services in volume and save tax dollars.

1.0 CORPORATE PURCHASING POLICY

1.1 POLICY STATEMENT

It is the purpose of this policy to ensure that the Purchasing Department procure the required quality and quantity of material, supplies and services for all users in the most cost effective, timely and efficient manner and is objective and equitable in its treatment of all vendors. This policy has been developed based upon Thunder Bay Hydro's Visions and Values and The Ontario Public Buyers Association's Code of Ethics.

1.2 PURCHASING OBJECTIVES

1. To make procurement decisions using a competitive process that is open, transparent, and fair, maintaining the highest standard of ethics, and ensuring the objective and equitable treatment of all vendors.
2. To acquire by purchase, rental or lease, the required quality and quantity of materials, supplies and services (including professional and consulting services) in an efficient and cost effective manner in accordance with the Corporately approved Purchasing Policies.
3. To develop and maintain sound business relationships with suppliers in order to ensure good communications, advance information on new products, alternative supplies, improved quality, potential cost savings, and improved safety.
4. To monitor and disseminate information to user departments (lead time, back order information) on the economic climate which may have an impact on Thunder Bay Hydro and to determine the appropriate actions to be taken through Purchasing Policies and Procedures.
5. To procure necessary goods and services with due regard to the preservation of the natural environment and to encourage the use of "environmentally friendly" products and services.
6. To maintain, develop, and update a list of qualified vendors.
7. To maintain an efficient level of inventory.

1.3 GENERAL CONDITIONS

1. The Manager, Purchasing & Stores, shall exercise general supervision and control over the procurement of all goods and services in accordance with the Purchasing Policies and Procedures and shall be responsible for providing all necessary advice and services required for such purchases in accordance with the method of purchase authorized by the Purchasing Policy.
2. Generally, all acquisitions shall be in accordance with the approved departmental budgets and estimates.
3. The expenditure must be related to a whole job or complete job, item or service. No requirement for goods and services may be divided into two or more parts to avoid the provisions of this policy.
4. Thunder Bay Hydro shall be under no obligation to accept the lowest bid or any bid received in response to an informal/formal quotation, tender or proposal call. When using this privilege clause, the specific reasons the bid(s) may not be accepted must be stated.
5. The Manager, Purchasing & Stores, in consultation with the Department Manager/ Supervisor of the Requisitioning Department, may remove a vendor's name from the list of bidders for a period of up to two years on the basis of documented poor performance, non-performance or conflict of interest. A written notice of the decision will be provided to the vendor by the Manager, Purchasing & Stores.

1.4 RESTRICTIONS

The following activities are restricted, unless specifically approved by the President:

1. The segmenting of any purchase (goods or services) to avoid the requirements of the Policy by any method, which includes purchases made using procurement corporate credit cards.
2. The purchase or offer to purchase by an employee of Thunder Bay Hydro of any goods and/or services, except in accordance with this Policy.
3. Purchase by Thunder Bay Hydro of any goods or services for personal use by or on behalf of any member of the Board, employees of Thunder Bay Hydro or immediate families.

4. Where an employee involved in the award of any contract, either on his or her own behalf or while acting for, by, with or through another person, has any pecuniary interest, direct or indirect, in the Contract, the employee:
 - a. shall immediately disclose the interest to the Vice President of the Division involved in the award of the contract and shall describe the general nature thereof;
 - b. shall not take part in the award of the contract; and
 - c. shall not attempt in any way to influence the award of the contract.

1.5 EXCLUSIONS

Those items listed in Appendix A - Recurring or Non-Competitive Expenditures, Page 51, are exempt from the requirements of the Purchasing Policies. Approval authorities are required.

2.0 PURCHASING DEPARTMENT RESPONSIBILITIES

2.1 PURCHASING DEPARTMENT RESPONSIBILITIES

1. Ensure that business transactions are conducted ethically and professionally.
2. Be responsible for the administration of the Corporate Purchasing Policies, Guidelines and Procedures, and continually review the corporate use of goods and/or services to ensure the company is receiving the best quality, quantity, service, price, etc.
3. Review purchase requisitions for completeness.
4. Determine the best method of obtaining competitive bids in conjunction with Policy 4.3 - General Procurement, Page 12.
5. Review and advise on specifications and prequalifications for potential purchasing concerns and the practicability of specifications to ensure a maximum number of competitive bids and vendor's ability to supply.
6. Consult with the requisitioner for possible advantageous changes i.e. quantity price breaks, material substitutions, standard shelf items, market conditions with regard to lead time availability, lease/purchase considerations.
7. Ensure that qualified vendors who have expressed an interest in doing business with Thunder Bay Hydro receive requests for Quotations, Tenders, and Proposals and Prequalifications, where required.
8. Prepare bid documents including contract documents, as required.
9. Prepare and issue Purchase Orders.
10. Provide training and documentation of the Purchasing P/I module to users of the system. Provide copies of the policies and procedures to all staff that have been delegated purchasing authority and training to ensure clear understanding of the corporate expectations.
11. Maintain records of business transactions as required for legal and statutory purposes.
12. Maintain an efficient level of inventory.
13. Pursue opportunities to further their knowledge of good public purchasing principles and to maintain excellent skills.

3.0 DEFINITIONS

In this policy,

“Acquisition Method” means the process by which goods or services are procured.

“Approval” means authorization to proceed with the purchase and/or services and/or disposal of goods.

“Award” means authorization to proceed with the purchase of materials, supplies and services from a chosen supplier.

“Bid” means an offer or submission from a vendor in response to a request for quotation, tender or proposal, which is subject to acceptance or rejection.

“Bid Deposit” means currencies, certified cheques, bond surety issued by a surety company or other form of negotiable instrument to ensure the successful bidder will enter into an agreement.

“Bid Irregularity” means a deviation between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided in a bid response (Reference Appendix J – Purchasing Guidelines Regarding Bid Irregularities, Page 90).

“Bid Request” means a formal request for bids or a solicitation, which may be in the form of a Request for Quotation, Request for Tender or Request for Proposal.

“Blanket Purchase Order” (Reference “Outline Agreement”, Page 7).

“Capital Expenditures” The purpose of capitalizing expenditures is to provide for an equitable allocation of cost among existing and future customers. As assets are expected to provide future economic benefits, expenditures incurred for the acquisition, construction or development of assets should be capitalized and allocated over the asset’s estimated useful life. Specifically, an asset must have these characteristics:

- (a) they embody a future benefit that involves a capacity to provide services (the future period must be identifiable and be greater than one year);
- (b) held for use in the supply of services (poles, meters, etc.), for rental to others (i.e. water heaters) for administrative purposes (i.e. office furniture) or for the development, construction, maintenance or repair of other capital assets (i.e. chain saws);
- (c) have been acquired, constructed or developed with the intention of being used on a continuing basis (i.e. construction signs, battery powered cable cutters, etc.)
- (d) are not intended for sale in the ordinary course of business.

As a general rule of thumb, we do not capitalize individual items costing less than \$500 (\$1,000 for computer hardware/software as their anticipated life is a much shorter time frame).

The harder judgement call comes in the determination of “betterment” versus “repair”. A “betterment” is defined as the cost incurred to enhance the service potential of a capital asset. Service potential may be enhanced when there is an increase in the previously assessed service capacity, associated operating costs are lowered, the useful life is extended or the quality of output is improved (i.e. a refurbished transformer or meter). A “repair” is defined as the cost incurred in the maintenance of the service potential of a capital asset. Betterments should be capitalized versus repairs which are expensed currently.

“Centralized Purchasing” refers to the activities conducted by the Purchasing function in Finance and Corporate Services, which is responsible for the purchase of all goods and/or services in accordance with the requirements of these policies.

“Competitive Method” means an acquisition method where vendors are given an equal opportunity to submit bids in accordance with Thunder Bay Hydro policy and procedures.

“Contract” means a formal legal agreement by way of a purchase order or other agreement.

“Cooperative Purchasing” means coordination of Thunder Bay Hydro purchases with purchases from other not for profit organizations such as other municipalities, utility companies, school boards, hospitals, etc.

“Consulting and Professional Services” includes architects, engineers, designers, surveyors, accountants, auditors, lawyers and any other consulting and professional services rendered on behalf of Thunder Bay Hydro. These professionals should possess a current member status /accreditation in their appropriate professional body.

“Emergency” means a situation, or a threat of an impending situation, where the immediate acquisition of goods or services is essential to prevent serious delays, injury, damage, or to restore or maintain essential service to a minimum level.

“Emergency Method” means a procurement process where the usual competitive acquisition rules are suspended due to the prevailing emergency circumstance(s).

“Execute” means to legally bind Thunder Bay Hydro to the terms and conditions defined within the Purchase Order and/or Agreement.

“Expanded Works” means approved construction projects in which an unexpected problem arises during construction, which does not expand the scope of the project but is necessary in order to deliver the original approved work.

“Goods” includes supplies, equipment, materials, structures and fixtures to be delivered, installed or constructed, including the Recurring or Non-Competitive Expenditures (Reference Appendix A-Recurring or Non-Competitive Expenditures, Page 51).

“Guideline” means a statement of policy or procedure by which to determine a course of action.

“Labour and Material Bond” means a bond issued by a surety company to ensure that the contractor will pay his or her suppliers and thereby protects Thunder Bay Hydro against items which might be granted to supplier should the contractor not make proper payments.

“Lowest Acceptable Bid” means the lowest price submitted which meets the requirements and specifications as set out in the bid request, minor deviations excepted.

“Lowest Total Cost” is the cost, after all factors of price, quality, terms and conditions, service, warranty, residual costs, replacement and disposal costs are considered, that results in the lowest cost of purchase, ownership, or operation over the life of the product or service to Thunder Bay Hydro.

“Negotiation” means the action or process of conferring with one or more vendors leading to an agreement on the acquisition of the required goods and services under the conditions outlined in this Policy.

“Negotiation Method” means an acquisition method whereby Thunder Bay Hydro may confer with one or more vendors leading to an agreement on needed goods and services under the conditions outlined in this Policy.

“Non-Competitive Procurement” means sole sourcing and single sourcing.

“Outline Agreement” means any contract for the purchase of goods and services which will be required frequently or repetitively but where the exact quantity of goods and services required may not be precisely known or the time period during which the goods and services are to be delivered may not be precisely determined.

“Performance Bond” means a bond issued by a surety company on Thunder Bay Hydro executed in connection with a contract and which secures the performance and fulfillment of the undertakings, covenants, terms, conditions and agreements contained in the contracts.

“Policy” means a course of action intended to influence and determine decisions, actions and other matters.

“Prequalification” is a procurement process used to prequalify vendors for subsequent participation in an invitational Request for Proposal or Request for Quotation/Tender. Responses from proponents are evaluated against selection criteria set out in the solicitation, and a short-list of prequalified proponents is created.

“Procure”/“Procurement”/“Purchase” means to acquire by purchase, rental or lease of goods and/or service.

“Procedure” means a series of steps taken to accomplish an end or a set of established forms or methods for conducting the affairs of an organized business.

“Proposal” (Request for Proposal/RFP) means an offer to provide goods or services to Thunder Bay Hydro where it is not practical to prepare precise specifications, or where “alternatives” to detailed specifications will be considered, which may be subject to further negotiation. This process allows vendors to propose solutions to arrive at the end product, and allows for evaluation on criteria other than price.

“Purchase Order” means a written offer to a supplier formally stating all terms and conditions for purchase of goods and/or services or a written acceptance of an offer.

“Purchase Requisition” means an online request for procuring goods and/or services initiated by the user, for which budget approval has been granted.

“Quotation” means a request for prices on specific goods and/or services from selected vendors which are submitted verbally, in writing or transmitted by facsimile as specified in the Request for Quotation.

“Recommendation to Purchase” (RTP) means approval is required by the Manager, Purchasing & Stores, and may be required by the Vice President, Finance and President, to proceed with the purchase (Reference Section 4.3-General Procurement, Page 12, for circumstances where RTP is required).

“Request for Proposal/RFP” means a formal request for details on the supply of goods or the provision of services, which cannot be fully defined or specified at the time of the request.

“Requisitioner” means the person requesting the purchase of the good and/or service.

“Risk Management” is a systematic approach to setting the best course of action under uncertainty by identifying, assessing, understanding, acting on, monitoring and communicating risk issues (Reference Appendix F-Contractor Risk Assessment Form, Page 76).

“Sealed Bid” means a formal sealed response received as part of a quotation, tender or proposal.

“Services” means all professional, consulting, construction or maintenance services, including the “Recurring or Non-Competitive Expenditures” (Reference Appendix A-Recurring or Non-Competitive Expenditures, Page 51).

“Single Source” means there is more than one source in the open market but only one of these is recommended for consideration in a contract.

“Specification” means a set of requirements or descriptions containing all of the details of the item or service required. This can be as basic as a one-line description or as complex as a set of engineering specifications complete with drawings.

A specification can be either “performance based” whereby the specifier restricts the text to stating the performance that must be achieved, or “prescriptive” whereby the specifier details specific products.

“Sole Source” means the procurement of a good or service is unique to a particular vendor and cannot be obtained from another source.

“Terms of Reference” are contained in a “Request for Proposal” (RFP) document and provide proponents with the information they need to evaluate and understand the requirements of the work to which the RFP refers. Establishing satisfactory “terms of reference” involves such examples as convening a selection committee, establishing selection criteria, describing the job, disclosing the purpose for the work or services to be provided, defining the overall objective and goals to be accomplished.

“Tender” means a formal request for sealed bids for the supply of goods and/or services.

“Time-Sensitive” means a situation for which the timing to initiate and/or complete the purchase is paramount but the time available to follow normal procedures is insufficient.

“Total Acquisition Cost” means the Contract amount shall be the estimated Total Acquisition Cost less any rebates.

“Total Purchase Price” means the total final cost including all related expenses and taxes, and inclusive of any rebates or shared costs by a third party to the agreement.

“Vendor”/“Supplier” means any individual or organization providing goods or services to Thunder Bay Hydro including, but not limited to contractors, consultants, service organizations, etc.

4.0 GENERAL OVERVIEW OF PROCUREMENT

4.1 TYPES AND GOALS OF PROCUREMENT PROCESSES

Consideration	Competitive Process Seeking Multiple Bids or Proposals				Non-Competitive Procurement
	Request for Proposal	Request for Tender	Request for Quotation (formal)	Informal, Low Value Procurement	
Key Goals	<p>To implement an effective, objective, fair, open, transparent, accountable and efficient process for obtaining unique proposals designed to meet broad outcomes to a complex problem or need for which there is no clear or single solution.</p> <p>To select the proposal that earns the highest score and meets the requirements specified in the competition, based on qualitative, technical and pricing considerations.</p>	<p>To implement an effective, objective, fair, open, transparent, accountable and efficient process for obtaining competitive bids based on <u>precisely</u> defined requirements for which a clear or single solution exists.</p> <p>To accept the lowest bid meeting the requirements specified in the competition.</p>	<p>Same as Request for Tender, except that bid solicitation is done primarily on an invitational bid.</p> <p>To accept the lowest bid meeting the requirements specified in the competition.</p>	<p>To obtain competitive pricing for a one-time procurement in an expeditious and cost effective manner through phone, fax, e-mail, other similar communication, i.e. Vendor advertisements or vendor catalogues.</p> <p>Informal bid is requested from known suppliers.</p> <p>To accept the lowest bid meeting the requirements specified in the competition.</p>	<p>To allow for procurement in an efficient and timely manner without seeking competitive pricing.</p> <p>Allows for sole sourcing purchase by negotiations, p-card purchases.</p>

4.2 CIRCUMSTANCES FOR USE OF PROCUREMENT PROCESSES

Consideration	Competitive Process Seeking Multiple Bids or Proposals				Non-Competitive Procurement
	Request for Proposal	Request for Tender	Request for Quotation (formal)	Informal, Quotation	
Dollar value of procurement	Low to High Value	Medium to High Value	Low to Medium Value	Low Value	Any value, subject to proper authorization and to guidelines as outlined in Policy #1, Non-Competitive Purchases
Requisitioner has a clear or single solution in mind and precisely defines technical requirements for evaluating bids or proposals	Rarely	Always			
In evaluating bids/proposals from qualified bidders, price is the primary factor and is not negotiated	Low to Moderate Likelihood	Always			Not Applicable

4.3 GENERAL PROCUREMENT

4.3.1 AUTHORITIES

The authority for approval of purchase requisitions by dollar range values is set by the Supervisor of the Department.

4.3.2 GUIDELINES FOR METHOD OF PURCHASE

In all cases where:

1. Funds are not budgeted for the purchase and/or;
2. Low price to specification is not being recommended by the requisitioner and/or;
3. Only one (1) bid is received and/or;
4. The commodity or service is being sole- or single sourced; and/or
5. The cost of the tendered good or service exceeds the budgeted amount by more than 20%;

The additional requirements are:

1. A "Recommendation to Purchase" (RTP) is mandatory and prepared by the Purchasing Department (Reference Section 5.11, Policy #11-Recommendation to Purchase (RTP), Page 34);
2. This "RTP" requires approval from the Manager, Purchasing & Stores and may require Vice President, Finance approval, and the President's approval;

Value ranges defined in this section are **inclusive** of all delivery charges and **exclusive** of HST.

A. GOODS

- | |
|--|
| 1. Purchase Card (P-Card): Low Dollar Value Procurements - Value Range > \$0 up to and including \$1,000. |
|--|

This method of purchase is non-competitive and, as such, may be sole-or single sourced by the Purchaser.

This purchasing function has been decentralized to the Purchaser, therefore, it is the responsibility of the respective departmental Manager to ensure that the Purchasing Card Policy is adhered to (Reference Section 5.16, Policy #16-Purchasing Card Policy and Procedures, Page 41).

- i) **With the exception of the purchase of services, "Part C" capital expenditures and material held in Thunder Bay Hydro Stores inventory**, the purchaser is authorized to procure goods by way of a P-Card in the stated value range. No purchase requisition is required.

Responsibility of the Purchaser:

1. Funds must be budgeted for.
2. The requirement (specification) shall be defined by the Purchaser.
3. Firm pricing shall be requested by the Purchaser prior to the purchase being transacted.
4. The P-Card "Purchases Record Form" (Reference Appendix O-Purchasing Card purchases Record, Page 97) shall be completed by the Purchaser, approved by the Purchaser's Supervisor and then forwarded to the Manager, Purchasing & Stores.
5. The Purchaser is responsible for addressing and resolving any issue regarding the purchase with the vendor, for example, price discrepancies, delivery issues.

Responsibility of the Purchasing Department:

1. The Manager, Purchasing & Stores, shall review the P-Card "Purchases Record Form" to ensure adherence to the Purchasing Policy.
- ii) **When a Purchase Card (P-Card) is not accepted by a vendor**, the Purchaser may request a purchase order number from the Purchasing Department. The Purchaser shall verbally provide the vendor with the purchase order number to expedite the procurement/ordering process.

Responsibility of the Purchaser

1. To complete a requisition, describing the requirement, noting the quantity and firm unit price. In the "Comments Section" (F8) of the requisition, the following information shall be documented:
 - a. "Confirming P.O. # xxxxxx. Vendor does not accept P-Card purchases. Order placed with "name of company", "salesperson's name" (where possible) and "date of purchase."
 - b. If order has been picked up or delivered before you complete the requisition, note that "the item(s) has been picked-up/or has been delivered". Should this not be the case, provide the quoted delivery date.
2. To enter the receipt of the item(s) when delivered and confirmed as complete and accurate.
3. To handle any issues arising from the purchase, for example, quantity discrepancies, expediting of order, invoice discrepancies.

Responsibility of the Purchasing Department:

1. To create the purchase order and issue same to the vendor.
2. To provide the Purchaser and Accounts Payable with copies of the purchase order.

2. Purchase Dollar Value Range from \$1,001 up to but **not including** \$10,000.

This value range requires a formal, competitive method of acquisition in the form of a Request for Quotation and is centralized in the Purchasing Department.

Requirements:

1. Funds shall be budgeted for.
2. An on line purchase requisition shall be completed by the requisitioner, with appropriate approvals.
3. A formal written specification shall be precisely defined by the requisitioner and approved by the departmental Manager. The approved specification shall be forwarded to the Purchasing Department.
4. Sealed bids shall be solicited by the Purchasing Department in a Request for Quotation (RFQ) to known authorized vendors. A minimum of three (3) competitive bids, where possible, shall be solicited from three (3) separate vendors. All vendors shall receive the same written information.
5. All Request for Quotations shall be issued, opened and awarded by the Purchasing Department.
6. The award shall be based on the lowest compliant bid.
7. The purchase order shall be issued by the Purchasing Department.

3. Purchase Dollar Value Range greater than or equal to \$10,000.

This value range requires a formal, competitive method of acquisition in the form of a Request for Tender and is centralized in the Purchasing Department.

Requirements:

1. Funds shall be budgeted for.
2. An on-line purchase requisition shall be completed by the requisitioner, with appropriate approvals.

3. A formal, written specification shall be precisely defined by the requisitioner and approved by the departmental Manager. The approved specification shall be forwarded to the Purchasing Department.
4. Sealed bids shall be solicited by the Purchasing Department by way of a Request for Tender (RFT) to known authorized vendors. A minimum of three (3) competitive bids, where possible, shall be solicited from three (3) separate vendors. All vendors shall receive the same written information.
5. All Request for Tenders shall be issued, opened and awarded by the Purchasing Department.
6. The award shall be based on lowest compliant bid. The purchase order shall be issued by the Purchasing Department.

B. SERVICES (No Purchase of Services Permitted with P-Card)

All Dollar Value Ranges (*Reference Appendix E- Prequalification/Tender Process Flow Chart for Services, Page 74*).

1. Purchase Dollar Value Range >\$0 up to and including \$1,000.

This method of purchase is non-competitive and, as such, may be sole or single sourced by the Requisitioner and is Purchasing Department centralized.

Requirements:

Reference B.2. Requirements, #1 through #5.

2. Purchase Dollar Value Range > \$1,000.

This method of purchase requires competition and is Purchasing Department centralized.

Requirements:

1. A purchase requisition shall be completed by the requisitioner, with required approvals.
2. A "Contractor Risk Assessment Form" (Reference Appendix F-Contractor Risk Assessment Form Page 76) shall be completed by the requisitioner to determine the degree of risk involved with the required service which will determine whether prequalification process is required. If a prequalification is required, the requisitioner and the Manager, Safety & Training, shall define the requirements and create the document.
3. The requirement (specification) shall be defined and documented by the requisitioner, either in the description field of the requisition or on a separate specification document, depending on the length and complexity of the requirement.

4. WSIB Clearance Certificate, Insurance Requirement, Contract Document and Undertaking to Comply Document, shall be requested from the successful company by the Purchasing Department.
5. The purchase order awarded to the successful company shall be issued by the Purchasing Department once requirements #1 through #4 are met in full.

C. GOODS AND SERVICES

Request for Proposal (RFP) – All Purchase Dollar Value Ranges

This method of acquisition is centralized in the Purchasing Department when:

- expertise and experience is required; or
- comprehensive technical specifications cannot be fully defined or specified; or
- alternate methods are being sought to perform a certain function of service.

Requirements:

1. Funds shall be budgeted for.
2. An on-line purchase requisition shall be completed by the requisitioner, with appropriate approvals.
3. For procurement of services only, a “Contractor Risk Assessment Form” (Reference Appendix F-Contractor Risk Assessment Form, Page 76) shall be completed by the requisitioner to determine degree of risk/ whether prequalification is required (Reference Appendix E–Prequalification/ Tender Process Flow Chart for Services, Page 74). If a prequalification is required, the requisitioner and the Manager, Safety & Training, shall define the requirements and create the document.
4. If required, the prequalification precedes the “RFP” and only prequalified vendors/contractors receive the proposal package.
5. The “Terms of Reference” (Reference Section 3.0, Definitions, Page 9) section of the RFP is developed by the requisitioner and the front end of the document (for example, Information to Bidders, Requirements at Time of Closing, Conditions) is prepared by the Purchasing Department.
6. All RFP’s shall be issued, advertised, if required, opened and awarded by the Purchasing Department.
7. The Formal RFP shall be issued by the Purchasing Department to known/preferred/prequalified vendors and shall be a sealed bid process.
8. All RFP’s shall clearly set out the evaluation criteria and weightings upon which an award of the RFP may be made. The requisitioner shall define the criteria and weightings.

9. All proposals that meet the required terms, conditions and terms of reference outlined in the RFP document shall be evaluated based on the evaluation criteria and weightings.
10. The proposal earning the highest score based on the criteria and weightings shall be receive the award.
11. For services only, Contract Documents and Undertaking to Comply, Liability Insurance and WSIB Clearance Certificates shall be requested by the Purchasing Department.
12. The purchase order shall be issued only after all requirements are met.
13. Exceptions to this policy may include:

Policy for Emergency Purchasing (Reference Section 5.10, Policy #10, Page 33)
Policy for Non-Competitive Purchases (Reference Section 5.1, Policy #1, Page 18)

4.3.3 REFERENCE

Section 3.0 - Definitions
Section 4.1 - Types and Goals of Procurement Processes
Section 5.1 - Policy #1 - Non-Competitive Purchases
Section 5.3 - Policy #3 – Prequalification of Acceptable Bidders
Section 5.4 - Policy #4 - Specifications
Section 5.5 - Policy #5 – Proposals
Section 5.11 - Policy #11 – Recommendation to Purchase (RTP)
Appendix C - Sample Front End and RFP Document
Appendix E - Prequalification/Tender Process Flow Chart for Services

5.0 POLICIES

5.1 POLICY #1 – NON-COMPETITIVE PURCHASES

(Sole Source Procurement, Purchase by Negotiation)

5.1.1 POLICY

The purpose of this policy is to set out guidelines for acquiring goods and/or services without a competitive bidding process. Purchase by negotiation may be adopted, if in the judgment of the Manager, Purchasing and Stores, in consultation with the requisitioning Department Manager, any of the following conditions apply:

- When an unforeseeable condition of urgency exists, and the goods or services cannot be obtained in time through a competitive process.
- When the required item is covered by an exclusive right such as a patent, copyright or exclusive license.
- When the purchase involves a component or replacement part for which there is no substitute.
- When the purchase involves an item for which compatibility with an existing product is an overriding consideration or to avoid violating warranty/guarantee requirements when service is required.
- When the purchase is already covered by a lease-purchase agreement where payments are partially or totally credited to the purchase.
- When no bids were received in a competitive process.
- When only one bid is received in a tender, proposal or quotation call.
- Where two or more identical low bids have been received.
- When the required item is in short supply due to market conditions.
- When the lowest tender, proposal or quotation meeting specifications, terms and conditions substantially exceeds (by at least 20%) the estimated cost and it is **impractical** to recall the tender, proposal or quotation.

- When competitive sourcing for low value procurement would be uneconomical or would not attract bids.

When a Manager intends to select a supplier to provide goods and/or services pursuant to section 5.1.1, the Purchasing Department shall be advised in writing of the compelling rationale that warrants a non-competitive selection for approval prior to entering into any discussions with the supplier.

The supplier, with whom the Manager and the Purchasing Department have the greatest confidence to fulfill the requirement and provides for fair market value, shall be selected.

The contract resulting from negotiations shall be awarded by the Purchasing Department, provided that the funds are available in appropriate accounts within approved budgets including authorized revisions to meet the proposed expenditure.

Any purchase contract for \$100,000 or more in value, excluding taxes and freight, shall require the approval from the President to proceed with negotiations. Further, any negotiated purchase contract for \$100,000 or more in value, excluding taxes and freight, shall again be subject to approval from the President prior to award of contract.

5.1.2 REFERENCE

Section 3.0 - Definitions

Appendix B – Non-Competitive Purchases Form (Policy #1)

Appendix I – Emergency Reporting Form (Policy #10)

5.2 POLICY #2 – ADMINISTRATIVE FEE

5.2.1 *POLICY*

The purpose of this policy is to outline specific administration fees for bid documents.

Thunder Bay Hydro may charge a minimum administration fee of \$25.00 for tender and Proposal documents. The Manager, Purchasing & Stores, in conjunction with the Requisitioner, will determine whether a fee will be charged for the document and if so, the amount of the fee.

Cheques shall be made payable to Thunder Bay Hydro. Failure to submit the fee with the tender/proposal/quotation submission may result in disqualification of bid.

5.2.2 *REFERENCE*

5.3 POLICY #3 – PREQUALIFICATION OF ACCEPTABLE BIDDERS

5.3.1 POLICY

The purpose of this policy is to set out guidelines for the prequalification of acceptable bidders prior to the competitive bid process.

The purpose of the prequalification is to minimize the amount of risk associated with hiring contractors. Further, the process ensures that each bidder can demonstrate the ability to provide the necessary experience, expertise and resources to satisfactorily complete the work required as specified by Thunder Bay Hydro.

It is the responsibility of the Hiring Supervisor (Requisitioner) to assess the potential risk associated with the work by completing the “Contractor Risk Assessment Form” (CRA) (Reference Appendix F-Contractor Risk Assessment Form, Page 76).

1. If the work is determined to be “**high risk**”, a prequalification is required.
2. If the work is determined to be “**medium risk**”, it is at the discretion of the Hiring Supervisor as to whether a prequalification is required. If determined that a prequalification is not required, the risk assessment is subject to review and approval by the Vice President of the hiring Division.
3. If the work is determined to be “**low risk**”, prequalification is most likely not required, however, it is at the discretion of the Hiring Supervisor. If determined that a prequalification is not required, the risk assessment is subject to review and approval by the Vice President of the hiring Division.

The prequalification, if determined to be required, is developed by the Hiring Supervisor in conjunction with the Manager, Safety & Training.

5.3.2 CRITERIA

This may include but not be limited to the following:

1. Experience on similar work (both from a company and staff perspective)
2. References provided from other customers for similar work
3. Verification of applicable certificates, licenses, membership
4. Health and safety policies and programs
5. WSIB and insurance requirements
6. Financial capability

To determine whether a company prequalifies, the Hiring Supervisor will be responsible for evaluating the work experience, qualifications, references, and vehicles and equipment portion of the prequalification, while the Manager, Safety & Training will focus on safety requirements, qualifications and training, insurance, and WSIB requirements.

The recommendation regarding acceptable companies who will be invited to participate in the subsequent competitive sealed bid will be forwarded to the Purchasing Department by the hiring Supervisor. Only these prequalified companies will be invited to submit sealed tenders/proposals.

5.3.3 REFERENCE

- Appendix D – Contractor Safety Management Program
- Appendix E – Prequalification/Tender Process Flow Chart for Services
- Appendix F - Contractor Risk Assessment Form
- Appendix G – Instruction to Assist the Hiring Supervisor
 - Hiring Supervisor Instruction to Purchasing Department Form
 - Prequalification Review – Manager, Safety & Training
 - Prequalification Review – Hiring Supervisor
- Appendix H – Sample Prequalification Document

5.4 POLICY #4 – SPECIFICATIONS

(for the issuance of “Request for Quotation” (RFQ) and “Request for Tender” (RFT))

5.4.1 POLICY

The purpose of this policy is to provide guidelines with respect to specifications.

When the requirement to be purchased can be fully defined and the award can be achieved on the basis of low bid to specification, a “Request for Quotation” (RFQ) or “Request for Tender” (RFT) shall be issued by the Purchasing Department. The Purchasing Department shall process the specification in the format required dependent on the dollar value of the purchase (RFQ, RFT).

Where it is not possible to prepare precise specifications in order to issue a Request for Tender for the provision of goods and/or services, a Request for Proposals shall be issued.

1. The Department whose budget provides for the acquisition of goods and/or services shall be responsible to prepare and provide specifications. Specifications shall be approved by the requisitioning Department Manager and then forwarded to the Purchasing Department with approval attached.
 - Specifications should be detailed but, where possible, not brand specific to allow for potential vendors to provide alternatives in the event an equal or better-proven product or method is available and shall not deter a competitive process.
 - Potential vendors shall not be requested to expend time, money or effort on design or in developing specifications or otherwise help define a requirement beyond the normal level of service expected from vendors. When such services are required:
 - The Manager, Purchasing & Stores shall be advised.
 - The contracted vendor will be considered as a Consultant and unable to make an offer for the supply of the goods and services, unless approved by the Vice President of the Division and the Manager, Purchasing & Stores.
 - A fee shall be paid to the contracted vendor.
 - The detailed specification shall be approved by the Manager of the Requisitioning Department and shall become the property of Thunder Bay Hydro for use in obtaining competitive bids.
2. The Purchasing Department shall review and recommend changes to the specifications when deemed necessary and resulting changes to specifications shall be made with the cooperation of the Requisitioning Department. The Manager, Purchasing & Stores,

shall assist in determining if the specifications are clear in understanding, in the appropriate form, commercially practical and in sufficient generic form, where possible, to ensure competitive bidding.

The Manager, Purchasing and Stores may reject any specification not consistent with the Purchasing Policy.

3. In cases where the specification will result in a sole or single source purchase, it shall be required that the Hiring Supervisor complete the “Non-Competitive Purchases Form” (Reference Appendix B-Non-Competitive Purchases Form (Policy #1), Page 52) and authorization shall be required by the Requisitioner’s Vice President. The completed form shall be forwarded to the Purchasing Department where the information will be utilized to complete a Recommendation to Purchase (RTP). The RTP shall require approval from the Manager, Purchasing & Stores, Vice President, Finance as required by the Manager, Purchasing & Stores and the President, if deemed required by the Vice President, Finance.
4. The Purchasing Department shall process the specification as a “Request for Quotation” (RFQ), either formal or informal or a “Request for Tender” (RFT), dependent on the dollar value of the purchase.

5.4.2 REFERENCE

- Section 4.1 - Types and Goals of Procurement Processes
- Section 4.2 - Circumstances For Use of Procurement Processes
- Section 5.5 - Policy #5 – Proposals
- Section 5.11 - Policy #11 – Recommendation to Purchase
- Appendix B - Non-Competitive Purchases Form (Policy #1)
- Appendix C - Sample Front End and RFP/RFT Document
- Appendix J - Purchasing Guidelines Regarding Bid Irregularities
- Appendix Q - Purchasing 101
- Appendix R - Before Entering a Purchase Requisition
 - How to Create and Complete a Requisition

5.5 POLICY #5 – PROPOSALS

5.5.1 POLICY

The purpose of this policy is to provide guidelines with respect to Request for Proposals.

The Request for Proposal (RFP) is a competitive method of purchase that may be tendered by way of public call or invitational bid. This method of purchase is utilized when the requirements for goods or services needed cannot be definitively specified and the suitability of the purchase of goods and services depends upon the expertise and experience of the successful vendor, examples include:

1. Professional services (architects, legal counsel, engineers).
2. Consulting services (computer systems, insurance).
3. Goods and services which the Requisitioner cannot (or should not) strictly or easily define without more information from the vendor(s) (insurance).
4. Occasions when innovative solutions are sought.

5.5.2 ROLES AND RESPONSIBILITIES

The **Requisitioning Department** shall provide the Purchasing Department with:

1. A purchase requisition, with approvals as required.
2. For procurement of services only, a “Contractor Risk Assessment Form” (Reference Appendix F-Contractor Risk Assessment Form, Page 76) shall be completed by the requisitioner to determine degree of risk/ whether prequalification is required (Reference Appendix E–Prequalification/ Tender Process Flow Chart for Services, Page 74). If a prequalification is required, the requisitioner and the Manager, Safety & Training, shall define the requirements and create the document.
3. If required, the prequalification precedes the “RFP” and only prequalified vendors/contractors receive the proposal package.
4. The terms of reference (Section 3.0, Definitions, Page 9)
5. The evaluation criteria and weightings to be applied in assessing the proposals submitted.
6. A summary of the proposals received noting analysis of each submission.
7. A recommendation regarding the successful proposal. The award is to be made to the vendor meeting all mandatory requirements and determined by reference to the evaluation criteria and weightings providing best value.

The **Purchasing Department** shall be responsible for:

1. Making itself available to the Requisitioner for consultation during the creation of the RFP.
2. Issuing the RFP.
3. Participating as a member of the Proposal Selection/Review Committee, when required.
4. Awarding the RFP, administering all necessary contract documents provided that:
 - a. Sufficient funds are available and approved by the Finance Division,
 - b. The award is made to the Supplier meeting all mandatory requirements and providing best value as stipulated in the Request for Proposal,
 - c. The Purchasing Department is in receipt of a funded requisition, and
 - d. The provisions of this Policy are followed.

5.5.3 *SELECTION COMMITTEE*

A Selection Committee comprised of a minimum of two representatives from the Requisitioning Department, and when the contract price is anticipated to be \$100,000 or greater, a representative from the Purchasing Department shall review all proposals against the established criteria, reach consensus on the final rating results, and ensure that the final rating results, with supporting documents, are kept in the procurement file.

5.5.4 *COMMUNICATION WITH PROPONENTS*

During the proposal process all communication with bidders shall be through the Purchasing Department.

5.5.5 *REFERENCE*

Section 3.0 – Definitions

Section 4.1 - Types and Goals of Procurement Processes

Section 4.2 - Circumstances for Use of Procurement Processes

Section 5.11 – Policy #11 – Recommendation to Purchase

Appendix C – Sample Front End and RFP/RFT Document

Appendix J – Purchasing Guidelines Regarding Bid Irregularities

Appendix Q – Purchasing 101

Appendix R - Before Entering a Purchase Requisition

- How to Create and Complete a Requisition

5.6 POLICY #6 – FINANCIAL SECURITY REQUIREMENTS

The purpose of this policy is to set out guidelines for financial security requirements for tenders and proposals.

5.6.1 BID DEPOSIT

A Bid may be required to be accompanied by a form of Bid deposit to guarantee entry into a Contract, as follows:

ESTIMATED TOTAL ACQUISITION COST	MINIMUM DEPOSIT REQUIRED
\$50,000 OR LESS (WHERE THE SCOPE OF WORK OR SPECIAL PROJECTS ARE DEEMED TO REQUIRE A BID DEPOSIT)	5%
GREATER THAN \$50,000	10%

The amount of the bid deposit shall be determined by the Manager of the Requisitioning Department, in conjunction with the Manager, Purchasing & Stores.

A bid deposit shall be provided in Canadian currency and in one of the following formats:

1. A bid bond or an agreement to bond issued by a bonding agency currently licensed to operate in the Province of Ontario naming Thunder Bay Hydro as the Oblige.
2. A certified cheque made payable to Thunder Bay Hydro.
3. An irrevocable letter of credit naming Thunder Bay Hydro as the beneficiary.
4. A money order made payable to Thunder Bay Hydro.

Thunder Bay Hydro does not pay interest on any bid deposits.

All bid deposits must be original documentation, signed and sealed as appropriate. No faxed or photocopies will be accepted.

Thunder Bay Hydro is authorized to cash and deposit any bid deposit in Thunder Bay Hydro's possession that is forfeited as a result of non-compliance with any of the terms, conditions and/or specifications of a sealed bid.

Bid deposits shall be dated for a minimum of 60 days, or the same period/term as specified in the proposal or tender. All bid deposits except those of the proponents submitting the two lowest acceptable bids shall be returned no later than five (5) working days following the opening of bids by Thunder Bay Hydro. The bid deposit of the bidder submitting the second lowest acceptable tender or the second highest evaluated proposal will be held until not later than ten (10) business days after the execution of the contract by Thunder Bay Hydro.

If, within 60 days (the period of the contract) after the date of opening bids, a bidder has not been notified that its bid has been recommended to Thunder Bay Hydro for acceptance, its bid deposit will be returned on demand. Such demand for the return of a bid deposit or the return of the bid deposit by Thunder Bay Hydro to a bidder whose bid has not been accepted shall constitute the withdrawal or expiry of the validity of the bid.

5.6.2 *BONDING REQUIREMENTS*

Performance, Labour and Material and/or Maintenance Bonds are required for all construction projects exceeding \$100,000 for a minimum of 50% of the bid amount. For construction projects less than \$100,000, the bid amount will be determined at the discretion of the Manager, Purchasing & Stores in conjunction with the Requisitioner.

All bonds must be originals, signed and sealed. No faxed or photocopies will be accepted.

5.6.3 *INSURANCE REQUIREMENTS*

The standard per occurrence* insurance minimums are as follows:

\$5 Million – Commercial General Liability Policy

\$5 Million – Automobile Liability Policy

\$5 Million – Professional Errors and Omissions Liability.

* The per occurrence coverage can be entirely primary insurance, or a combination of primary and umbrella, as long as it totals \$5,000,000 “per occurrence”.

Bid documents must clearly indicate the insurance requirements to be provided and maintained until the termination of the contract by the successful bidder, including:

A “Cross Liability” clause.

Endorsement certifying that Thunder Bay Hydro is named as an additional insured.

An endorsement to the effect that the policy or policies will not be altered, cancelled, or allowed to lapse without thirty (30) days prior written notice to Thunder Bay Hydro.

5.6.4 WORKPLACE REQUIREMENTS

Workplace Safety & Insurance Board (WSIB) Requirements:

1. The successful bidder shall furnish a WSIB Clearance Certificate indicating their WSIB firm number, account number and that their account is in good standing. The form must be provided prior to the formal award of contract. The successful bidder further agrees to maintain their WSIB account in good standing throughout the contract period.
2. Thunder Bay Hydro will require the successful bidder to produce a Clearance Certificate from WSIB from time to time during the contract on request and/or prior to final payment.
 1. If the successful bidder is a self-employed individual, partner or executive officer who does not pay WSIB premiums and is recognized by WSIB as an “independent operator”, a letter from WSIB acknowledging independent contractor status and confirming that WSIB coverage is not required, must be provided to Thunder Bay Hydro prior to formal award of contract.

5.6.5 REFERENCE

5.7 POLICY #7 – EXERCISE OF CONTRACT RENEWAL OPTION

5.7.1 POLICY

The purpose of this policy is to set out guidelines regarding exercising an option to renew with an existing contract.

Where a contract contains an option for renewal, the Manager of the department which requisitioned the requirement, may authorize the Purchasing Department to exercise such option provided that:

- the supplier's performance in supplying the goods and/or services is considered to have met the requirements of the contract, and
- the Manager of the Requisitioning Department and the Purchasing Department agree that the exercise of the option is in the best interest of Thunder Bay Hydro, and
- funds are available in appropriate accounts within approved budgets including authorized revisions to meet the proposed expenditure.

The authorization from the Manager of the requisitioning Department shall include a written explanation as to why the renewal is in the best interest of Thunder Bay Hydro and include comment on the market situation and trend.

5.7.2 REFERENCE

5.8 POLICY #8 - CONTRACT AMENDMENTS AND REVISIONS

The purpose of this policy is to set out guidelines regarding contract amendments and revisions to an existing contract.

No amendment or revision to a contract shall be made unless the amendment is in the best interest of Thunder Bay Hydro. This decision is to be made by the Manager of the requisitioning Department in conjunction with the Purchasing Department.

No amendment that changes the price of a contract shall be agreed to without a corresponding change in the requirement or scope of work.

Amendments to contracts are subject to the identification and availability of sufficient funds in appropriate accounts within approved budgets including authorized revisions.

5.8.1 REFERENCE

5.9 POLICY #9 – LOCAL SUPPLIERS

5.9.1 POLICY

The Province of Ontario's *Discriminatory Business Practices Act (R.S.O. 1990)* has been established to prevent discrimination in Ontario on the ground of race, creed, colour, nationality, ancestry, place of origin, sex, or geographical locations of persons employed or engaging in business. Granting preference, therefore, to local suppliers to supply goods and/or services to Thunder Bay Hydro cannot be undertaken.

5.9.2 REFERENCE

5.10 POLICY #10 – EMERGENCY PURCHASING

5.10.1 POLICY

The purpose of this policy is to set out guidelines for acquiring goods and/or services when an emergency arises.

When the President has declared an emergency, goods and/or services shall be acquired by the most expedient and economical means. The Purchasing Department will provide cooperative assistance when requested to expedite any purchasing documents necessary to deal with the emergency. Any purchase acquisition document issued under such conditions shall be justified and approved by the Vice President of the initiating department. For amounts exceeding \$50,000, the Vice President shall issue an information report to the President.

Subsequent to the resolution of the Emergency, all transactions require an online requisition to be entered to complete the procurement process. The initiating department shall complete the Emergency Reporting Form and forward it to the Manager, Purchasing & Stores.

5.10.2 REFERENCE

Section 3.0 – Definitions

Appendix B – Non-Competitive Purchases Form (Policy #1)

Appendix I – Emergency Reporting Form (Policy #10)

5.11 POLICY #11 – RECOMMENDATION TO PURCHASE (RTP)

5.11.1 POLICY

The purpose of this policy is to outline the circumstances when a “Recommendation to Purchase” (RTP) is required.

A “Recommendation to Purchase” is required (prior to award) when at least one (1) of the following circumstances exists:

1. The Requisitioner is recommending to the Purchasing Department a vendor which is not low price to specification (i.e. a recommendation may be based on delivery);
2. The good or service has not been budgeted for;
3. The cost of the tendered good or service exceeds the budgeted amount by more than 20%;
4. Only one bid has been received in the tendering process;
5. The item or service has been sole sourced or single sourced.

A “Recommendation to Purchase” shall be issued by the Purchasing Department and requires the approval of the following:

1. Manager, Purchasing & Stores, for all RTP’s
2. Vice President, Finance, at the discretion of the Manager, Purchasing & Stores
3. President, at the discretion of the Vice President, Finance

Information required from the Requisitioner for the Recommendation to Purchase, includes but may not be limited to:

1. Justification for recommendation.
2. Budgeted amount.
3. In such cases where the specification will result in a sole or single source purchase, it shall be required that the Hiring Supervisor complete the “Non-Competitive Purchases Form” (Reference Appendix B-Non-Competitive Purchases Form (Policy #1) Page 52) and authorization shall be required by the Requisitioner’s Vice President.

5.11.2 REFERENCE

Section 5.1 - Non-Competitive Purchases

5.12 POLICY #12 – BID IRREGULARITIES

5.12.1 POLICY

The purpose of this policy is to define the various irregularities with regards to bid submissions.

A bid irregularity is a deviation between the requirements (terms, conditions, specifications special instructions) of a bid request and the information provided in a bid response.

For the purpose of this policy, bid irregularities are further classified as “major irregularities” or “minor irregularities”.

- A “**major irregularity**” is a deviation from the bid request that affects the price, quality, quantity or delivery, and is material to the award. This also includes late bids, bid surety not in the form specified; amount of the surety must be equal or greater than the amount requested, attendance at mandatory site visits. If the deviation is permitted, the bidder could gain an unfair advantage over competitors. The Manager, Purchasing & Stores, shall reject any bid which contains a major irregularity.
- A “**minor irregularity**” is a deviation from the bid request, which affects form, rather than substance. The effect on the price, quality, quantity or delivery is not material to the award. If the deviation is permitted or corrected, the bidder would not gain an unfair advantage over competitors. The Manager, Purchasing & Stores, may permit the bidder to correct a minor irregularity.

Regarding mathematical errors, such as errors found in taxes, extensions, additions, etc. the unit price shall generally govern.

5.12.2 ACTION TAKEN

The Manager, Purchasing & Stores shall be responsible for all action taken in dealing with bid irregularities and acts in accordance with the nature of the irregularity:

1. Major irregularity (automatic rejection)
2. Minor irregularity (bidder may rectify)

5.12.3 REFERENCE

Appendix J - Purchasing Guidelines Regarding Bid Irregularities

5.13 POLICY #13 – CONSULTING AND PROFESSIONAL SERVICES

5.13.1 POLICY

The purpose of this policy is to set out guidelines for acquiring Consulting and Professional Services as defined in Section 3.0, Definitions, Page 6, and in accordance with Thunder Bay Hydro Purchasing Policies. Where possible, all qualified firms providing Consulting and Professional Services shall have fair access to Thunder Bay Hydro assignments.

A consultant or professional may be required for various reasons. Some examples include:

- a. To supplement staff time, particularly appropriate when the project is a non-recurring one.
- b. To supplement staff expertise when tasks may call for special skills that current staff does not possess or cannot be learned quickly or easily by staff.
- c. To ensure objectivity when projects which may be controversial or political and a consultant may be able to find a “win-win” solution.
- d. To obtain a variety of skills from a consulting firm with access to a number of people with different skills.
- e. To assist in handling work load or projects.

5.13.2 SELECTION TYPES (1 TO 4 AS NOTED BELOW)

1. Selection Based on Responses to a “Request for Proposal” (RFP):

This process requires that a consultant submit a full project proposal in order to be considered (Reference Section 5.5, Policy #5-Proposals, Page 25).

The steps in the RFP – Consultant process typically includes:

- Distribution of RFP package (by Purchasing Department)
- Review of proposals (by requisitioning Department)
- Preliminary ranking (by requisitioning Department) identifies candidates for interviews
- Interview (optional) (by requisitioning Department)
- Recommendation of Selection (by requisitioning Department).

2. Combining the RFP in a Two-Part Selection Process:

This process may be used to broaden the pool of consultants. RFP's shall be made available to any consulting firm that might reasonably be interested in the project. Interviews may be conducted at any one of the two stages of the process.

Part One:

This selection process follows an RFP process to identify a "short list" of consultants to be invited to submit full project proposals. Interested consulting firms shall submit a statement of qualifications corresponding to the required scope and description of work as defined by the requisitioning Department.

The requisitioning Department shall review the statements of qualifications submitted and prepare a "short list" of only those firms that meet the full required qualifications.

Part Two:

RFP's shall be issued by the Purchasing Department to those consulting firms which have been short listed.

3. Sole-Source Procurement:

This approach may be considered when selecting a single consultant either for a particular task or for a continuing relationship. For both legal and political reasons, the Requisitioning Supervisor considering the use of this selection process shall provide the reason for doing so, in writing, to the Purchasing Department prior to making any commitment with the consultant.

Flexibility to use this selection process may be appropriate under the following circumstances:

- When a consultant, due to prior work with Thunder Bay Hydro, has significant background in a matter requiring resolution in a short period of time.
- When it is practically necessary to retain a local consultant and there is only one who is qualified.
- When Thunder Bay Hydro requires the services of a consultant with a unique specialty.
- If there is not sufficient time to go through a formal search procedure.
- When significant cost savings can be achieved by using a consultant who is familiar with Thunder Bay Hydro and its procedures.

4. Alternate Form of Single-Source Procurement:

Should a consultant be familiar with a project from work done under a previous contract **that was awarded after a competitive process**, consideration may be given to use an amendment to that contract. Consideration to use an amendment to the contract to retain the consultant's services for later stages of the project or a related project shall be approved by the Purchasing Department prior to any commitment being made to a consultant.

5.13.3 TYPE OF CONTRACT

Fixed price (also called lump sum) whereby a fixed price is received for a defined scope of services. This type of contract may include additional, extra-cost options.

Time and expense (cost-plus), whereby a consultant is reimbursed on a fixed formula for professional time and expenses. This type of contract shall be utilized to provide maximum flexibility where the scope of services is impossible to determine in advance.

5.13.4 REFERENCE

Section 3.0 - Definitions

5.14 POLICY #14 – COOPERATIVE PURCHASING

5.14.1 *POLICY*

Thunder Bay Hydro may participate with other government agencies, public authorities or businesses, in cooperative acquisition ventures when it is in the best interest of Thunder Bay Hydro to do so.

The policies and procedures of Thunder Bay Hydro will be followed, such as requirements regarding Contractor Risk Assessment, prequalification, WSIB and insurance.

Each agency will issue its own contract and is responsible for the remainder of the procurement function (issuing the purchase order, receiving, inspecting and payment).

5.14.2 *REFERENCE*

5.15 POLICY #15 – DISPOSAL OF SURPLUS GOODS POLICY

5.15.1 POLICY

The purpose of this policy is to set out guidelines for the disposal of surplus goods which shall be evaluated on a case by case basis.

5.15.2 METHOD OF DISPOSAL

1. The Manager, Purchasing & Stores, shall have the authority to sell, exchange, or otherwise dispose of goods declared as surplus to the needs of Thunder Bay Hydro, and where it is cost effective and in the best interest of Thunder Bay Hydro to do so, items or groups of items may:
 2. Be transferred to other departments within Thunder Bay Hydro; or
 3. Be offered for sale by external advertisement or in-house (where it is deemed appropriate, a reserve price may be established); or
 4. Be sold or traded to the original supplier or others in that line of business where it is determined that a higher net return will be obtained than following other procedures; or
 5. Be donated to a non-profit agency; or
 6. Be recycled; or
 7. In the event that all efforts to dispose of Goods by sale are unsuccessful, these items may be scrapped.
8. The Manager, Purchasing & Stores, shall submit an annual report to the Vice President, Finance, summarizing the disposal of all surplus Goods pursuant to this policy.

5.15.3 REFERENCE

Appendix K – Surplus/Scrap – Identification and Disposal Form

Appendix L – Surplus/Scrap Vehicle – Identification and Disposal Form

5.16 POLICY #16 – PURCHASING CARD POLICY AND PROCEDURES

5.16.1 INTRODUCTION

PURPOSE AND SCOPE

To outline the policy and procedures for the use and control of Thunder Bay Hydro's Purchasing Card.

BACKGROUND

Departmentally approved employees are authorized to use the Purchasing Card to efficiently purchase low-dollar-value goods and services in support of sound business practices. In addition, benefits will accrue in Finance by reducing the number of invoices processed, resulting in fewer cheques being prepared in Purchasing, by reducing the number of purchase requisitions resulting in fewer low dollar purchase orders and for user departments by providing a simplified process and an increased level of service.

AUTHORITY

The Administrator (Vice President, Finance and/or designate(s)) authorizes Supervisors to empower approved employees within their Departments or areas of responsibility.

INQUIRIES

Inquiries related to the accounting aspects of this policy should be addressed to the Administrator.

Inquiries related to the purchasing aspects of this policy should be addressed to the Manager, Purchasing and Stores.

5.16.2 POLICY

The Administrator is responsible for the Purchasing Card co-ordination function within Thunder Bay Hydro.

Each Purchasing Card will have a unique number, and will be issued in the name of Thunder Bay Hydro and the name of the employee who has been authorized to use that card. The card is not transferable to any other employee, even if that other employee is also authorized to use a Purchasing Card on behalf of Thunder Bay Hydro.

Supervisors have been delegated purchasing and approval signing authority for low-dollar-value purchases.

The Purchasing Card will be issued to employees approved by Supervisors who occupy positions with delegated low-dollar-value purchasing authority.

The credit limit, which is the maximum amount chargeable to each Purchasing Card, is restricted to the maximum dollar limit established by each respective Vice President or Vice President, Finance, based on the forecasted monthly use of the Purchasing Card.

The Purchasing Cards must not be used:

- When the purchase of a service requires specific performance(s) of the supplier of such service (i.e., completion dates, certifications, warranties, shipping costs, etc.).
- When the purchase of a service involves contracted labour and WSIB clearance certificates, contract documents, insurance, etc. are required to be on file.
- When the goods and services are available under an existing blanket purchase order or contract.
- When the goods are available from Stores.
- When the cost of the goods or services would be significantly increased as a result of using the card and an alternative method of payment is available (i.e., a discount is provided by the vendor as a result of not using the card).
- For purchasing goods and services which have Thunder Bay Hydro standardization (i.e. Thunder Bay Hydro furnishings).
- For personal purchases.
- To obtain cash advances.

No cardholder may accept cash or a cheque from a vendor who is making a refund pertaining to a transaction previously charged to a Purchasing Card account. The vendor in all cases must issue a credit voucher.

Every cardholder shall be informed in writing of his or her responsibilities and restrictions regarding the use of the Purchasing Card and shall agree to them in writing (Reference Appendix N-Purchasing Card-Purchasing Acknowledgement of Responsibilities and Obligations, Page 95). Cardholders will be held liable for any misuse or wilful disregard of policies or operating procedures which result in a loss of money, fraud or collusion and may be subject to discipline up to and including termination for such infractions.

To avoid the payment of interest, payments to the bank shall be made within 21 days following the monthly statement date (refer to Payment of Monthly Statements, and Payment and Calculation of Interest sections – Page 49).

The liability for authorized charges on the Purchasing Card rests with Thunder Bay Hydro, not the individual cardholder.

The maximum Thunder Bay Hydro liability for unauthorized use of the card following loss or theft of the card shall be \$50. Unauthorized use means a use that did not benefit Thunder Bay Hydro and was made by someone other than the cardholder. Thunder Bay Hydro is not liable for any unauthorized use of the card which occurs after notification of loss, theft, or cancellation has been received by the bank. However, if the loss or theft or a card is not reported immediately, Thunder Bay Hydro may be liable for all unauthorized purchases charged to the account.

There is a fee of \$20 per Purchasing Card per year.

Purchases made outside Canada will be converted to Canadian funds at a rate established by USBank™ Canada.

5.16.3 RESPONSIBILITIES

The Cardholder is responsible for:

- Adhering to all conditions and restrictions imposed on the Purchasing Card by Thunder Bay Hydro and the bank.
- Submitting the “Employee Acknowledgement of Responsibilities and Obligations” form to the Purchasing Manager (Reference Appendix N, Page 95).
- Ensuring that the Purchasing Card, monthly statements and other documents bearing the card number are kept in a secure location with controlled access.
- Immediately notifying the bank, the Respective Vice President and the Administrator of any loss or theft of the card.
- Informing the Administrator of cancellation, changes in business address or area of responsibility, and/or telephone number, through the respective Vice President.
- Returning the card to the Administrator for cancellation, as appropriate, through the Respective Vice President.
- Maintaining a “Purchasing Card Purchases Record” (Reference Appendix “O”, Page 97), on a monthly basis, for all purchases made with the Purchasing Card.
- Resolving disputed charges with the assistance of the Administrator, as required.

- Forwarding all supporting documentation (i.e., cash register and Purchasing Card receipts, vendor notices, Purchasing Card Purchases Record, etc.) related to all purchases made with the Purchasing Card to Finance for reconciliation, account verification and audit purposes.
- Obtaining the required MSDS's for all WHMIS controlled products purchased with the Purchasing Card and immediately forwarding a copy to the Safety and Training Division.
- Reporting all items purchased with the Purchasing Card that form part of Asset Inventory.
- Ensuring that all vendors performing service work have the required comprehensive liability insurance, Workers' Compensation coverage and comply with the Health and Safety and Training requirements.

The Vice Presidents are responsible for:

- Assessing the need for Purchasing Cards based on operational requirements.
- Identifying the employee(s) who will be authorized to make low-dollar-value purchases through the use of a Purchasing Card.
- Establishing the credit limits, transaction limit and monthly limit for each cardholder
- Specifying the types of items to be purchased with the card, as need be.
- Preparing and submitting the appropriate bank forms and other pertinent information to the Administrator for the issuance or cancellation of cards, increases or decreases to credit limits, change of address or change in Division or area of responsibility (Reference "Cancellation of Purchasing Cards", Page 46).
- Ensuring that each cardholder is informed of his or her responsibilities regarding the use of the Purchasing Card.
- Ensuring that the use of Purchasing Cards conforms to Divisional and corporate policy and procedures.
- Monitoring and controlling the utilization of Purchasing Cards within their Division or area of responsibility.
- Reviewing and approving, on a monthly basis, the Purchasing Card Purchases Records for all purchases charged to their budgets. In the absence of a Vice President, the Vice President can delegate this responsibility to a supervisor.

The Administrator is responsible for:

- Assigning the Purchasing Card payment function within the finance area;
- Assisting the cardholders to resolve disputed charges, as required (refer to Disputed Charges – page 49).
- Authorizing the issuance or withdrawal of Purchasing Cards with the bank.
- Processing increases or decreases to credit limits, as requested by the Vice Presidents.
- Processing bank forms with respect to changes of address and changes of Division or area of responsibility, as requested by Supervisors.
- Developing corporate policies and procedures on low-dollar-value purchasing for goods and services.
- Ensuring that the conduct of all purchasing activity is done in accordance with approved Purchasing policies and procedures.
- Compiling and reporting pertinent Purchasing Card data to the Supervisors, as required.
- Providing co-ordination with respect to monitoring the overall utilization of Purchasing Cards within Thunder Bay Hydro.

5.16.4 PROCEDURES

REQUESTS FOR PURCHASING CARDS

The “Employee Information section of the application form must be completed and signed by the employee and approved by the respective Vice President for each card requested (Reference Appendix M-Purchasing Card Application Form, Page 94). Personal credit information is not required, as the card will be issued to Thunder Bay Hydro. The lower part of the form entitled “Unit Information” and “Company Authorization” will be completed by the Administrator.

The approved application form must be sent by the respective Vice President to the Administrator for transmittal to the bank.

Purchasing Cards are expected to be issued within five (5) working days from the date that the application form is received by the bank. The cards will be sent directly to the Administrator at the address indicated on the Bank Application Form.

ISSUANCE OF PURCHASING CARDS

Upon receipt of the cards from the bank, the Administrator must review the listing of enclosed cards for accuracy. Any inaccuracies are to be reported immediately to the bank by the Administrator.

The respective Vice President must inform the cardholder of the responsibilities and restrictions regarding the use of the Purchasing Card and obtain a written Employee “Acknowledgement of Responsibilities and Obligations” form (Reference Appendix N, Page 95) from each cardholder before issuing the card. The Acknowledgement of Responsibilities and Obligations form shall be forwarded to the Administrator for safekeeping.

The cardholder must sign the Purchasing Card and store it in a secure place until used.

CANCELLATION OF PURCHASING CARDS

The cardholder must complete a “Purchasing Card Request for Change” form (Reference Appendix P, Page 98) and return the card cut in half to the Administrator for cancellation, through the respective Vice President, when:

- specifically requested to return the card by the Administrator or the respective Vice President
- upon transfer to another Department or area of responsibility or
- upon termination of employment with Thunder Bay Hydro.

LOST OR STOLEN PURCHASING CARDS

The cardholder must immediately notify the bank of any loss or theft of the card through the Hotline service at 1-800-588-8065. Lost or stolen cards can be reported 24 hours a day. The cardholder must also advise their respective Vice President who shall confirm the loss or theft in writing by forwarding a change form to the Administrator. If the card is stolen, the police must be notified and a police report requested by the respective Vice President.

If the lost or stolen card should eventually be recovered or found, it must be cut in half and returned to the Administrator through the Respective Vice President.

CHANGE OF ADDRESS OR CHANGE OF DIVISION OR AREA OF RESPONSIBILITY

To change the billing address or the Division, the respective Vice President must complete the “Purchasing Card Request for Change” form (Reference Appendix P, Page 98) and forward it to the Administrator.

The change of address is expected to be made within three (3) working days from the date that the form is received by the bank.

With respect to a change of Division or area of responsibility, the reason for cancellation of the card must be indicated under “Reason” on the “Purchasing Card Request for Change” form (Reference Appendix P, Page 98). The card will be cancelled when the form is received by the bank. If another card is required for low-dollar-value purchases related to the new Division or area of responsibility, a new Purchasing Card Application form must be completed by the respective Vice President and sent to the Administrator (Reference “Requests for Purchasing Cards”, Page 45).

MODIFICATION OF CREDIT LIMIT

To modify a credit limit, the respective Vice President must complete the “Purchasing Card Request for Change” form – Change of Credit Limit (Reference Appendix P, Page 98) and forward it to the Administrator.

The change to the credit limit is expected to be made within three (3) working days from the date that the form is received by the bank.

DISPUTED CHARGES

Items charged on monthly statements of accounts that do not accurately reflect the transactions made by the cardholder (i.e., bank errors such as wrong amount, incorrect account number, multiple postings of the same item, etc.) are considered to be disputed items.

The cardholder must notify the Administrator immediately by telephone when disputed items as stated under Disputed Charges section are involved, as well as inform the respective Vice President concerned. Disputed items reported by cardholders will be credited on the individual statement the following month (provided they are legitimate). The amount indicated on the statement is the amount that should be paid to the bank.

The cardholder shall provide information and assistance to the bank to settle the disputed items, as required.

If the questionable item is not a bank error (i.e., late delivery, defective goods, wrong price, quantity difference, returned goods, etc.), the matter must be settled directly with the vendor by the cardholder. Such matters must be drawn to the vendor’s attention immediately so as to minimize the delay in obtaining a credit to the Purchasing Card account. When the amount in dispute is of an insignificant dollar value, notices to vendors should be confirmed in writing even though settlement may be accomplished through telephone calls. Copies of the notices to vendors should be attached to the monthly Purchasing Card Purchases Record. Disputes with vendors are not considered to be disputed items and must not be deducted from monthly statements of accounts.

PURCHASE OF GOODS AND SERVICES

Records of purchases made with Purchasing Cards must be forwarded to Accounts Payable by cardholders for audit trail purposes and to facilitate payment, reconciliation and account verification (i.e., Purchasing Card Purchases Record, sales slips, credit vouchers, notices to vendors, etc.).

The appropriate sales tax exemption number/certificate must be provided to the vendor to ensure exemption from the provincial sales tax where applicable.

The appropriate Harmonized Sales Tax is to be paid where applicable.

For over-the-counter transactions, the cardholder will certify that the goods have been received or the services have been rendered by signing the sales slip, when goods are shipped, the cardholder must ensure that the shipment matches the order or sales slip.

For telephone orders, the cardholder must request the vendor to submit a copy of the sales slip with the shipment.

PURCHASING CARD PURCHASES RECORD

Supervisors shall ensure that a Purchasing Card Purchases Record is maintained (Reference Appendix O-Purchasing Card Purchases Record, Page 97), on a monthly basis, for all purchases made with Purchasing Cards as this record will:

- Facilitate the reconciliation of each items purchased during the month through the use of a Purchasing Card (i.e., telephone orders and over-the-counter transactions) with the monthly statement received from the bank;
- Expedite the coding of transactions (i.e., the description of the item and the account coding are included on the register for each item purchased);
- Make it easier for Supervisors to review and approve expenditures charged to their budget through the use of Purchasing Cards;
- Provide an appropriate monitoring tool for Supervisors with respect to expenditures incurred against their budget by employees with delegated purchasing authority for low-dollar-value purchases.

The information shown on the sample “Purchasing Card Purchases Record” (Reference Appendix O, Page 97) meets the “minimum” requirements.

PAYMENT OF MONTHLY STATEMENTS

The statement of accounts will be issued on the 21st day of each month and will be sent directly to Accounts Payable at the address indicated on the Bank Application Form.

Upon receipt of the statement for the current billing cycle, Accounts Payable must ensure that the statement is date stamped immediately in order to establish the “receipt date”. The due date is calculated 21 days following the monthly statement date.

The following documentation must be sent to Accounts Payable for payment purposes:

1. The monthly statement from the bank approved by the cardholder and the respective Vice President.
2. A copy of the Purchasing Card Purchases Record, including sales slips, credit vouchers, etc., approved by the cardholder, the Supervisor, the respective Vice President and the Administrator with the detailed purchases listed on the record must match the charges shown on the monthly statement with adjusting entries shown, as need be, for disputed items (bank errors) and purchases not yet processed by the bank.
3. The approved monthly statements and purchasing card purchases record must be sent to accounts payable for payment within 10 days after the due date printed on the statement in order that the month end entries can be made in a timely fashion.

REFUNDS FROM VENDORS

When merchandise is returned or other adjustments to accounts are necessary, credit vouchers will be issued by vendors. Such credits must be issued against the same Purchasing Card that the original transaction was charged to.

PAYMENT AND CALCULATION OF INTEREST

In accordance with the terms of the agreement between the bank and Thunder Bay Hydro, the payment of interest to the bank is based on a 21-day payment period. Where Thunder Bay Hydro is responsible for the delay, interest will be automatically calculated and paid on overdue accounts.

Where interest is payable, it will be calculated as follows:

- Consolidated statement from the date of the statement of account until the date payment is received by the bank and is a corporate charge;
- Individual statement – from the date of the purchase until the date payment is received by the bank and is a Divisional charge.

The rate of interest payable will be 18.20%. The bank reserves the right to change the rate from time to time upon 30 days written notice from the bank to Thunder Bay Hydro.

CARD RENEWAL

Each Purchasing Card is issued for a period of two (2) years starting with the month in which the card is issued. Cards will be automatically renewed unless the bank is advised otherwise by Thunder Bay Hydro's Administrator.

MANAGEMENT REPORTS

The management reports produced by the bank are available to the Supervisors and the Administrator on a monthly basis for monitoring purposes. These reports are maintained in the Finance Division.

5.16.5 *REFERENCE*

- Appendix M - Purchasing Card Application Form
- Appendix N - Purchasing Acknowledgement of Responsibilities and Obligations
- Appendix O - Purchasing Card Purchases Record
- Appendix P - Purchasing Card Request for Change Form

ATTACHMENT 4 – N

Regulatory Cost Schedule

Board Appendix 2-M

**Appendix 2-M
 Regulatory Cost Schedule**

Regulatory Cost Category	USoA Account	USoA Account Balance	On-Going	Last Rebasing Year (2013 Board Approved)	Most Current Actuals Year 2015	2016 Bridge Year	Annual % Change	2017 Test Year	Annual % Change
			One-Time						
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H) = [(G)-(F)]/(F)	(I)	(J) = [(I)-(G)]/(G)
1 OEB Annual Assessment	5655		On-Going	\$120,000	\$114,942	\$126,280	9.86%	\$230,000	82.13%
2 OEB Section 30 Costs (Applicant-originated)									
3 OEB Section 30 Costs (OEB-initiated)	5655		On-Going	\$5,000	\$12,346	\$11,720	-5.07%	\$15,000	27.99%
4 Expert Witness costs for regulatory matters	5655		One-Time	\$2,750				\$3,000	
5 Legal costs for regulatory matters	5655		One-Time	\$11,250		\$10,000		\$4,000	-60.00%
Legal costs for regulatory matters	5655		On-Going		\$11,366	\$2,000		\$15,000	
6 Consultants' costs for regulatory matters	5655		One-Time	\$8,750		\$152,200		\$26,000	-82.92%
7 Operating expenses associated with staff resources allocated to regulatory matters									
8 Operating expenses associated with other resources allocated to regulatory matters ¹	5655		One-Time	\$2,500					
9 Other regulatory agency fees or assessments	5655		On-Going	\$20,300		\$49,042		\$24,100	-50.86%
10 Any other costs for regulatory matters (please define)	5655		One-Time	\$2,000		\$5,500		\$7,500	36.36%
11 Intervenor costs	5655		One-Time	\$8,750				\$60,800	
12 Sub-total - Ongoing Costs ³		\$ -		\$ 145,300	\$ 138,654	\$ 189,042	36.34%	\$ 284,100	50.28%
13 Sub-total - One-time Costs ⁴		\$ -		\$ 36,000	\$ -	\$ 167,700		\$ 101,300	-39.59%
14 Total		\$ -		\$ 181,300	\$ 138,654	\$ 356,742	157.29%	\$ 385,400	8.03%

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)	2016 Bridge Year	2017 Test Year	Application Gross Cost	Amortization Over Years
4 Expert Witness costs			\$3,000	\$3,000	\$600
5 Legal costs		\$10,000	\$4,000	\$14,000	\$2,800
6 Consultants' costs		\$152,200	\$26,000	\$178,200	\$35,640
7 Incremental operating expenses associated with staff resources allocated to this application.				\$0	\$0
8 Incremental operating expenses associated with other resources allocated to this application. ¹				\$0	\$0
11 Intervenor costs		\$5,500	\$7,500	\$13,000	\$2,600
11 Intervenor costs			\$60,800	\$60,800	\$12,160
Notes:		\$ 167,700	\$ 101,300	\$ 269,000	\$ 53,800

ATTACHMENT 4 – O

Service Life Comparison

Board Appendix 2-BB

Appendix 2-BB
 Service Life Comparison
 Table F-1 from Kinetrics Report¹

Parent*	#	Asset Details		Useful Life			USoA Account Number	USoA Account Description	Current		Proposed		Outside Range of Min, Max TUL?		
				MIN UL	TUL	MAX UL			Years	Rate	Years	Rate	Below Min TUL	Above Max TUL	
OH	1	Fully Dressed Wood Poles	Overall	35	45	75	1830	Poles, Towers and Fixtures	40	3%	40	3%	No	No	
			Cross Arm	20	40	55									
			Wood Steel	30	70	95									
	2	Fully Dressed Concrete Poles	Overall	50	60	80									
			Cross Arm	20	40	55									
			Wood Steel	30	70	95									
	3	Fully Dressed Steel Poles	Overall	60	60	80									
			Cross Arm	20	40	55									
	TS & MS	4	OH Line Switch	Overall	30	45	55	1835	Overhead Conductors and Devices	40	3%	40	3%	No	No
				OH Line Switch Motor	15	25	25								
		6	OH Line Switch RTU	Overall	15	20	20	1980	System Supervisory Equipment	20	5%	20	5%	No	No
OH Integral Switches				35	45	60									
8		OH Conductors	Overall	50	60	75	1835	Overhead Conductors and Devices	60	2%	60	2%	No	No	
			OH Transformers & Voltage Regulators	30	40	60									
10		OH Shunt Capacitor Banks	Overall	30	40	60	1850	Line Transformers	40	3%	40	3%	No	No	
			Reclosers	25	30	40									
UG		12	Power Transformers	Overall	30	45	60	1835	Overhead Conductors and Devices	40	3%	40	3%	No	No
				Bushing	10	20	30								
				Tap Changer	20	30	60								
	13	Station Service Transformer	Overall	30	45	55	1820	Distribution Station Equipment<50kV	45	2%	45	2%	No	No	
			Station Grounding Transformer	30	40	40									
	15	Station DC System	Overall	10	20	30	1820	Distribution Station Equipment<50kV	20	5%	20	5%	No	No	
			Battery Bank	10	15	15									
			Charger	20	20	30									
	16	Station Metal Clad Switchgear	Overall	30	40	60	1820	Distribution Station Equipment<50kV	40	3%	40	3%	No	No	
			Removable Breaker	25	40	60									
	S	17	Station Independent Breakers	Overall	35	45	65	1820	Distribution Station Equipment<50kV	50	2%	50	2%	No	No
Station Switch				30	50	60									
18		Station Switch	Overall	30	50	60	1820	Distribution Station Equipment<50kV	50	2%	50	2%	No	No	
			Electromechanical Relays	25	35	50									
20		Solid State Relays	Overall	10	30	45									
			Digital & Numeric Relays	15	20	20									
22		Rigid Busbars	Overall	30	55	60									
			Steel Structure	35	50	90									
S		24	Primary Paper Insulated Lead Covered (PILC) Cables	Overall	60	65	75								
				Primary Ethylene-Propylene Rubber (EPR) Cables	20	25	25								
		26	Primary Non-Tree Retardant (TR) Cross Linked Polyethylene (XLPE) Cables Direct Buried	Overall	20	25	30								
	Primary TR XLPE Cables Direct Buried			25	30	35									
	29	Primary TR XLPE Cables in Duct	Overall	35	40	60	1845	Underground Conductors and Devices	40	3%	40	3%	No	No	
			Secondary Cables Direct Buried	25	35	40									
	32	Secondary Cables in Duct	Overall	35	40	60	1845	Underground Conductors and Devices	40	3%	40	3%	No	No	
			Network Transformers	20	35	50									
	34	Pad-Mounted Transformers	Overall	25	40	45	1850	Line Transformers	40	3%	40	3%	No	No	
			Submersible/Vault Transformers	25	35	45									
	36	UG Foundation	Overall	35	55	70	1840	Underground Conduit	55	2%	55	2%	No	No	
UG Vaults			40	60	80										
37	UG Vaults	Overall	20	30	45										
		Roof	20	30	45										
38	UG Vault Switches	Overall	20	35	50										
		Pad-Mounted Switchgear	20	30	45										
40	Ducts	Overall	30	50	85	1840	Underground Conduit	80	1%	80	1%	No	No		
		Concrete Encased Duct Banks	35	55	80										
42	Cable Chambers	Overall	50	60	80										
		Remote SCADA	15	20	30										

Table F-2 from Kinetrics Report¹

#	Asset Details		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	Trucks < 3 Tons	5	15	1915	Office Furniture and Equipment	10	10%	10	10%	No	No
		Trucks > 3 Tons	5	15	1930	Transportation equipment	12	8%	12	8%	No	No
		Vehicles	5	15	1930	Transportation equipment	15	7%	15	7%	No	No
2	Vehicles	Trailers	5	20	1930	Transportation equipment	10	10%	10	10%	No	No
		Vans	5	10	1930	Transportation equipment	12	8%	12	8%	No	Yes
		Administrative Buildings	50	75	1808	Buildings and Fixtures	50	2%	50	2%	No	No
3	Leasehold Improvements	Lease dependent	5	20%	1810	Leasehold Improvements	5	20%	5	20%		
		Station Buildings	50	75								
		Parking	25	30								
4	Station Buildings	Fence	25	60								
		Roof	20	30								
		Computer Equipment	Hardware	3	5	1920	Computer Equipment-Hardware	3-5	0%	3-5	0%	No	Yes
5	Computer Equipment	Software	2	5	1611	Computer Software	2-7	0%	2-7	0%	No	Yes
		Power Operated	5	10	1950	Power Operated Equipment	10	10%	10	10%	No	No
		Equipment	Stores	5	10	1935	Stores Equipment	10	10%	10	10%	No
6	Equipment	Tools, Shop, Garage Equipment	5	10	1940	Tools, Shop and Garage	10	10%	10	10%	No	No
		Measurement & Testing Equipment	5	10	1945	Measurement and Testing Equipment	10	10%	10	10%	No	No
		Communication	Towers	60	70							
7	Communication	Wireless	2	10								
		Residential Energy Meters	25	35								
8	Industrial/Commercial Energy Meters	Overall	25	35	1860	Meters	35	3%	35	3%	No	No
		Wholesale Energy Meters	15	30	1860	Meters	30	3%	30	3%	No	No
9	Current & Potential Transformer (CT & PT)	Overall	35	50	1860	Meters	50	2%	50	2%	No	No
		Smart Meters	5	15	1860	Meters	15	7%	15	7%	No	No
10	Repeaters - Smart Metering	Overall	10	15	1860	Meters	15	7%	15	7%	No	No
		Data Collectors - Smart Metering	15	20	1860	Meters	15	7%	15	7%	No	No

ATTACHMENT 4 – P

Depreciation and Amortization Expense

2013 CGAAP

Board Appendix 2-CB

File Number: EB-2016-0105
 Exhibit: 4
 Tab:
 Attachment: 4-P
 Page:
 Date: 09-Sep-16

**Appendix 2-CB
 Depreciation and Amortization Expense
 Revised CGAAP (Year 1) 2013**

Select the set of appendices that apply	Year Reflected in Schedule Below	Accounting Standard
<input type="checkbox"/> 2012 Set of Appendices (2-CA to 2-CG)	2012	Revised CGAAP
<input checked="" type="checkbox"/> 2013 Set of Appendices (2-CA to 2-CF)	2013	Revised CGAAP

Account	Description	Opening NBV as at Jan 1 ¹	Additions	Average Remaining Life of Opening NBV ⁴	Years (new additions only) ³	Depreciation Rate on New Additions	Depreciation Expense on Opening NBV	Depreciation on Additions ¹	Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance ²	Depreciation Expense on Current Full Year Additions	Less Depreciation Fully Depreciated During the Year ^(c)	Current Full Year Depreciation ⁵
		(a)	(d)	(f)		(g) = 1 / (f)	(j) = (a) / (f)	(h) = ((d) * 0.5) / (f)	(k) = (j) + (h)	(l)	(m) = (k) - (l)	(n) = (d) / (f)		(p) = (l) + (n) - (o)
1609	Hydro One Gate Station	\$1,135,295	\$0	22	25	4.00%	\$50,834	\$0	\$50,834	\$50,893	(\$59)	\$0		\$50,834
1611	Computer Software (Formally known as Account 1925)	\$168,549	\$2,442	2	2	50.00%	\$81,978	\$611	\$82,589	\$85,451	(\$2,862)	\$1,221	\$63,241	\$19,959
1612	Land Rights (Formally known as Account 1906)	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	\$0	\$0		\$0
1805	Land	\$133,038	\$0			0.00%	\$0	\$0	\$0	\$0	\$0	\$0		\$0
1808	Buildings	\$2,070,381	\$3,277,071	36	28	3.63%	\$57,822	\$89,453	\$117,275	\$72,044	\$45,231	\$118,907		\$176,728
1810	Leasehold Improvements	\$68,044	\$0	2	5	20.00%	\$30,563	\$0	\$30,563	\$31,202	(\$639)	\$0	\$1,237	\$29,326
1815	Transformer Station Equipment >50 kV	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	\$0	\$0		\$0
1820	Distribution Station Equipment <50 kV	\$2,160,169	\$0	6	20	5.00%	\$389,922	\$0	\$389,922	\$381,948	\$7,974	\$0	\$165,453	\$224,469
1825	Storage Battery Equipment	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	\$0	\$0		\$0
1830	Poles, Towers & Fixtures	\$21,362,630	\$3,330,045	30	40	2.50%	\$712,094	\$41,628	\$753,723	\$680,780	\$72,943	\$83,251	\$66,993	\$728,352
1835	Overhead Conductors & Devices	\$1,202,190	\$1,286,049	27	40	2.50%	\$43,764	\$16,076	\$59,840	\$59,840	\$0	\$32,151	\$4,898	\$71,017
1835	Overhead Conductors & Devices - Conductor	\$15,116,962	\$1,050,437	53	60	1.67%	\$287,832	\$8,754	\$296,586	\$410,914	(\$114,327)	\$17,507	\$968	\$304,382
1840	Underground Conduit - Ducts	\$5,071,887	\$770,126	70	80	1.25%	\$72,013	\$4,813	\$76,826	\$108,897	(\$32,071)	\$9,627		\$81,640
1840	Underground Conduit - Trenches	\$196,349	\$0	18	40	2.50%	\$10,729	\$0	\$10,729	\$0	\$10,729	\$0		\$10,729
1840	Underground Conduit - Foundations	\$976,564	\$24,621	60	55	1.82%	\$17,375	\$233	\$17,598	\$0	\$17,598	\$446		\$17,621
1845	UG Conductors & Devices - Cables in Duct	\$8,588,531	\$161,567	34	40	2.50%	\$253,948	\$2,020	\$255,968	\$340,475	(\$84,507)	\$4,039		\$257,987
1845	UG Conductors & Devices - Cables Direct Buried	\$736,343	\$0	11	30	3.33%	\$67,649	\$0	\$67,649	\$0	\$67,649	\$0		\$67,649
1845	UG Conductors & Devices - UG Switchgear	\$162,061	\$0	23	30	3.33%	\$7,016	\$0	\$7,016	\$0	\$7,016	\$0		\$7,016
1850	Line Transformers	\$12,017,876	\$1,470,226	22	40	2.50%	\$548,261	\$18,378	\$566,639	\$461,892	\$104,746	\$36,756	\$83,265	\$501,752
1850	ARO	\$219,964	(\$14,265)	11	11	8.94%	\$19,675	(\$630)	\$19,037	\$27,666	(\$8,629)	(\$1,275)		\$18,400
1855	Services Overhead	\$3,894,660	\$28,316	51	40	2.50%	\$75,742	\$354	\$76,096	\$197,688	(\$121,592)	\$708		\$76,450
1855	Services Underground - In Duct	\$2,233,991	\$265,261	32	40	2.50%	\$69,965	\$3,316	\$73,281	\$73,281	\$0	\$6,632		\$76,597
1855	Services Underground - Direct Buried	\$206,970	\$0	15	30	3.33%	\$14,205	\$0	\$14,205	\$0	\$14,205	\$0		\$14,205
1860	Meters - Industrial/Commercial Energy Meters	\$367,616	\$0	28	35	2.86%	\$13,181	\$0	\$13,181	\$0	\$13,181	\$0		\$13,181
1860	Meters - CT PT's	\$104,625	\$21,879	41	50	2.00%	\$2,544	\$219	\$2,763	\$2,763	\$0	\$438		\$2,981
1860	Meters - Primary	\$191,834	\$0	40	50	2.00%	\$4,760	\$0	\$4,760	\$0	\$4,760	\$0		\$4,760
1860	Meters - Smart Meters	\$5,527,642	\$140,660	11	15	6.67%	\$497,986	\$4,689	\$502,674	\$539,425	(\$36,750)	\$9,377	\$6,403	\$500,960
1860	Meters - Repeaters & Data Collectors	\$258,542	\$0	6	15	6.67%	\$46,168	\$0	\$46,168	\$0	\$46,168	\$0		\$46,168
1905	Land	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	\$0	\$0		\$0
1908	Buildings & Fixtures	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	\$0	\$0		\$0
1910	Leasehold Improvements	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	\$0	\$0		\$0
1915	Office Furniture & Equipment	\$250,285	\$44,016	7	10	10.00%	\$38,128	\$2,201	\$40,327	\$38,653	\$1,674	\$4,402	\$2,829	\$39,699
1920	Computer Equipment - Hardware	\$284,331	\$0	3	5	20.00%	\$94,384	\$0	\$94,384	\$99,442	(\$5,058)	\$0	\$27,437	\$66,947
1920	Computer Equip.-Hardware PCs	\$0	\$43,147	3	3	33.33%	\$7,191	\$7,191	\$7,191	\$0	\$7,191	\$14,382		\$14,382
1920	Computer Equip.-Hardware Printers	\$0	\$10,173	5	5	20.00%	\$0	\$1,017	\$1,017	\$0	\$1,017	\$2,035		\$2,035
1930	Trailers 10 Yrs	\$43,946	\$0	8	10	10.00%	\$5,798	\$0	\$5,798	\$5,801	(\$3)	\$0		\$5,798
1930	Trailers 20 Yrs	\$6,276	\$0	16	20	5.00%	\$396	\$0	\$396	\$396	\$0	\$0		\$396
1930	Trucks < 3 Tons	\$280,394	\$88,949	11	12	8.33%	\$26,578	\$3,706	\$30,284	\$28,751	\$1,532	\$7,412		\$33,990
1930	Trucks > 3 Tons	\$1,654,589	\$671,655	12	15	6.67%	\$136,743	\$22,389	\$159,131	\$146,455	\$12,676	\$44,777		\$181,520
1935	Stones Equipment	\$582	\$0	1	10	10.00%	\$582	\$0	\$582	\$582	\$0	\$0		\$582
1940	Tools, Shop & Garage Equipment	\$226,660	\$50,258	6	10	10.00%	\$35,493	\$2,513	\$38,006	\$49,469	(\$11,463)	\$5,026		\$36,620
1945	Measurement & Testing Equipment	\$131,697	\$7,634	6	10	10.00%	\$21,488	\$362	\$21,850	\$24,343	(\$2,474)	\$763	\$4,419	\$17,632
1950	Power Operated Equipment	\$144,697	\$11,395	7	10	10.00%	\$19,806	\$570	\$20,376	\$21,362	(\$986)	\$1,140		\$20,946
1955	Communications Equipment	\$72,824	\$39,140	4	5	20.00%	\$19,017	\$3,914	\$22,931	\$20,551	\$2,380	\$7,828		\$26,845
1960	Miscellaneous Equipment	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	\$0	\$0		\$0
1970	Load Management Controls Customer Premises	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	\$0	\$0		\$0
1975	Load Management Controls Utility Premises	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	\$0	\$0		\$0
1980	System Supervisor Equipment	\$226,639	\$0	7	20	5.00%	\$32,331	\$0	\$32,331	\$32,367	(\$36)	\$0		\$32,331
1985	Miscellaneous Fixed Assets	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	\$0	\$0		\$0
1990	Other Tangible Property	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	\$0	\$0		\$0
1995	Contributions & Grants	(\$13,065,493)	(\$1,792,559)	32	38	2.63%	(\$411,170)	(\$23,071)	(\$435,058)	(\$422,210)	(\$12,848)	(\$46,593)		(\$488,651)
2440	Deferred Revenue ⁶	\$0	\$0			0.00%	\$0	\$0	\$0	\$0	\$0	\$0		\$0
WIP	Work in Progress	\$2,906,520	(\$759,326)			0.00%	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Total		\$ 77,244,878	\$ 10,228,886				\$3,394,988	\$180,477	\$3,575,465	\$3,435,219	\$140,246	\$360,954	\$432,613	\$3,323,329

ATTACHMENT 4 – Q

Depreciation and Amortization Expense

2014 MIFRS

Board Appendix 2-CC

**Appendix 2-CG
 Depreciation and Amortization Expense
 Revised CGAAP (Year 2)-2014**

Select the set of appendices that apply		Year Reflected in Schedule Below	Accounting Standard
<input type="checkbox"/> 2012 Set of Appendices (2-CA to 2-CG)	Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2012 and has adopted IFRS for financial reporting purposes effective January 1, 2015. Assumes that the applicant is reflecting these changes in a rebasing application for the first time.	2013	Revised CGAAP
<input checked="" type="checkbox"/> 2013 Set of Appendices (2-CA to 2-CF)	Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013 and has adopted IFRS for financial reporting purposes effective January 1, 2015. Assumes that the applicant is reflecting these changes in a rebasing application for the first time.	2014	Revised CGAAP

Account	Description	Additions (d)	Years (new additions only) (f)	Depreciation Rate on New Additions (g) = 1 / (f)	Current Year Depreciation Expense ¹ (h)= Prior Full Year Depreciation + ((d)*0.5)/(f)	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance ² (m) = (h) - (l)	Depreciation Expense on Current Full Year Additions (n)=(d)/(f)	Less Depreciation Expense on Assets Fully Depreciated During the Year (o)	Current Full Year Depreciation ³ (p) = Prior Full Year Depreciation + (n) - (o)
1609	Hydro One Gate Station	\$0	25	\$0	\$50,834	\$50,893	(\$59)	\$0	\$0	\$50,834
1611	Computer Software (Formally known as Account 1925)	\$62,420	2	\$1	\$35,564	\$72,241	(\$36,677)	\$31,210	\$4,050	\$47,119
1612	Land Rights (Formally known as Account 1906)	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1805	Land	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1808	Buildings	\$1,529	37	\$0	\$176,749	\$190,673	(\$13,924)	\$41		\$176,769
1810	Leasehold Improvements	\$0	5	\$0	\$29,326	\$26,842	\$2,484	\$0	\$26,842	\$2,484
1815	Transformer Station Equipment >50 kV	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1820	Distribution Station Equipment <50 kV	\$0	20	\$0	\$224,469	\$225,959	(\$1,490)	\$0	\$25,709	\$198,760
1825	Storage Battery Equipment	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1830	Poles, Towers & Fixtures	\$2,957,606	40	\$0	\$765,323	\$773,279	(\$7,956)	\$73,940	\$38,090	\$764,203
1835	Overhead Conductors & Devices	\$183,371	40	\$0	\$73,309	\$73,309	\$0	\$4,584		\$75,602
1835	Overhead Conductors & Devices - Conductor	\$1,253,480	60	\$0	\$314,827	\$445,420	(\$130,593)	\$20,891	\$2,838	\$322,435
1840	Underground Conduit - Ducts	(\$61,721)	80	\$0	\$81,254	\$112,610	(\$31,356)	(\$772)	\$561	\$80,307
1840	Underground Conduit - Trenches		40	\$0	\$10,729	\$10,729	\$0	\$0		\$10,729
1840	Underground Conduit - Foundations	\$14,785	55	\$0	\$17,955			\$269		\$18,090
1845	Underground Conductors & Devices - Cables in Duct	\$525,879	40	\$0	\$264,561	\$360,229	(\$95,668)	\$13,147		\$271,134
1845	Underground Conductors & Devices - Cables Direct Buried		30	\$0	\$67,649		\$67,649	\$0		\$67,649
1845	Underground Conductors & Devices - UG Switchgear	\$516,350	30	\$0	\$15,621	\$15,621	\$0	\$17,212		\$24,227
1850	Line Transformers	\$2,157,714	40	\$0	\$528,723	\$507,534	\$21,189	\$53,943	\$16,737	\$538,958
1850	ARO	(\$48,717)	11	\$0	\$16,221	\$19,720	(\$3,499)	(\$4,357)		\$14,042
1855	Services Overhead	\$591,286	40	\$0	\$83,841	\$206,291	(\$122,450)	\$14,782	\$10,436	\$80,796
1855	Services Underground - In Duct	\$426,537	40	\$0	\$81,929	\$81,929	\$0	\$10,663	\$2,952	\$84,308
1855	Services Underground - Direct Buried		30	\$0	\$14,205	\$14,205	\$0	\$0	\$779	\$13,426
1860	Meters - Industrial/Commercial Energy Meters		35	\$0	\$13,181	\$13,181	\$0	\$0		\$13,181
1860	Meters - CT PT's	\$18,619	50	\$0	\$3,168	\$0	\$3,168	\$372		\$3,354
1860	Meters - Primary		50	\$0	\$4,760	\$0	\$4,760	\$0	\$1,297	\$3,463
1860	Meters - Smart Meters	\$332,154	15	\$0	\$512,032	\$551,616	(\$39,585)	\$22,144		\$523,104
1860	Meters - Repeaters & Data Collectors	\$59,531	15	\$0	\$48,153	\$0	\$48,153	\$3,969		\$50,137
1905	Land	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1908	Buildings & Fixtures	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1910	Leasehold Improvements	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1915	Office Furniture & Equipment	\$34,690	10	\$0	\$41,433	\$41,011	\$422	\$3,469	\$1,504	\$41,664
1920	Computer Equipment - Hardware	\$42,911	5	\$0	\$71,238	\$101,859	(\$30,621)	\$8,582	\$0	\$75,529
1920	Computer Equip.-Hardware PC's	\$23,067	3	\$0	\$18,227	\$0	\$18,227	\$7,689	\$0	\$22,071
1920	Computer Equip.-Hardware Printers	\$10,761	5	\$0	\$3,111	\$0	\$3,111	\$2,152	\$0	\$4,187
1930	Trailers 10 Yrs	\$32,735	10	\$0	\$7,434	\$0	\$7,434	\$3,274		\$9,071
1930	Trailers 20 Yrs	\$0	20	\$0	\$385	\$0	\$385	\$0		\$386
1930	Trucks < 3 Tons	\$217,217	12	\$0	\$43,041	\$0	\$43,041	\$18,101		\$52,091
1930	Trucks > 3 Tons	\$372,664	15	\$0	\$193,942	\$221,877	(\$27,934)	\$24,844		\$206,364
1935	Stores Equipment	\$0	10	\$0	(\$0)	\$0	(\$0)	\$0		(\$0)
1940	Tools, Shop & Garage Equipment	\$160,587	10	\$0	\$43,550	\$48,090	(\$4,441)	\$16,059	\$2,454	\$49,225
1945	Measurement & Testing Equipment	\$26,888	10	\$0	\$19,176	\$23,027	(\$3,851)	\$2,689	\$1,294	\$19,227
1950	Power Operated Equipment	\$0	10	\$0	\$30,946	\$18,662	\$4,284	\$0		\$20,946
1955	Communications Equipment	\$3,147	5	\$0	\$27,160	\$27,675	(\$515)	\$629		\$27,474
1960	Miscellaneous Equipment	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1970	Load Management Controls Customer Premises	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1975	Load Management Controls Utility Premises	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1980	System Supervisor Equipment	\$39,038	20	\$0	\$33,307	\$23,781	\$9,526	\$1,952		\$34,283
1985	Miscellaneous Fixed Assets	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1990	Other Tangible Property	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1995	Contributions & Grants	(\$2,137,042)	41	\$0	(\$484,651)	(\$458,950)	(\$25,702)	(\$52,572)		(\$510,937)
2440	Deferred Revenue ⁵	\$0		\$0	\$0	\$0	\$0	\$0		\$0
WIP	Work in Progress	\$741,545		\$0	\$0	\$0	\$0	\$0		\$0
Total		\$8,559,030	\$0		\$3,472,782	\$3,588,339	(\$115,557)	\$298,907	\$135,542	\$3,486,693

ATTACHMENT 4 – R

Depreciation and Amortization Expense

2015 MIFRS

Board Appendix 2-CD

**Appendix 2-CD
 Depreciation and Amortization Expense
 Revised CGAAP or MIFRS (Year 3) 2015**

Select the set of appendices that apply		Year Reflected in Schedule Below	Accounting Standard
<input type="checkbox"/> 2012 Set of Appendices (2-CA to 2-CG)	Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2012 and has adopted IFRS for financial reporting purposes effective January 1, 2015. Assumes that the applicant is reflecting these changes in a rebasing application for the first time.	2014	Revised CGAAP
<input checked="" type="checkbox"/> 2013 Set of Appendices (2-CA to 2-CF)	Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013 and has adopted IFRS for financial reporting purposes effective January 1, 2015. Assumes that the applicant is reflecting these changes in a rebasing application for the first time.	2015	MIFRS

Account	Description	Additions (d)	Years (new additions only) (f)	Depreciation Rate on New Additions (g) = 1 / (f)	Current Year Depreciation Expense ¹ (h) = Prior Full Year Depreciation + ((d)-0.5)/(f)	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (i)	Variance ² (m) = (h) - (i)	Depreciation Expense on Current Full Year Additions (n) = ((d))/(f)	Less Depreciation Expense on Assets Fully Depreciated During the Year (o)	Current Full Year Depreciation ³ (p) = Prior Full Year Depreciation + (n) - (o)
1609	Hydro One Gate Station	\$0	25	\$0	\$50,634	\$50,693	(\$59)	\$0		\$50,634
1611	Computer Software (Formally known as Account 1925)	\$53,506	2	\$0	\$60,169	\$57,482	\$2,687	\$26,101	\$36,813	\$36,406
1612	Land Rights (Formally known as Account 1906)	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1805	Land	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1808	Buildings	\$152,835	37	\$0	\$178,831	\$191,984	(\$13,153)	\$4,124		\$180,893
1810	Leasehold Improvements	\$0	5	\$0	\$2,484	\$0	\$2,484	\$0		\$2,484
1815	Transformer Station Equipment >50 kV	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1820	Distribution Station Equipment <50 kV	\$0	20	\$0	\$198,760	\$200,250	(\$1,490)	\$0	\$40,901	\$157,859
1825	Storage Battery Equipment	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1830	Poles, Towers & Fixtures	\$4,241,394	40	\$0	\$817,220	\$855,217	(\$37,997)	\$106,035	\$59,952	\$810,285
1835	Overhead Conductors & Devices	\$572,356	40	\$0	\$82,756	\$82,756	\$0	\$14,309	\$14,699	\$75,211
1835	Overhead Conductors & Devices - Conductor	\$1,645,917	60	\$0	\$366,151	\$475,176	(\$109,025)	\$27,432		\$349,867
1840	Underground Conduit - Ducts	\$787,717	80	\$0	\$85,230	\$116,164	(\$30,934)	\$9,846	\$103	\$90,051
1840	Underground Conduit - Trenches	\$0	40	\$0	\$10,729	\$10,729	\$0	\$0		\$10,729
1840	Underground Conduit - Foundations	\$19,945	55	\$0	\$18,271	\$18,271	\$0	\$0		\$18,452
1845	Underground Conductors & Devices - Cables in Duct	\$624,897	40	\$0	\$278,946	\$378,575	(\$99,629)	\$15,622	\$3,536	\$283,221
1845	Underground Conductors & Devices - Cables Direct Buried	\$0	30	\$0	\$67,649	\$67,649	\$0	\$0	\$19,749	\$47,900
1845	Underground Conductors & Devices - UG Switchgear	\$24,778	30	\$0	\$24,640	\$24,640	\$0	\$826		\$25,053
1850	Line Transformers	\$1,539,937	40	\$0	\$558,207	\$535,008	\$23,199	\$38,498	\$57,069	\$520,387
1850	ARC	(\$26,686)	11	\$0	\$12,849	\$14,120	(\$1,271)	(\$2,387)		\$11,655
1855	Services Overhead	\$124,928	40	\$0	\$82,358	\$238,636	(\$156,278)	\$3,123	\$803	\$83,116
1855	Services Underground - In duct	\$290,450	40	\$0	\$87,939	\$87,939	\$0	\$7,261		\$91,569
1855	Services Underground - Direct Buried	\$0	30	\$0	\$13,426	\$13,426	\$0	\$0		\$13,426
1860	Meters - Industrial/Commercial Energy Meters	\$5,836	35	\$0	\$13,181	\$13,181	\$0	\$22		\$13,159
1860	Meters - CT P/Ts	\$0	50	\$0	\$3,412	\$3,412	\$0	\$117		\$3,470
1860	Meters - Primary	\$0	50	\$0	\$3,463	\$3,463	\$0	\$0		\$3,463
1860	Meters - Smart Meters	\$548,834	15	\$0	\$541,398	\$564,951	(\$23,553)	\$36,589	\$15	\$559,678
1860	Meters - Repeaters & Collectors	\$0	15	\$0	\$50,137	\$50,137	\$0	\$0		\$50,137
1905	Land	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1908	Buildings & Fixtures	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1910	Leasehold Improvements	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1915	Office Furniture & Equipment	\$114,528	10	\$0	\$47,390	\$48,134	(\$744)	\$11,453	\$1,729	\$51,387
1920	Computer Equipment - Hardware	\$83,078	5	\$0	\$83,837	\$115,757	(\$31,920)	\$16,616	\$12,919	\$79,226
1920	Computer Equip.-Hardware PC's	\$35,464	3	\$0	\$27,982	\$27,982	\$0	\$11,821	\$0	\$33,893
1920	Computer Equip.-Hardware Printers	\$18,989	5	\$0	\$6,066	\$6,066	\$0	\$3,798	\$0	\$7,985
1930	Trailers 10 Yrs	\$0	10	\$0	\$386	\$386	\$0	\$0		\$9,071
1930	Trailers 20 Yrs	\$0	20	\$0	\$52,091	\$52,091	\$0	\$0		\$386
1930	Trucks < 3 Tons	\$3,473	12	\$0	\$206,509	\$260,569	(\$54,060)	\$289		\$52,381
1930	Trucks > 3 Tons	\$481,965	15	\$0	\$16,065	\$16,065	\$0	\$32,131		\$238,495
1935	Stores Equipment	\$0	10	\$0	(\$0)	(\$0)	\$0	\$0		(\$0)
1940	Tools, Shop & Garage Equipment	\$158,841	10	\$0	\$57,167	\$62,122	(\$4,955)	\$15,884	\$3,932	\$61,177
1945	Measurement & Testing Equipment	\$41,458	10	\$0	\$21,300	\$24,684	(\$3,384)	\$4,146	\$503	\$22,869
1950	Power Operated Equipment	\$196,682	10	\$0	\$30,780	\$32,051	(\$1,270)	\$19,668		\$40,614
1955	Communications Equipment	\$4,150	5	\$0	\$27,889	\$27,181	\$709	\$830	\$4,628	\$23,676
1960	Miscellaneous Equipment	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1970	Load Management Controls Customer Premises	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1975	Load Management Controls Utility Premises	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1980	System Supervisor Equipment	\$0	20	\$0	\$34,283	\$24,858	\$9,425	\$0		\$34,283
1985	Miscellaneous Fixed Assets	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1990	Other Tangible Property	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1995	Contributions & Grants	(\$1,984,671)	41	\$0	(\$535,034)	(\$504,471)	(\$30,564)	(\$48,195)		(\$559,132)
2440	Deferred Revenue ⁵	\$0		\$0	\$0	\$0	\$0	\$0		\$0
WIP	Work in Progress	\$125,762		\$0	\$0	\$0	\$0	\$0		\$0
	Total	\$9,886,365			\$3,655,772	\$3,769,341	(\$113,569)	\$356,300	\$257,373	\$3,585,620
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets) (under MIFRS)									
	Total Depreciation Expense				\$3,655,772					

ATTACHMENT 4 – S

Depreciation and Amortization Expense

2016 MIFRS

Board Appendix 2-CE

File Number: EB-2016-0105
 Exhibit: 4
 Tab: 4-S
 Attachment: 4-S
 Page:
 Date: 09-Sep-16

**Appendix 2-CE
 Depreciation and Amortization Expense
 MIFRS (Year 4) 2016**

Select the set of appendices that apply	Year Reflected in Schedule Below	Accounting Standard
<input type="checkbox"/> 2012 Set of Appendices (2-CA to 2-CG)	2015	MIFRS
<input checked="" type="checkbox"/> 2013 Set of Appendices (2-CA to 2-CF)	2016	MIFRS

Account	Description	Additions (d)	Years (new additions only) (f)	Depreciation Rate on New Additions (g) = 1 / (f)	Current Year Depreciation Expense ¹ (h)=Prior Full Year Depreciation + (d)*0.5/(f)	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (i)	Variance ² (m) = (h) - (i)	Depreciation Expense on Current Full Year Additions (n)=(d)/(f)	Less Depreciation Expense on Assets Fully Depreciated During the Year (o)	Current Full Year Depreciation ³ (p) = Prior Full Year Depreciation + (n) - (o)
1609	Hydro One Gate Station	\$0	25	\$0	\$50,834	\$50,893	(\$59)	\$0		\$50,834
1611	Computer Software (Formally known as Account 1925)	\$77,000	2	\$0	\$53,593	\$73,141	(\$19,548)	\$34,375	\$38,519	\$32,262
1612	Land Rights (Formally known as Account 1906)	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1805	Land	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1808	Buildings	\$81,000	25	\$0	\$182,513	\$193,682	(\$11,169)	\$3,240		\$184,133
1810	Leasehold Improvements	\$50,000	25	\$0	\$3,484	\$1,000	\$2,484	\$2,000		\$4,484
1815	Transformers Station Equipment >50 kV	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1820	Distribution Station Equipment <=50 kV	\$0	20	\$0	\$157,859	\$200,251	(\$42,392)	\$0		\$157,859
1825	Storage Battery Equipment	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1830	Poles, Towers & Fixtures	\$3,043,610	40	\$0	\$848,331	\$908,347	(\$60,016)	\$76,090	\$69,615	\$816,761
1835	Overhead Conductors & Devices	\$951,184	40	\$0	\$87,101	\$87,101	\$0	\$23,780		\$98,991
1835	Overhead Conductors & Devices - Conductor	\$2,853,551	60	\$0	\$373,647	\$504,696	(\$131,049)	\$47,559	\$58,955	\$338,471
1840	Underground Conduit - Ducts	\$359,914	80	\$0	\$92,300	\$123,381	(\$31,081)	\$4,499	\$1,767	\$92,783
1840	Underground Conduit - Trenches	\$0	40	\$0	\$10,729	\$10,729	\$0	\$0		\$10,729
1840	Underground Conduit - Foundations	\$0	55	\$0	\$18,452	\$18,452	\$0	\$0		\$18,452
1845	Underground Conductors & Devices - Cable in Duct	\$588,543	40	\$0	\$290,578	\$402,093	(\$111,515)	\$14,714	\$17,331	\$280,603
1845	Underground Conductors & Devices - Cables Direct Buried	\$0	30	\$0	\$47,900	\$47,900	\$0	\$0		\$47,900
1845	Underground Conductors & Devices - UG Switchgear	\$180,000	30	\$0	\$28,053	\$0	\$28,053	\$6,000		\$31,053
1850	Line Transformers	\$2,176,719	40	\$0	\$547,596	\$569,122	(\$21,526)	\$54,418	\$101,551	\$473,254
1850	ARC	\$0	11	\$0	\$11,655	\$14,120	(\$2,465)	\$0		\$11,655
1855	Services Overhead	\$132,159	40	\$0	\$84,768	\$253,461	(\$168,693)	\$3,304	\$13,518	\$72,902
1855	Services Underground - In Duct	\$0	40	\$0	\$91,569	\$91,569	\$0	\$0		\$91,569
1855	Services Underground - Direct Buried	\$198,238	30	\$0	\$16,730	\$16,730	\$0	\$6,608		\$20,034
1860	Meters - Industrial/Commercial Energy Meters	\$0	35	\$0	\$13,159	\$13,159	\$0	\$0		\$13,159
1860	Meters - CT PTs	\$0	50	\$0	\$3,470	\$3,470	\$0	\$0		\$3,470
1860	Meters - Primary	\$0	50	\$0	\$3,463	\$3,463	\$0	\$0		\$3,463
1860	Meters - Smart Meters	\$608,338	15	\$0	\$579,956	\$600,049	(\$20,093)	\$40,556	\$12,983	\$587,251
1860	Meters - Repeaters & Collectors	\$0	15	\$0	\$3,470	\$3,470	\$0	\$0		\$3,470
1905	Land	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1908	Buildings & Fixtures	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1910	Leasehold Improvements	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1915	Office Furniture & Equipment	\$21,397	10	\$0	\$52,457	\$58,822	(\$6,365)	\$2,140		\$53,527
1920	Computer Equipment - Hardware	\$58,000	5	\$0	\$85,026	\$146,850	(\$61,824)	\$11,600	\$19,030	\$71,796
1920	Computer Equip.-Hardware PCs	\$43,500	3	\$0	\$41,143	\$41,143	\$0	\$14,500	\$14,382	\$34,010
1920	Computer Equip.-Hardware Printers	\$5,186	5	\$0	\$8,503	\$8,503	\$0	\$1,037		\$9,022
1930	Trailers 10 Yrs	\$15,000	10	\$0	\$9,821	\$9,821	\$0	\$1,500		\$10,571
1930	Trailers 20 Yrs	\$0	20	\$0	\$386	\$386	\$0	\$0		\$386
1930	Trucks < 3 Tons	\$180,000	12	\$0	\$59,881	\$59,881	\$0	\$15,000		\$74,336
1930	Trucks > 3 Tons	\$797,128	15	\$0	\$265,066	\$303,018	(\$37,952)	\$53,142	\$23,996	\$267,641
1935	Stores Equipment	\$0	10	\$0	(\$0)	(\$0)	\$0	\$0		(\$0)
1940	Tools, Shop & Garage Equipment	\$115,500	10	\$0	\$66,952	\$75,948	(\$8,996)	\$11,550		\$72,727
1945	Measurement & Testing Equipment	\$26,250	10	\$0	\$24,182	\$28,551	(\$4,369)	\$2,625		\$25,494
1950	Power Operated Equipment	\$17,222	10	\$0	\$41,475	\$37,072	\$4,403	\$1,722		\$42,336
1955	Communications Equipment	\$0	5	\$0	\$23,676	\$24,453	(\$777)	\$0		\$23,676
1960	Miscellaneous Equipment	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1970	Load Management Controls Customer Premises	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1975	Load Management Controls Utility Premises	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1980	System Supervisor Equipment	\$447,231	20	\$0	\$45,464	\$53,415	(\$7,951)	\$22,362		\$56,644
1985	Miscellaneous Fixed Assets	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1990	Other Tangible Property	\$0		\$0	\$0	\$0	\$0	\$0		\$0
1995	Contributions & Grants	(\$1,235,032)	38	\$0	(\$575,421)	(\$540,000)	(\$35,421)	(\$32,578)		(\$591,710)
2440	Deferred Revenue ⁴	\$0		\$0	\$0	\$0	\$0	\$0		\$0
WIP	Work in Progress	\$1,507,294		\$0	\$0	\$0	\$0	\$0		\$0
Total		\$13,298,931			\$3,749,825	\$4,082,365	(\$332,540)	\$421,742	\$371,647	\$3,635,715
Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets)										
Total Depreciation Expense										\$3,749,825

ATTACHMENT 4 – T

Depreciation and Amortization Expense

2017 MIFRS

Board Appendix 2-CF

**Appendix 2-CF
 Depreciation and Amortization Expense
 MIFRS (Year 5) 2017**

Select the set of appendices that apply	Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2012 and has adopted IFRS for financial reporting purposes effective January 1, 2015. Assumes that the applicant is reflecting these changes in a rebasing application for the first time.	Year Reflected in Schedule Below	Accounting Standard
<input type="checkbox"/> 2012 Set of Appendices (2-CA to 2-CG)		2016	MIFRS
<input type="checkbox"/> 2013 Set of Appendices (2-CA to 2-CF)	Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013 and has adopted IFRS for financial reporting purposes effective January 1, 2015. Assumes	2017	MIFRS

Account	Description	Additions (d)	Years (new additions only) (f)	Depreciation Rate on New Additions (g) = 1 / (f)	Current Depreciation Expense ¹ (h)= Prior Full Year Depreciation + ((d)*0.5)/(f)	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance ² (m) = (h) - (l)	Depreciation Expense on Current Full Year Additions (n)=((d))/(f)	Less Depreciation Expense on Assets Fully Depreciated During the Year (o)	Current Full Year Depreciation ³ (p) = Prior Full Year Depreciation + (n) - (o)
1609	Hydro One Gate Station	\$0	25	\$0	\$50,834	\$50,893	(\$59)	\$0	\$0	\$50,834
1611	Computer Software (Formally known as Account 1929)	\$62,500	2	\$1	\$47,887	\$55,969	(\$8,082)	\$31,250	\$26,000	\$6,262
1612	Land Rights (Formally known as Account 1906)	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
1805	Land	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
1808	Buildings	\$62,000	25	\$0	\$185,773	\$197,677	(\$11,904)	\$3,280	\$0	\$184,133
1810	Leasehold Improvements	\$0	5	\$0	\$4,484	\$2,000	\$2,484	\$0	\$0	\$4,484
1815	Transformer Station Equipment >50 kV	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
1820	Distribution Station Equipment <50 kV	\$0	20	\$0	\$157,859	\$200,251	(\$42,392)	\$0	\$0	\$157,859
1825	Storage Battery Equipment	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
1830	Poles, Towers & Fixtures	\$3,787,353	40	\$0	\$864,103	\$958,403	(\$94,300)	\$94,684	\$69,615	\$747,146
1835	Overhead Conductors & Devices	\$829,477	40	\$0	\$109,360	\$109,360	\$0	\$20,737	\$58,945	\$40,046
1835	Overhead Conductors & Devices - Conductor	\$2,488,432	60	\$0	\$359,208	\$632,508	(\$273,300)	\$41,474	\$0	\$338,471
1840	Underground Conduit - Ducts	\$287,505	80	\$0	\$94,580	\$130,180	(\$35,600)	\$3,594	\$1,737	\$91,046
1840	Underground Conduit - Trenches		40	\$0	\$10,729	\$10,729	\$0	\$0	\$0	\$10,729
1840	Underground Conduit - Foundations		55	\$0	\$18,452	\$18,452	\$0	\$0	\$0	\$18,452
1845	Underground Conductors & Devices - Cable in Duct	\$872,103	40	\$0	\$291,505	\$424,251	(\$132,746)	\$21,803	\$17,331	\$263,272
1845	Underground Conductors & Devices - Cables Direct Buried		30	\$0	\$47,900	\$47,900	\$0	\$0	\$0	\$47,900
1845	Underground Conductors & Devices - UG Switchgear		30	\$0	\$31,053	\$31,053	\$0	\$0	\$0	\$31,053
1850	Line Transformers	\$1,731,045	40	\$0	\$494,892	\$601,263	(\$106,371)	\$43,276	\$101,551	\$371,703
1850	ARO	\$0	11	\$0	\$0	\$14,120	(\$14,120)	\$0	\$0	\$14,120
1855	Services Overhead	\$117,118	40	\$0	\$74,366	\$267,429	(\$193,063)	\$2,928	\$13,518	\$59,384
1855	Services Underground - In Duct		40	\$0	\$91,569	\$91,569	\$0	\$0	\$0	\$91,569
1855	Services Underground - Direct Buried	\$175,678	30	\$0	\$22,962	\$22,962	\$0	\$5,856	\$20,034	\$22,962
1860	Meters - Industrial/Commercial Energy Meters		35	\$0	\$13,159	\$13,159	\$0	\$0	\$0	\$13,159
1860	Meters - CT P/Ts		50	\$0	\$50,137	\$50,137	\$0	\$0	\$0	\$50,137
1860	Meters - Primary		50	\$0	\$3,463	\$3,463	\$0	\$0	\$0	\$3,463
1860	Meters - Smart Meters	\$447,424	15	\$0	\$602,165	\$633,115	(\$30,950)	\$29,828	\$12,983	\$574,268
1860	Meters - Repeaters & Collectors		15	\$0	\$50,137	\$50,137	\$0	\$0	\$0	\$50,137
1905	Land	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
1908	Buildings & Fixtures	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
1910	Leasehold Improvements	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
1915	Office Furniture & Equipment (10 years)	\$58,000	10	\$0	\$56,427	\$60,779	(\$4,352)	\$5,800	\$0	\$53,627
1920	Computer Equipment - Hardware	\$55,400	5	\$0	\$77,336	\$111,283	(\$33,947)	\$11,080	\$37,192	\$34,605
1920	Computer Equip.-Hardware PCs	\$54,600	3	\$0	\$43,110	\$43,110	\$0	\$18,200	\$7,689	\$26,321
1920	Computer Equip.-Hardware Printers	\$38,500	5	\$0	\$12,872	\$12,872	\$0	\$7,700	\$0	\$9,222
1930	Trailers 10 Yrs	\$15,000	10	\$0	\$11,321	\$11,321	\$0	\$1,500	\$0	\$10,571
1930	Trailers 20 Yrs	\$0	20	\$0	\$366	\$366	\$0	\$0	\$0	\$366
1930	Trucks < 3 Tons	\$145,000	12	\$0	\$73,423	\$73,423	\$0	\$12,083	\$0	\$67,381
1930	Trucks > 3 Tons	\$450,000	15	\$0	\$282,641	\$364,753	(\$82,112)	\$30,000	\$35,729	\$231,912
1935	Stores Equipment	\$0	10	\$0	(\$0)	\$0	(\$0)	\$0	\$0	(\$0)
1940	Tools, Shop & Garage Equipment	\$101,500	10	\$0	\$77,802	\$79,546	(\$1,744)	\$10,150	\$0	\$72,727
1945	Measurement & Testing Equipment	\$75,000	10	\$0	\$29,244	\$29,981	(\$737)	\$7,500	\$0	\$25,494
1950	Power Operated Equipment	\$0	10	\$0	\$42,336	\$48,928	(\$6,592)	\$0	\$0	\$42,336
1955	Communications Equipment	\$0	5	\$0	\$23,676	\$13,954	\$9,722	\$0	\$0	\$23,676
1960	Miscellaneous Equipment	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
1970	Load Management Controls Customer Premises	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
1975	Load Management Controls Utility Premises	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
1980	System Supervisor Equipment	\$174,430	20	\$0	\$61,005	\$74,250	(\$13,245)	\$8,722	\$0	\$56,644
1985	Miscellaneous Fixed Assets	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
1990	Other Tangible Property	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
1995	Contributions & Grants	(\$1,326,298)	38	\$0	(\$576,510)	(\$573,662)	(\$2,848)	(\$34,756)	\$0	(\$591,710)
2440	Deferred Revenue ⁴	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
WIP	Work in Progress	\$1,870,537		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$12,592,304			\$3,891,648	\$4,267,871	(\$376,223)	\$376,688	\$382,290	\$3,253,425
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets)									
	Total Depreciation Expense				\$3,891,648					

ATTACHMENT 4 – U

Thunder Bay Hydro

Federal and Provincial Income Tax Returns

T2 Corporation Income Tax Return

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 89209 0614 RC0001	
Corporation's name 002 Thunder Bay Hydro Electricity Distribution Inc.	
Address of head office Has this address changed since the last time we were notified? 010 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> (If yes, complete lines 011 to 018.)	
011 34 N. Cumberland Street	
012 City	Province, territory, or state
015 Thunder Bay	016 ON
017 Country (other than Canada)	Postal code/Zip code
018 P7A 4L4	
Mailing address (if different from head office address) Has this address changed since the last time we were notified? 020 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> (If yes, complete lines 021 to 028.)	
021 c/o	
022 City	Province, territory, or state
025 Thunder Bay	026 ON
027 Country (other than Canada)	Postal code/Zip code
028 P7A 4L4	
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 <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> (If yes, complete lines 031 to 038.)	
031 34 N. Cumberland Street	
032 City	Province, territory, or state
035 Thunder Bay	036 ON
037 Country (other than Canada)	Postal code/Zip code
038 P7A 4L4	
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 060 2015-01-01 Tax year-end 061 2015-12-31 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 <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> 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 <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
Is this the first year of filing after: Incorporation? 070 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> Amalgamation? 071 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> 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 <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> If yes, complete and attach Schedule 24.	
Is this the final tax year before amalgamation? 076 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
Is this the final return up to dissolution? 078 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
If an election was made under section 261, state the functional currency used 079 _____	
Is the corporation a resident of Canada? 080 1 Yes <input checked="" type="checkbox"/> 2 No <input type="checkbox"/> 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 <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> 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)(a) or (i) 2 <input type="checkbox"/> Exempt under paragraph 149(1)(j) 3 <input type="checkbox"/> Exempt under paragraph 149(1)(l) 4 <input type="checkbox"/> Exempt under other paragraphs of section 149	
Do not use this area	
095	096
098	

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.

Schedules – Answer the following questions. For each yes response, attach the schedule to the T2 return, unless otherwise instructed.

	Yes	Schedule
Is the corporation related to any other corporations?	150 <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 <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 checked="" type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 <input 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	207 <input type="checkbox"/>	7
ii) does the corporation have aggregate investment income at line 440?	208 <input checked="" type="checkbox"/>	8
Does the corporation have any property that is eligible for capital cost allowance?	210 <input checked="" type="checkbox"/>	10
Does the corporation have any property that is eligible capital property?	212 <input type="checkbox"/>	12
Does the corporation have any resource-related deductions?	213 <input type="checkbox"/>	13
Is the corporation claiming deductible reserves (other than transitional reserves under section 34.2)?	216 <input type="checkbox"/>	16
Is the corporation claiming a patronage dividend deduction?	217 <input type="checkbox"/>	17
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	218 <input type="checkbox"/>	18
Is the corporation an investment corporation or a mutual fund corporation?	220 <input type="checkbox"/>	20
Is the corporation carrying on business in Canada as a non-resident corporation?	221 <input type="checkbox"/>	21
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	227 <input type="checkbox"/>	27
Does the corporation have any Canadian manufacturing and processing profits?	231 <input type="checkbox"/>	31
Is the corporation claiming an investment tax credit?	232 <input type="checkbox"/>	T661
Is the corporation claiming any scientific research and experimental development (SR&E) expenditures?	233 <input checked="" type="checkbox"/>	33/34/35
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	234 <input checked="" type="checkbox"/>	
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	237 <input type="checkbox"/>	37
Is the corporation claiming a surtax credit?	238 <input type="checkbox"/>	38
Is the corporation subject to gross Part VI tax on capital of financial institutions?	242 <input type="checkbox"/>	42
Is the corporation claiming a Part I tax credit?	243 <input type="checkbox"/>	43
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	244 <input type="checkbox"/>	45
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	249 <input type="checkbox"/>	46
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?		
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?	<input checked="" type="checkbox"/>	T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CANS100,000?	<input type="checkbox"/>	T1135
Did the corporation transfer or loan property to a non-resident trust?	<input type="checkbox"/>	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input type="checkbox"/>	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input type="checkbox"/>	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<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?	<input type="checkbox"/>	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	<input type="checkbox"/>	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	<input type="checkbox"/>	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	<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?	<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?	<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 products 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 97,000 %
	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	-721,781	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)(i)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(i) (line 360 minus line 370)			Z
Taxable income for the year from a personal services business**			Z.1

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

** For a taxation year that ends after 2015.

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)	500,000	C.1
Corporation's business limit amount assigned to related CCPCs by virtue of the rules proposed in the March 22, 2016 Federal Budget (For more information, consult the Help (F1).)	C.2	
Business limit after assignment (amount C.1 minus amount C.2)	500,000 ▶ 410	500,000 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	500,000	x	415 ^{***}	=	248,081	D	=	11,025,822	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	Number of days in the tax year before January 1, 2016	365	x	17 % =	1	
		Number of days in the tax year	365				
Amount A, B, C, or F, whichever is the least	x	Number of days in the tax year after December 31, 2015, and before January 1, 2017	365	x	17.5 % =	2	
		Number of days in the tax year	365				
Total of amounts 1 and 2 (enter amount G on line 1 on page 7)						430	G

* 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 B9 and H9 from Part 9 of Schedule 27	.....	_____	B
Amount K13 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 B9 and H9 from Part 9 of Schedule 27	.....	_____	L
Amount K13 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 from Schedule 7	440	x (26 2 / 3 + 4 x _____) %	=	_____	A
				365 Number of days in the tax year	
Foreign non-business income tax credit from line 632 on page 7					B
Deduct: Foreign investment income from Schedule 7	445	x (9 1 / 3 - 1 1 / 3 x _____) %	=	_____	C
				365 Number of days in the tax year (if negative, enter "0")	
Amount A minus amount D (if negative, enter "0")					D
					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
		K x (26 2 / 3 + 4 x _____) %	=	_____	L
				365 Number of days in the tax year	
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					N
					450

Refundable dividend tax on hand

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

Dividend refund

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

Taxable dividends paid in the tax year from line 460 on page 2 of Schedule 3		x [(1 / 3) + (5 x _____) %]	=	_____	S
				365 Number of days in the tax year	
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

* If an amount of taxable income for the year from a personal services business has been entered on line Z.1, the result of the following calculation will be added to the amount on line 550:

Amount Z.1 _____ x $\frac{\text{Number of days in the taxation year that are after 2015}}{\text{Number of days in the taxation year } 365}$ x 5 % = _____ A.1

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 –
 $(\frac{6}{3} + \frac{2}{3} + 4 \times \frac{\text{Number of days in the tax year after 2015}}{365})\%$ 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** **628**

Additional deduction – credit unions from Schedule 17 **632**

Federal foreign non-business income tax credit from Schedule 21 **636**

Federal foreign business income tax credit from Schedule 21 **638**

General tax reduction for CCPCs from amount J on page 5 **639**

General tax reduction from amount R on page 5 **640**

Federal logging tax credit from Schedule 21 **641**

Eligible Canadian bank deduction under section 125.21 **648**

Federal qualifying environmental trust tax credit **652**

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.

Privacy statement

Personal information is collected under the *Income Tax Act* to administer tax, benefits, and related programs. It may also be used for any purpose related to the administration or enforcement of the Act such as audit, compliance and the payment of debts owed to the Crown. It may be shared or verified with other federal, provincial/territorial government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the *Privacy Act*, individuals have the right to access their personal information and request correction if there are errors or omissions. Refer to Info Source <http://www.cra-arc.gc.ca/gncy/tp/nfsrc/nfsrc-eng.html>, personal information bank CRA PPU 047.

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** 31,643

Total tax payable **770** 31,643 **A**

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from amount U on page 6	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	43,350
Total credits	890	43,350

Total credits **890** 43,350 **B**

Refund code **894** 1 Overpayment 11,707 Balance (amount A minus amount B) -11,707

Direct deposit request

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

Start Change information

910 Branch number

914 Institution number **918** Account number

If the 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** A3065

Certification

I, **950** Speziale **951** Cindy **954** Vice President - Finance
Last name (print) First name (print) Position, office, or rank

I 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 2016-06-06 CS *Chapal* **956** (807) 343-1118
Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation Telephone number

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

958 Name (print) **959** Telephone number

Language of correspondence – Langue de correspondance

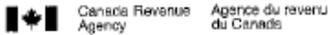
Indicate your language of correspondence by entering 1 for English or 2 for French.
Indiquez votre langue de correspondance en inscrivant 1 pour anglais ou 2 pour français. **990** 1

Schedule of Instalment Remittances

Name of corporation contact Terri-Ann Sylvester
Telephone number (807) 343-1119

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
2015-01-31	Instalments	4,335
2015-02-28	Installment	4,335
2015-03-31	Installment	4,335
2015-04-30	Installment	4,335
2015-05-31	Installment	4,335
2015-06-30	Installment	4,335
2015-07-31	Installment	4,335
2015-08-30	Installment	4,335
2015-09-30	Installment	4,335
2015-10-31	Installment	4,335
	Installment	
	Installment	
	installment	
Total amount of instalments claimed (carry the result to line 840 of the T2 Return)		43,350 A
Total instalments credited to the taxation year per T9		43,350 B

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



SCHEDULE 100

Form Identifier 100

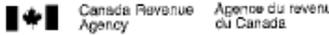
GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Corporation's name	Business number	Tax year end Year Month Day
Thunder Bay Hydro Electricity Distribution Inc.	89209 0614 RC0001	2015-12-31

Balance sheet information

Account	Description	GIFI	Current year	Prior year
Assets				
	Total current assets	1599 +	36,701,982	31,621,256
	Total tangible capital assets	2008 +	198,702,955	190,709,396
	Total accumulated amortization of tangible capital assets	2009 -	100,893,763	98,527,240
	Total intangible capital assets	2178 +		
	Total accumulated amortization of intangible capital assets	2179 -		
	Total long-term assets	2589 +	2,547,847	5,769,949
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	137,059,021	129,573,361
Liabilities				
	Total current liabilities	3139 +	22,504,389	19,317,905
	Total long-term liabilities	3450 +	51,279,504	49,122,638
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	73,783,893	68,440,543
Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	63,275,128	60,994,955
	Total liabilities and shareholder equity	3640 =	137,059,021	129,435,498
Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	20,393,503	18,113,330

* Generic item



SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Form Identifier 125

Corporation's name Thunder Bay Hydro Electricity Distribution Inc.	Business number 89209 0614 RC0001	Tax year end Year Month Day 2015-12-31
---	--------------------------------------	--

Income statement information

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

Account	Description	GIFI	Current year	Prior year
---------	-------------	------	--------------	------------

Income statement information

Total sales of goods and services	8089 +	132,024,407	122,408,125
Cost of sales	8518 -	111,404,176	103,108,692
Gross profit/loss	8519 =	20,620,231	19,299,433
Cost of sales	8518 +	111,404,176	103,108,692
Total operating expenses	9367 +	28,078,696	20,932,806
Total expenses (mandatory field)	9368 =	139,482,872	124,041,498
Total revenue (mandatory field)	8299 +	142,124,118	127,234,521
Total expenses (mandatory field)	9368 -	139,482,872	124,041,498
Net non-farming income	9369 =	2,641,246	3,193,023

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 =	2,641,246	3,193,023
---	---------------	------------------	------------------

Total other comprehensive income	9998 =		
---	---------------	--	--

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 -	-116,300	-144,343
Future (deferred) income tax provision	9995 -	919,943	1,062,279
Total – Other comprehensive income	9998 +		
Net income/loss after taxes and extraordinary items (mandatory field)	9999 =	1,837,603	2,275,087



Notes Checklist

Corporation's name Thunder Bay Hydro Electricity Distribution Inc.	Business number 89209 0614 RC0001	Tax year-end Year Month Day 2015-12-31
--	---	---

- 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 2 No

Is the accountant connected* with the corporation? **097** 1 Yes 2 No

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

Completed a review engagement report 2

Conducted a compilation engagement 3

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 2 No

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:

Prepared the tax return (financial statements prepared by client) 1

Prepared the tax return and the financial information contained therein (financial statements have not been prepared) 2

Were notes to the financial statements prepared? **101** 1 Yes 2 No

If yes, complete lines 104 to 107 below:

Are subsequent events mentioned in the notes? **104** 1 Yes 2 No

Is re-evaluation of asset information mentioned in the notes? **105** 1 Yes 2 No

Is contingent liability information mentioned in the notes? **106** 1 Yes 2 No

Is information regarding commitments mentioned in the notes? **107** 1 Yes 2 No

Does the corporation have investments in joint venture(s) or partnership(s)? **108** 1 Yes 2 No

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 Thunder Bay Hydro Electricity Distribution Inc.	Business Number 89209 0614 RC0001	Tax year end Year Month Day 2015-12-31
--	---	---

- 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			1,837,603	A
Add:				
Provision for income taxes – current	101	-116,300		
Provision for income taxes – deferred	102	919,943		
Amortization of tangible assets	104	3,887,204		
Amortization of intangible assets	106	50,893		
Loss on disposal of assets	111	250,745		
Charitable donations and gifts from Schedule 2	112	19,890		
Non-deductible meals and entertainment expenses	121	12,905		
		Subtotal of additions	5,025,280	
				5,025,280
Other additions:				
Miscellaneous other additions:				
603 Ontario Specified Tax Credits		39,671		
	Total	39,671	293	39,671
604				
	Total		294	
		Subtotal of other additions	199	39,671
		Total (lines 101 to 199)	500	5,064,951
				5,064,951
Amount A plus amount B				6,902,554
Deduct:				
Capital cost allowance from Schedule 8	403	7,416,878		
Cumulative eligible capital deduction from Schedule 10	405	49,883		
		Subtotal of deductions	7,466,761	
				7,466,761
Other deductions:				
Miscellaneous other deductions:				
701 Regulatory Asset Deductions	391	72,062		
702 Future Employee Benefits	392	62,669		
704 ARD expenses		22,843		
	Total	22,843	394	22,843
		Subtotal of other deductions	499	157,574
		Total (lines 401 to 499)	510	7,624,335
				7,624,335
Net income (loss) for income tax purposes (amount C minus amount D)				-721,781
				E
Enter amount E on line 300 of the T2 return.				



Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Thunder Bay Hydro Electricity Distribution Inc.	89209 0614 RC0001	2015-12-31

- For use by corporations to claim any of the following:
 - the eligible amount of charitable donations to qualified donees;
 - the Ontario community food program donation tax credit for farmers;
 - the eligible amount of gifts to Canada, a province, or a territory;
 - the eligible amount of gifts of certified cultural property;
 - the eligible amount of gifts of certified ecologically sensitive land; or
 - the additional deduction for gifts of medicine.
- All legislative references are to the federal *Income Tax Act*, unless otherwise specified.
- The eligible amount of a gift is the amount by which the fair market value of the gifted property exceeds the amount of an advantage, if any, for the gift.
- The donations and gifts are eligible for a 5-year carryforward except for gifts of certified ecologically sensitive land made after February 10, 2014, which are eligible for a 10-year carryforward.
- Use this schedule to show a transfer of unused amounts from previous years following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1) of the federal *Act*.
- Subsection 110.1(1.2) of the federal *Act* provides as follows:
 - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control.
 - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- An eligible medical gift to a qualifying organization for activities outside of Canada may be eligible for an additional deduction. Calculate the additional deduction in Part 6.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation - Income Tax Guide*.

Part 1 – Charitable donations

Charity/Recipient	Amount (\$100 or more only)
See list attached	19,890
	Subtotal <u>19,890</u>
	Add: Total donations of less than \$100 each
	Total donations in current tax year <u>19,890</u>

Part 1 – Charitable donations

	Federal	Québec	Alberta
Charitable donations at the end of the previous tax year	41,228 A	41,228	41,228
Deduct: Charitable donations expired after five tax years*	239		
Charitable donations at the beginning of the current tax year	41,228 B	41,228	41,228
Add:			
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250		
Total charitable donations made in the current year (include this amount on line 112 of Schedule 1)	210	19,890	19,890
Subtotal (line 250 plus line 210)	19,890 C	19,890	19,890
Subtotal (amount B plus amount C)	61,118 D	61,118	61,118
Deduct: Adjustment for an acquisition of control	255		
Total charitable donations available (amount D minus amount on line 255)	61,118 E	61,118	61,118
Deduct: Amount applied in the current year against taxable income (cannot be more than amount C in Part 2) (enter this amount on line 311 of the T2 return)	260		
Charitable donations closing balance (amount E minus amount on line 260)	280	61,118	61,118
Ontario community food program donation for farmers included in the amount on line 260 (for donations made after December 31, 2013)	262		
Ontario community food program donation tax credit for farmers (amount on line 262 multiplied by 25%)	1		

Enter the amount from line 1 on line 420 of Schedule 5, *Tax Calculation Supplementary – Corporations*. The maximum amount you can claim in the current year is whichever is less; the Ontario income tax otherwise payable or the amount on line 1. For more information, see section 103.1.2 of the *Taxation Act, 2007* (Ontario).

* For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Amounts carried forward – Charitable donations

Year of origin:	Federal	Québec	Alberta
1 st prior year	41,228	41,228	41,228
2 nd prior year			
3 rd prior year			
4 th prior year			
5 th prior year			
6 th prior year*			
7 th prior year			
8 th prior year			
9 th prior year			
10 th prior year			
11 th prior year			
12 th prior year			
13 th prior year			
14 th prior year			
15 th prior year			
16 th prior year			
17 th prior year			
18 th prior year			
19 th prior year			
20 th prior year			
21 st prior year*			
Total (to line A)	41,228	41,228	41,228

* For the federal and Alberta, the 6th prior year gifts expire in the current year. For Québec, the 6th prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21st prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

Part 2 – Maximum allowable deduction for charitable donations

Net income for tax purposes* multiplied by 75 %	_____	F
Taxable capital gains arising in respect of gifts of capital property included in Part 1 **	225 _____	G
Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01)	227 _____	H
The amount of the recapture of capital cost allowance in respect of charitable donations	230 _____	
Proceeds of disposition, less outlays and expenses**	_____ I	
Capital cost**	_____ J	
Amount I or J, whichever is less	235 _____	
Amount on line 230 or 235, whichever is less	_____ K	
Subtotal (add amounts G, H, and K)	_____ L	
Amount L multiplied by 25 %	_____ M	
Subtotal (amount F plus amount M)	_____ N	
Maximum allowable deduction for charitable donations (enter amount E from Part 1, amount N, or net income for tax purposes, whichever is less)	_____ O	

* For credit unions, subsection 137(2) states that this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

** This amount must be prorated by the following calculation: eligible amount of the gift divided by the proceeds of disposition of the gift.

Part 3 – Gifts to Canada, a province, or a territory

Gifts to Canada, a province, or a territory at the end of the previous tax year	_____	A
Deduct: Gifts to Canada, a province, or a territory expired after five tax years	339 _____	
Gifts to Canada, a province, or a territory at the beginning of the current tax year	340 _____	B
Add:		
Gifts to Canada, a province, or a territory transferred on an amalgamation or the wind-up of a subsidiary	350 _____	
Total gifts made to Canada, a province, or a territory in the current year*	310 _____	
Subtotal (line 350 plus line 310)	_____ C	
Subtotal (amount B plus amount C)	_____ D	
Deduct:		
Adjustment for an acquisition of control	355 _____	
Amount applied in the current year against taxable income (enter this amount on line 312 of the T2 return)	360 _____	
Subtotal (line 355 plus line 360)	_____ E	
Gifts to Canada, a province, or a territory closing balance (amount D minus amount E)	380 _____	

* Not applicable for gifts made after February 16, 1997, unless a written agreement was made before this date. If no written agreement exists, enter the amount on line 210 and complete Part 2.

Part 4 – Gifts of certified cultural property

	Federal	Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year		F	
Deduct: Gifts of certified cultural property expired after five tax years*	439		
Gifts of certified cultural property at the beginning of the current tax year	440	G	
Add:			
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary	450		
Total gifts of certified cultural property in the current year (include this amount on line 112 of Schedule 1)	410		
Subtotal (line 450 plus line 410)		H	
Subtotal (amount G plus amount H)		I	
Deduct:			
Adjustment for an acquisition of control	455		
Amount applied in the current year against taxable income (enter this amount on line 313 of the T2 return)	460		
Subtotal (line 455 plus line 460)		J	
Gifts of certified cultural property closing balance (amount I minus amount J)	480		

* For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1 st prior year	2014-12-31			
2 nd prior year	2013-12-31			
3 rd prior year	2012-12-31			
4 th prior year	2011-12-31			
5 th prior year	2010-12-31			
6 th prior year*	2009-12-31			
7 th prior year	2008-12-31			
8 th prior year	2007-12-31			
9 th prior year	2006-12-31			
10 th prior year	2005-12-31			
11 th prior year	2004-12-31			
12 th prior year	2003-12-31			
13 th prior year	2002-12-31			
14 th prior year	2001-12-31			
15 th prior year	2000-12-31			
16 th prior year	1999-12-31			
17 th prior year	1998-12-31			
18 th prior year	1997-12-31			
19 th prior year	1996-12-31			
20 th prior year	1995-12-31			
21 st prior year*	1994-12-31			
Total				

* For the federal and Alberta, the 6th prior year gifts expire in the current year. For Québec, the 6th prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21st prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

Part 5 – Gifts of certified ecologically sensitive land

	Federal	Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year		K	
Deduct: Gifts of certified ecologically sensitive land expired after 5 tax years, or after 10 tax years for gifts made after February 10, 2014*	539		
Gifts of certified ecologically sensitive land at the beginning of the current tax year	540	L	
Add:			
Gifts of certified ecologically sensitive land transferred on an amalgamation or the wind-up of a subsidiary	550		
Total current-year gifts of certified ecologically sensitive land made before February 11, 2014 (include this amount on line 112 of Schedule 1)	510		
Total current-year gifts of certified ecologically sensitive land made after February 10, 2014 (include this amount on line 112 of Schedule 1)	520		
Subtotal (add lines 550, 510, and 520)		M	
Subtotal (amount L plus amount M)		N	
Deduct:			
Adjustment for an acquisition of control	555		
Amount applied in the current year against taxable income (enter this amount on line 314 of the T2 return)	560		
Subtotal (line 555 plus line 560)		O	
Gifts of certified ecologically sensitive land closing balance (amount N minus amount O)	580		

* For the federal and Alberta, gifts made before February 11, 2014, expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. For Québec, gifts made during a tax year that ended before March 24, 2006, expire after five tax years and gifts made during a tax year that ended after March 23, 2006 expire after twenty tax years.

Amounts carried forward – Gifts of certified ecologically sensitive land

Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date		Federal	Québec	Alberta
Year of origin:				
1 st prior year	2014-12-31			
2 nd prior year	2013-12-31			
3 rd prior year	2012-12-31			
4 th prior year	2011-12-31			
5 th prior year	2010-12-31			
6 th prior year*	2009-12-31			
7 th prior year	2008-12-31			
8 th prior year	2007-12-31			
9 th prior year	2006-12-31			
10 th prior year	2005-12-31			
11 th prior year*	2004-12-31			
12 th prior year	2003-12-31			
13 th prior year	2002-12-31			
14 th prior year	2001-12-31			
15 th prior year	2000-12-31			
16 th prior year	1999-12-31			
17 th prior year	1998-12-31			
18 th prior year	1997-12-31			
19 th prior year	1996-12-31			
20 th prior year	1995-12-31			
21 st prior year*	1994-12-31			
Total				

* For the federal and Alberta, gifts made before February 11, 2014, expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. The field "Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date" is used to determine the portion of the gifts made in the tax year straddling February 11, 2014, that expires after ten tax years. For Québec, gifts made during a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Part 6 – Additional deduction for gifts of medicine

	Federal	Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year		P	
Deduct: Additional deduction for gifts of medicine expired after five tax years	639		
Additional deduction for gifts of medicine at the beginning of the current tax year	640	Q	
Add:			
Additional deduction for gifts of medicine transferred on an amalgamation or the wind-up of a subsidiary	650		
Additional deduction for gifts of medicine for the current year:			
Proceeds of disposition	602	1	1
Cost of gifts of medicine	601	2	2
Subtotal (line 1 minus line 2)		3	3
Line 3 multiplied by 50 %		4	4
Eligible amount of gifts	600	5	5
Federal	Additional deduction for gifts of medicine for the current year		
a _____ x ($\frac{b}{c}$) =	610		
Québec	Additional deduction for gifts of medicine for the current year		
a _____ x ($\frac{b}{c}$) =			
Alberta	Additional deduction for gifts of medicine for the current year		
a _____ x ($\frac{b}{c}$) =			
where:			
a is the lesser of line 2 and line 4			
b is the eligible amount of gifts (line 600)			
c is the proceeds of disposition (line 602)			
Subtotal (line 650 plus line 610)		R	
Subtotal (amount Q plus amount R)		S	
Deduct:			
Adjustment for an acquisition of control	655		
Amount applied in the current year against taxable income (enter this amount on line 315 of the T2 return)	660		
Subtotal (line 655 plus line 660)		T	
Additional deduction for gifts of medicine closing balance (amount S minus amount T)	680		

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:	Federal	Québec	Alberta
1 st prior year	2014-12-31		
2 nd prior year	2013-12-31		
3 rd prior year	2012-12-31		
4 th prior year	2011-12-31		
5 th prior year	2010-12-31		
6 th prior year*	2009-12-31		
Total			

* These donations expired in the current year.

Québec – Gifts of musical instruments

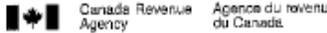
Gifts of musical instruments at the end of the previous tax year	_____	A
Deduct: Gifts of musical instruments expired after twenty tax years	_____	B
Gifts of musical instruments at the beginning of the tax year	_____	C
Add:		
Gifts of musical instruments transferred on an amalgamation or the wind-up of a subsidiary	_____	D
Total current-year gifts of musical instruments	_____	E
	Subtotal (line D plus line E)	_____
		F
Deduct: Adjustment for an acquisition of control	_____	G
Total gifts of musical instruments available	_____	H
Deduct: Amount applied against taxable income	_____	I
Gifts of musical instruments closing balance	_____	J

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1 st prior year	2014-12-31	_____
2 nd prior year	2013-12-31	_____
3 rd prior year	2012-12-31	_____
4 th prior year	2011-12-31	_____
5 th prior year	2010-12-31	_____
6 th prior year*	2009-12-31	_____
7 th prior year	2008-12-31	_____
8 th prior year	2007-12-31	_____
9 th prior year	2006-12-31	_____
10 th prior year	2005-12-31	_____
11 th prior year	2004-12-31	_____
12 th prior year	2003-12-31	_____
13 th prior year	2002-12-31	_____
14 th prior year	2001-12-31	_____
15 th prior year	2000-12-31	_____
16 th prior year	1999-12-31	_____
17 th prior year	1998-12-31	_____
18 th prior year	1997-12-31	_____
19 th prior year	1996-12-31	_____
20 th prior year	1995-12-31	_____
21 st prior year*	1994-12-31	_____
Total		_____

* These gifts expired in the current year.





Corporation Loss Continuity and Application

Corporation's name Thunder Bay Hydro Electricity Distribution Inc.	Business number 89209 0614 RC0001	Tax year-end Year Month Day 2015-12-31
--	---	---

- 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 **-721,781** 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 under paragraph 110(1)(k) c
 Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2) d
 Subtotal (total of amounts a to d) **721,781** B
 Subtotal (amount A minus amount B; if positive, enter "0") **-721,781** C

Deduct: (increase a loss)

Section 110.5 or subparagraph 115(1)(a)(vi) – Addition for foreign tax deductions D
 Subtotal (amount C minus amount D) **-721,781** E

Add: (decrease a loss)

Current-year farm loss (the lesser of: the net loss from farming or fishing included in income and the non-capital loss before deducting the farm loss) F
 Current-year non-capital loss (amount E plus amount F; if positive, enter "0") **-721,781** 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 (note 1) **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 on the wind-up of a subsidiary (note 2) corporation **105** g
 Current-year non-capital loss (from amount G) **110** **721,781** h
 Subtotal (amount g plus amount h) **721,781** i
 Subtotal (amount H plus amount i) **721,781** J

Note 1: 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.

Note 2: Subsidiary is defined in subsection 88(1) as a taxable Canadian corporation of which 90% or more of each class of issued shares are owned by its parent corporation and the remaining shares are owned by persons that deal at arm's length with the parent corporation.

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 rebates		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 (note 3)	135	l
Subtotal (total of amounts i to l)		K
Non-capital losses before any request for a carryback (amount J minus amount K)		721,781 L

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

First previous tax year to reduce taxable income	901	m
Second previous tax year to reduce taxable income	902	n
Third previous tax year to reduce taxable income	903	721,781 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)		721,781 M
Closing balance of non-capital losses to be carried forward to future tax years (amount L minus amount M)		180 N

Note 3: 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 an amalgamation or on 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 (note 4)		e
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year (note 5)		f
Enter amount e or f, whichever is less	215	g
ABILs expired as non-capital losses: line 215 multiplied by 2.000000		220 E
Subtotal (total of amounts C to E)		F

Note

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

Note 4: If the loss was incurred in a tax year ending after March 22, 2004, determine the amount of the loss from the 11th previous tax year and enter the part of that loss that was not used in previous years and the current year on line e.

Note 5: If the ABILs were incurred in a tax year ending after March 22, 2004, enter the amount of the ABILs 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 (note 6) **225** _____ G
 Capital losses before any request for a carryback (amount F minus amount G) _____ H

Deduct – Request to carry back capital loss to (note 7):

	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) _____		l
	Closing balance of capital losses to be carried forward to future tax years (amount H minus amount l) 280		J

Note 6: To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the current-year tax, enter the amount from line 225 divided by 2 at line 332 of the T2 return.

Note 7: On line 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, divide this amount by 2. The result represents 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 (note 8) **300** _____ b
 Farm losses at the beginning of the tax year (amount a minus amount b) **302** _____ A

Add:

Farm losses transferred on an amalgamation or on the wind-up 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 (note 9) **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

Note 8: 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.

Note 9: 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 (note 10), 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)	2,500 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 (note 11)	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 an amalgamation or on 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.	
Note 10: For tax years that end before March 21, 2013, use \$6,250 instead of \$15,000.	
Note 11: A restricted farm loss expires as follows:	
<ul style="list-style-type: none"> ▪ 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 7 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:			
Listed personal property losses from previous tax years applied 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 account number	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 column 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 account number	Tax year ending yyyy/mm/dd	Limited partnership losses at the end of the previous tax year and amounts transferred on an amalgamation or on the wind-up of a subsidiary	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 account number	Limited partnership losses at the end of the previous tax year	Limited partnership losses transferred in the year on an amalgamation or on the wind-up of a subsidiary	Current-year limited partnership losses (from line 620)	Limited partnership losses applied in the current year (must be equal to or less 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 need more space, you can attach more schedules.

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

In the case of the wind-up of a subsidiary, if the election is made, the non-capital loss, restricted farm loss, farm loss, or limited partnership loss of the subsidiary—that otherwise would become the loss of the parent corporation for a particular tax year starting after the wind-up began—will be considered as the loss of the parent corporation for its immediately preceding tax year and not for the particular year.

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*.

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	721,781		721,781	N/A		
1st preceding taxation year 2014-12-31		N/A		N/A			
2nd preceding taxation year 2013-12-31		N/A		N/A			
3rd preceding taxation year 2012-12-31		N/A		N/A			
4th preceding taxation year 2011-12-31		N/A		N/A			
5th preceding taxation year 2010-12-31		N/A		N/A			
6th preceding taxation year 2009-12-31		N/A		N/A			
7th preceding taxation year 2008-12-31		N/A		N/A			
8th preceding taxation year 2007-12-31		N/A		N/A			
9th preceding taxation year 2006-12-31		N/A		N/A			
10th preceding taxation year 2005-12-31		N/A		N/A			
11th preceding taxation year 2004-12-31		N/A		N/A			
12th preceding taxation year 2003-12-31		N/A		N/A			
13th preceding taxation year 2002-12-31		N/A		N/A			
14th preceding taxation year 2001-12-31		N/A		N/A			
15th preceding taxation year 2000-12-31		N/A		N/A			
16th preceding taxation year 1999-12-31		N/A		N/A			
17th preceding taxation year 1998-12-31		N/A		N/A			
18th preceding taxation year 1997-12-31		N/A		N/A			
19th preceding taxation year 1996-12-31		N/A		N/A			
20th preceding taxation year 1995-12-31		N/A		N/A			*
Total		721,781		721,781			

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



Tax Calculation Supplementary – Corporations

Schedule 5

Corporation's name Thunder Bay Hydro Electricity Distribution Inc.	Business Number 89209 0614 RC0001	Tax year-end Year Month Day 2015-12-31
--	---	---

- 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	B	C	D	E	F	
Jurisdiction Tick yes if the corporation had a permanent establishment in the jurisdiction during the tax year.*	Total salaries and wages paid in jurisdiction	(B x taxable income) / G	Gross revenue	(D x taxable income) / H	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	103		143			
Newfoundland and Labrador Offshore	104		144			
Prince Edward Island	105		145			
Nova Scotia	107		147			
Nova Scotia Offshore	108		148			
New Brunswick	109		149			
Quebec	111		151			
Ontario	113		153			
Manitoba	115		155			
Saskatchewan	117		157			
Alberta	119		159			
British Columbia	121		161			
Yukon	123		163			
Northwest Territories	125		165			
Nunavut	126		166			
Outside Canada	127		167			
Total	129	G	169	H		

* "Permanent establishment" is defined in Regulation 400(2).
** 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.
3. Special rules for establishing a corporation's gross revenue and salaries and wages attributable to a jurisdiction are provided in cases where the corporation operates in a partnership and the partnership had permanent establishments in more than one jurisdiction. See Guide T4068, *Guide for the Partnership Information Return* and prescribed Form T5013 Sch 5, *Allocation of Salaries and Wages, and Gross Revenue for Multiple Jurisdictions*.

- 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 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 71,314			
Ontario special additional tax on life insurance corporations (from Schedule 512) 280			
			Subtotal 71,314 H6
			Total Ontario tax payable before refundable credits (amount G6 plus amount H6) 71,314 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 39,671			
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 39,671 J6
			Subtotal 39,671 J6
Net Ontario tax payable or refundable credit (amount I6 minus amount J6) 290 31,643 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** 31,643

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 Thunder Bay Hydro Electricity Distribution Inc.	Business N 89209 0614
--	---------------------------------

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 X

1 Class number (See Note)	2 Description	3 Undepreciated capital cost at the beginning of the year (amount from column 12 of last year's schedule 8)	4 Cost of acquisitions during the year (new property must be available for use)*	5 Adjustments and transfers**	6 Proceeds of dispositions during the year (amount not to exceed the capital cost)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)***	8 Reduced undepreciated capital cost	9 CCA rate %****	10 Recapture of capital cost allowance***** (line 107 of Schedule 1)	11 Termination
200		201	203	205	207	211		212	213	
1. 10	Rolling Stock/Comp	1,637,643	485,438		15,102	235,168	1,872,811	30	0	
2. 8	Office/Other Equip	803,554	515,659		889	257,385	1,060,939	20	0	
3. 4	Building	1,303,493	152,835		0	76,418	1,379,910	6	0	
4. 47	Distribution Equipment Post Feb	43,293,402	8,275,251		51,915	4,111,668	47,405,070	8	0	
5. 45	Computer Equipment acquired at	1,249			0		1,249	45	0	
6. 1	Distribution Equipment	44,251,266			0		44,251,266	4	0	
7. 50	Computer Equip Sub to Mar 18,	187,831	140,546		0	70,273	258,104	55	0	
8. 13	Leasehold Improvements	31,119			0		31,119	NA	0	
9. 43.2	Solar Panels	1,379,667			0		1,379,667	50	0	
10. 12	Application Software	2,460	53,506		0	26,753	29,213	100	0	
11. 1	Building	3,084,567			0		3,084,567	4	0	
Totals		95,976,251	9,623,235		67,906	4,777,665	100,753,915			

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 information on the exceptions to the 50% rule, as well as how to calculate the amounts to enter in column 6 in those cases, 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)



RELATED AND ASSOCIATED CORPORATIONS

Name of corporation Thunder Bay Hydro Electricity Distribution Inc.	Business Number 89209 0614 RC0001	Tax year end Year Month Day 2015-12-31
--	--------------------------------------	--

- 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*.

	100	200	300	400	500	550	600	650	700
	Name	Country of residence (other than Canada)	Business number (see note 1)	Relationship code (see note 2)	Number of common shares you own	% of common shares you own	Number of preferred shares you own	% of preferred shares you own	Book value of capital stock
1.	Thunder Bay Hydro Corporation		86523 2995 RC0001	1	1,000	100.000			34,931,625
2.	Thunder Bay Hydro Renewable Pow		86170 7461 RC0001	3					
3.	Thunder Bay Hydro Utility Services		86189 1059 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



CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Name of corporation Thunder Bay Hydro Electricity Distribution Inc.	Business Number 89209 0614 RC0001	Tax year-end Year Month Day 2015-12-31
---	---	---

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

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

Cumulative eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0")	200	712,613	A
Add: Cost of eligible capital property acquired during the taxation year	222		
Other adjustments	226		
Subtotal (line 222 plus line 226)			B
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002	228		C
amount B minus amount C (if negative, enter "0")			D
Amount transferred on amalgamation or wind-up of subsidiary	224		E
Subtotal (add amounts A, D, and E)	230	712,613	F
Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	242		G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244		H
Other adjustments	246		I
(add amounts G, H, and I)			J
Cumulative eligible capital balance (amount F minus amount J)		712,613	K
(if amount K is negative, enter "0" at line M and proceed to Part 2)			
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business	249		
amount K		712,613	
less amount from line 249		712,613	
Current year deduction		712,613 x 7.00 % = 250	49,883
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)			49,883
Cumulative eligible capital - Closing balance (amount K minus amount L) (if negative, enter "0")	300	662,730	M

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

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

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

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

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* 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 from the list below 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.
- 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 does not exceed \$500,000.

Allocating the business limit

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

Enter the calendar year to which the agreement applies **050** Year
2015

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

	1 Names of associated corporations	2 Business number of associated corporations	3 Association code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
100	200	300	350	400		
1	Thunder Bay Hydro Electricity Distribution Inc.	89209 0614 RC0001	1	500,000	100.0000	500,000
2	Thunder Bay Hydro Corporation	86523 2995 RC0001	1	500,000		
3	Thunder Bay Hydro Renewable Power Incorpor	86170 7461 RC0001	1	500,000		
4	Thunder Bay Hydro Utility Services Inc.	86189 1059 RC0001	1	500,000		
Total					100.0000	500,000 A

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

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. The amount at line 415 is determined using the formula $0.225\% \times (D - \$10,000,000)$. Details of this formula and variable D are in subsection 125(5.1) of the Act.

* 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 for business limit

Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year, whichever is less.



Taxable Capital Employed in Canada – Large Corporations

Corporation's name Thunder Bay Hydro Electricity Distribution Inc.	Business number 89209 0614 RC0001	Tax year-end Year Month Day 2015-12-31
--	---	---

- 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 1.3 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 calculating income for the year under Part I	101	<u>31,688</u>
Capital stock (or members' contributions if incorporated without share capital)	103	<u>42,881,625</u>
Retained earnings	104	<u>20,393,503</u>
Contributed surplus	105	<u> </u>
Any other surpluses	106	<u> </u>
Deferred unrealized foreign exchange gains	107	<u> </u>
All loans and advances to the corporation	108	<u>48,960,991</u>
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	<u> </u>
Any dividends declared but not paid by the corporation before the end of the year	110	<u> </u>
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	<u> </u>
The total of all amounts, each of which is the amount, if any, in respect of 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	<u> </u>
Subtotal (add lines 101 to 112)		112,267,807 ▶ <u>112,267,807</u> A

Note:

Line 112 is determined by the formula (A – B) x C/D (as per paragraph 181.2(3)(g)) where:

- A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
 - a) those lines applied to partnerships in the same manner that they apply to corporations, and
 - b) those amounts were computed without reference to amounts owing by the partnership
 - (i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
 - (ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.
- B is the partnership's deferred unrealized foreign exchange losses at the end of the period,
- C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and
- D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

		Subtotal A (from page 1)	112,267,807	A
Deduct the following amounts:				
Deferred tax debit balance at the end of the year	121	1,900,202		
Any deficit deducted in calculating 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			
To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year.	123			
Deferred unrealized foreign exchange losses at the end of the year	124			
		Subtotal (add lines 121 to 124)	1,900,202	B
			1,900,202	
Capital for the year (amount A minus amount B) (if negative, enter "0")	190		110,367,605	

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		114,331	
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		114,331	

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 subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190)		110,367,605	C
Deduct: investment allowance for the year (line 490)		114,331	D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")	500	110,253,274	

Attached Schedule with Total

Part 1 – Reserves that have not been deducted in calculating income for the year under Part I

Title Part 1 – Reserves that have not been deducted in computing income for th

Description	Amount
Current FITL	
Long term FITL	31,688 00
Total	31,688 00

Attached Schedule with Total

Part 1 – Deferred tax debit balance at the end of the year

Title Part 1 – Deferred tax debit balance at the end of the year

Description	Amount
Current FITA	
Long term FITA	1,900,202.00
Total	1,900,202.00



SHAREHOLDER INFORMATION

Name of corporation Thunder Bay Hydro Electricity Distribution Inc.	Business Number 89209 0614 RC0001	Tax year end Year Month Day 2015-12-31
---	---	---

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Provide only one number per shareholder				Percentage common shares	Percentage preferred shares
		Business Number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number			
	100	200	300	350	400	500	
1	City of Thunder Bay	12139 6592 RC0001			99.985		
2							
3							
4							
5							
6							
7							
8							
9							
10							



General Rate Income Pool (GRIP) Calculation

Corporation's name	Business number	Tax year-end Year Month Day
Thunder Bay Hydro Electricity Distribution Inc.	89209 0614 RC0001	2015-12-31

On: 2015-12-31

- 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.
- All legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- 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 Yes No 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 – General rate income pool (GRIP)

GRIP at the end of the previous tax year	100	13,683,149	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 (amount B minus amount C) (if negative enter "0")	150		
After-tax income (line 150 multiplied by 0.72 (the general rate factor for the tax year))	190		D
Eligible dividends received in the tax year	200		
Dividends deductible under section 113 received in the tax year	210		
Subtotal (line 200 plus line 210)			E
GRIP addition:			
Becoming a CCPC (amount PP in Part 4)	220		
Post-amalgamation (total of amounts EE in Part 3 and amounts PP in Part 4)	230		
Post-wind-up (total of amounts EE in Part 3 and amounts PP in Part 4)	240		
Subtotal (add lines 220, 230, and 240)	290		F
Subtotal (add amounts A, D, E, and F)		13,683,149	G
Eligible dividends paid in the previous tax year	300		
Excessive eligible dividend designations made in the previous tax year (if becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.)	310		
Subtotal (line 300 minus line 310)			H
GRIP before adjustment for specified future tax consequences (amount G minus amount H) (amount can be negative)	490	13,683,149	
Total GRIP adjustment for specified future tax consequences to previous tax years (amount W in Part 2)	560	519,682	
GRIP at the end of the tax year (line 490 minus line 560) Enter this amount on line 160 of Schedule 55.	590	13,163,467	

* 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.

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 2014-12-31

Taxable income before specified future tax consequences from the current tax year		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 amounts K1, L1, and M1)		N1
Subtotal (amount J1 minus amount N1) (if negative, enter "0")		O1

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Future tax consequences that occur for the current year					
Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences P1

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) ... Q1

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less ... R1

Aggregate investment income (line 440 of the T2 return) S1

Subtotal (add amounts Q1, R1, and S1) T1

Subtotal (amount P1 minus amount T1) (if negative, enter "0") U1

Subtotal (amount Q1 minus amount U1) (if negative, enter "0") V1

GRIP adjustment for specified future tax consequences to the first previous tax year

(amount V1 multiplied by 0.72) **500**

Second previous tax year 2013-12-31

Taxable income before specified future tax consequences from the current tax year 444,828 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 amounts K2, L2, and M2) N2

Subtotal (amount J2 minus amount N2) (if negative, enter "0") 444,828 O2

Future tax consequences that occur for the current year					
Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences P2

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) ... Q2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less ... R2

Aggregate investment income (line 440 of the T2 return) S2

Subtotal (add amounts Q2, R2, and S2) T2

Subtotal (amount P2 minus amount T2) (if negative, enter "0") U2

Subtotal (amount Q2 minus amount U2) (if negative, enter "0") V2

GRIP adjustment for specified future tax consequences to the second previous tax year

(amount V2 multiplied by 0.72) **520**

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Third previous tax year 2012-12-31

Taxable income before specified future tax consequences from the current tax year 1,014,036 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 amounts K3, L3, and M3) N3

Subtotal (amount J3 minus amount N3) (if negative, enter "0") 1,014,036 ▶ 1,014,036 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
721,781					721,781

Taxable income after specified future tax consequences 292,255 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 amounts Q3, R3, and S3) T3

Subtotal (amount P3 minus amount T3) (if negative, enter "0") 292,255 ▶ 292,255 U3

Subtotal (amount O3 minus amount U3) (if negative, enter "0") 721,781 V3

GRIP adjustment for specified future tax consequences to the third previous tax year

(amount V3 multiplied by 0.72) **540** 519,682

Total GRIP adjustment for specified future tax consequences to previous tax years:

(add lines 500, 520, and 540) (if negative, enter "0") 519,682 W

Enter amount W on line 560 in part 1.

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 (amount BB minus amount CC) DD

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)
(amount AA minus amount DD) EE

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the EE amounts. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC

nb. 1 Corporation becoming a CCPC Post amalgamation Post wind-up

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year. Also, use this part for a corporation becoming a CCPC. In the calculation below, **corporation** means a corporation becoming a CCPC, a predecessor, or a subsidiary.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was not a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year FF

The corporation's money on hand immediately before the end of its previous/last tax year GG

Total of subsection 111(1) losses that would have been deductible in calculating the corporation's taxable income for the previous/last tax year if the corporation had had unlimited income from each business carried on and each property held and had realized an unlimited amount of capital gains for the previous/last tax year:

Non-capital losses	_____	a
Net capital losses	_____	b
Farm losses	_____	c
Restricted farm losses	_____	d
Limited partnership losses	_____	e
Subtotal (add amounts a to e)	_____	1

Total of all amounts deducted under subsection 111(1) in calculating the corporation's taxable income for the previous/last tax year:

Non-capital losses	_____	f
Net capital losses	_____	g
Farm losses	_____	h
Restricted farm losses	_____	i
Limited partnership losses	_____	j
Subtotal (add amounts f to j)	_____	2

Unused and unexpired losses at the end of the corporation's previous/last tax year (amount 1 minus amount 2) HH

Subtotal (add amounts FF, GG, and HH) II

All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year JJ

Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year KK

All the corporation's reserves deducted in its previous/last tax year LL

The corporation's capital dividend account immediately before the end of its previous/last tax year MM

The corporation's low rate income pool immediately before the end of its previous/last tax year NN

Subtotal (add amounts JJ to NN) OO

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC (amount II minus amount OO) (if negative, enter '0') PP

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the PP amounts. Enter this total amount on:

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.



Ontario Corporate Minimum Tax

Corporation's name Thunder Bay Hydro Electricity Distribution Inc.	Business number 89209 0614 RC0001	Tax year-end Year Month Day 2015-12-31
--	---	---

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
 - 1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
 - 2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
 - 3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
 - 4) a congregation or business agency to which section 143 of the federal Act applies;
 - 5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
 - 6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	112	137,059,021
Share of total assets from partnership(s) and joint venture(s) *	114	
Total assets of associated corporations (amount from line 450 on Schedule 511)	116	50,811,042
Total assets (total of lines 112 to 116)		<u>187,870,063</u>
Total revenue of the corporation for the tax year **	142	142,124,118
Share of total revenue from partnership(s) and joint venture(s) **	144	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	3,183,504
Total revenue (total of lines 142 to 146)		<u>145,307,622</u>

The corporation is subject to CMT if:

- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than \$5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than \$10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than \$50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than \$100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

* Rules for total assets

- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

** Rules for total revenue

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, multiply the total revenue of the corporation or the partnership, whichever applies, by 365 and divide by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, multiply the sum of the total revenue for each of the fiscal periods by 365 and divide by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

Part 2 – Adjusted net income/loss for CMT purposes

Net income/loss per financial statements *	210	1,837,603	
Add (to the extent reflected in income/loss):			
Provision for current income taxes/cost of current income taxes	220		
Provision for deferred income taxes (debits)/cost of future income taxes	222	919,943	
Equity losses from corporations	224		
Financial statement loss from partnerships and joint ventures	226		
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230		
Other additions (see note below):			
Share of adjusted net income of partnerships and joint ventures **	228		
Total patronage dividends received, not already included in net income/loss	232		
281	282		
283	284		
	Subtotal	919,943	919,943 A
Deduct (to the extent reflected in income/loss):			
Provision for recovery of current income taxes/benefit of current income taxes	320	116,300	
Provision for deferred income taxes (credits)/benefit of future income taxes	322		
Equity income from corporations	324		
Financial statement income from partnerships and joint ventures	326		
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330		
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332		
Gain on donation of listed security or ecological gift	340		
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342		
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344		
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346		
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348		
Other deductions (see note below):			
Share of adjusted net loss of partnerships and joint ventures **	328		
Tax payable on dividends under subsection 191.1(1) of the federal Act multiplied by 3	334		
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336		
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338		
381	382		
383	384		
385	386		
387	388		
389	390		
	Subtotal	116,300	116,300 B
Adjusted net income/loss for CMT purposes (line 210 plus amount A minus amount B)	490	2,641,246	

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.
If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

Note

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

- exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
- include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

*Specified mark-to-market property' is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

*** Rules for net income/loss**

- Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)

- Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, multiply the net income/loss by the ratio of the Canadian reserve liabilities divided by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.
- Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.
- Corporations, other than insurance corporations, should report net income from line 9999 of the GIFI (Schedule 125) on line 210.
- ** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.
- *** A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.
- **** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.
- ***** A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive)	515		2,641,246	
Deduct:				
CMT loss available (amount R from Part 7)				
Minus: Adjustment for an acquisition of control *	518			
Adjusted CMT loss available				C
Net income subject to CMT calculation (if negative, enter "0")	520		2,641,246	
Amount from line 520	2,641,246	x	Number of days in the tax year before July 1, 2010 Number of days in the tax year 365	x
				4 % =
				1
Amount from line 520	2,641,246	x	Number of days in the tax year after June 30, 2010 Number of days in the tax year 365	x
				2.7 % =
				71,314
				2
Subtotal (amount 1 plus amount 2)			71,314	3
Gross CMT: amount on line 3 above x OAF **			71,314	540
Deduct:				
Foreign tax credit for CMT purposes ***				550
CMT after foreign tax credit deduction (line 540 minus line 550) (if negative, enter "0")			71,314	D
Deduct:				
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)				71,314
Net CMT payable (if negative, enter "0")			71,314	E
Enter amount E on line 278 of Schedule 5, <i>Tax Calculation Supplementary – Corporations</i> , and complete Part 4.				
<ul style="list-style-type: none"> - Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act. *** Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550. 				
** Calculation of the Ontario allocation factor (OAF):				
If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.				
If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:				
Ontario taxable income ****	=			
Taxable income *****				
Ontario allocation factor			1.00000	F
**** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were \$1,000.				
***** Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".				

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *	172,647	G
Deduct:		
CMT credit expired *	600	
CMT credit carryforward at the beginning of the current tax year * (see note below)	172,647	▶ 620 172,647 H
Add:		
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)	650	
CMT credit available for the tax year (amount on line 620 plus amount on line 650)	172,647	H
Deduct:		
CMT credit deducted in the current tax year (amount P from Part 5)		I
	Subtotal (amount H minus amount I)	172,647 J
Add:		
Net CMT payable (amount E from Part 3)	71,314	
SAT payable (amount O from Part 6 of Schedule 512)		
	Subtotal	71,314 ▶ 71,314 K
CMT credit carryforward at the end of the tax year (amount J plus amount K)	670	243,961 L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
 – do not enter an amount on line G or line 800;
 – for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.
 For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4)	172,647	M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		1
For a corporation that is not a life insurance corporation: CMT after foreign tax credit deduction (amount D from Part 3)	71,314	2
For a life insurance corporation: Gross CMT (line 540 from Part 3)		3
Gross SAT (line 460 from Part 6 of Schedule 512)		4
The greater of amounts 3 and 4		5
Deduct: line 2 or line 5, whichever applies:	71,314	e
Subtotal (if negative, enter '0')		▶ N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		
Deduct:		
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 minus line 450 from Schedule 5)	39,671	
Subtotal (if negative, enter '0')		▶ O
CMT credit deducted in the current tax year (least of amounts M, N, and O)		P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? 675 1 Yes 2 No

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year * Q

Deduct:

CMT loss expired * 700

CMT loss carryforward at the beginning of the tax year * (see note below) 720

Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below) 750

CMT loss available (line 720 plus line 750) R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) S

Subtotal (if negative, enter "0") S

Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if negative) (enter as a positive amount) 760

CMT loss carryforward balance at the end of the tax year (amount S plus line 760) 770 T

- * For the first harmonized T2 return filed with a tax year that includes days in 2009:
 - do not enter an amount on line Q or line 700;
 - for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

- ** Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

Note: If you entered an amount on line 720 or line 750, complete Part 8.

Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2008; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

*** The total of these two columns must equal the total of the amounts entered on lines 720 and 750.



**ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS
AND REVENUE FOR ASSOCIATED CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
Thunder Bay Hydro Electricity Distribution Inc.	89209 0614 RC0001	2015-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the T2 Corporation Income Tax Return.

	Names of associated corporations	Business number (Canadian corporation only) (see Note 1)	Total assets* (see Note 2)	Total revenue** (see Note 2)
	200	300	400	500
1	Thunder Bay Hydro Corporation	86523 2995 RC0001	39,931,351	354,954
2	Thunder Bay Hydro Renewable Power Incorporated	86170 7461 RC0001	10,056,275	1,695,783
3	Thunder Bay Hydro Utility Services Inc.	86189 1059 RC0001	823,416	1,132,767
	Total	450	50,811,042	3,183,504

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.

Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

Note 1: Enter "NR" if a corporation is not registered.

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

*** Rules for total assets**

- Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
- Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

**** Rules for total revenue**

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, multiply the sum of the total revenue for each of those tax years by 365 and divide by the total number of days in all of those tax years.
- If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, multiply the associated corporation's total revenue by 365 and divide by the number of days in the associated corporation's tax year.
- Include the associated corporation's share of the total revenue of partnerships and joint ventures.
- If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, multiply the sum of the total revenue for each of the fiscal periods by 365 and divide by the total number of days in all the fiscal periods.

Ontario Apprenticeship Training Tax Credit

Corporation's name Thunder Bay Hydro Electricity Distribution Inc.	Business number 89209 0614 RC0001	Tax year-end Year Month Day 2015-12-31
---	--------------------------------------	--

- 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. For eligible expenditures incurred after March 26, 2009 for an apprenticeship program that began before April 24, 2015, the maximum credit for each qualifying apprenticeship is \$10,000 per year to a maximum credit of \$40,000 over the first 48-month period of the qualifying apprenticeship. For an apprenticeship program that began after April 23, 2015, the maximum credit for each qualifying apprenticeship is \$5,000 per year to a maximum credit of \$15,000 over the first 36-month period of the qualifying apprenticeship.
- 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 48 months of the apprenticeship program, if an apprenticeship program began before April 24, 2015; and
 - for services provided by the apprentice during the first 36 months of the apprenticeship program, if an apprenticeship program began after April 23, 2015.
- 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) or a person designated by him or her; 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*.
- Do not submit the training agreement or contract of apprenticeship with your T2 Corporation Income Tax Return. Keep a copy of the training agreement or contract of apprenticeship to support your claim.
- File this schedule with your T2 Corporation Income Tax Return.

Part 1 – Corporate information

110 Name of person to contact for more information Cindy Speziale	120 Telephone number (807) 343-1118
Is the claim filed for an ATTC earned through a partnership? *	150 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
If you answered 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** 10,171,698

For eligible expenditures incurred after March 26, 2009 for an apprenticeship program that began before April 24, 2015:

- 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 %

For eligible expenditures incurred for an apprenticeship program that began after April 23, 2015:

- If line 300 is \$400,000 or less, enter 30% on line 314.
- If line 300 is \$600,000 or more, enter 25% on line 314.
- If line 300 is more than \$400,000 and less than \$600,000, enter the percentage on line 314 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 **314** 25.000 %

* 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 – Ontario apprenticeship training tax credit

Complete a **separate entry** for each apprentice for each 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	B Apprenticeship program/trade name	C Name of apprentice	
400	405	410	
1. 434a	Powerline Technician	Kyle Bayliss	
2. 434a	Powerline Technician	Lorin Curiston	
3. 434a	Powerline Technician	Kyle Shandroski	
4. 434a	Powerline Technician	Kurtis Jung	
5.			

D Original contract or training agreement number	E Original registration date of apprenticeship contract or training agreement (YYYYMMDD) (see note 1)	F Start date of employment as an apprentice in the tax year (YYYYMMDD) (see note 2)	G End date of employment as an apprentice in the tax year (YYYYMMDD) (see note 3)
420	425	430	435
1. PG4225	2011-09-28	2015-01-01	2015-12-31
2. PF8570	2012-01-24	2015-01-01	2015-12-31
3. 2671401	2015-01-12	2015-01-12	2015-12-31
4. PF8571	2012-01-24	2015-01-01	2015-12-31
5.			

- 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 – Ontario apprenticeship training tax credit (continued)

	H1 Number of days in the tax year employed as an apprentice in a qualifying apprenticeship program that began before April 24, 2015 (see note 1)	H2 Number of days in the tax year employed as an apprentice in a qualifying apprenticeship program that began after April 23, 2015 (see note 1)	I Maximum credit amount for the tax year (see note 2)
	442	443	445
1.	365		10,000
2.	365		10,000
3.	353		9,671
4.	365		10,000
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 48 months of the registration date provided in column E.

For H2: The days employed as an apprentice must be within 36 months of the registration date provided in column E.

Note 2: Maximum credit = $(\$10,000 \times H1/365^*)$ or $(\$5,000 \times H2/365^*)$, whichever applies.

* 366 days, if the tax year includes February 29

	J1 Eligible expenditures incurred after March 26, 2009 for a qualifying apprenticeship program that began before April 24, 2015 (see note 3)	J2 Eligible expenditures incurred for a qualifying apprenticeship program that began after April 23, 2015 (see note 3)	K Eligible expenditures multiplied by specified percentage (see note 4)
	452	453	460
1.	76,864		26,902
2.	72,565		25,398
3.	67,266		23,543
4.	71,293		24,953
5.			

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 must be for services provided by the apprentice to the taxpayer during the first 48 months of the apprenticeship program, and not relating to services performed before the apprenticeship program began or after it ended.

For J2: Eligible expenditures must be for services provided by the apprentice to the taxpayer during the first 36 months of the apprenticeship program, and not relating to services performed before the apprenticeship began or after it ended.

Note 4: Calculate the amount in column K as follows:

Column K = (J1 x line 312) or (J2 x line 314), whichever applies.

	L ATTC on eligible expenditures (lesser of columns I and K)	M ATTC on repayment of government assistance (see note 5)	N ATTC for each apprentice (column L or M, whichever applies)
	470	480	490
1.	10,000		10,000
2.	10,000		10,000
3.	9,671		9,671
4.	10,000		10,000
5.			

Ontario apprenticeship training tax credit (total of amounts in column N) **500** 39,671 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 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.

See the privacy notice on your return.

ATTACHMENT 4 – V

Thunder Bay Hydro

2011 – 2014

Final IESO CDM Results



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

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

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

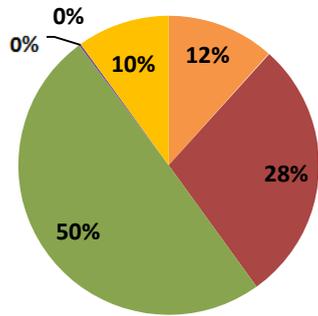
LDC: Thunder Bay Hydro Electricity Distribution Inc.

Final 2014 Achievement Against Targets	2014 Incremental	2011-2014	
		Achievement Against Target	% of Target Achieved
Net Annual Peak Demand Savings (MW)	3.8	5.9	69.9%
Net Energy Savings (GWh)	13.3	47.0	99.2%

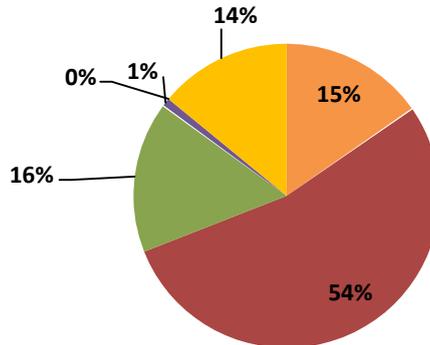
Unless otherwise noted, results are presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

Achievement by Sector

2014 Incremental Peak Demand Savings (MW)



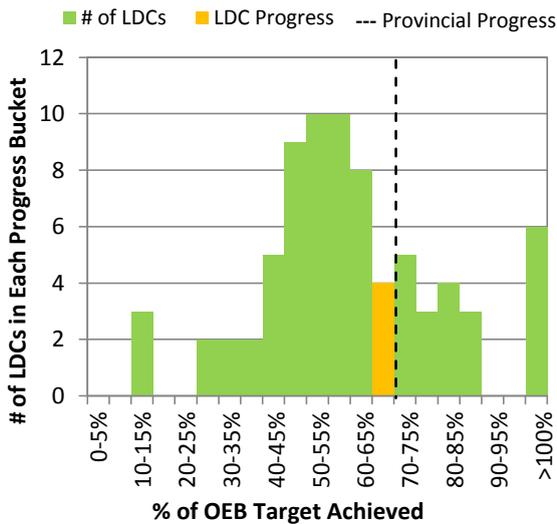
2014 Incremental Energy Savings (GWh)



■ 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

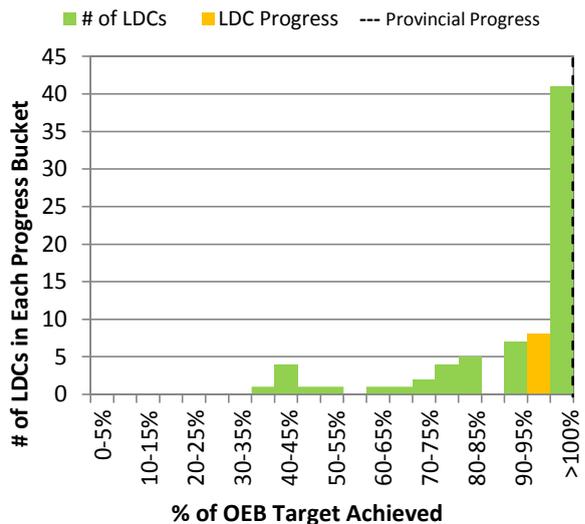


Table 1: Thunder Bay Hydro Electricity Distribution Inc. Initiative and Program Level Net Savings by Year

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)	
		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	720	430	268	216	44	24	17	14	309,783	173,731	115,059	94,441	98	2,083,873
Appliance Exchange	Appliances	14	45	99	60	1	7	21	12	1,969	11,971	36,575	22,166	40	138,427
HVAC Incentives	Equipment	403	316	358	727	177	81	78	176	352,545	151,972	144,494	334,874	512	2,489,958
Conservation Instant Coupon Booklet	Items	4,533	270	3,040	9,024	10	2	5	18	166,902	12,218	67,350	246,039	35	1,084,999
Bi-Annual Retailer Event	Items	8,320	9,270	8,256	42,159	15	13	10	70	256,791	234,021	150,119	1,073,937	108	3,103,401
Retailer Co-op	Items	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential Demand Response	Devices	0	0	169	270	0	0	69	115	0	0	5	0	115	5
Residential Demand Response (IHD)	Devices	0	0	168	241	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						247	127	199	406	1,087,989	583,913	513,601	1,771,458	909	8,900,663
Business Program															
Retrofit	Projects	40	70	114	112	130	281	625	754	576,642	1,234,406	5,985,894	5,389,631	1,770	23,300,263
Direct Install Lighting	Projects	76	163	177	210	119	216	256	236	295,711	788,018	884,904	866,072	776	6,056,029
Building Commissioning	Buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Construction	Buildings	0	0	0	2	0	0	0	8	0	0	0	-4,435	8	-4,435
Energy Audit	Audits	6	4	0	0	0	21	0	0	0	100,705	0	0	21	302,115
Small Commercial Demand Response	Devices	0	0	1	2	0	0	1	2	0	0	0	0	2	0
Small Commercial Demand Response (IHD)	Devices	0	0	1	2	0	0	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Business Program Total						249	518	881	1,001	872,353	2,123,128	6,870,797	6,251,267	2,577	29,653,971
Industrial Program															
Process & System Upgrades	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monitoring & Targeting	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Energy Manager	Projects	0	0	0	3	0	0	0	201	0	0	0	1,859,328	201	1,859,328
Retrofit	Projects	2	0	0	0	18	0	0	0	109,094	0	0	0	18	436,376
Demand Response 3	Facilities	0	2	2	1	0	1,659	1,546	1,546	0	39,974	35,207	0	1,546	75,181
Industrial Program Total						18	1,659	1,546	1,747	109,094	39,974	35,207	1,859,328	1,765	2,370,885
Home Assistance Program															
Home Assistance Program	Homes	0	0	286	264	0	0	6	8	0	0	92,774	113,070	15	296,003
Home Assistance Program Total						0	0	6	8	0	0	92,774	113,070	15	296,003
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	12	0	0	0	15	0	0	0	85,317	0	0	0	15	341,266
High Performance New Construction	Projects	0	2	0	0	1	9	0	0	2,727	35,281	0	0	10	116,750
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						15	9	0	0	88,043	35,281	0	0	24	458,016
Other															
Program Enabled Savings	Projects	0	2	5	1	0	0	0	0	0	0	0	1,629,539	0	1,629,539
Time-of-Use Savings	Homes	0	0	0	n/a	0	0	0	349	0	0	0	0	349	0
LDC Pilots	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Total						0	0	0	349	0	0	0	1,629,539	349	1,629,539
Adjustments to 2011 Verified Results											44,430	0	3,666	-17	192,386
Adjustments to 2012 Verified Results												7,366	75,503	93	248,608
Adjustments to 2013 Verified Results													1,622,218	215	3,248,515
Energy Efficiency Total						530	654	1,018	1,848	2,157,479	2,742,323	7,477,168	11,624,662	3,976	43,233,891
Demand Response Total (Scenario 1)						0	1,659	1,615	1,663	0	39,974	35,211	0	1,663	75,186
Adjustments to Previous Years' Verified Results Total						0	-18	3	305	0	44,430	7,366	1,701,387	290	3,689,508
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						530	2,295	2,637	3,817	2,157,479	2,826,727	7,519,745	13,326,049	5,930	46,998,586
Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).												Full OEB Target:		8,480	47,380,000
*Includes adjustments after Final Reports were issued Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year												% of Full OEB Target Achieved to Date (Scenario 1):		69.9%	99.2%

Table 2: Adjustments to Thunder Bay Hydro Electricity Distribution Inc. Net Verified Results due to Variances

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)	
		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	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	-119	14	33		-38	3	8		-73,922	7,366	13,711		-27	-246,167
Conservation Instant Coupon Booklet	Items	72	0	9		0	0	0		2,409	0	206		0	10,047
Bi-Annual Retailer Event	Items	715	0	0		1	0	0		19,079	0	0		1	76,315
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						-37	3	8		-52,434	7,366	13,917		-26	-159,805
Business Program															
Retrofit	Projects	3	3	3		3	5	53		21,336	24,442	265,028		60	685,252
Direct Install Lighting	Projects	0	0	0		0	0	0		0	0	0		0	0
Building Commissioning	Buildings	0	0	0		0	0	0		0	0	0		0	0
New Construction	Buildings	0	0	0		0	0	0		0	0	0		0	0
Energy Audit	Audits	3	0	0		16	1	0		79,195	3,416	0		17	327,028
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						20	6	53		100,531	27,858	265,028		77	1,012,280
Industrial Program															
Process & System Upgrades	Projects	0	0	0		0	0	0		0	0	0		0	0
Monitoring & Targeting	Projects	0	0	0		0	0	0		0	0	0		0	0
Energy Manager	Projects	0	0	0		0	0	0		0	0	0		0	0
Retrofit	Projects	0	0	0		0	0	0		0	0	0		0	0
Demand Response 3	Facilities	0	0	0		0	0	0		0	0	0		0	0
Industrial Program Total						0	0	0		0	0	0		0	0
Home Assistance Program															
Home Assistance Program	Homes	0	0	22		0	0	2		0	0	26,401		2	52,196
Home Assistance Program Total						0	0	2		0	0	26,401		2	52,196
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	1	0		0	30	0		0	0	0		30	0
Toronto Comprehensive	Projects	0	0	0		0	0	0		0	0	0		0	0
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0		0	0	0		0	0
LDC Custom Programs	Projects	0	0	0		0	0	0		0	0	0		0	0
Pre-2011 Programs completed in 2011 Total						0	30	0		0	0	0		30	0
Other															
Program Enabled Savings	Projects	0	2	5		0	55	153		0	47,645	1,320,952		207	2,784,838
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	55	153		0	47,645	1,320,952		207	2,784,838
Adjustments to 2011 Verified Results										48,096				-17	192,386
Adjustments to 2012 Verified Results											82,869			93	248,608
Adjustments to 2013 Verified Results												1,626,298		215	3,248,515
Total Adjustments to Previous Years' Verified Results										48,096	82,869	1,626,298		290	3,689,508

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: Thunder Bay Hydro Electricity Distribution Inc. Realization Rate & NTG

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement	1.00	1.00	n/a	n/a	0.51	0.47	0.42	0.42	1.00	1.00	n/a	n/a	0.52	0.47	0.44	0.44
Appliance Exchange	1.00	1.00	1.00	1.00	0.52	0.52	0.53	0.53	1.00	1.00	1.00	1.00	0.52	0.52	0.53	0.53
HVAC Incentives	1.00	1.00	n/a	1.00	0.60	0.49	0.48	0.51	1.00	1.00	n/a	1.00	0.60	0.49	0.48	0.51
Conservation Instant Coupon Booklet	1.00	1.00	1.00	1.00	1.14	1.00	1.11	1.69	1.00	1.00	1.00	1.00	1.11	1.05	1.13	1.73
Bi-Annual Retailer Event	1.00	1.00	1.00	1.00	1.13	0.91	1.04	1.74	1.00	1.00	1.00	1.00	1.10	0.92	1.04	1.75
Retailer Co-op	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential Demand Response	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential Demand Response (IHD)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential New Construction	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Business Program																
Retrofit	0.93	0.98	0.93	0.87	0.74	0.77	0.75	0.73	1.31	1.12	1.05	1.07	0.76	0.78	0.71	0.73
Direct Install Lighting	1.08	0.68	0.81	0.78	0.93	0.94	0.94	0.94	0.90	0.85	0.84	0.83	0.93	0.94	0.94	0.94
Building Commissioning	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
New Construction	n/a	n/a	n/a	0.91	n/a	n/a	n/a	0.54	n/a	n/a	n/a	-0.16	n/a	n/a	n/a	0.54
Energy Audit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Small Commercial Demand Response	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	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	0.91	n/a	n/a	n/a	0.90	n/a	n/a	n/a	0.96	n/a	n/a	n/a	0.90
Retrofit																
Demand Response 3	0.84	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Home Assistance Program																
Home Assistance Program	n/a	n/a	0.97	0.88	n/a	n/a	1.00	1.00	n/a	n/a	0.86	0.79	n/a	n/a	1.00	1.00
Aboriginal Program																
Home Assistance Program	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Direct Install Lighting	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program	0.77	n/a	n/a	n/a	0.52	n/a	n/a	n/a	0.77	n/a	n/a	n/a	0.52	n/a	n/a	n/a
High Performance New Construction	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50
Toronto Comprehensive	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Multifamily Energy Efficiency Rebates	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Custom Programs	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other																
Program Enabled Savings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.00	n/a	n/a	n/a	1.00	n/a	n/a	n/a	1.00
Time-of-Use Savings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Pilots	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Summary Achievement Against CDM Targets

Results are recognized using current IESO reporting policies. Energy efficiency resources persist for the duration of the effective useful life. Any upcoming code changes are taken into account. Demand response resources persist for 1 year (Scenario 1). Please see methodology tab for more detailed information.

Table 4: Net Peak Demand Savings at the End User Level (MW) (Scenario 1)

Implementation Period	Annual			
	2011	2012	2013	2014
2011 - Verified	0.5	0.5	0.5	0.5
2012 - Verified†	0.0	2.3	0.6	0.6
2013 - Verified†	0.0	0.0	2.6	1.0
2014 - Verified†	0.0	0.1	0.3	3.8
Verified Net Annual Peak Demand Savings Persisting in 2014:				5.9
Thunder Bay Hydro Electricity Distribution Inc. 2014 Annual CDM Capacity Target:				8.5
Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):				69.9%

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

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011 - Verified	2.2	2.2	2.2	2.0	8.5
2012 - Verified†	0.0	2.8	2.8	2.8	8.4
2013 - Verified†	0.0	0.0	7.5	7.4	14.9
2014 - Verified†	0.0	0.1	1.71	13.3	15.1
Verified Net Cumulative Energy Savings 2011-2014:					47.0
Thunder Bay Hydro Electricity Distribution Inc. 2011-2014 Annual CDM Energy Target:					47.4
Verified Portion of Cumulative Energy Target Achieved in 2014 (%):					99.2%

†Includes adjustments to previous years' verified results

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

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)
Consumer Program															
Appliance Retirement	Appliances	56,110	34,146	20,952	22,563	3,299	2,011	1,433	1,617	23,005,812	13,424,518	8,713,107	9,497,343	8,221	159,100,415
Appliance Exchange	Appliances	3,688	3,836	5,337	5,685	371	556	1,106	1,178	450,187	974,621	1,971,701	2,100,266	2,973	10,556,192
HVAC Incentives	Equipment	92,748	87,540	96,286	113,002	32,037	19,060	19,552	23,106	59,437,670	32,841,283	33,923,592	42,888,217	93,755	447,009,930
Conservation Instant Coupon Booklet	Items	567,678	30,891	347,946	1,208,108	1,344	230	517	2,440	21,211,537	1,398,202	7,707,573	32,802,537	4,531	137,258,436
Bi-Annual Retailer Event	Items	952,149	1,060,901	944,772	4,824,751	1,681	1,480	1,184	8,043	29,387,468	26,781,674	17,179,841	122,902,769	12,389	355,157,348
Retailer Co-op	Items	152	0	0	0	0	0	0	0	2,652	0	0	0	0	10,607
Residential Demand Response	Devices	19,550	98,388	171,733	241,381	10,947	49,038	93,076	117,513	24,870	359,408	390,303	8,379	117,513	782,960
Residential Demand Response (IHD)	Devices	0	49,689	133,657	188,577	0	0	0	0	0	0	0	0	0	0
Residential New Construction	Homes	27	21	279	2,367	0	2	18	369	743	17,152	163,690	2,330,865	390	2,712,676
Consumer Program Total						49,681	72,377	116,886	154,267	133,520,941	75,796,859	70,049,807	212,530,376	239,772	1,112,588,565
Business Program															
Retrofit	Projects	2,828	6,481	9,746	10,925	24,467	61,147	59,678	70,662	136,002,258	314,922,468	345,346,008	462,903,521	213,493	2,631,401,223
Direct Install Lighting	Projects	20,741	18,691	17,833	23,784	23,724	15,284	18,708	23,419	61,076,701	57,345,798	64,315,558	84,503,302	73,304	604,196,658
Building Commissioning	Buildings	0	0	0	5	0	0	0	988	0	0	0	1,513,377	988	1,513,377
New Construction	Buildings	25	98	158	226	123	764	1,584	6,432	411,717	1,814,721	4,959,266	20,381,204	8,904	37,390,767
Energy Audit	Audits	222	357	589	473	0	1,450	2,811	6,323	0	7,049,351	15,455,795	30,874,399	10,583	82,934,042
Small Commercial Demand Response	Devices	132	294	1,211	3,652	84	187	773	2,116	157	1,068	373	319	2,116	1,916
Small Commercial Demand Response (IHD)	Devices	0	0	378	820	0	0	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	145	151	175	180	16,218	19,389	23,706	23,380	633,421	281,823	346,659	0	23,380	1,261,903
Business Program Total						64,617	98,221	107,261	133,319	198,124,253	381,415,230	430,423,659	600,176,121	332,769	3,358,699,887
Industrial Program															
Process & System Upgrades	Projects	0	0	5	10	0	0	294	9,692	0	0	2,603,764	72,053,255	9,986	77,260,782
Monitoring & Targeting	Projects	0	1	3	5	0	0	0	102	0	0	0	502,517	102	502,517
Energy Manager	Projects	1	132	306	379	0	1,086	3,558	5,191	0	7,372,108	21,994,263	40,436,427	8,384	95,324,998
Retrofit	Projects	433	0	0	0	4,615	0	0	0	28,866,840	0	0	0	4,613	115,462,282
Demand Response 3	Facilities	124	185	281	336	52,484	74,056	162,543	166,082	3,080,737	1,784,712	4,309,160	0	166,082	9,174,609
Industrial Program Total						57,098	75,141	166,395	181,066	31,947,577	9,156,820	28,907,187	112,992,199	189,168	297,725,188
Home Assistance Program															
Home Assistance Program	Homes	46	5,920	29,654	25,424	2	566	2,361	2,466	39,283	5,442,232	20,987,275	19,582,658	5,370	77,532,571
Home Assistance Program Total						2	566	2,361	2,466	39,283	5,442,232	20,987,275	19,582,658	5,370	77,532,571
Aboriginal Program															
Home Assistance Program	Homes	0	0	717	1,125	0	0	267	549	0	0	1,609,393	3,101,207	816	6,319,993
Direct Install Lighting	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aboriginal Program Total						0	0	267	549	0	0	1,609,393	3,101,207	816	6,319,993
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	2,028	0	0	0	21,662	0	0	0	121,138,219	0	0	0	21,662	484,552,876
High Performance New Construction	Projects	182	73	19	3	5,098	3,251	772	134	26,185,591	11,901,944	3,522,240	688,738	9,255	148,181,415
Toronto Comprehensive	Projects	577	15	4	5	15,805	0	0	281	86,964,886	0	0	2,479,840	16,086	350,339,385
Multifamily Energy Efficiency Rebates	Projects	110	0	0	0	1,981	0	0	0	7,595,683	0	0	0	1,981	30,382,733
LDC Custom Programs	Projects	8	0	0	0	399	0	0	0	1,367,170	0	0	0	399	5,468,679
Pre-2011 Programs completed in 2011 Total						44,945	3,251	772	415	243,251,550	11,901,944	3,522,240	3,168,578	49,382	1,018,925,088
Other															
Program Enabled Savings	Projects	33	71	46	43	0	2,304	3,692	5,500	0	1,188,362	4,075,382	19,035,337	11,496	30,751,187
Time-of-Use Savings	Homes	0	0	0	n/a	0	0	0	54,795	0	0	0	0	54,795	0
LDC Pilots	Projects	0	0	0	1,174	0	0	0	1,170	0	0	0	5,061,522	1,170	5,061,522
Other Total						0	2,304	3,692	61,466	0	1,188,362	4,075,382	24,096,859	67,462	35,812,709
Adjustments to 2011 Verified Results							1,406	641	1,418		18,689,081	1,736,381	7,319,857	3,215	110,143,550
Adjustments to 2012 Verified Results								6,260	9,221			41,947,840	37,080,215	15,401	238,780,637
Adjustments to 2013 Verified Results									24,391				150,785,808	24,391	296,465,211
Energy Efficiency Total						136,610	109,191	117,536	224,457	603,144,419	482,474,435	554,528,447	975,639,300	575,647	5,896,382,612
Demand Response Total (Scenario 1)						79,733	142,670	280,099	309,091	3,739,185	2,427,011	5,046,495	8,698	309,091	11,221,389
Adjustments to Previous Years' Verified Results Total						0	1,406	6,901	35,030	0	18,689,081	43,684,221	195,185,880	43,006	645,389,397
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						216,343	253,267	404,536	568,578	606,883,604	503,590,526	603,259,163	1,170,833,878	927,745	6,552,993,397
Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).												Full OEB Target:		1,330,000	6,000,000,000
Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year												% of Full OEB Target Achieved to Date (Scenario 1):		70%	109%

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)
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	<p>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)</p>
Engineered and Custom Projects	<p>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)</p>
Demand Response	<p>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)</p>
Adjustments to Previous Years' Verified Results	<p>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.</p>

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 result 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 result 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: Thunder Bay Hydro Electricity Distribution Inc. Initiative and Program Level Gross Savings by Year

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement**	Appliances	86	24	37	30	594,719	173,731	244,093	200,196
Appliance Exchange**	Appliances	3	7	39	24	3,820	11,971	69,489	42,115
HVAC Incentives	Equipment	297	166	164	370	592,145	312,914	306,172	706,060
Conservation Instant Coupon Booklet	Items	9	2	4	11	151,395	11,586	59,788	142,516
Bi-Annual Retailer Event	Items	13	14	10	40	235,049	255,345	143,666	613,891
Retailer Co-op	Items	0	0	0	0	0	0	0	0
Residential Demand Response	Devices	0	0	69	115	0	0	5	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		408	213	323	590	1,577,128	765,547	823,213	1,704,779
Business Program									
Retrofit	Projects	177	331	894	1,057	754,011	1,363,631	8,618,334	7,541,671
Direct Install Lighting	Projects	111	290	271	250	318,469	947,074	937,527	917,575
Building Commissioning	Buildings	0	0	0	0	0	0	0	0
New Construction	Buildings	0	0	0	16	0	0	0	-8,214
Energy Audit	Audits	0	21	0	0	0	100,705	0	0
Small Commercial Demand Response	Devices	0	0	1	2	0	0	0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	0	0	0	0	0	0	0	0
Business Program Total		288	642	1,166	1,325	1,072,480	2,411,410	9,555,861	8,451,032
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	223	0	0	0	2,065,920
Retrofit	Projects	24	0	0	0	143,002	0	0	0
Demand Response 3	Facilities	0	1,659	1,546	1,546	0	39,974	35,207	0
Industrial Program Total		24	1,659	1,546	1,769	143,002	39,974	35,207	2,065,920
Home Assistance Program									
Home Assistance Program	Homes	0	0	6	8	0	0	92,774	113,070
Home Assistance Program Total		0	0	6	8	0	0	92,774	113,070
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	28	0	0	0	164,070	0	0	0
High Performance New Construction	Projects	1	18	0	0	5,453	70,562	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		29	18	0	0	169,523	70,562	0	0
Other									
Program Enabled Savings	Projects	0	0	0	0	0	0	0	1,629,539
Time-of-Use Savings	Homes	0	0	0	349	0	0	0	0
LDC Pilots	Projects	0	0	0	0	0	0	0	0
Other Total		0	0	0	349	0	0	0	1,629,539
Adjustments to 2011 Verified Results			-42	0	1		2,657	0	5,402
Adjustments to 2012 Verified Results				8	122			15,164	86,028
Adjustments to 2013 Verified Results					245				1,754,718
Energy Efficiency Total		749	873	1,425	2,378	2,962,133	3,247,519	10,471,843	13,964,339
Demand Response Total		0	1,659	1,615	1,663	0	39,974	35,211	0
Adjustments to Previous Years' Verified Results Total		0	-42	8	368	0	2,657	15,164	1,846,148
OPA-Contracted LDC Portfolio Total (inc. Adjustments)		749	2,490	3,049	4,410	2,962,133	3,290,151	10,522,218	15,810,487

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 Thunder Bay Hydro Electricity Distribution Inc. Gross Verified Results due to Variances

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement	Appliances	0	0	0		0	0	0	
Appliance Exchange	Appliances	0	0	0		0	0	0	
HVAC Incentives	Equipment	-64	8	16		-123,903	15,164	28,909	
Conservation Instant Coupon Booklet	Items	0	0	0		2,237	0	181	
Bi-Annual Retailer Event	Items	1	0	0		20,741	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		-62	8	16		-100,926	15,164	29,090	
Business Program									
Retrofit	Projects	5	0	77		28,054	33,349	383,913	
Direct Install Lighting	Projects	0	0	0		0	0	0	
Building Commissioning	Buildings	0	0	0		0	0	0	
New Construction	Buildings	0	0	0		0	0	0	
Energy Audit	Audits	16	0	0		75,529	5,034	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		20	0	77		103,583	38,383	383,913	
Industrial Program									
Process & System Upgrades	Projects	0	0	0		0	0	0	
Monitoring & Targeting	Projects	0	0	0		0	0	0	
Energy Manager	Projects	0	0	0		0	0	0	
Retrofit	Projects	0	0	0		0	0	0	
Demand Response 3	Facilities	0	0	0		0	0	0	
Industrial Program Total		0	0	0		0	0	0	
Home Assistance Program									
Home Assistance Program	Homes	0	0	2		0	0	26,401	
Home Assistance Program Total		0	0	2		0	0	26,401	
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	0	0	0		0	0	0	
Toronto Comprehensive	Projects	0	0	0		0	0	0	
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0	
LDC Custom Programs	Projects	0	0	0		0	0	0	
Pre-2011 Programs completed in 2011 Total		0	0	0		0	0	0	
Other									
Program Enabled Savings	Projects	0	0	153		0	47,645	1,320,952	
Time-of-Use Savings	Homes	0	0	0		0	0	0	
LDC Pilots	Projects	0	0	0		0	0	0	
Other Total		0	0	153		0	47,645	1,320,952	
Adjustments to 2011 Verified Results		-42				2,657			
Adjustments to 2012 Verified Results			8				101,192		
Adjustments to 2013 Verified Results				248				1,760,356	
Total Adjustments to Previous Years' Verified Results		-42	8	248		2,657	101,192	1,760,356	

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

Gross results are presented for informational purposes only and are not considered official 2014 Final Verified Results

Table 13: Province-Wide Initiatives and Program Level Gross Savings by Year

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement**	Appliances	6,750	2,011	3,151	3,579	45,971,627	13,424,518	18,616,239	20,315,770
Appliance Exchange**	Appliances	719	556	2,101	2,238	873,531	974,621	3,746,106	3,990,372
HVAC Incentives	Equipment	53,209	38,346	40,418	48,467	99,413,430	66,929,213	71,225,037	90,274,814
Conservation Instant Coupon Booklet	Items	1,184	231	464	1,442	19,192,453	1,325,898	6,842,244	19,000,254
Bi-Annual Retailer Event	Items	1,504	1,622	1,142	4,626	26,899,265	29,222,072	16,441,329	70,254,471
Retailer Co-op	Items	0	0	0	0	3,917	0	0	0
Residential Demand Response	Devices	10,390	49,038	93,076	117,513	23,597	359,408	390,303	8,379
Residential Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Residential New Construction	Homes	0	1	29	587	1,813	4,884	259,826	3,699,786
Consumer Program Total		73,757	91,805	140,380	178,452	192,379,633	112,240,615	117,521,084	207,543,846
Business Program									
Retrofit	Projects	34,201	78,965	82,896	98,849	184,070,265	387,817,248	478,410,896	642,515,421
Direct Install Lighting	Projects	22,155	20,469	19,807	24,794	65,777,197	68,896,046	68,140,249	89,528,509
Building Commissioning	Buildings	0	0	0	988	0	0	0	1,513,377
New Construction	Buildings	247	1,596	2,934	11,911	823,434	3,755,869	9,183,826	37,742,970
Energy Audit	Audits	0	1,450	4,283	9,367	0	7,049,351	23,386,108	46,012,517
Small Commercial Demand Response	Devices	55	187	773	2,116	131	1,068	373	319
Small Commercial Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	21,390	19,389	23,706	23,380	633,421	281,823	346,659	0
Business Program Total		78,048	122,056	134,399	171,405	251,304,448	467,801,406	579,468,111	817,313,113
Industrial Program									
Process & System Upgrades	Projects	0	0	313	12,287	0	0	2,799,746	90,463,617
Monitoring & Targeting	Projects	0	0	0	102	0	0	0	502,517
Energy Manager	Projects	0	1,034	3,953	5,767	0	7,067,535	24,438,070	44,929,364
Retrofit	Projects	6,372	0	0	0	38,412,408	0	0	0
Demand Response 3	Facilities	176,180	74,056	162,543	166,082	4,243,958	1,784,712	4,309,160	0
Industrial Program Total		182,552	75,090	166,809	184,238	42,656,366	8,852,247	31,546,976	135,895,498
Home Assistance Program									
Home Assistance Program	Homes	4	1,777	2,361	2,466	56,119	5,524,230	20,987,275	19,582,658
Home Assistance Program Total		4	1,777	2,361	2,466	56,119	5,524,230	20,987,275	19,582,658
Aboriginal Program									
Home Assistance Program	Homes	0	0	267	549	0	0	1,609,393	3,101,207
Direct Install Lighting	Projects	0	0	0	0	0	0	0	0
Aboriginal Program Total		0	0	267	549	0	0	1,609,393	3,101,207
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	40,418	0	0	0	223,956,390	0	0	0
High Performance New Construction	Projects	10,197	6,501	772	268	52,371,183	23,803,888	3,522,240	1,377,475
Toronto Comprehensive	Projects	33,467	0	0	802	174,070,574	0	0	7,085,257
Multifamily Energy Efficiency Rebates	Projects	2,553	0	0	0	9,774,792	0	0	0
LDC Custom Programs	Projects	534	0	0	0	649,140	0	0	0
Pre-2011 Programs completed in 2011 Total		87,169	6,501	772	1,070	460,822,079	23,803,888	3,522,240	8,462,733
Other									
Program Enabled Savings	Projects	0	2,177	3,692	5,500	0	525,011	4,075,382	19,035,337
Time-of-Use Savings	Homes	0	0	0	54,795	0	0	0	0
LDC Pilots	Projects	0	0	0	1,170	0	0	0	5,061,522
Other Total		0	2,177	3,692	60,296	0	525,011	4,075,382	19,035,337
Adjustments to 2011 Verified Results			13,266	645	1,601		48,705,294	20,581	6,028
Adjustments to 2012 Verified Results				8,632	13,449			54,301,893	59,098,939
Adjustments to 2013 Verified Results					34,727				206,413,158
Energy Efficiency Total		213,515	156,735	168,583	289,384	942,317,539	616,320,385	753,683,966	1,210,925,694
Demand Response Total		208,015	142,670	280,099	309,091	4,901,107	2,427,011	5,046,495	8,698
Adjustments to Previous Years' Verified Results Total		0	13,266	9,277	49,777	0	48,705,294	54,322,474	265,518,125
OPA-Contracted LDC Portfolio Total (inc. Adjustments)		421,530	312,671	457,958	648,252	947,218,646	667,452,690	813,052,934	1,476,452,516

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

Gross results are presented for informational purposes only and are not considered official 2014 Final Verified Results
 **Net results substituted for gross results due to unavailability of data

Table 14: Adjustments to Province-Wide Gross Verified Results due to Variances

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement	Appliances	0	0	0		0	0	0	
Appliance Exchange	Appliances	0	0	0		0	0	0	
HVAC Incentives	Equipment	-8,759	1,091	2,157		-16,241,086	1,952,473	3,873,449	
Conservation Instant Coupon Booklet	Items	15	0	1		255,975	0	20,668	
Bi-Annual Retailer Event	Items	117	0	0		2,373,616	0	0	
Retailer Co-op	Items	0	0	0		0	0	0	
Residential Demand Response	Devices	0	0	0		0	0	0	
Residential Demand Response (IHD)	Devices	0	0	0		0	0	0	
Residential New Construction	Homes	1	1	115		330,093	2,009	701,488	
Consumer Program Total		-8,628	1,092	2,273		-13,281,402	1,954,483	4,595,605	
Business Program									
Retrofit	Projects	4,511	10,114	16,584		22,046,931	58,528,789	108,677,566	
Direct Install Lighting	Projects	541	217	49		1,346,618	781,858	174,460	
Building Commissioning	Buildings	0	0	0		0	0	0	
New Construction	Buildings	3,287	2,673	4,151		11,323,593	9,884,305	15,992,924	
Energy Audit	Audits	656	488	3,631		2,391,744	2,386,374	19,822,524	
Small Commercial Demand Response	Devices	0	0	0		0	0	0	
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0	
Demand Response 3	Facilities	0	0	0		0	0	0	
Business Program Total		8,996	13,491	24,414		37,108,886	71,581,326	144,667,473	
Industrial Program									
Process & System Upgrades	Projects	0	0	426		0	0	1,232,785	
Monitoring & Targeting	Projects	0	0	54		0	528,000	639,348	
Energy Manager	Projects	29	1,071	2,687		0	8,968,007	28,893,596	
Retrofit	Projects	0	0	0		0	0	0	
Demand Response 3	Facilities	0	0	0		0	0	0	
Industrial Program Total		29	1,071	3,168		0	9,496,007	30,765,729	
Home Assistance Program									
Home Assistance Program	Homes	0	222	791		0	1,316,749	4,321,794	
Home Assistance Program Total		0	222	791		0	1,316,749	4,321,794	
Aboriginal Program									
Home Assistance Program	Homes	0	0	134		0	0	563,715	
Direct Install Lighting	Projects	0	0	0		0	0	0	
Aboriginal Program Total		0	0	134		0	0	563,715	
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	266	0	0		1,049,108	0	0	
High Performance New Construction	Projects	13,072	727	405		23,905,663	5,665,066	1,535,048	
Toronto Comprehensive	Projects	0	1,920	529		0	12,924,335	3,783,965	
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0	
LDC Custom Programs	Projects	0	0	0		0	0	0	
Pre-2011 Programs completed in 2011 Total		13,337	2,647	934		24,954,771	18,589,400	5,319,013	
Other									
Program Enabled Savings	Projects	1,776	3,712	2,020		1,673,712	11,481,687	10,688,564	
Time-of-Use Savings	Homes	0	0	0		0	0	0	
LDC Pilots	Projects	0	0	0		0	0	0	
Other Total		1,776	3,712	2,020		1,673,712	11,481,687	10,688,564	
Adjustments to 2011 Verified Results		15,511				50,455,967			
Adjustments to 2012 Verified Results			22,235				114,419,652		
Adjustments to 2013 Verified Results				33,734				200,921,892	
Adjustments to Previous Years' Verified Results Total		15,511	22,235	33,734		50,455,967	114,419,652	200,921,892	

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

*Includes adjustments after Final Reports were issued
Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

Gross results are presented for informational purposes only and are not considered official 2014 Final Verified Results

ATTACHMENT 4 – W

Thunder Bay Hydro

2011-2014 LRAM

Board Model

#	Initiative	Results Status	Months of Demand Savings	Net Incremental Peak Demand Savings (kW)	Net Incremental Energy Savings (kWh)	Rate Allocation for LRAMVA								
				2011 kW Saved	2011 kWh Saved	Residential	General Service <50 kW	General Service 50-999 kW	General Service 1,000-4,999 kW	Sentinel Lighting	Street Lighting	Unmetered Scattered Load	Other	Total
Consumer Program														
1	Appliance Retirement	Verified		44	309,783	100%							100%	
2	Appliance Exchange	Verified		1	1,969	100%							100%	
3	HVAC Incentives	Verified		177	352,545	100%							100%	
4	Conservation Instant Coupon Booklet	Verified		10	166,902	100%							100%	
5	Bi-Annual Retailer Event	Verified		15	256,790	100%							100%	
6	Retailer Co-op	Verified		0	0	100%							100%	
7	Residential Demand Response	Verified		0	0	100%							100%	
8	Residential New Construction	Verified		0	0	100%							100%	
	Adjustments to 2011 results (if any)	Verified		-37	-52,434	100%							100%	
Business Program														
9	Retrofit	Verified	12	133	597,978		176,851	76	16.1					
10	Direct Install Lighting	Verified	12	119	295,711		100.00%						100%	
11	Building Commissioning	Verified	3	0	0								0%	
12	New Construction	Verified	12	0	0								0%	
13	Energy Audit	Verified	12	16	79,195			100.00%					100%	
14	Commercial Demand Response (part of residential program)	Verified	0	0	0								0%	
15	Demand Response 3	Verified	0	0	0								0%	
	Adjustments to 2011 results (if any)	True-up	12										0%	
Industrial Program														
16	Process & System Upgrades	Verified	12	0	0								0%	
17	Monitoring & Targeting	Verified	12	0	0								0%	
18	Energy Manager	Verified	12	0	0								0%	
19	Retrofit	Verified	12	18	109,094				100%				100%	
20	Demand Response 3	Verified	0	0	0								0%	
	Adjustments to 2011 results (if any)	True-up												
Home Assistance Program														
21	Home Assistance Program	Verified		0	0								0%	
	Adjustments to 2011 results (if any)	True-up												
Pre-2011 Programs completed in 2011														
22	Electricity Retrofit Incentive Program	Verified	12	15	85,317			100%					100%	
23	High Performance New Construction	Verified	12	1	2,727			100%					100%	
24	Toronto Comprehensive	Verified		0	0								0%	
25	Multifamily Energy Efficiency Rebates	Verified		0	0								0%	
	Adjustments to 2011 results (if any)	True-up												
Total kWh				512	2,205,575	1,035,555	472,562						1,508,117	
Total GS > 50 kW								1,294	406				1,701	
Total GS > 50 kW excluding Building Commissioning								1,294						
Distribution Rate in 2011						\$0.0123	\$0.0130	\$1.3233	\$1.9515	\$4.8695	\$11.8722	\$0.0127		
Lost Revenue in 2011						\$12,772	\$6,128	\$1,713	\$793	\$0	\$0	\$0	\$21,405	
2011 Savings Persisting in 2012						1,035,555	472,562	1,294	406	0	0	0		
2011 Savings Persisting in 2013						1,035,555	472,562	1,294	406	0	0	0		
2011 Savings Persisting in 2014						972,326	409,333	1,294	406	0	0	0		

Table 8. 2012 Lost Revenues Work Form

#	Initiative	Results Status	Months of Demand Savings	Net Incremental Peak Demand Savings (kW)	Net Incremental Energy Savings (kWh)	Rate Allocation for LRAMVA							
				2012 kW Saved	2012 kWh Saved	Residential	General Service <50 kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Sentinel Lighting	Street Lighting	Unmetered Scattered Load	Other	Total
Consumer Program													
1	Appliance Retirement	Verified		24	173,731	100%							100%
2	Appliance Exchange	Verified		7	11,971	100%							100%
3	HVAC Incentives	Verified		81	151,972	100%							100%
4	Conservation Instant Coupon Booklet	Verified		2	12,218	100%							100%
5	Bi-Annual Retailer Event	Verified		13	234,021	100%							100%
6	Retailer Co-op	Verified		0	0	100%							100%
7	Residential Demand Response (switch/pstat)	Verified		0	0	100%							100%
8	Residential Demand Response (IHD)	Verified		0	0	100%							100%
9	Residential New Construction	Verified		0	0	100%							100%
	Adjustments to 2012 results (if any)	True-up		3	7,366	100%							100%
Business Program													
10	Retrofit	Verified	12	281	1,234,406		411,994	196					
11	Direct Install Lighting	Verified	12	216	788,018		100%						100%
12	Building Commissioning	Verified	3	0	0								0%
13	New Construction	Verified	12	0	0								0%
14	Energy Audit	Verified	12	21	100,705			100%					100%
15	Small Commercial Demand Response (switch/pstat)	Verified	0	0	0								0%
16	Small Commercial Demand Response (IHD)	Verified	0	0	0								0%
17	Demand Response 3	Verified	0	1,659	39,974								0%
	Adjustments to 2012 results (if any)	True-up	12	6	27,858								0%
Industrial Program													
18	Process & System Upgrades	Verified	12	0	0								0%
19	Monitoring & Targeting	Verified	12	0	0								0%
20	Energy Manager	Verified	12	0	0								0%
21	Retrofit	Verified	12	0	0								0%
22	Demand Response 3	Verified	0	0	0								0%
	Adjustments to 2012 results (if any)	True-up											
Home Assistance Program													
23	Home Assistance Program	Verified		0	0								0%
	Adjustments to 2012 results (if any)	True-up											
Pre-2011 Programs completed in 2011													
24	Electricity Retrofit Incentive Program	Verified		0	0								0%
25	High Performance New Construction	Verified	12	9	35,281			100%					100%
26	Toronto Comprehensive	Verified		0	0								0%
27	Multifamily Energy Efficiency Rebates	Verified		0	0								0%
28	LDC Custom Programs	Verified		0	0								0%
	Adjustments to 2012 results (if any)	True-up	12	30				100%					
Other													
29	Program Enabled Savings	Verified	12	55	47,645			100%					100%
30	Time-of-Use Savings	Verified		0	0								0%
	Adjustments to 2012 results (if any)	True-up											
Total kWh				2,406	2,865,166	591,279	1,200,012						1,791,291
Total GS > 50 kW								3,724	0				3,724
Total GS > 50 kW excluding Building Commissioning								3,724					
Distribution Rate in 2012						\$0.0121	\$0.0128	\$1.3169	\$2.1298	\$4.6879	\$12.7473	\$0.0125	
Lost Revenue in 2012 from 2011 programs						\$12,530	\$6,065	\$1,705	\$865	\$0	\$0	\$0	\$21,165
Lost Revenue in 2012 from 2012 programs						\$7,154	\$15,400	\$4,904	\$0	\$0	\$0	\$0	\$27,459
Total Lost Revenue in 2012						\$19,685	\$21,465	\$6,609	\$865	\$0	\$0	\$0	\$48,624
2012 Savings Persisting in 2013						591,279	1,200,012	3,724	0	0	0	0	
2012 Savings Persisting in 2014						591,279	1,192,714	3,724	0	0	0	0	

Table 9. 2013 Lost Revenues Work Form

#	Initiative	Results Status	Months of Demand Savings	Net Incremental Peak Demand Savings (kW)	Net Incremental Energy Savings (kWh)	Rate Allocation for LRAMVA								Total
				2013 kW Saved	2013 kWh Saved	Residential	General Service <50 kW	General Service 50-999 kW	General Service 1,000-4,999 kW	Sentinel Lighting	Street Lighting	Unmetered Scattered Load	Other	
Consumer Program														
1	Appliance Retirement	Verified		17	115,059	100%							100%	
2	Appliance Exchange	Verified		21	36,575	100%							100%	
3	HVAC Incentives	Verified		78	144,494	100%							100%	
4	Conservation Instant Coupon Booklet	Verified		5	67,350	100%							100%	
5	Bi-Annual Retailer Event	Verified		10	150,119	100%							100%	
6	Retailer Co-op	Verified				100%							100%	
7	Residential Demand Response (switch/pstat)	Verified		69	5	100%							100%	
8	Residential Demand Response (IHD)	Verified											0%	
9	Residential New Construction	Verified				100%							100%	
	Adjustments to 2013 results (if any)	True-up		8	13,917	100%								
Business Program														
10	Retrofit	Verified	12	625	5,985,894			593,024	227.39	297.5				
11	Direct Install Lighting	Verified	12	256	884,904		100%						100%	
12	Building Commissioning	Verified	3										0%	
13	New Construction	Verified	12										0%	
14	Energy Audit	Verified	12										0%	
15	Small Commercial Demand Response (switch/pstat)*	Verified	0	0.64									0%	
16	Small Commercial Demand Response (IHD)	Verified	0										0%	
17	Demand Response 3	Verified	0										0%	
	Adjustments to 2013 results (if any)	True-up		53	265,028									
Industrial Program														
18	Process & System Upgrades	Verified	12										0%	
19	Monitoring & Targeting	Verified	12										0%	
20	Energy Manager	Verified	12										0%	
21	Retrofit	Verified	12										0%	
22	Demand Response 3	Verified	0	1,546	35,207								0%	
	Adjustments to 2013 results (if any)	True-up												
Home Assistance Program														
23	Home Assistance Program	Verified		6	92,774	100%							100%	
	Adjustments to 2013 results (if any)	True-up		2	26,401	100%								
Pre-2011 Programs completed in 2011														
24	Electricity Retrofit Incentive Program	Verified											0%	
25	High Performance New Construction	Verified											0%	
26	Toronto Comprehensive	Verified											0%	
27	Multifamily Energy Efficiency Rebates	Verified											0%	
28	LDC Custom Programs	Verified											0%	
	Adjustments to 2013 results (if any)	True-up												
Other														
29	Program Enabled Savings	Verified											0%	
30	Time-of-Use Savings	Verified	12	153	1,320,952			100%					100%	
	Adjustments to 2013 results (if any)	True-up												
Total kWh				2,849	9,138,678	646,693	1,477,928						2,124,621	
Total GS > 50 kW								4,562	3,570				8,132	
Total GS > 50 kW excluding Building Commissioning								4,562						
Distribution Rate in 2013						\$0.0122	\$0.0132	\$2.0969	\$2.2034	\$5.1150	\$8.7222	\$0.0108		
Lost Revenue in 2013 from 2011 programs						\$12,599	\$6,238	\$2,714	\$895	\$0	\$0	\$0	\$22,447	
Lost Revenue in 2013 from 2012 programs						\$7,194	\$15,840	\$7,809	\$0	\$0	\$0	\$0	\$30,844	
Lost Revenue in 2013 from 2013 programs						\$7,868	\$19,509	\$9,566	\$7,866	\$0	\$0	\$0	\$44,809	
Total Lost Revenue in 2013						\$27,661	\$41,587	\$20,089	\$8,762	\$0	\$0	\$0	\$75,652	
2013 Savings Persisting in 2014						610,220	1,442,073	4,562	3,570	0	0	0		

Table 10. 2014 Lost Revenues Work Form

#	Initiative	Results Status	Months of Demand Savings	Net Incremental Peak Demand Savings (kW)	Net Incremental Energy Savings (kWh)	Rate Allocation for LRAMVA								
				2014 kW Saved	2014 kWh Saved	Residential	General Service <50 kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Sentinel Lighting	Street Lighting	Unmetered Scattered Load	Other	Total
Consumer Program														
1	Appliance Retirement	Verified		14	94,441	100%								100%
2	Appliance Exchange	Verified		12	22,166	100%								100%
3	HVAC Incentives	Verified		176	334,874	100%								100%
4	Conservation Instant Coupon Booklet	Verified		18	246,039	100%								100%
5	Bi-Annual Retailer Event	Verified		70	1,073,938	100%								100%
6	Retailer Co-op	Verified				100%								100%
7	Residential Demand Response (switch/pstat)	Verified		115		100%								100%
8	Residential Demand Response (IHD)	Verified				100%								100%
9	Residential New Construction	Verified				100%								100%
	Adjustments to 2014 results (if any)	True-up												
Business Program														
10	Retrofit	Verified	12	754	5,389,631		671,589	197	356		47			
11	Direct Install Lighting	Verified	12	236	866,072		100%							100%
12	Building Commissioning	Verified	3											0%
13	New Construction	Verified	12	8	-4,435			100%						100%
14	Energy Audit	Verified	12											0%
15	Small Commercial Demand Response (switch/pstat)*	Verified	0	2				100%						100%
16	Small Commercial Demand Response (IHD)	Verified	0											0%
17	Demand Response 3	Verified	0											0%
	Adjustments to 2014 results (if any)	True-up												
Industrial Program														
18	Process & System Upgrades	Verified	12											0%
19	Monitoring & Targeting	Verified	12											0%
20	Energy Manager	Verified	12	201	1,859,328				100%					100%
21	Retrofit	Verified	12											0%
22	Demand Response 3	Verified	0	1,546										0%
	Adjustments to 2014 results (if any)	True-up												
Home Assistance Program														
23	Home Assistance Program	Verified		8	113,070	100%								100%
	Adjustments to 2014 results (if any)	True-up												
Pre-2011 Programs completed in 2011														
24	Electricity Retrofit Incentive Program	Verified												0%
25	High Performance New Construction	Verified												0%
26	Toronto Comprehensive	Verified												0%
27	Multifamily Energy Efficiency Rebates	Verified												0%
28	LDC Custom Programs	Verified												0%
	Adjustments to 2014 results (if any)	True-up												
Other														
29	Program Enabled Savings	Verified	12	348	1,629,539			100%						100%
30	Time-of-Use Savings	Verified		349										0%
	Adjustments to 2014 results (if any)	True-up												
Total kWh				3,859	11,624,663	1,884,528	1,537,661				558			3,422,189
Total GS > 50 kW								6,645	6,682					13,885
Total GS > 50 kW excluding Building Commissioning								6,645						
Distribution Rate in 2014						\$0.012333	\$0.0135	\$2.5089	\$2.2285	\$5.3898	\$6.7584	\$0.0100		
Lost Revenue in 2014 from 2011 programs						\$11,992	\$5,540	\$3,248	\$905	\$0	\$0	\$0	\$21,685	
Lost Revenue in 2014 from 2012 programs						\$7,292	\$16,141	\$9,344	\$0	\$0	\$0	\$0	\$32,778	
Lost Revenue in 2014 from 2013 programs						\$7,526	\$19,516	\$11,445	\$7,956	\$0	\$0	\$0	\$46,443	
Lost Revenue in 2014 from 2014 programs						\$23,243	\$20,810	\$16,671	\$14,890	\$0	\$3,773	\$0	\$79,386	
Total Lost Revenue in 2014						\$50,053	\$62,007	\$40,708	\$23,752	\$0	\$3,773	\$0	\$180,292	

ATTACHMENT 4 – X

Thunder Bay Hydro

Carrying Charges - LRAM

Board Model

Table 14: Prescribed

Quarter	Approved Deferral and Variance
2011 Q1	1.47%
2011 Q2	1.47%
2011 Q3	1.47%
2011 Q4	1.47%
2012 Q1	1.47%
2012 Q2	1.47%
2012 Q3	1.47%
2012 Q4	1.47%
2013 Q1	1.47%
2013 Q2	1.47%
2013 Q3	1.47%
2013 Q4	1.47%
2014 Q1	1.47%
2014 Q2	1.47%
2014 Q3	1.47%
2014 Q4	1.47%
2015 Q1	1.47%
2015 Q2	1.10%
2015 Q3	1.10%
2015 Q4	1.10%
2016 Q1	1.10%
2016 Q2	1.10%
2016 Q3	1.10%
2016 Q4	1.10%
2017 Q1	1.10%
2017 Q2	1.10%
2017 Q3	
2017 Q4	
2018 Q1	
2018 Q2	
2018 Q3	
2018 Q4	
2019 Q1	
2019 Q2	
2019 Q3	
2019 Q4	
2020 Q1	
2020 Q2	
2020 Q3	
2020 Q4	

Check OEB website

Table 15: Calculation of Carrying Costs by Rate Class

Month	Interest for CDM year	Quarter	Monthly Rate	Residential	General Service <50 kWh	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Sentinel Lighting	Street Lighting	Unmetered Scattered Load	Other	Total
Jan-11	2011	Q1	0.12%									
Feb-11	2011	Q1	0.12%	\$1.30	\$0.63	\$0.17	\$0.08	\$0.00	\$0.00	\$0.00		\$2.19
Mar-11	2011	Q1	0.12%	\$2.61	\$1.25	\$0.35	\$0.16	\$0.00	\$0.00	\$0.00		\$4.37
Apr-11	2011	Q2	0.12%	\$3.91	\$1.88	\$0.52	\$0.24	\$0.00	\$0.00	\$0.00		\$6.56
May-11	2011	Q2	0.12%	\$5.22	\$2.50	\$0.70	\$0.32	\$0.00	\$0.00	\$0.00		\$8.74
Jun-11	2011	Q2	0.12%	\$6.52	\$3.13	\$0.87	\$0.40	\$0.00	\$0.00	\$0.00		\$10.93
Jul-11	2011	Q3	0.12%	\$7.82	\$3.75	\$1.05	\$0.49	\$0.00	\$0.00	\$0.00		\$13.11
Aug-11	2011	Q3	0.12%	\$9.13	\$4.38	\$1.22	\$0.57	\$0.00	\$0.00	\$0.00		\$15.30
Sep-11	2011	Q3	0.12%	\$10.43	\$5.00	\$1.40	\$0.65	\$0.00	\$0.00	\$0.00		\$17.48
Oct-11	2011	Q4	0.12%	\$11.73	\$5.63	\$1.57	\$0.73	\$0.00	\$0.00	\$0.00		\$19.67
Nov-11	2011	Q4	0.12%	\$13.04	\$6.26	\$1.75	\$0.81	\$0.00	\$0.00	\$0.00		\$21.85
Dec-11	2011	Q4	0.12%	\$14.34	\$6.88	\$1.92	\$0.89	\$0.00	\$0.00	\$0.00		\$24.04
Total for fiscal year 2011				\$86.05	\$41.28	\$11.54	\$5.34	\$0.00	\$0.00	\$0.00	\$0.00	\$144.22
Amount Cleared				-\$196.19	-\$91.46	-\$2.03	-\$0.51					-\$290.19
Opening Balance for fiscal year 2012				-\$110.14	-\$50.17	\$9.51	\$4.83	\$0.00	\$0.00	\$0.00	\$0.00	-\$145.97
Jan-12	2011-2012	Q1	0.12%	-\$0.70	-\$0.12	\$1.93	\$0.93	\$0.00	\$0.00	\$0.00		\$2.04
Feb-12	2011-2012	Q1	0.12%	\$1.31	\$2.08	\$2.60	\$1.02	\$0.00	\$0.00	\$0.00		\$7.00
Mar-12	2011-2012	Q1	0.12%	\$3.32	\$4.27	\$3.28	\$1.11	\$0.00	\$0.00	\$0.00		\$11.97
Apr-12	2011-2012	Q2	0.12%	\$5.33	\$6.46	\$3.95	\$1.19	\$0.00	\$0.00	\$0.00		\$16.93
May-12	2011-2012	Q2	0.12%	\$7.33	\$8.65	\$4.63	\$1.28	\$0.00	\$0.00	\$0.00		\$21.89
Jun-12	2011-2012	Q2	0.12%	\$9.34	\$10.84	\$5.30	\$1.37	\$0.00	\$0.00	\$0.00		\$26.86
Jul-12	2011-2012	Q3	0.12%	\$11.35	\$13.03	\$5.98	\$1.46	\$0.00	\$0.00	\$0.00		\$31.82
Aug-12	2011-2012	Q3	0.12%	\$13.36	\$15.22	\$6.65	\$1.55	\$0.00	\$0.00	\$0.00		\$36.78
Sep-12	2011-2012	Q3	0.12%	\$15.37	\$17.41	\$7.33	\$1.64	\$0.00	\$0.00	\$0.00		\$41.75
Oct-12	2011-2012	Q4	0.12%	\$17.38	\$19.60	\$8.00	\$1.72	\$0.00	\$0.00	\$0.00		\$46.71
Nov-12	2011-2012	Q4	0.12%	\$19.39	\$21.80	\$8.68	\$1.81	\$0.00	\$0.00	\$0.00		\$51.68
Dec-12	2011-2012	Q4	0.12%	\$21.40	\$23.99	\$9.35	\$1.90	\$0.00	\$0.00	\$0.00		\$56.64
Total for fiscal year 2012				\$14.05	\$93.06	\$77.19	\$21.80	\$0.00	\$0.00	\$0.00	\$0.00	\$206.10
Amount Cleared				-\$196.19	-\$91.46	-\$2.03	-\$0.51					-\$290.19
Opening Balance for fiscal year 2013				-\$182.14	\$1.60	\$75.16	\$21.30	\$0.00	\$0.00	\$0.00	\$0.00	-\$84.09
Jan-13	2011-2013	Q1	0.12%	\$23.41	\$26.18	\$10.03	\$1.99	\$0.00	\$0.00	\$0.00		\$61.60
Feb-13	2011-2013	Q1	0.12%	\$19.57	\$27.63	\$9.43	\$0.86	\$0.00	-\$0.44	-\$0.04		\$56.99
Mar-13	2011-2013	Q1	0.12%	\$15.72	\$29.07	\$8.82	-\$0.27	-\$0.01	-\$0.89	-\$0.07		\$52.39
Apr-13	2011-2013	Q2	0.12%	\$11.87	\$30.52	\$8.22	-\$1.40	-\$0.01	-\$1.33	-\$0.11		\$47.78
May-13	2011-2013	Q2	0.12%	\$8.03	\$31.97	\$7.62	-\$2.52	-\$0.01	-\$1.77	-\$0.14		\$43.17
Jun-13	2011-2013	Q2	0.12%	\$4.18	\$33.41	\$7.02	-\$3.65	-\$0.01	-\$2.22	-\$0.18		\$38.56
Jul-13	2011-2013	Q3	0.12%	\$0.34	\$34.86	\$6.42	-\$4.78	-\$0.02	-\$2.66	-\$0.21		\$33.95
Aug-13	2011-2013	Q3	0.12%	-\$3.51	\$36.30	\$5.82	-\$5.91	-\$0.02	-\$3.10	-\$0.25		\$29.34
Sep-13	2011-2013	Q3	0.12%	-\$7.35	\$37.75	\$5.22	-\$7.04	-\$0.02	-\$3.55	-\$0.28		\$24.74
Oct-13	2011-2013	Q4	0.12%	-\$11.20	\$39.20	\$4.62	-\$8.17	-\$0.02	-\$3.99	-\$0.32		\$20.13
Nov-13	2011-2013	Q4	0.12%	-\$15.04	\$40.64	\$4.02	-\$9.29	-\$0.03	-\$4.43	-\$0.35		\$15.52
Dec-13	2011-2013	Q4	0.12%	-\$18.89	\$42.09	\$3.42	-\$10.42	-\$0.03	-\$4.88	-\$0.39		\$10.91
Total for fiscal year 2013				-\$155.00	\$411.22	\$155.83	-\$29.31	-\$0.17	-\$29.27	-\$2.32	\$0.00	\$350.99
Amount Cleared				-\$65.40	-\$30.49	-\$0.68	-\$0.17					-\$96.73
Opening Balance for fiscal year 2014				-\$220.39	\$380.73	\$155.16	-\$29.47	-\$0.17	-\$29.27	-\$2.32	\$0.00	\$254.26
Jan-14	2011-2014	Q1	0.12%	-\$22.73	\$43.54	\$2.82	-\$11.55	-\$0.03	-\$5.32	-\$0.42		\$6.30
Feb-14	2011-2014	Q1	0.12%	-\$24.38	\$47.00	\$3.80	-\$11.17	-\$0.03	-\$5.28	-\$0.45		\$9.48
Mar-14	2011-2014	Q1	0.12%	-\$26.03	\$50.46	\$4.79	-\$10.79	-\$0.04	-\$5.24	-\$0.49		\$12.66
Apr-14	2011-2014	Q2	0.12%	-\$27.69	\$53.92	\$5.77	-\$10.41	-\$0.04	-\$5.20	-\$0.52		\$15.84
May-14	2011-2014	Q2	0.12%	-\$29.34	\$57.38	\$6.75	-\$10.03	-\$0.04	-\$5.15	-\$0.55		\$19.02
Jun-14	2011-2014	Q2	0.12%	-\$30.99	\$60.84	\$7.74	-\$9.66	-\$0.05	-\$5.11	-\$0.58		\$22.19
Jul-14	2011-2014	Q3	0.12%	-\$32.64	\$64.30	\$8.72	-\$9.28	-\$0.05	-\$5.07	-\$0.62		\$25.37
Aug-14	2011-2014	Q3	0.12%	-\$34.29	\$67.76	\$9.70	-\$8.90	-\$0.05	-\$5.03	-\$0.65		\$28.55
Sep-14	2011-2014	Q3	0.12%	-\$35.94	\$71.22	\$10.69	-\$8.52	-\$0.05	-\$4.99	-\$0.68		\$31.73
Oct-14	2011-2014	Q4	0.12%	-\$37.59	\$74.68	\$11.67	-\$8.14	-\$0.06	-\$4.95	-\$0.72		\$34.91
Nov-14	2011-2014	Q4	0.12%	-\$39.24	\$78.14	\$12.66	-\$7.76	-\$0.06	-\$4.91	-\$0.75		\$38.09
Dec-14	2011-2014	Q4	0.12%	-\$40.89	\$81.60	\$13.64	-\$7.38	-\$0.06	-\$4.86	-\$0.78		\$41.26
Total for fiscal year 2014				-\$602.14	\$1,131.58	\$253.91	-\$143.06	-\$0.73	-\$90.37	-\$9.54	\$0.00	\$539.66
Amount Cleared												
Opening Balance for fiscal year 2015				-\$602.14	\$1,131.58	\$253.91	-\$143.06	-\$0.73	-\$90.37	-\$9.54	\$0.00	\$539.66
Jan-15	2011-2015	Q1	0.09%	-\$42.54	\$85.06	\$14.62	-\$7.00	-\$0.06	-\$4.82	-\$0.81		\$44.44
Feb-15	2011-2015	Q1	0.09%	-\$42.54	\$85.06	\$14.62	-\$7.00	-\$0.06	-\$4.82	-\$0.81		\$44.44
Mar-15	2011-2015	Q1	0.09%	-\$42.54	\$85.06	\$14.62	-\$7.00	-\$0.06	-\$4.82	-\$0.81		\$44.44
Apr-15	2011-2015	Q2	0.09%	-\$31.83	\$63.65	\$10.94	-\$5.24	-\$0.05	-\$3.61	-\$0.61		\$33.26
May-15	2011-2015	Q2	0.09%	-\$31.83	\$63.65	\$10.94	-\$5.24	-\$0.05	-\$3.61	-\$0.61		\$33.26
Jun-15	2011-2015	Q2	0.09%	-\$31.83	\$63.65	\$10.94	-\$5.24	-\$0.05	-\$3.61	-\$0.61		\$33.26
Jul-15	2011-2015	Q3	0.09%	-\$31.83	\$63.65	\$10.94	-\$5.24	-\$0.05	-\$3.61	-\$0.61		\$33.26
Aug-15	2011-2015	Q3	0.09%	-\$31.83	\$63.65	\$10.94	-\$5.24	-\$0.05	-\$3.61	-\$0.61		\$33.26
Sep-15	2011-2015	Q3	0.09%	-\$31.83	\$63.65	\$10.94	-\$5.24	-\$0.05	-\$3.61	-\$0.61		\$33.26
Oct-15	2011-2015	Q4	0.09%	-\$31.83	\$63.65	\$10.94	-\$5.24	-\$0.05	-\$3.61	-\$0.61		\$33.26
Nov-15	2011-2015	Q4	0.09%	-\$31.83	\$63.65	\$10.94	-\$5.24	-\$0.05	-\$3.61	-\$0.61		\$33.26
Dec-15	2011-2015	Q4	0.09%	-\$31.83	\$63.65	\$10.94	-\$5.24	-\$0.05	-\$3.61	-\$0.61		\$33.26
Total for fiscal year 2015				-\$1,016.27	\$1,959.66	\$396.25	-\$211.23	-\$1.36	-\$137.31	-\$17.45	\$0.00	\$972.29
Amount Cleared												
Opening Balance for fiscal year 2016				-\$1,016.27	\$1,959.66	\$396.25	-\$211.23	-\$1.36	-\$137.31	-\$17.45	\$0.00	\$972.29
Jan-16	2011-2016	Q1	0.09%	-\$31.83	\$63.65	\$10.94	-\$5.24	-\$0.05	-\$3.61	-\$0.61		\$33.26
Feb-16	2011-2016	Q1	0.09%	-\$31.83	\$63.65	\$10.94	-\$5.24	-\$0.05	-\$3.61	-\$0.61		\$33.26
Mar-16	2011-2016	Q1	0.09%	-\$31.83	\$63.65	\$10.94	-\$5.24	-\$0.05	-\$3.61	-\$0.61		\$33.26
Apr-16	2011-2016	Q2	0.09%	-\$31.83	\$63.65	\$10.94	-\$5.24	-\$0.05	-\$3.61	-\$0.61		\$33.26
May-16	2011-2016	Q2	0.09%	-\$31.83	\$63.65	\$10.94	-\$5.24	-\$0.05	-\$3.61	-\$0.61		\$33.26
Jun-16	2011-2016	Q2	0.09%	-\$31.83	\$63.65	\$10.94	-\$5.24	-\$0.05	-\$3.61	-\$0.61		\$33.26
Jul-16	2011-2016	Q3	0.09%	-\$31.83	\$63.65	\$10.94	-\$5.24	-\$0.05	-\$3.61	-\$0.61		\$33.26
Aug-16	2011-2016	Q3	0.09%	-\$31.83	\$63.65	\$10.94	-\$5.24	-\$0.05	-\$3.61	-\$0.61		\$33.26
Sep-16	2011-2016	Q3	0.09%	-\$31.83	\$63.65	\$10.94	-\$5.24	-\$0.05	-\$3.61	-\$0.61		\$33.26
Oct-16	2011-2016	Q4	0.09%	-\$31.83	\$63.65	\$10.94	-\$5.24	-\$0.05	-\$3.61	-\$0.61		\$33.26
Nov-16	2011-2016	Q4	0.09%	-\$31.83	\$63.65	\$10.94	-\$5.24	-\$0.05	-\$3.61	-\$0.61		\$33.26
Dec-16	2011-2016	Q4	0.09%	-\$31.83	\$63.65	\$10.94	-\$5.24	-\$0.05	-\$3.61	-\$0.61		\$33.26
Total for fiscal year 2016</												

ATTACHMENT 4 – Y

Income Tax PILs Workform



Income Tax/PILs Workform for 2017 Filers

Version 1.02

Utility Name	Thunder Bay Hydro Electricity Distribution Inc.
Assigned EB Number	EB-2016-0105
Name and Title	Cindy Speziale
Phone Number	807-343-1118
Email Address	cspeziale@tbhydro.on.ca
Date	August 26th 2016
Last COS Re-based Year	2013

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 o
The calculator

Tab S Summa
Requirement V

Methodology
To calculate th

- 1) input the b
- 2) input the b
Inputs should
 - non-dedt
 - capital ai
 - cumulati
 - non-dedt

3) make any
TO is reasonat

Other Notes
Tabs H1 to H1
Tabs B1 to B1
Tabs T1 to T1:

The amounts c
audit adjustme

It is assumed t
calculated on t

On tab "A. Dat

For the 2017 A

Updated: June

Income Tax/PILs Workform for 2017 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 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 T13 Schedule 13 Reserve Test Year

Income Tax/PILs Workform for 2017 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	-3,005,054
Test Year - Payments in Lieu of Taxes (PILs)	TD	296,625
Test Year - Grossed-up PILs	TD	403,572
Effective Federal Tax Rate	TD	15.0%
Effective Ontario Tax Rate	TD	11.5%
<u>Calculation of Adjustments required to arrive at Taxable Income</u>		
Regulatory Income (before income taxes)	T1	4,124,396
Taxable Income	T1	1,119,341
Difference	calculated	-3,005,054 as above



Income Tax/PILs Workform for 2017 Filers

	Test Year	Bridge Year
Rate Base	\$ 112,197,921	\$ 112,853,417
Return on Ratebase		
Deemed ShortTerm Debt %	4.00%	T \$ 4,487,917 $W = S * T$
Deemed Long Term Debt %	56.00%	U \$ 62,830,836 $X = S * U$
Deemed Equity %	40.00%	V \$ 44,879,168 $Y = S * V$
Short Term Interest Rate	1.65%	Z \$ 74,051 $AC = W * Z$
Long Term Interest	2.10%	AA \$ 1,317,699 $AD = X * AA$
Return on Equity (Regulatory Income)	9.19%	AB \$ 4,124,396 $AE = Y * AB$ I1
Return on Rate Base	\$ 5,516,146	$AF = AC + AD + AE$

Questions that must be answered

	Historical Year	Bridge Year	Test Year
1. Does the applicant have any Investment Tax Credits (ITC)?	No	No	No
2. Does the applicant have any SRED Expenditures?	No	No	No
3. Does the applicant have any Capital Gains or Losses for tax purposes?	No	No	No
4. Does the applicant have any Capital Leases?	No	No	No
5. Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?	No	No	No
6. Since 1999, has the applicant acquired another regulated applicant's assets?	No	No	No
7. Did the applicant pay dividends? <i>If Yes, please describe what was the tax treatment in the manager's summary.</i>	No	No	No
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?	No	No	No

Income Tax/PILs Workform for 2017 Filers

Tax Rates Federal & Provincial As of May 16, 2016	Effective January 1, 2012	Effective January 1, 2013	Effective January 1, 2014	Effective January 1, 2015	Effective January 1, 2016	Effective January 1, 2017
Federal income tax						
General corporate rate	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%
Federal tax abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted federal rate	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
Rate reduction	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%
Federal Income Tax	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Ontario income tax	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
Combined federal and Ontario	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
Federal & Ontario Small Business						
Federal small business threshold	500,000	500,000	500,000	500,000	500,000	500,000
Ontario Small Business Threshold	500,000	500,000	500,000	500,000	500,000	500,000
Federal small business rate	11.00%	11.00%	11.00%	11.00%	10.50%	10.50%
Ontario small business rate	4.50%	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. Regarding the small business deduction, if applicable,
 - a. If taxable capital exceeds \$15 million, the small business rate will not be applicable.
 - b. If taxable capital is below \$10 million, the small business rate would be applicable.
 - c. If taxable capital is between \$10 million and \$15 million, the appropriate small business rate will be calculated.

Income Tax/PILs Workform for 2017 Filers

PILs Tax Provision - Historical Year

Note: Input the actual information from the tax returns for the historical year.

<p>Regulatory Taxable Income</p> <p>Combined Tax Rate and PILs</p> <p>Total Income Taxes</p> <p style="padding-left: 20px;">Investment Tax Credits</p> <p style="padding-left: 20px;">Miscellaneous Tax Credits</p> <p>Total Tax Credits</p> <p>Corporate PILs/Income Tax Provision for Historical Year</p>	<p>Ontario Tax Rate (Maximum 11.5%)</p> <p>Federal tax rate (Maximum 15%)</p> <p>Combined tax rate (Maximum 26.5%)</p>	<p>11.50% B</p> <p>15.00% C</p>	<p>Wires Only</p> <p>H1 <input type="text" value="\$ 444,096"/> A</p> <p><input type="text" value="26.50%"/> D = B+C</p> <p><input type="text" value="\$ 117,686"/> E = A * D</p> <p><input type="text" value="\$ -"/> F</p> <p><input type="text" value="\$ 39,671"/> G</p> <p><input type="text" value="\$ 39,671"/> H = F + G</p> <p><input type="text" value="\$ -"/> I = E - H</p>
--	--	---	--

Income Tax/PILs Workform for 2017 Filers

Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	A	2,641,246	242,775	2,398,471
Additions:				
Interest and penalties on taxes	103			0
Amortization of tangible assets	104	3,887,204	197,509	3,689,695
Amortization of intangible assets	106	50,893		50,893
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	250,745	2,664	248,081
Charitable donations	112	19,890		19,890
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	12,905		12,905
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			0
Reserves from financial statements- balance at end of year	126			0
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	39,671		39,671
	294			0
	295			0
ARO Accretion expense				0
Capital Contributions Received (ITA 12(1)(x))				0
Lease Inducements Received (ITA 12(1)(x))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
				0
CCA on Non Rate Regulated Assets				0
CEC Adjustment on Goodwill				0
CCA Adjustment on PP&E				0
				0
				0
				0
				0
				0
				0
Total Additions		4,261,308	200,173	4,061,135



Income Tax/PILs Workform for 2017 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			0

B4

	Total	Non-Distribution Portion	Utility Balance
Net Capital Loss Carry Forward Deduction			
Actual Historical			0

B4

Income Tax/PILs Workform for 2017 Filers

Schedule 10 CEC - Historical Year

Cumulative Eligible Capital 712,613

Additions

Cost of Eligible Capital Property Acquired during Test Year				
Other Adjustments	0			
Subtotal	0		$\times 3/4 =$	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		$\times 1/2 =$	0
			0	0
Amount transferred on amalgamation or wind-up of subsidiary	0			0
Subtotal				712,613

Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year				
Other Adjustments				
Subtotal	0		$\times 3/4 =$	0

Cumulative Eligible Capital Balance 712,613

Current Year Deduction 712,613 $\times 7\% =$ 49,883

Cumulative Eligible Capital - Closing Balance 662,730 [B10](#)

Income Tax/PILs Workform for 2017 Filers

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	B13
Tax Reserves Not Deducted for accounting purposes				
Reserve for doubtful accounts ss. 20(1)(l)			0	B13
Reserve for goods and services not delivered ss. 20(1)(m)			0	B13
Reserve for unpaid amounts ss.20(1)(n)			0	B13
Debt & Share Issue Expenses ss. 20(1)(e)			0	B13
Other tax reserves			0	B13
			0	
			0	
			0	
			0	
Total	0	0	0	
Financial Statement Reserves (not deductible for Tax Purposes)				
General Reserve for Inventory Obsolescence (non-specific)			0	B13
General reserve for bad debts			0	B13
Accrued Employee Future Benefits:			0	B13
- Medical and Life Insurance			0	B13
- Short & Long-term Disability			0	B13
- Accumulated Sick Leave			0	B13
- Termination Cost			0	B13
- Other Post-Employment Benefits			0	B13
Provision for Environmental Costs			0	B13
Restructuring Costs			0	B13
Accrued Contingent Litigation Costs			0	B13
Accrued Self-Insurance Costs			0	B13
Other Contingent Liabilities			0	B13
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0	B13
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0	B13
Other			0	B13
			0	
			0	
			0	
			0	
Total	0	0	0	



Income Tax/PILs Workform for 2017 Filers

Corporation Loss Continuity and Application

Schedule 4 Loss Carry Forward - Bridge Year

Non-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 (-)	B1	0
Balance available for use in Test Year	calculated	0
Amount to be used in Bridge Year	B1	0
Balance available for use post Bridge Year	calculated	0

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



Income Tax/PILs Workform for 2017 Filers

Schedule 10 CEC - Bridge Year

Cumulative Eligible Capital		Reference	662,730
		H10	
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
Amount transferred on amalgamation or wind-up of subsidiary	0		0
Subtotal			662,730
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		x 3/4 =	0
Cumulative Eligible Capital Balance			662,730
Current Year Deduction	662,730	x 7% =	46,391 B1
Cumulative Eligible Capital - Closing Balance			616,339 T10

Income Tax/PILs Workform for 2017 Filers

Schedule 13 Tax Reserves - Bridge Year

Continuity of Reserves

Description	Reference	Historical Liability Only	Estimate Amount Not Reported 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)	1113	0		0			0	113	0	
Tax Reserves Not Deductible for accounting purposes										
Reserve for doubtful accounts ss. 20(1)(f)	1113	0		0			0	113	0	
Reserve for goods and services not delivered ss. 20(1)(m)	1113	0		0			0	113	0	
Reserve for unpaid amounts ss. 20(1)(n)	1113	0		0			0	113	0	
Debt & Share Issue Expenses ss. 20(1)(a)	1114	0		0			0	114	0	
Other tax reserves		0		0			0	0	0	
		0		0			0	0	0	
Total		0	0	0	B1	0	0	0	B1	0
Financial Statement Reserves (not deductible for Tax Purposes)										
General Reserve for Inventory Obsolescence (non-specific)	1113	0		0			0	113	0	
General reserve for bad debts	1114	0		0			0	114	0	
Accrued Employee Future Benefits	1114	0		0			0	114	0	
Medical and Life Insurance	1113	0		0			0	113	0	
Short & Long-term Disability	1113	0		0			0	113	0	
Accumulated Sick Leave	1113	0		0			0	113	0	
Termination Cost	1114	0		0			0	114	0	
Other Post-Employment Benefits	1114	0		0			0	114	0	
Provision for Environmental Costs	1113	0		0			0	113	0	
Restructuring Costs	1113	0		0			0	113	0	
Accrued Contingent Litigation Costs	1113	0		0			0	113	0	
Accrued Self-Insurance Costs	1114	0		0			0	114	0	
Other Contingent Liabilities	1114	0		0			0	114	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	1113	0		0			0	113	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1.1)	1113	0		0			0	113	0	
Other	1113	0		0			0	113	0	
		0		0			0	0	0	
		0		0			0	0	0	
Total		0	0	0	B1	0	0	0	B1	0

Income Tax/PILs Workform for 2017 Filers

PILs Tax Provision - Test Year

Regulatory Taxable Income

	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate	
Ontario (Max 11.5%)	11.5%	11.5%	\$ 128,724	11.5%	B
Federal (Max 15%)	15.0%	15.0%	\$ 167,901	15.0%	C
Combined effective tax rate (Max 26.5%)					

Total Income Taxes

Investment Tax Credits		F
Miscellaneous Tax Credits		G
Total Tax Credits	\$ -	H = F + G

Corporate PILs/Income Tax Provision for Test Year

Corporate PILs/Income Tax Provision Gross Up ¹	73.50%	J = 1-D	\$ 106,947	K = I/J4
---	--------	---------	------------	----------

Income Tax (grossed-up)

Wires Only

11 \$ 1,119,341 A

26.50% D = B + C

\$ 296,625 E = A * D

F

G

\$ - H = F + G

\$ 296,623 I = E - H [S. Summary](#)

\$ 403,572 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 2017 Filers

Taxable Income - Test Year

	Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes	A.	4,124,396
	T2 S1 line #	
Additions:		
Interest and penalties on taxes	103	
Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P489	104	4,161,009
Amortization of intangible assets 2-4 ADJUSTED ACCOUNTING DATA P490	106	106,862
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	331,217
Charitable donations	112	20,612
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	7,757
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	
Non-deductible company pension plans	124	
Tax reserves beginning of year	125	T13 0
Reserves from financial statements- balance at end of year	126	T13 0
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		
Future Employee Benefits		39,264

Income Tax/PILs Workform for 2017 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	B4	0		0
Other Adjustments Add (+) Deduct (-)	T1	0		0
Balance available for use in Future Years	calculated	0	0	0
Amount to be used in Test Year	T1	0		0
Balance available for use post Test Year	calculated	0	0	0

		Total	Non-Distribution Portion	Utility Balance
Net Capital Loss Carry Forward Deduction				
Actual/Estimated Bridge Year	B4	0		0
Other Adjustments Add (+) Deduct (-)				0
Balance available for use in Future Years	calculated	0	0	0
Amount to be used in Test Year				0
Balance available for use post Test Year	calculated	0	0	0

Income Tax/PILs Workform for 2016 Filers

Schedule 10 CEC - Test Year

Cumulative Eligible Capital B10 616,339

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			616,339	

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 616,339

Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income") 616,339 x 7% = 43,144 T1

Cumulative Eligible Capital - Closing Balance 573,195

Income Tax/PILs Workform for 2017 Filers

Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

Description	Working Paper Reference	Bridge Year	Estimate A amounts Not Reported 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 Deductible for accounting purposes									
Reserve for doubtful accounts ss. 20(1)(l)	B13	0		0			0		0
Reserve for goods and services not delivered ss. 20(1)(m)	B13	0		0			0		0
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		0	0	0	11	0	0	11	0
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	0		0			0		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		0	0	0	11	0	0	11	0

Income Tax/PILs Workform for 2017 Filers

PILS Tax Provision - Bridge Year

Regulatory Taxable Income

	Tax Rate	Small Business Rate (if Applicable)	Taxes Payable	Effective Tax Rate	
Ontario (Max 11.5%)	11.5%	11.5%	\$ 15,291	11.5%	B
Federal (Max 15%)	15.0%	15.0%	\$ 19,944	15.0%	C
Combined effective tax rate (Max 26.5%)					

Total Income Taxes

Investment Tax Credits
Miscellaneous Tax Credits

Total Tax Credits

Corporate PILs/Income Tax Provision for Bridge Year

Wires Only

Reference **B1** **A**

D = B + C

E = A * D

F

G

H = F + G

I = E - H

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 2017 Filers

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	A		3,159,896
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets	104		3,958,331
Amortization of intangible assets	106		124,034
Recapture of capital cost allowance from Schedule 9	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		126,743
Charitable donations	112		20,208
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		7,642
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	0
Reserves from financial statements- balance at end of year	126	B13	0
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			

