

Renfrew Hydro Inc.

Exhibit 4

EB-2016-0166 - 2017 Cost of Service

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Overview of Cost Trends

Ex.4/Tab 1/Sch.1 - Overview of Operating Expenses Operations, Maintenance and Administrative (“OM&A”)

OM&A expenses included in the calculation of a utility’s revenue requirement are those determined to be reasonable in amount and necessary for and related to the provision of utility service or in some way benefit customers.

In this Exhibit the operating costs consist of the required expenditures necessary to maintain and operate RHI’s distribution system assets, the costs associated with metering, billing, collecting from its customers, the costs associated with ensuring all stakeholders safety (public, employees etc.) and costs to maintain the distribution business service quality and reliability standards with the regulating bodies.

As shown in Table 4.0 below, RHI’s increase in OM&A spending from its 2010 Cost of Service to the 2017 Test Year amounts to \$399,451 or 34.7% over the last 7 years. Year over year variances at a summary level are also presented in the detailed variance analysis presented at Ex. 4/Tab2/Sch.2.

Table 4.0 – 2017 vs. 2010 Board Approved

	2010 Board Approved	2017 Test Year	Variance from Board Approved
Operations	\$235,909	\$296,946	\$61,037
Maintenance	\$171,718	\$196,759	\$25,041
Billing & Collecting	\$328,238	\$467,660	\$139,422
Community Relations	\$1,000	\$6,000	\$5,000
Administrative and General	\$434,729	\$581,915	\$147,186
Taxes Other than Income Taxes	-\$21,765		\$21,765
Total OM&A Expenses	\$1,149,829	\$1,549,280	\$399,451
Percentage change (year over year)			34.7%

The following is an explanation of the significant fluctuations:

1 **Operations**

2 Operations has increased approximately \$61K or 26% over the 7 year period. Major drivers
3 include the following;

- 4 • Increased labour rates account for the majority of the change (approx. 21.5% over the 7
5 year period), although the impact of this is seen in account #5085. Health and Safety
6 expenses related to training, services and supplies were removed from the labour
7 burden accounts and charged to distribution operations 5085 in 2014. The labour burden
8 rate was adjusted/reduced as the offset to ensure the overall impact to the total OM&A
9 costs were below the materiality threshold. A detailed analysis is presented in the 2014
10 vs 2013 years at Ex. 4/Tab2/Sch.2. This was the only change to OM&A in test year as a
11 result of the change in capitalized overhead, ensuring no training costs are capitalized.
- 12 • Rent has increased by \$13.5K. RHI was no longer able to rent the garage and
13 warehouse space it had occupied since 2000 as the landlord, Renfrew Power
14 Generation required more space for the expansion of its operation and terminated the
15 rental agreement effective March 31, 2015. The move was required, and out of RHI's
16 control, but after analyzing options for building versus renting, an extensive search for
17 property was performed and a new location was found in 2015.
- 18 • Underground locate activity and expenses since joining Ontario One Call have increased
19 by approximately \$11K. RHI is not able to control the number of locate requests, but
20 allocates the work load as efficiently as possible to minimize the increasing costs.

21 **Maintenance**

22 Maintenance has increased \$25K or 14% over the 7 year period. Maintenance activity has
23 remained fairly consistent.

24 **Billing and Collecting**

25 Billing and Collecting expenses reflect a significant increase of \$139K or 42% over the 7 year
26 period. Major drivers include the following;

- 1 • Smart meter operational and meter reading costs were not part of the 2010 OM&A
2 program and account for the majority of the change since 2010, with a 2017 budget of
3 \$50K per year.
- 4 • The postage costs increases account for \$28K, comprising of rate increases and the
5 change from a bi-monthly billing cycle to monthly in 2017.
- 6 • Billing software, support, and internet requirements have also increased \$28K since
7 2010.
- 8 • Bad debts have increased \$8K or 34% since the 2010 approved costs. RHI collection
9 staff.
- 10 • Increased labour rates make up the remaining increase.

11 **Administrative and General Expenses**

12 Administrative and General expenses reflect an increase of \$147K or 33% over the 7 year
13 period.

- 14 • Administration costs are mainly driven by increases in regulatory time and expenses and
15 increased labour/benefit costs.
- 16 • An increase in annual regulatory expenses of \$24K since 2010,
- 17 • A new office location with a new rent expense of \$16K per year
- 18 • A new annual membership to CHEC of \$13K
- 19 • Annual LEAP donation of \$5K.

20 **Inflation Rate**

21 The cost of living is based on an inflation rate of 2% as published by the Bank of Canada - a
22 well-known, reliable and widely used source in establishing inflation rates. Salaries for union are
23 adjusted in accordance with the Collective Agreement which can be found at Ex.4/Tab 4/Sch 1.

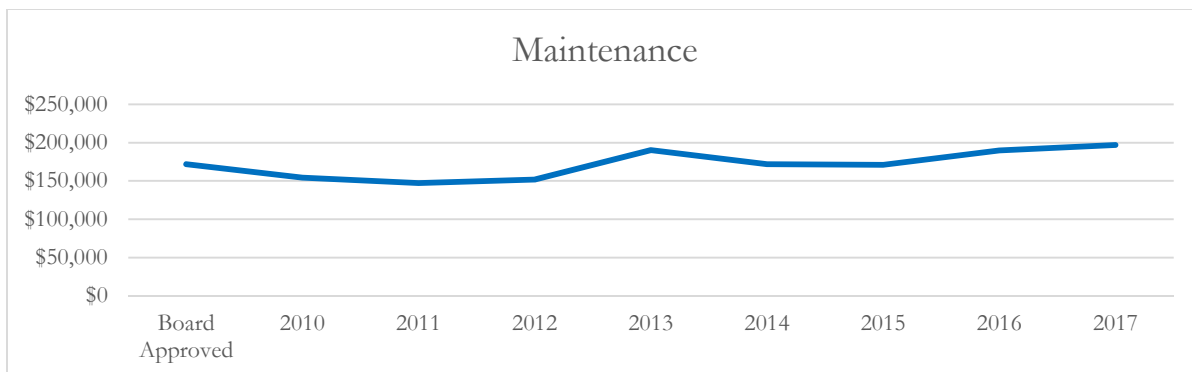
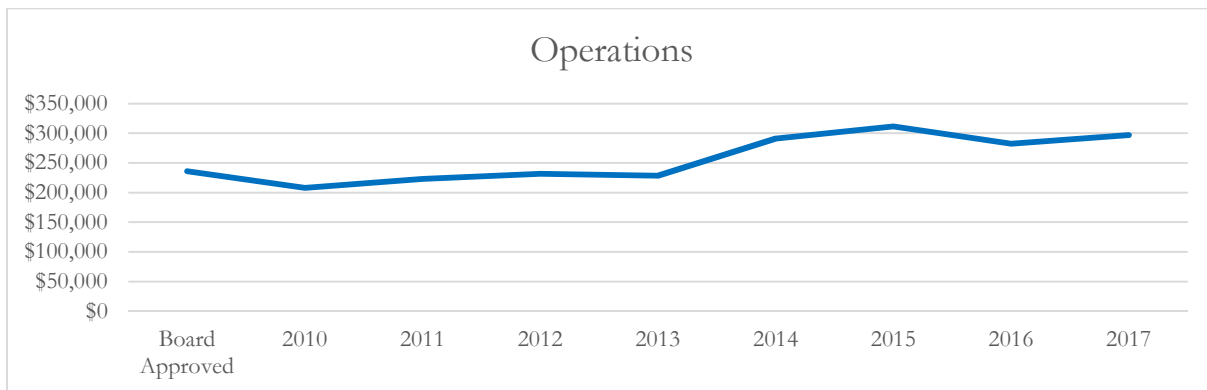
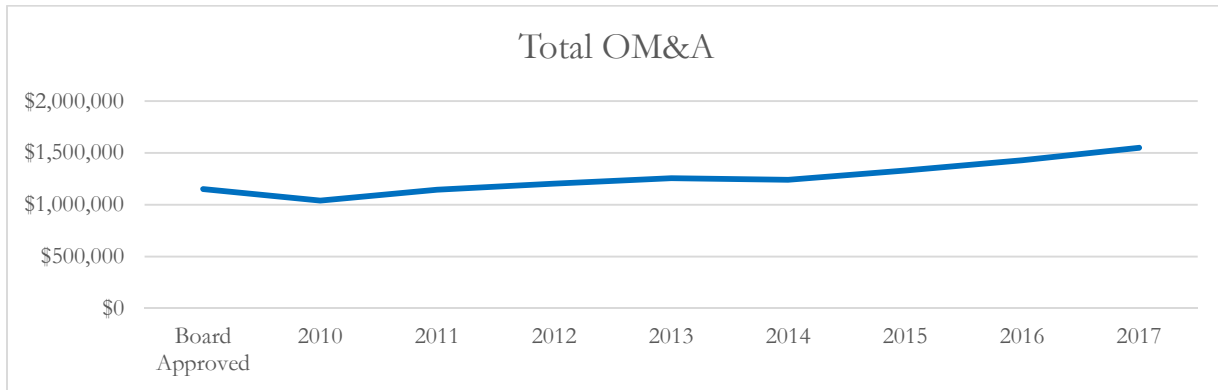
1 OEB Appendix 2-JA below shows a summary of RHI's year over year Operations, Maintenance and Administrative ("OM&A") costs as
2 required by the OEB's filing guidelines.

3 **Appendix 2-JA - Summary of Recoverable OM&A Expenses**

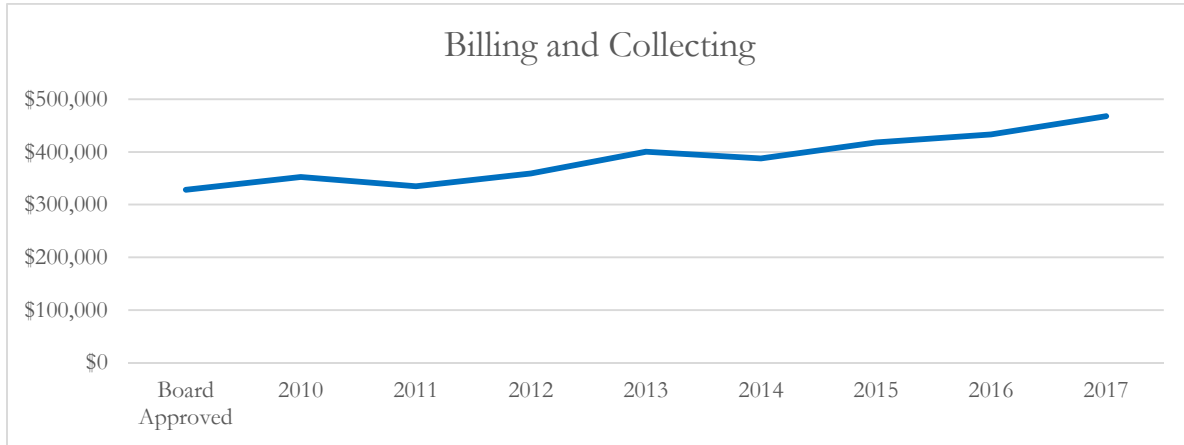
Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	NEWGAAP	NEWGAAP	MIFRS	MIFRS	MIFRS
	Board Approved	2010 Actuals	2011 Actuals	2012 Actuals	2013 Actuals	2014 Actuals	2015 Actuals	2016 Actuals	2017 Actuals
Operations	\$235,909	\$207,838	\$222,809	\$231,657	\$228,491	\$291,184	\$311,428	\$282,542	\$296,946
Maintenance	\$171,718	\$154,106	\$147,176	\$151,791	\$190,006	\$171,743	\$171,109	\$189,934	\$196,759
SubTotal	\$407,627	\$361,945	\$369,985	\$383,447	\$418,497	\$462,926	\$482,537	\$472,476	\$493,705
%Change (year over year)		-11.2%	2.2%	3.6%	9.1%	10.6%	4.2%	-2.1%	4.5%
%Change (Test Year vs Last Rebasing Year - Actual)								15.9%	21.1%
Billing and Collecting	\$328,238	\$352,212	\$335,087	\$359,319	\$400,546	\$387,608	\$417,963	\$433,355	\$467,660
Community Relations	\$1,000	\$2,022	\$3,339	\$1,684	\$1,286	\$2,853	\$1,688	\$3,000	\$6,000
Administrative and General+LEAP	\$434,729	\$324,920	\$435,302	\$457,589	\$434,567	\$386,773	\$427,970	\$519,091	\$581,915
Taxes other than Income Taxes (PST)	-\$21,765								
SubTotal	\$742,202	\$679,154	\$773,728	\$818,592	\$836,399	\$777,233	\$847,621	\$955,445	\$1,055,575
%Change (year over year)		-8.5%	13.9%	5.8%	2.2%	-7.1%	9.1%	12.7%	10.5%
%Change (Test Year vs Last Rebasing Year - Actual)								28.7%	42.2%
Total	\$1,149,829	\$1,041,099	\$1,143,713	\$1,202,039	\$1,254,896	\$1,240,159	\$1,330,158	\$1,427,921	\$1,549,280
%Change (year over year)		-9.5%	9.9%	5.1%	4.4%	-1.2%	7.3%	7.3%	8.5%
%Change (Test Year vs Last Rebasing Year - Actual)								24.2%	34.7%

Please find below expense graphs to illustrate the change in RHI's OM&A Expenses.

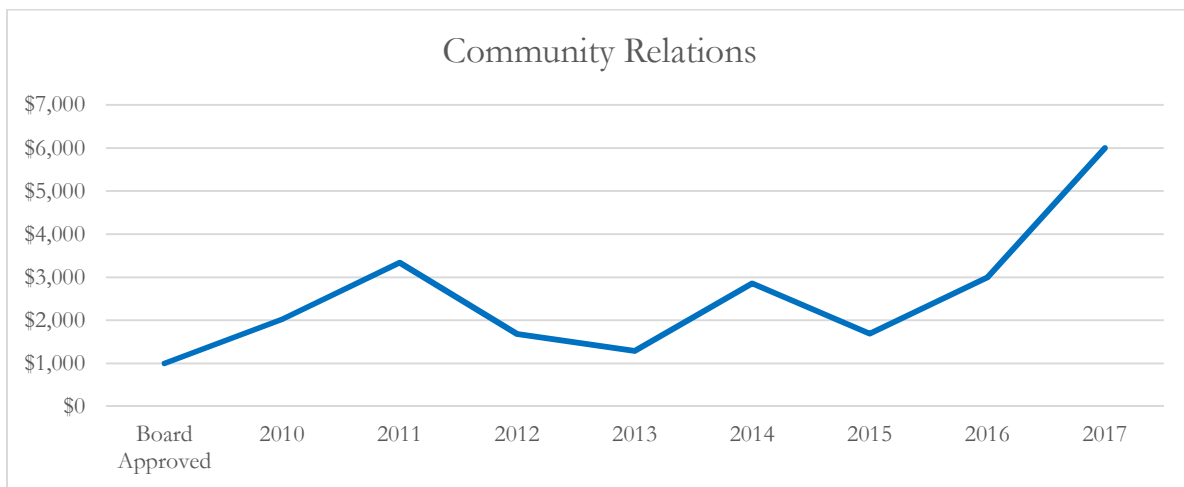
Table 4.1 Renfrew Hydro Inc. – Total OM&A



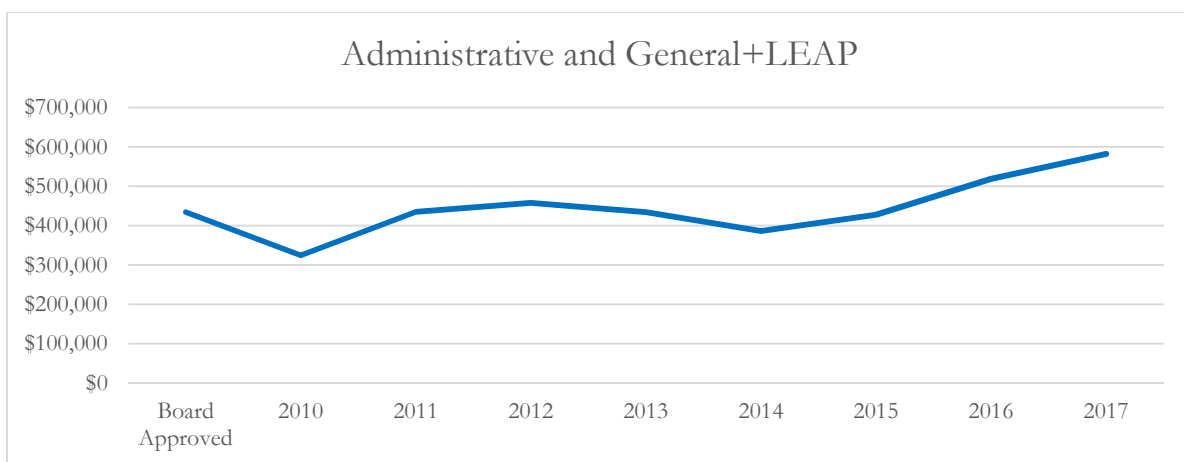
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Summary and Cost Driver Tables

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

In accordance with the OEB's minimum filing requirements, OEB Appendix 2-JB, below, outlines the key drivers of OM&A costs over the 2010 to 2017 period.

Operations and Maintenance expenses include all costs relating to the operation and maintenance of the RHI distribution system which are necessary in order to keep the distribution system in a state of good repair. The work typically involves inspection, testing, cleaning, and verification activities. This includes both direct labour costs and non-capital material spending to support both scheduled and reactive maintenance events.

RHI strives to provide safe, reliable service while minimizing the life cycle costs of assets by doing predictive and preventative work. Maintenance work also helps to identify those areas that require capital investments. RHI is then able to adjust its capital spending priorities to address these matters. This process is described in more detail in RHI's Distribution System Plan, found at Ex.2/Tab5/Sch.2.

RHI places a high priority on the upkeep and replacement of its aging infrastructure. Distribution equipment that was placed in-service over 40 years ago, in many cases, has reached its normal useful life. Therefore RHI is faced with the ongoing replacement of this aging infrastructure. Customer expectations for reliability have increased over time and as new technology is added to the system it can only perform on a solid base of well-maintained distribution infrastructure. Thus, investment in replacement equipment along with its associated operational costs has become a continuous reality for RHI as it commits to satisfying the essential community needs.

1

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

Reporting Basis	CGAAP	CGAAP	CGAAP	NEWGAAP	NEWGAAP	MIFRS	MIFRS	MIFRS
OM&A	2010	2011	2012	2013	2014	2015	2016	2017
Opening Balance	\$1,149,829.00	\$1,041,099.32	\$1,143,712.54	\$1,202,038.52	\$1,254,895.94	\$1,240,158.94	\$1,330,157.93	\$1,427,920.93
Training		\$17,300	-\$17,300		\$11,800			
Op. Supplies						-\$20,000		\$14,500
PCB Testing	-\$12,500					\$34,500	-\$34,500	
Garage rental						\$9,500	\$8,000	
Substation testing	-\$7,500						\$7,500	-\$7,500
Health and Safety					\$3,275			
Poles - Maintenance				\$7,164				
Conductor - Maintenance	-\$13,000			\$9,041				
Tree trimming		-\$21,835		\$5,110				\$5,000
Transformer - Maintenance		\$8,689	-\$8,797	\$7,873				
Services - Maintenance				\$8,928				
PCB Transformer Replacements							\$17,300	
Smart Meter Operational	-\$23,326	\$25,000	\$25,000					
CSR – retiree overlap							\$8,000	
Bad Debt	\$55,088	-\$37,901		\$5,917	\$6,400	-\$3,326	\$2,600	
Billing Labour overlap - retirement				\$30,000	-\$20,000			
Customer Billing – 3 m overlap – new service provider						\$30,000		
Bi-Monthly to monthly billing								\$28,280
Community Relations							\$1,500	\$3,000
Admin – Training/Travel/Supplies	-\$12,300	\$12,600						
Consulting - IFRS/BDO consulting in 2010 rates - start 2011,	-\$15,450	\$12,200	\$20,000					
Regulatory Expenses - COS in 2010 rates - start 2011, ended in 2014	-\$48,800	\$45,476			-\$32,500			
Maintenance of General Plant - increased repairs for 2011 and 2012	-\$7,419	\$13,680		-\$4,520				
Penalties - Late payment LPP		\$14,453						
Management Retiree- overlap			\$30,056	-\$19,500				
Advertising and recruiting - for two positions (2 retirees)			\$8,658					
New office rent 6 months 2015, 12 months 2016+						\$7,900	\$7,900	
New location – move and repairs						\$25,000	-\$11,500	
New Membership					\$6,250	\$6,750		
Advertising and recruiting costs - president retiring						\$11,000		
Executive salaries -overlap - retirement						\$9,600	\$50,000	
Post retirement adjustment - actuarial first year 2015						-\$23,246	\$23,000	
Customer Satisfaction Survey							\$10,000	
Safety Survey							\$10,000	
Retiree benefits increase								\$5,000
Regulatory assessments								\$10,000
1/5 Cost of Service Regulatory costs								\$53,200
Half of biennial survey costs - Customer Satisfaction and Safety								\$10,000
Miscellaneous - remaining small variances	-\$23,523	\$12,951	\$709	\$2,844	\$10,038	\$2,321	-\$2,037	-\$121
Closing Balance	\$1,041,099	\$1,143,713	\$1,202,039	\$1,254,896	\$1,240,159	\$1,330,158	\$1,427,921	\$1,549,280
Change from prior year	-\$108,729.89	\$102,613.43	\$58,326.38	\$52,856.96	-\$14,736.46	\$89,998.78	\$97,762.88	\$121,358.92
	-9.5%	9.9%	5.1%	4.4%	-1.2%	7.3%	7.3%	8.5%
								34.7%

2

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

Table 4.2 below shows the year over year variances of OM&A expenses for 2010 Board Approved to the 2017 Test Year. A variance analysis of expenses exceeding the materiality threshold of \$50,000 follows the table.

Table 4.2: Appendix 2-D - Summary of Recoverable OM&A Expenses

Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	NEWGAAP	NEWGAAP	MIFRS	MIFRS	MIFRS
	Board Approved	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Bridge Year	2017 Test Year
Operations	\$235,909	\$207,838	\$222,809	\$231,657	\$228,491	\$291,184	\$311,428	\$282,542	\$296,946
Maintenance	\$171,718	\$154,106	\$147,176	\$151,791	\$190,006	\$171,743	\$171,109	\$189,934	\$196,759
SubTotal	\$407,627	\$361,945	\$369,985	\$383,447	\$418,497	\$462,926	\$482,537	\$472,476	\$493,705
%Change (year over year)		-11.2%	2.2%	3.6%	9.1%	10.6%	4.2%	-2.1%	4.5%
%Change (Test Year vs Last Rebasing Year - Actual)								15.9%	21.1%
Billing and Collecting	\$328,238	\$352,212	\$335,087	\$359,319	\$400,546	\$387,608	\$417,963	\$433,355	\$467,660
Community Relations	\$1,000	\$2,022	\$3,339	\$1,684	\$1,286	\$2,853	\$1,688	\$3,000	\$6,000
Administrative and General+LEAP	\$434,729	\$324,920	\$435,302	\$457,589	\$434,567	\$386,773	\$427,970	\$519,091	\$581,915
Taxes other than Income Taxes (PST)	-\$21,765								
SubTotal	\$742,202	\$679,154	\$773,728	\$818,592	\$836,399	\$777,233	\$847,621	\$955,445	\$1,055,575
%Change (year over year)		-8.5%	13.9%	5.8%	2.2%	-7.1%	9.1%	12.7%	10.5%
%Change (Test Year vs Last Rebasing Year - Actual)								28.7%	42.2%
Total	\$1,149,829	\$1,041,099	\$1,143,713	\$1,202,039	\$1,254,896	\$1,240,159	\$1,330,158	\$1,427,921	\$1,549,280
%Change (year over year)		-9.5%	9.9%	5.1%	4.4%	-1.2%	7.3%	7.3%	8.5%
%Change (Test Year vs Last Rebasing Year - Actual)								24.2%	34.7%

Table 4.3 - 2010 Actual Vs. 2010 Board Approved

	Board Approved	2010	Variance from Board Approved	% of Variance
Operations	\$235,909	\$207,838	-\$28,071	-11.9%
Maintenance	\$171,718	\$154,106	-\$17,612	-10.3%
Billing and Collecting	\$328,238	\$352,212	\$23,974	7.3%
Community Relations	\$1,000	\$2,022	\$1,022	102.2%
Administrative and General	\$434,729	\$324,920	-\$109,809	-25.3%
Taxes other than Income Taxes (PST)	-\$21,765	\$0	\$21,765	-100.0%
Total	\$1,149,829	\$1,041,099	-\$108,730	-9.5%
%Change (year over year)		-9.5%		

2010 Actual Vs. 2010 Board Approved

Total OM&A expenses in 2010 were \$108,730 less than the 2010 Board approved amount. RHI received approval for new rates effective December 2010, to be implemented in 2011. To control costs, RHI postponed some of the planned budgeted items until revenues were in place to cover the costs.

Operations (\$28K) and Maintenance (\$10K) – RHI included costs associated with recruiting one additional apprentice lineman in the 2010 (\$34K). The new lineman was hired June 2011.

The Billing and Collecting variance of +\$23K was caused by a large bad debt in 2010 from a GS>50 customer.

Administration and General expenses reflect a variance of (\$109K)

- (\$49K) One quarter of the regulatory costs associated with the 2010 cost of service application were included in the Board approved 2010 Budget. Since the application was approved late in 2010, RHI began amortizing the cost in 2011.
- (\$15K) Consulting costs associated with the transition to International Financial Reporting Standards ("IFRS") were also included in the 2010 BA figures but the consulting began in 2011.
- (\$4K) Training Costs for the new accounting software job cost module were also postponed until 2011.
- (\$7K) - Some of the planned maintenance for the office building (painting, masonry) was postponed until 2011.

Table 4.4 -2011 Actual Vs. 2010 Actual

	2010	2011	Variance	% of Variance
Operations	\$207,838	\$222,809	\$14,971	7.2%
Maintenance	\$154,106	\$147,176	-\$6,931	-4.5%
Billing and Collecting	\$352,212	\$335,087	-\$17,125	-4.9%
Community Relations	\$2,022	\$3,339	\$1,317	65.1%
Administrative and General	\$324,920	\$435,302	\$110,382	34.0%
Total	\$1,041,099	\$1,143,713	\$102,613	9.9%
%Change (year over year)		9.9%		

2011 Actual Vs. 2010 Actual

As mentioned in the 2010 Actual Vs. 2010 Board Approved analysis many of the 2010 budgeted costs were postponed until the 2011 year. The largest variance of +\$110K is shown in the Administrative and General category. The increase includes the CoS regulatory expense +\$45K, IFRS Consulting +12K, accounting software training costs +\$4K, building maintenance +\$26K, and the penalty costs associated with the LPP +\$14K. The total 2011 OM&A is within \$6K of the 2010 Board Approved total.

Table 4.5 - 2012 Actual Vs. 2011 Actual

	2011	2012	Variance	% of Variance
Operations	\$222,809	\$231,657	\$8,847	4.0%
Maintenance	\$147,176	\$151,791	\$4,615	3.1%
Billing and Collecting	\$335,087	\$359,319	\$24,232	7.2%
Community Relations	\$3,339	\$1,684	-\$1,654	-49.6%
Administrative and General	\$435,302	\$457,589	\$22,287	5.1%
Total	\$1,143,713	\$1,202,039	\$58,326	5.1%
%Change (year over year)		5.1%		

2012 Actual Vs. 2011 Actual

The largest variance of \$24K is reflected in the Billing and Collecting category. The smart meters were operational in 2012 and new costs associated with meter reading and data storage increased the billing and collecting expenses in 2012 by \$22K. Software support and IT requirements also increased by \$6K. The Administrative and General expense category also shows an increase of \$22K in 2012, which was directly related to IFRS consulting fees of \$20K, and an overlap in wages for a retiree \$30K. The two increases were offset by the removal of the LPP penalty of \$(14K) from the prior year, and reduced building maintenance \$(12K).

Table 4.6 - 2013 Actual Vs. 2012 Actual

	2012	2013	Variance	% of Variance
Operations	\$231,657	\$228,491	-\$3,165	-1.4%
Maintenance	\$151,791	\$190,006	\$38,215	25.2%
Billing and Collecting	\$359,319	\$400,546	\$41,227	11.5%
Community Relations	\$1,684	\$1,286	-\$398	-23.7%
Administrative and General	\$457,589	\$434,567	-\$23,022	-5.0%
Total	\$1,202,039	\$1,254,896	\$52,857	4.4%
%Change (year over year)		4.4%		

In 2013 maintenance activities increased by \$38K. There was no one single cause or event for the increase: maintenance of poles +\$9K; conductor +\$9K; services +\$9K; transformers +\$8K; and tree trimming +\$5K. Billing and collecting increased by \$41K in 2013, directly related to an overlap for the retiring billing supervisor \$30K. Bad debt also increased by \$6K from prior year. Administrative and General returned to normal with the removal of the 2012 overlap in wages.

Table 4.7 - 2014 Actual Vs. 2013 Actual

	2013	2014	Variance	% of Variance
Operations	\$228,491	\$291,184	\$62,692	27.4%
Maintenance	\$190,006	\$171,743	-\$18,263	-9.6%
Billing and Collecting	\$400,546	\$387,608	-\$12,939	-3.2%
Community Relations	\$1,286	\$2,853	\$1,567	121.9%
Administrative and General	\$434,567	\$386,773	-\$47,794	-11.0%
Total	\$1,254,896	\$1,240,159	-\$14,736	-1.2%
%Change (year over year)		-1.2%		

2014 shows an overall decrease in OM&A from prior year \$(14K). Operations reflects an increase of \$62K from a change in practice for health and safety related expenses. Health and safety training, services, and supplies were removed from the labour burden accounts and charged to distribution operations. The labour burden rate was adjusted/reduced as the offset to ensure the overall impact to the total OM&A costs were below the materiality threshold - \$6K reduction to OM&A overall (illustrated below). This was the only change to OM&A as a result of the change in capitalized overhead, ensuring no training costs are capitalized

Table 4.8 – 2014 – Change to Health and Safety and Burden Rate

2014 - Change to Health & Safety and Labour Burden	Total Labour	OM&A Labour	Capital Labour	Recoverable Labour
	100%	72%	22%	6%
Existing burden before Health & Safety change				
Gross Payroll - no burden	740,913.94	533,458.04	163,001.07	44,454.84
Burden rate before change	60%	60%	60%	60%
Total Labour Burden	444,548.36	320,074.82	97,800.64	26,672.90
Change - reduced burden rate - removing Health and Safety expenses				
Gross - no burden	740,913.94	533,458.04	163,001.07	44,454.84
Burden rate change - reduced 8%	52%	52%	52%	52%
Total Burden	385,275.25	277,398.18	84,760.55	23,116.51
Reduced Burden Impact	(59,273.12)	(42,676.64)	(13,040.09)	(3,556.39)
Add Health and Safety to Operations	36,789.00	36,789.00		
Total impact	(22,484.12)	(5,887.64)	(13,040.09)	(3,556.39)

Operations also saw an increase in apprenticeship training of \$12K in 2014. Administrative and General reflects a \$48K decrease, with the largest impact being the end of the amortization period for the 2010 CoS regulatory expense of \$(32K).

Table 4.9 - 2015 Actual Vs. 2014 Actual

	2014	2015	Variance	% of Variance
Operations	\$291,184	\$311,428	\$20,244	7.0%
Maintenance	\$171,743	\$171,109	-\$633	-0.4%
Billing and Collecting	\$387,608	\$417,963	\$30,355	7.8%
Community Relations	\$2,853	\$1,688	-\$1,165	-40.8%
Administrative and General	\$386,773	\$427,970	\$41,197	10.7%
Total	\$1,240,159	\$1,330,158	\$89,999	7.3%
%Change (year over year)		7.3%		

During 2015, RHI tested all transformers for PCB's causing an increase in Operation expense of \$34K, offset by reduced supply purchases of (\$20K). RHI also had to move to a new garage and warehouse in July of 2015 which increased rent by \$9K. RHI changed billing and software service providers in 2015 creating better collaborative support and assistance, as billing requirements become more and more complex. RHI incurred an extra \$30K in overlap costs during the transition period. Administrative and General expenses increased by \$41K in 2015. RHI's administrative staff also moved to the new location in 2015 allowing all departments to be located under one roof creating improved synergies within departments and customer service. The move incurred some additional costs for 2015, +\$8K new office rent and \$25K in labour and expenses related to the move. RHI also incurred additional costs relating to the imminent retirement of its president and CEO in 2016. 2015 recruiting and overlap totaled +\$20K.

Table 4.10 - 2016 Bridge Vs. 2015 Actual

	2015	2016	Variance	% of Variance
Operations	\$311,428	\$282,542	-\$28,886	-9.3%
Maintenance	\$171,109	\$189,934	\$18,825	11.0%
Billing and Collecting	\$417,963	\$433,355	\$15,392	3.7%
Community Relations	\$1,688	\$3,000	\$1,312	77.7%
Administrative and General	\$427,970	\$519,091	\$91,121	21.3%
Total	\$1,330,158	\$1,427,921	\$97,763	7.3%
%Change (year over year)		7.3%		

For 2016, Operating expenses returns to normal with the completion of the transformer PCB testing \$(34K), but is offset by the additional full year of the increased garage rental space +8K. Maintenance reflects an increase of \$18K as RHI allocated \$17K for the first of a four year plan to remove transformers with pcb contamination. Administrative and General expenses reflect an increase of \$91K, with the major contributors being the remaining overlap period for the president and CEO position including increased burden rates for the increase in benefit premiums +\$50K. Additional increases relate to the Safety Survey +\$10K, and Customer Satisfaction Survey +\$10K, and the full year of the rent for the new office location +\$8K.

Table 4.11 - 2017 Test Vs. 2016 Bridge

	2016	2017	Variance	% of Variance
Operations	\$282,542	\$296,946	\$14,404	5.1%
Maintenance	\$189,934	\$196,759	\$6,825	3.6%
Billing and Collecting	\$433,355	\$467,660	\$34,305	7.9%
Community Relations	\$3,000	\$6,000	\$3,000	100.0%
Administrative and General	\$519,091	\$581,915	\$62,824	12.1%
Total	\$1,427,921	\$1,549,280	\$121,359	8.5%
%Change (year over year)		8.5%		

For 2017, RHI allocated an additional \$15K to replenish operation supplies and return to normal average spending in this category. The budget for supplies was reduced for the 2015 and 2016 years. Billing and collecting reflects an increase of \$34K from prior year as RHI allocated \$28K for additional mailing and billing costs attributed to the planned change of the bi-monthly billing cycle to monthly. This will allow our customers to better monitor and manage their electricity costs. Administrative and General reflects an increase of \$62K, with the main contributors being: the first year of amortization for the regulatory costs associated with the cost of service application +\$53K and increased annual regulatory assessments +\$10K.

OEB Appendix 2-L Recoverable OM&A Cost per Customer and per FTE below, outlines the cost per customer per full time employee. This information is provided for the 2010 to 2017 period, in accordance with the OEB's minimum filing requirements, discussions of cost per customer follows the Appendix.

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

	2010	2011	2012	2013	2014	2015	2016	2017
Reporting Basis								
Number of Customers	4,155	4,183	4,201	4,220	4,250	4,270	4,290	4,310
Total Recoverable OM&A	1,041,099	1,143,713	1,202,039	1,254,896	1,240,159	1,330,158	1,427,921	1,549,280
OM&A cost per customer	\$251	\$273	\$286	\$297	\$292	\$312	\$333	\$359
Number of FTEs	10.80	10.00	10.17	10.79	11.00	10.00	10.08	10.25
Customers/FTEs	385	418	413	391	386	427	425	420
OM&A Cost per FTE	\$96,398	\$114,371	\$118,233	\$116,284	\$112,742	\$133,016	\$141,612	\$151,149

As shown in the OEB appendix above, the OM&A costs per customer in the Test Year has increased since 2010. The problem which the utility is faced with is that despite that fact that the customer numbers indicate little to no growth, investments in its customer service and investments in its infrastructure (repairs and maintenance) are still required.

On the up side, according to the 2014 Yearbook of Electricity Distributors released by the OEB on July 31, 2015, RHI's 2014 OM&A cost per customer of \$292 is still below the provincial average of \$339 per customer.

Total cost per customer is calculated as:

$$\frac{\text{Operating Expenses}}{\text{Total Number of Customers serviced by RHI}}$$

Program Delivery Costs with Variance Analysis

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

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

Program Overview

RHI aims to meet or exceed the system maintenance and inspection requirements of the Ontario Energy Board's Distribution System Code (DSC) in order to minimize subsequent repair and/or replacement costs. Section 4.4.1, of the DSC states:

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

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

Customer Focus

- Community Relations
- Customer Service, Mailing Costs, Billing and Collections
- Bad Debts
- Service Locates
- Low Income Energy Assistance Program

Operational Effectiveness

- Municipal Substation – operating and maintenance costs
- Meters operations and maintenance
- Distribution Transformers – operating and maintenance costs
- Overhead - operations and maintenance
- Underground operations and maintenance
- Tree trimming
- Miscellaneous distribution operational expenses
- Health & Safety Costs
- Warehouse and Garage Building Costs
- Management and Administration
- Office, Advertising, Memberships, and Miscellaneous
- Office Building
- Post-employment benefit costs

Public and Regulatory Responsiveness

- Insurance
- Regulatory & Compliance
- Legal & Accounting
- Penalties - LPP

Each program is discussed further below.

1 **CUSTOMER FOCUS**

2 **Community Relations**

3 The costs included in the Community Relations category are related to activities to
4 promote the development of customer and community relationships. RHI is committed to
5 providing relevant and timely consumer information to its over 4,250 customers,
6 including proactive communications as it relates to the local distribution system and
7 related electricity issues that impact ratepayers. RHI understands the importance of
8 educating consumers on electrical safety, managing their electricity bill, creating a
9 culture of conservation, and CDM program delivery.

10 **Customer Service, Mailing Costs, Billing and Collections**

11 This program focuses on frontline contact with customers, the preparation of customer
12 bills and the collection of the billed amounts owing.

13 The **Customer Service** department is responsible for handling day to day customer
14 inquiries in regards to their accounts and fielding numerous other questions as they
15 relate to Government and Regulatory policy, conservation and demand management,
16 pricing and consumption inquiries. In addition to this function, the staff are also
17 responsible for processing payments, customer move ins and outs, activations of our
18 Equal Payment program, and numerous other administrative tasks. This department
19 fields over 9,000 calls per year. As the number of electricity end users in our service
20 area increases and changes occur within Ontario's electricity market, RHI's call and
21 correspondence volumes will continue to increase.

22 The **Billing Department** is responsible for all billing activities supporting approximately
23 4,250 customers in RHI's service area. The bills must be correctly computed using
24 approved rates and include the necessary rate riders, rate adders, loss factors and other
25 regulated rates and charges. In 2015 RHI had a billing accuracy rate of 99.54%. RHI has
26 included a provision in the 2017 billing costs for a change to a monthly billing cycle
27 which will result in RHI issuing over 51,000 invoices annually in addition to
28 approximately 300 final bills for customers moving within or outside of RHI's service

1 territory annually. The Billing Department is also responsible for managing Electronic
2 Business Transactions (“EBT”) and retailer settlement functions for 160 retailer
3 accounts; account adjustments; processing of meter changes (e.g. re-verification) and
4 other various account related field service orders; and mailing services.

5 In addition to customer service and billing, the front office staff are also responsible for
6 managing delinquent accounts. **Collection activity** is not exclusive to overdue
7 accounts, it also includes the adoption and continued application of a prudent Credit
8 Policy and the Customer Service Amendments consistent with the OEB’s Distribution
9 System Code. RHI utilizes an extensive early collections process to minimize the
10 number of accounts that near the disconnection stage. Following the implementation of
11 the recent regulations for the handling of arrears management, RHI Collections
12 Department has installed processes to ensure that collection activities adhere to
13 regulatory requirements. Consequently, this has resulted in RHI spending more time
14 than in previous years managing customers who fall behind in their payments. Active
15 accounts are collected through phone calls, notices, and hand delivered letters. Overdue
16 final accounts are assigned to a Collection Agency after all internal attempts at collection
17 have been exhausted.

18 **Bad Debts**

19 Unfortunately, RHI has experienced an increase in its bad debt expense over the last
20 few years. This can be attributed to an overall decline in the economy, and increased
21 electricity rates. RHI offers a number of billing and payment options to assist customers
22 in managing their electricity costs including an equalized monthly payment plan, arrears
23 management program, and credit card payments. In addition, customers can view their
24 usage and manage their consumption using an online application.

25 **Service Locates**

26 A small portion of RHI’s distribution system is buried. Whenever RHI customers are
27 preparing to excavate they contact Ontario One Call to request that a Locate be
28 performed. Ontario One Call relays the customer’s request to RHI. An RHI employee
29 fulfills the request within the mandated 5 business day window (valid for 30 calendar

1 days) and provides the data directly to the requesting customer so the customer can
2 safely commence their planned excavation. This is a reactive activity and in a typical
3 year RHI responds to over 650 locate requests.

4 **Low Income Energy Assistance Program**

5 RHI has partnered with the County of Renfrew Social Services (Ontario Works
6 Department) to assist in this program intended to provide emergency relief to eligible
7 low-income customers who may be experiencing difficulty paying current arrears. RHI
8 collects money from ratepayers for LEAP EFA in the amount approved by the OEB, and
9 transfers funds to our lead agency. More details on this program can be found in
10 Ex.4/Tab 7/Sch. 1.

OPERATIONAL EFFECTIVENESS

Substation – Operations and Maintenance

RHI owns and operates five (5) municipal substations throughout its service territory. Substation inspections are performed on a monthly basis to identify any potential issues such as excessive vegetation growth, leaks or other signs of damage or unsafe conditions. In addition to monthly inspections, each substation is scheduled for full shutdown and maintenance every five years (one per year). Electrical testing and oil analysis is performed by a third party firm specializing in substation maintenance.

Meters – Operations and Maintenance

RHI owns and maintains approximately 4,270 meters installed on its customers' premises for the purpose of measuring energy consumption of electricity for billing purposes. Meters vary in type by customer and include meters capable of measuring kWh consumption, kW demand and kVA, as well as hourly interval data. New meters are installed and tested for accuracy. Readings from the meters are monitored daily and any stopped meters are immediately investigated, repaired, and/or replaced.

Distribution Transformers – Operations and Maintenance

The distribution system consists of pad mount and pole mount transformers of applicable primary and secondary voltages and sizes. The majority of the transformers are 50kVA servicing a largely residential customer base.

RHI records all relevant information on its transformers at time of installation and stores the information in its GIS system. The data recorded includes, but not limited to mount type, size, age, voltage, condition, and location.

RHI visually inspects transformers during system patrols. The inspection of transformers includes:

Polemount Transformers:

- Paint condition and corrosion
- Phase indicators and unit numbers match operating map
- Leaking oil
- Flashed or cracked insulators
- Contamination/discolouration of bushings
- Ground lead attachments
- Damaged disconnect switches or lightning arresters
- Ground wire on arresters unattached

Padmount Transformers:

- Paint condition and corrosion
- Placement on pad or vault
- Check for lock and penta bolt in place or damage
- Grading changes
- Access changes (Shrubs, trees etc.)
- Phase indicators and unit numbers match operating map (where used)
- Leaking oil
- Lid Damage, missing bolts, cabinet damage
- Cable connections
- Ground connections
- Nomenclature
- Animal nests/damage
- General Condition

RHI performs maintenance on any transformers which are identified by visual inspection as needing work. This work may include replacement of connections if found to be hot, painting or replacement of unit if leaking.

Overhead and Underground– Operations and Maintenance

RHI's strategy is to provide safe, reliable service at an appropriate level of quality and price throughout the licensed service area. RHI's maintenance strategy is an important

1 part of its overall strategy of minimizing the life cycle costs of assets by minimizing
2 reactive and emergency-type work, through an effective planned maintenance program
3 (including predictive and preventative actions). These strategies are implemented
4 through policies and work practices that promote a good experience for the customer
5 with regard to safety, security of supply, continuity of service, the timely restoration of
6 service and the minimization of undesirable service conditions. RHI's customers receive
7 high quality services and customers see that the system is in a state of good repair, that
8 crews are engaged in inspection, testing, cleaning, and verification activities.

9 Increasingly however, RHI's assets and services are less visible – underground
10 conductors encased in conduits; Smart Meters that do not need to be read manually;
11 and, in the future system monitoring (e.g. for voltage sag, line balancing, and system
12 studies) via electronic devices that communicate wirelessly and provide near-real time
13 analysis that has less of an impact on customers.

14 RHI's customer responsiveness and system reliability are monitored continually to
15 ensure that its maintenance strategy is effective. This effort is coordinated with RHI's
16 capital project work, so that maintenance programs help to identify those areas that
17 require capital investments. RHI is then able to adjust its capital spending priorities to
18 address these matters.

19 RHI's overhead and underground operations and maintenance expenses include all
20 costs relating to the operation and maintenance of the RHI distribution system. This
21 includes both direct labor costs and non-capital material spending to support both
22 scheduled and reactive maintenance events.

23 Maintenance work performed outside of the capital budget accounts is captured through
24 the operating maintenance accounts. This work can be either planned or unplanned.
25 Maintenance and operating budgets are typically prepared based on historical values.
26 Inspections identify immediate concerns. Except for the pole replacements, transformer
27 replacements, and wire replacements; the bulk of the concerns will be charged to
28 maintenance. It is expected that the maintenance budget will be fully utilized with the
29 normal volume of maintenance work.

1 **Vegetation Management (Tree Trimming)**

2 To manage the tree trimming activities for RHI, the distribution area is split into 5
3 vegetation management zones. To reduce costs the work is accomplished by RHI crews
4 in winter when other maintenance activities are minimal due to weather and low
5 customer demand for new services.

6 Tree trimming is a critical element of the overall maintenance program that brings
7 measurable results to the utility. RHI is proactive to minimize the destructive impact
8 caused by trees.

9 **Miscellaneous Distribution – Operational Expenses**

10 This includes the cost incurred in the distribution system operation not provided
11 elsewhere. It includes, but is not limited to, labour involved in general record keeping,
12 mapping, trouble reports, operating records, and miscellaneous distribution office
13 supplies.

14 **Health and Safety Costs**

15 RHI's Health and Safety costs consist of training the staff in Occupational Health &
16 Safety Management Systems using a formal "Plan, Do, Check, and Act" process that
17 ensures all employees understanding their accountability for:

- 18 • Identifying, reacting to, and mitigating risk in the workplace
- 19 • Acting within compliance and safety work practice codes
- 20 • Developing preventable measures and objectives tied to performance
- 21 • Monitoring and conducting corrective action, as necessary

22 **Warehouse and Garage Building Rent**

23 This includes the rent of the warehouse and garage building.

1 **Management and Administration**

2 This program includes the management and administrative costs incurred as part of the
3 utility's business operations. These costs include the labour time for general accounting,
4 policy development and human resources. This program also covers the preparation of
5 statutory, management and financial reporting; accounts payable and general
6 accounting, treasury functions; internal control functions; preparation of consolidated
7 budgets and forecasts; and tax compliance. The executive team is responsible for the
8 decision making for all financial and non-financial aspects of the utility.

9 **Office, Advertising, Memberships, and Miscellaneous**

10 This program includes the costs of office supplies, general advertising, company
11 memberships and miscellaneous administration expenses.

12 **Office Building**

13 This includes the office building rent, utilities, and general repairs and maintenance to
14 the building.

15 **Post-Employment Benefits**

16 This program includes the costs of providing post-employment benefits such as health
17 care benefits, life insurance and other benefits provided to employees after retirement.

18 **Insurance**

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

21 **Regulatory Compliance**

22 These program costs are related to RHI's commitment to comply with Ontario's evolving
23 energy market, changing government policy and evolving regulatory framework. The
24 increased complexity in the regulatory environment, such as RRFE, the Distribution

1 System Plan, etc. all can increase spending. RHI constantly searches for ways to
2 minimize costs and improve efficiencies through collaboration with CHEC and Utility
3 Collaborative Services, sharing costs, and developing synergies with other utilities.

4 **Legal and Accounting**

5 This program includes the costs of the auditor, consultants, and legal costs incurred
6 annually as part of the utility's business operations.

7 **Penalties – LPP**

8 This was a one-time cost in 2011 for which the utility had no control over.

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

Appendix 2 – JC shows RHI's OM&A programs for 2010 Board Approved to 2017 and Table 4.12 shows the year over year variances of OM&A programs for 2010 Board Approved to the 2017 Test Year. A variance analysis of expenses exceeding the materiality threshold follows the table. RHI notes that prior to 2014, the programs listed at the previous schedule and presented in the table below were not in place. The utility carefully selected and adopted these programs based on a review of OM&A Programs that were introduced in recent Cost of Service applications. The utility fully plans on using, tracking and reporting on these programs on a go forward basis. The utility expects that these OM&A Programs will evolve and change over time.

OEB Appendix 2-JC – OM&A Programs Table

										Test Year Versus Last Rebasing	Test Year Versus Most Current Actuals
Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	NEWGAAP	NEWGAAP	MIFRS	MIFRS	MIFRS		
Programs	2010 BA	2010 Actual	2011	2012	2013	2014	2015	2016	2017	Variance (\$)	Variance (\$)
Customer Focus											
Community Relations	\$1,000.00	\$2,022.07	\$3,338.75	\$1,684.35	\$1,285.87	\$2,852.87	\$1,688.17	\$3,000.00	\$6,000.00	\$5,000.00	\$4,311.83
Customer Service, Mailing Costs, Billing and Collections	\$303,238.00	\$271,915.44	\$292,893.49	\$337,915.48	\$373,283.09	\$354,230.24	\$387,468.78	\$400,354.52	\$433,988.00	\$130,750.00	\$46,519.22
Bad Debts	\$25,000.00	\$80,296.92	\$42,193.72	\$21,403.40	\$27,262.97	\$33,377.26	\$30,493.74	\$33,000.00	\$33,672.00	\$8,672.00	\$3,178.26
Service Locates	\$19,591.00	\$18,926.30	\$11,769.94	\$10,765.18	\$21,645.72	\$25,883.11	\$27,971.07	\$29,891.00	\$30,612.00	\$11,021.00	\$2,640.93
Low Income Energy Assistance Program			\$2,500.00	\$2,500.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$0.00
Sub-Total	\$348,829.00	\$373,160.73	\$352,695.90	\$374,268.41	\$428,477.65	\$421,343.48	\$452,621.76	\$471,245.52	\$509,272.00	\$160,443.00	\$56,650.24
Operational Effectiveness											
Municipal Substation - O&M	\$41,209.00	\$48,148.83	\$37,063.75	\$33,898.66	\$34,007.75	\$36,589.94	\$35,726.43	\$45,566.00	\$40,587.00	-\$622.00	\$4,860.57
Meters - O&M	\$31,271.00	\$25,291.92	\$35,506.78	\$25,672.15	\$32,640.27	\$26,680.81	\$30,056.30	\$21,421.00	\$23,874.00	-\$7,397.00	-\$6,182.30
Transformers - O&M	\$43,863.00	\$6,389.71	\$21,067.89	\$11,899.90	\$14,710.26	\$15,281.19	\$51,080.45	\$39,595.00	\$38,565.00	-\$5,298.00	\$12,515.45
Overhead - O&M	\$121,429.00	\$96,490.58	\$116,700.35	\$101,102.42	\$113,808.48	\$132,944.25	\$98,778.21	\$96,190.00	\$113,058.00	-\$8,371.00	\$14,279.79
Underground lines - O&M	\$4,927.00	\$643.33	\$1,123.87	\$1,665.42	\$4,779.73	\$3,005.01	\$9,195.89	\$9,598.00	\$9,805.00	\$4,878.00	\$609.11
Tree trimming	\$102,455.00	\$114,719.10	\$92,884.17	\$119,067.95	\$124,177.81	\$109,371.11	\$106,991.16	\$104,699.00	\$109,556.00	\$7,101.00	\$2,564.84
Miscellaneous distribution operational expenses	\$42,882.00	\$35,024.96	\$37,491.49	\$62,928.74	\$56,206.98	\$59,783.41	\$64,545.81	\$60,688.00	\$62,090.00	\$19,208.00	-\$2,455.81
Health & Safety Costs						\$36,789.96	\$32,095.36	\$30,664.00	\$31,346.00	\$31,346.00	-\$749.36
Warehouse and Garage Building Rent	\$16,000.00	\$16,310.00	\$16,376.74	\$16,446.74	\$16,520.32	\$16,597.52	\$26,096.80	\$34,163.76	\$34,212.00	\$18,212.00	\$8,115.20

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Exhibit 4 – Operating Expenses
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Management and Administration	\$197,929.00	\$180,332.88	\$184,471.27	\$218,479.62	\$202,272.33	\$202,430.34	\$225,687.14	\$285,265.00	\$292,053.00	\$94,124.00	\$66,365.86
Office, Advertising, Memberships, and Miscellaneous	\$47,685.00	\$57,078.27	\$68,858.35	\$78,037.54	\$69,544.88	\$75,970.87	\$80,474.52	\$77,719.00	\$77,933.00	\$30,248.00	-\$2,541.52
Office Building	\$10,500.00	\$19,081.35	\$45,231.43	\$33,323.86	\$28,803.81	\$21,878.33	\$55,351.23	\$51,789.48	\$42,698.00	\$32,198.00	\$12,653.23
Post-Employment Benefits	\$33,500.00	\$29,481.03	\$22,599.32	\$26,366.72	\$30,209.75	\$25,714.96	\$2,468.56	\$24,604.00	\$29,460.00	-\$4,040.00	\$26,991.44
Sub-Total	\$693,650.00	\$628,991.96	\$679,375.41	\$728,889.72	\$727,682.37	\$763,037.70	\$818,547.86	\$881,962.24	\$905,237.00	\$211,587.00	\$86,689.14
Public and Regulatory Responsiveness											
Insurance	\$10,000.00	\$9,064.02	\$9,643.19	\$7,049.71	\$10,194.71	\$10,642.32	\$8,640.84	\$11,215.00	\$11,455.00	\$1,455.00	\$2,814.16
Regulatory compliance	\$61,050.00	\$12,090.05	\$57,566.20	\$46,106.42	\$44,712.10	\$12,057.17	\$12,201.76	\$32,040.00	\$85,200.00	\$24,150.00	\$72,998.24
Legal & Accounting	\$36,300.00	\$17,792.35	\$29,978.55	\$45,724.66	\$43,829.05	\$33,078.75	\$38,145.98	\$31,458.32	\$38,116.00	\$1,816.00	-\$29.98
Penalties - LPP			\$14,453.29								
Sub-Total	\$107,350.00	\$38,946.42	\$111,641.23	\$98,880.79	\$98,735.86	\$55,778.24	\$58,988.58	\$74,713.32	\$134,771.00	\$27,421.00	\$75,782.42
TOTAL OM&A	1,149,829	1,041,099	1,143,713	1,202,039	1,254,896	1,240,159	1,330,158	1,427,921	1,549,280	399,451	219,122
Integrity Check	1,149,829	1,041,099	1,143,713	1,202,039	1,254,896	1,240,159	1,330,158	1,427,921	1,549,280		

1

Table 4.12: OM&A Programs Variances

Reporting Basis	2010 BA	2010	2011	2012	2013	2014	2015	2016
Programs	To 2010	vs	vs	vs	vs	vs	vs	vs
	Actual	2011	2012	2013	2014	2015	2016	2017
Customer Focus								
Community Relations	\$1,022.07	\$1,316.68	-\$1,654.40	-\$398.48	\$1,567.00	-\$1,164.70	\$1,311.83	\$3,000.00
Customer Service, Mailing Costs, Billing and Collections	-\$31,322.56	\$20,978.05	\$45,021.99	\$35,367.61	-\$19,052.85	\$33,238.54	\$12,885.74	\$33,633.48
Bad Debts	\$55,296.92	-\$38,103.20	-\$20,790.32	\$5,859.57	\$6,114.29	-\$2,883.52	\$2,506.26	\$672.00
Service Locates	-\$664.70	-\$7,156.36	-\$1,004.76	\$10,880.54	\$4,237.39	\$2,087.96	\$1,919.93	\$721.00
Low Income Energy Assistance Program	\$0.00	\$2,500.00	\$0.00	\$2,500.00	\$0.00	\$0.00	\$0.00	\$0.00
Sub-Total	\$24,331.73	-\$20,464.83	\$21,572.51	\$54,209.24	-\$7,134.17	\$31,278.28	\$18,623.76	\$38,026.48
Operational Effectiveness								
Municipal Substation - O&M	\$6,939.83	-\$11,085.08	-\$3,165.09	\$109.09	\$2,582.19	-\$863.51	\$9,839.57	-\$4,979.00
Meters - O&M	-\$5,979.08	\$10,214.86	-\$9,834.63	\$6,968.12	-\$5,959.46	\$3,375.49	-\$8,635.30	\$2,453.00
Transformers - O&M	-\$37,473.29	\$14,678.18	-\$9,167.99	\$2,810.36	\$570.93	\$35,799.26	-\$11,485.45	-\$1,030.00
Overhead - O&M	-\$24,938.42	\$20,209.77	-\$15,597.93	\$12,706.06	\$19,135.77	-\$34,166.04	-\$2,588.21	\$16,868.00
Underground lines - O&M	-\$4,283.67	\$480.54	\$541.55	\$3,114.31	-\$1,774.72	\$6,190.88	\$402.11	\$207.00
Tree trimming	\$12,264.10	-\$21,834.93	\$26,183.78	\$5,109.86	-\$14,806.70	-\$2,379.95	-\$2,292.16	\$4,857.00
Miscellaneous distribution operational expenses	-\$7,857.04	\$2,466.53	\$25,437.25	-\$6,721.76	\$3,576.43	\$4,762.40	-\$3,857.81	\$1,402.00
Health & Safety Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$36,789.96	-\$4,694.60	-\$1,431.36	\$682.00
Warehouse and Garage Building Rent	\$310.00	\$66.74	\$70.00	\$73.58	\$77.20	\$9,499.28	\$8,066.96	\$48.24
Management and Administration	-\$17,596.12	\$4,138.39	\$34,008.35	-\$16,207.29	\$158.01	\$23,256.80	\$59,577.86	\$6,788.00
Office, Advertising, Memberships, and Miscellaneous	\$9,393.27	\$11,780.08	\$9,179.19	-\$8,492.66	\$6,425.99	\$4,503.65	-\$2,755.52	\$214.00
Office Building	\$8,581.35	\$26,150.08	-\$11,907.57	-\$4,520.05	-\$6,925.48	\$33,472.90	-\$3,561.75	-\$9,091.48
Post-Employment Benefits	-\$4,018.97	-\$6,881.71	\$3,767.40	\$3,843.03	-\$4,494.79	-\$23,246.40	\$22,135.44	\$4,856.00
Sub-Total	-\$64,658.04	\$50,383.45	\$49,514.31	-\$1,207.35	\$35,355.33	\$55,510.16	\$63,414.38	\$23,274.76
Public and Regulatory Responsiveness								
Insurance	-\$935.98	\$579.17	-\$2,593.48	\$3,145.00	\$447.61	-\$2,001.48	\$2,574.16	\$240.00
Regulatory compliance	-\$48,959.95	\$45,476.15	-\$11,459.78	-\$1,394.32	-\$32,654.93	\$144.59	\$19,838.24	\$53,160.00
Legal & Accounting	-\$18,507.65	\$12,186.20	\$15,746.11	-\$1,895.61	-\$10,750.30	\$5,067.23	-\$6,687.66	\$6,657.68
Penalties - LPP	\$0.00	\$14,453.29	-\$14,453.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sub-Total	-\$68,403.58	\$72,694.81	-\$12,760.44	-\$144.93	-\$42,957.62	\$3,210.34	\$15,724.74	\$60,057.68
TOTAL Variance	-\$108,729.89	\$102,613.43	\$58,326.38	\$52,856.96	-\$14,736.46	\$89,998.78	\$97,762.88	\$121,358.92

2

3

Variance Analysis Programs Discussion:

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

Customer Service, Mailing Costs, Billing and Collections

The variance in 2017 Test to 2010 Board Approved reflects an increase of \$130,750. There are three main reasons for the increase. The smart meter operational and meter reading costs were not included in the 2010 Board Approved values. Smart meters are a regulatory requirement and RHI implementation of the Smart Meter initiative was far below the average cost in the industry and involved a partnership with other utilities to implement at least cost and minimal functionality. The 2017 projected costs for this is \$50K.

Billing Software support and IT requirements have increased by \$28K since 2010. Postage costs have also increased by \$28K, which includes the impact of changing to a monthly billing cycle for 2017 and postage rate increases. RHI collaborates with other utilities on IT infrastructure for billing and metering to ensure costs are maintained as low as possible while at the same time maintaining the security of the data of the customer. The move to monthly billing is a regulatory requirement and postage costs are outside the utilities control.

Labour rate increases make up the majority of the remaining increases and for the most part are regular cost of living increases plus increases in benefits costs from our insurer.

The variance in 2017 Test to 2015 Actual reflects an increase of \$46,519. RHI allocated \$28K for additional mailing and billing costs attributed to the change in billing cycles, moving to a monthly billing cycle for residential and small business customers in 2017. Labour increases account for \$19K, which includes a 5% burden increase for the increase in health and dental premiums.

Management and Administration

The variance in 2017 Test to 2010 Board Approved reflects an increase of \$94,124. RHI has had retirements in this area. In order to recruit for the positions, changes were made to the salary scales in order to provide more competitive packages to attract qualified candidates. As a small utility RHI has to compete with other larger utilities to attract qualified candidates and its compensation package needs to be competitive.

The variance in 2017 Test to 2015 Actual reflects an increase of \$66,365. As mentioned above, RHI made changes to the salary scales in 2015 in order to provide more competitive packages to attract qualified candidates. While RHI is not compensating at the same level as larger utilities it is competitive with smaller utilities and usually is successful in recruiting if it can find candidates originally from the local area and wanting to return home.

Regulatory Compliance

The variance in 2017 Test to 2015 Actual reflects an increase of \$72,998. The majority of this variance is caused from the forecast for expenses related to the 2017 Cost of Service Rate Application that would not have existed in 2015 (1/5 – \$53K). The 2010 Cost of Service expenses were fully amortized in 2013. RHI has also projected an increase of \$10K for the annual regulatory assessments, and \$10K for the annual costs relating to the Customer Service and Safety surveys. As these costs are unavoidable RHI has included them in the cost of service.

Compensation

Ex.4/Tab 4/Sch.1 - Employee Compensation

RHI's overall compensation philosophy for all employees is designed to be competitive and equitable in order to attract and retain qualified personnel in an industry that is facing an aging workforce and is very competitive for skilled resources. The compensation package includes a base wage and benefits package. RHI's workforce is comprised of both unionized and non-unionized employees. As explained in the description of the Corporate Organization at Ex.1/Tab 6/Sch.16 – RHI has 10 full time employees: President/CEO; Crew Leader; A field Working Foreman; A Secretary Treasurer; A Billing Supervisor, 2 Customer Service Reps and 3 linemen.

Compensation - Union

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

RHI's Collective Agreement with unionized staff provides for annual pay increases and employee step progressions. Labour rates and benefits are adjusted annually based on negotiated percentages as per the collective agreement. The current 4 year collective agreement commenced April 1, 2014 and will expire March 31, 2018. Wage increases were negotiated at 2.9% in year 1, 2.8% in year 2, 2.72% in year 3 and 2.4% in year 4. RHI has provided a copy of its Collective Agreement following this schedule.

Compensation – Non-Union

All non-union employees' compensation levels are reviewed by the President and the Board of Directors. The increase in total compensation paid to employees in non-union and management positions are attributable to cost of living increase and a provision for benefit coverage. A percentage of the staff's annual salary is invested in a pension plan.

Pension

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

Benefits

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

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

OEB Appendix 2-K presented on the next page details RHI's employee compensation.

In accordance with Board policy which states that: "Where there are three, or fewer, full-time equivalents (FTEs) in any category, RHI may aggregate this category with the category to which it is most closely related. This higher level of aggregation may be continued, if required, to ensure that no category contains three, or fewer FTEs". RHI has separated out Management for the employee count, but has aggregated all costs to ensure no category contained three or fewer.

OEB Appendix 2-K – Employee Compensation

	Board Approved	CGAAP	CGAAP	CGAAP	NEWGAAP	NEWGAAP	MIFRS	MIFRS	MIFRS
	2010	2010	2011	2012	2013	2014	2015	2016	2017
Number of Employees (FTEs including Part-Time)¹									
Management (including executive)	2.0	2.00	2.00	2.33	2.00	2.00	2.08	2.17	2.00
Non-Management (union and non-union)	8.8	8.00	8.17	8.46	9.00	8.00	8.00	8.08	8.00
Total	10.8	10.00	10.17	10.79	11.00	10.00	10.08	10.25	10.00
Total Salary and Wages including overtime and incentive pay									
Management (including executive)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Non-Management (union and non-union)	\$669,540.00	\$637,006.82	\$681,809.40	\$672,943.38	\$716,509.63	\$740,913.94	\$733,961.96	\$762,324.61	\$774,794.40
Total	\$669,540.00	\$637,006.82	\$681,809.40	\$672,943.38	\$716,509.63	\$740,913.94	\$733,961.96	\$762,324.61	\$774,794.40
Total Benefits (Current + Accrued)									
Management (including executive)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Non-Management (union and non-union)	\$198,928.00	\$169,265.70	\$188,387.01	\$191,536.17	\$203,144.06	\$206,689.56	\$207,722.13	\$231,847.87	\$233,944.34
Total	\$198,928.00	\$169,265.70	\$188,387.01	\$191,536.17	\$203,144.06	\$206,689.56	\$207,722.13	\$231,847.87	\$233,944.34
Total Compensation (Salary, Wages, & Benefits)									
Management (including executive)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Non-Management (union and non-union)	\$868,468.00	\$806,272.52	\$870,196.41	\$864,479.55	\$919,653.69	\$947,603.50	\$941,684.09	\$994,172.48	\$1,008,738.74
Total	\$868,468.00	\$806,272.52	\$870,196.41	\$864,479.55	\$919,653.69	\$947,603.50	\$941,684.09	\$994,172.48	\$1,008,738.74
Employee Costs Charged to OM&A	655,454.00	597,913.34	590,071.13	652,875.76	696,338.92	680,730.94	729,714.19	765,629.00	790,062.33
OM&A percentage of total	75%	74%	68%	76%	76%	72%	77%	77%	78%

Table 4.13 – Employee Compensation Variance Analysis

	CGAAP	CGAAP	CGAAP	NEWGAAP	NEWGAAP	MIFRS	MIFRS	MIFRS
	2010 Actual to 2010 BA	2011 to 2010	2012 to 2011	2013 to 2012	2014 to 2013	2015 to 2014	2016 to 2015	2017 to 2016
Management (including executive)	-	-	0.3	(0.3)	-	0.1	0.1	(0.2)
Non-Management (union and non-union)	(0.8)	0.2	0.3	0.5	(1.0)	-	0.1	(0.1)
Total	(0.8)	0.2	0.6	0.2	(1.0)	0.1	0.2	(0.3)
Management (including executive)	-	-	-	-	-	-	-	-
Non-Management (union and non-union)	(32,533.18)	44,802.58	(8,866.02)	43,566.25	24,404.31	(6,951.98)	28,362.65	12,469.79
Total	(32,533.18)	44,802.58	(8,866.02)	43,566.25	24,404.31	(6,951.98)	28,362.65	12,469.79
Management (including executive)	-	-	-	-	-	-	-	-
Non-Management (union and non-union)	(29,662.30)	19,121.31	3,149.16	11,607.89	3,545.50	1,032.57	24,125.74	2,096.47
Total	(29,662.30)	19,121.31	3,149.16	11,607.89	3,545.50	1,032.57	24,125.74	2,096.47
Management (including executive)	-	-	-	-	-	-	-	-
Non-Management (union and non-union)	(62,195.48)	63,923.89	(5,716.86)	55,174.14	27,949.81	(5,919.41)	52,488.39	14,566.26
Total	(62,195.48)	63,923.89	(5,716.86)	55,174.14	27,949.81	(5,919.41)	52,488.39	14,566.26
	-7.2%	7.9%	-0.7%	6.4%	3.0%	-0.6%	5.6%	1.5%

2010-2017 Variances, Increases above the materiality threshold

In 2011 the total RHI employee compensation increased by 7.9% or \$64K over the prior year. The two significant contributors were the annual contract increase of 3%, and a two month overlap for the replacement of a retiring lineman.

In 2013 the total RHI employee compensation increased by 6.4% or \$55K over the prior year. The two significant contributors were the annual contract increase of 3%, and a three month overlap for the replacement of our retiring Billing & Collections Supervisor.

In 2016 the total RHI employee compensation increased by 5.6% or \$52K over the prior year. There were three main contributors: the annual contract increase of 2.72%; a 2.5 month overlap for the replacement of RHI's retiring President; and a labour burden increase of 5% to account for 29% increase in benefit health and dental premiums.

Staffing and Compensation Strategy

RHI invests time and energy in identifying the high-level skills and knowledge of its workforce, that add the greatest value to its core business – in short, utilizing its skilled and trained workforce to undertake the work they are best qualified and trained to do, and contract out the remaining specialized and sometimes more menial and less core value added activities.

In doing so RHI has balanced its contracting out with the need to supplement its workforce, thereby maintaining a lower level of reliance on third party contractors, and utilizing its workforce to its best advantage for the customer and community.

Staffing and Compensation:

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

The salaries and wage amounts include all salaries and wages paid, inclusive of overtime, vacations, float holidays, sick leave, bereavement leave, union meetings and other

miscellaneous paid leave. The benefit amounts include the employer's portion of statutory benefits (CPP and EI), employer contributions to EHT, WSIB, OMERS and RHI's costs for providing extended health care, dental, long-term disability, life insurance and the Employee Assistance Program.

Employee Staffing Levels:

Management and union/non-union staffing levels have not changed since RHI's last Cost of Service Application. The only change in staffing levels has been during transition periods for retirement replacements or succession planning purposes. RHI has also hired part time students in prior years during the summer holiday season. There are no anticipated staffing increases for the 2017 Test Year.

OEB Appendix 2-K – Headcount (number of months worked per year)

Employees months worked per year	2010 BA	2010	2011	2012	2013	2014	2015	2016	2017
President/CEO (former)	12	12	12	12	12	12	12	2.5	
President/CEO (new)							1	12	12
Secretary-Treasurer (former)	12	12	12	12					
Secretary-Treasurer (new)				3.5	12	12	12	12	12
Billing & Collection Supervisor (former)	12	12	12	12	5				
Billing & Collection Supervisor (new)					11	12	12	12	12
Customer Service Representative (retiring)	12	12	12	12	12	12	12	11	
Customer Service Representative (new)								2	12
Customer Service Representative	12	12	12	12	12	12	12	12	12
Crew Leader	12	12	12	12	12	12	12	12	12
Working Foreman	12	12	12	12	12	12	12	12	12
Powerline Tech 1 (former)	12	12	7						
Powerline Tech 1 (new)			6	12	12	12	12	12	12
Powerline Tech 2 (former)	12	12	12	6					
Powerline Tech 2 (new)				3	12	12	12	12	12
Powerline Tech 3	12	12	12	12	12	12	12	12	12
Total Headcount	10	10	10	10	10	10	10	10	10

Benefit Program Costs

A detailed summary of benefit program costs are presented in Table 4.14. Statutory deductions have increased 19% between 2010 Actual and 2017 Test Year from statutory rate increases and wage increases. Company benefits have increased 46% over the same time period mainly due to OMERS contributory rate increases. Health and dental premium rates also increased by 29% in 2016.

RHI's latest Actuarial Report is found at the next page

Table 4.14: Benefit Expenses

	2010	2011	2012	2013	2014	2015	2016	2017
Benefit	Actual	Actual	Actual	Actual	Actual	Actual	Bridge	Test
Statutory								
CPP	22,077.56	24,482.00	23,485.71	25,317.40	24,818.78	25,023.39	25,450.00	26,079.10
EI	9,721.18	11,283.56	11,130.00	12,785.32	12,251.09	12,381.02	12,400.00	12,688.36
EHT	12,802.84	13,675.50	13,212.74	13,821.85	14,304.89	14,186.12	14,970.73	15,211.21
WSIB	7,278.36	7,472.98	6,666.19	7,118.17	7,148.21	7,253.82	7,754.07	7,878.63
Total Statutory	51,879.94	56,914.04	54,494.64	59,042.74	58,522.97	58,844.35	60,574.80	61,857.30
Company								
OMERS	44,734.86	53,846.97	59,973.99	70,167.78	75,372.06	76,699.33	81,344.52	82,473.00
Health	69,048.26	73,306.50	72,434.29	69,405.31	68,224.49	66,688.64	84,517.55	84,346.16
Life Insurance	3,602.64	4,319.50	4,633.25	4,528.23	4,570.04	5,489.81	5,405.00	5,267.88
Total Company	117,385.76	131,472.97	137,041.53	144,101.32	148,166.59	148,877.78	171,267.07	172,087.04
Total Benefit Costs	169,265.70	188,387.01	191,536.17	203,144.06	206,689.56	207,722.13	231,841.87	233,944.34

OMERS Pension Plan

RHI's employees are members of the Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan that most LDCs participate in, therefore the pension benefit provided to RHI's employees is consistent with that of other LDCs. The plan is a contributory defined benefit pension plan which is financed by equal contributions from the employer and employee based on the employee's contributory earnings. RHI's pension premium information is detailed in Table 4.14 above.

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Actuarial Report

2

Peter Martin, MA, FSA, FCIA
Consulting Actuary

**INAUGURAL VALUATION OF THE
POST RETIREMENT BENEFITS CONTINUATION
PROGRAM
AS OF DECEMBER 31, 2015
AND
ESTABLISHMENT OF ACCRUAL RATES
FOR
RENFREW HYDRO INC.**

March 31, 2016

Peter Martin, MA, FSA, FCIA
Consulting Actuary

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Purpose

The purpose of this report is to:

- present the results of our actuarial valuations as of December 31, 2014 and December 31, 2015 of your post retirement benefit (PRB) program of benefits and
- develop the accounting entries and disclosure items for your fiscal years ending December 31, 2014, and December 31, 2015, in compliance with International Accounting Standard 19, (Employee Benefits)
- develop projected accounting entries and disclosure items for your fiscal years ending December 31, 2016, and December 31, 2017

As requested by Renfrew Hydro Inc. ("Renfrew Hydro"), we have completed the inaugural review of Renfrew Hydro's **Post Retirement Benefits Continuation Program**. This inaugural review necessitates a valuation as at December 31, 2014, as well as at December 31, 2015:

- to establish the actuarial liability for all future payments that will be made on account of the Post Retirement Benefits Continuation program
- to establish the current accrual rate for future costs for 2016 onwards.

This accounting valuation has been completed using assumptions and presentations of results pursuant to IAS 19 for the valuation of retirement benefits. Specifically, the active life actuarial liability has been determined based on the projected benefit pro rata on service method of valuation. For this purpose, I used demographic information from Renfrew Hydro and the following key economic and other assumptions.

Economic And Other Assumptions For 2014 and 2015		
	At Dec. 31, 2014	At Dec. 31, 2015
Interest	CIA Accounting Valuation Yield Curve as at Dec. 31, 2014	CIA Accounting Valuation Yield Curve as at Dec. 31, 2015
Heath Inflation	0% in 2015 and 2016, then 8.66% in 2017 grading down to 5.0% in 2028	0% in 2015 and 2016, then 8.66% in 2017 grading down to 5.0% in 2028
Salary Inflation	2% per annum	2% per annum
Termination	Termination rates applicable to OMERS members with a NRA of 65 as per the Dec. 31, 2012 OMERS actuarial valuation	Termination rates applicable to OMERS members with a NRA of 65 as per the Dec. 31, 2012 OMERS actuarial valuation
Death Rates	Sex distinct 1994 Uninsured Pensioner mortality projected to 2020 and increased by 10% to approximate Canadian Pensioner Mortality with dynamic mortality projection	Sex distinct 1994 Uninsured Pensioner mortality projected to 2020 and increased by 10% to approximate Canadian Pensioner Mortality with dynamic mortality projection
Rates of Retirement	Termination rates applicable to OMERS members with a NRA of 65 who have and have not reached the earliest unreduced retirement age as per the Dec. 31, 2012 OMERS actuarial valuation	Termination rates applicable to OMERS members with a NRA of 65 who have and have not reached the earliest unreduced retirement age as per the Dec. 31, 2012 OMERS actuarial valuation

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The valuation results are sensitive to the assumptions:

- (1) A 1% increase in the interest rate decreases the actuarial liability by 14.1%;
- (2) A 1% increase in the rate of salary inflation increases the actuarial liability by 4.8%;
- (3) A 1% increase in the annual rate of retirement of health inflation increases the actuarial liability by 2.7%;
- (4) A decrease in the expected retirement age by 1 year increases the actuarial liability by 5.1%; and
- (5) A halving of the projected termination rates increases the actuarial liability by 4.4%.

Background

Renfrew Hydro maintains a Post Retirement Benefits Continuation Program (a “PRB”) for its early retirees who retire from active service¹. Renfrew Hydro will provide for 100% of the premiums charged for continued Health and Life Insurance² coverage from the date of early retirement to age 65.

Normal Retirement Age is 65, but employees may retire at any point after age 55. If they retire prior to age 65 their pension will be reduced unless their age plus qualifying service equals at least 90.

Health benefits continue until the age of 65. To qualify for them in addition to remaining in service until retirement employees must also have at least 20 years of qualifying service. Life insurance benefits continue beyond age 65 until death. The amount of the life insurance is one half of the life insured’s salary at retirement in the first 12 months following retirement decreasing linearly over ten years to one quarter of the life insured’s salary at retirement³.

¹ Those terminating and not immediately retiring are not entitled to any post-retirement benefits.

² Currently provided by a group contract with Great West Life through the MEARIE Group.

³ For three individuals, Robert Deyell, Michael Joyce, and Ronald McGee, the amount of insurance remains at 50% of their salaries at retirement and does not decrease.

Data Used

Demographic information was supplied as at December 31, 2014 and December 31, 2015. More detail regarding active employees and retirees may be found in the Appendices. There were 12 actives and 7 retirees at December 31, 2014, and 13 actives and 7 retirees at December 31, 2015. Premium rates in effect for 2015 through 2016 were supplied.

		Monthly Premiums	
		Before 8% Premium tax	After 8% Premium
Health	Single	\$120.24	\$129.86
	Family	\$304.10	\$328.43
Life	Per \$1000	\$3.297	\$3.561

Methods

- (1) Probabilities of termination and death are applied up to the earliest age at which retirement may occur, age 55;
- (2) From age 55 probabilities of retirement are applied in addition to the probabilities of termination and death;
- (3) Starting from the earliest age that at least age 55 with 20 years of service is attained, and applying the probabilities of continuance in employment until at least that age and to subsequent ages, an expected age of retirement with eligibility for the to 65 health benefit is determined. This is used to project the timing of the premiums for the health benefit;
- (4) Starting from age 55, and applying the probabilities of continuance in employment until at least that age and to subsequent ages, an expected age of retirement, which automatically carries eligibility for the life insurance benefit, is determined by applying the probabilities of retirement at that age and subsequent ages. This is used to project the timing of the premiums for the life insurance benefit;
- (5) Sex distinct 1994 Uninsured Pensioner Mortality projected to 2020, with an increase of 10% to approximate the rates of the Canadian Pensioner Mortality;
- (6) The probabilities of termination and of retirement by age, with the probabilities of retirement varying by whether unreduced early retirement is available, were based on the rates used in the actuarial valuation of the Ontario Municipal Employees' Retirement System, ("OMERS"), as at December 31, 2012;

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- (7) The future premiums are discounted for interest using the rates in the CIA accounting valuation yield curve as at Dec. 31, 2014 or Dec. 31, 2015, applicable to the time of the particular cash flows. Note that these two curves are both equivalent to using a flat rate of 4% for all discounting. The sum of the present values of the future premiums are the projected total cost of the benefit;
- (8) The present value of the health benefit is increased by 25%. This is because the premiums for post-retirement health benefits are the same as for pre-retirement health benefits, whereas actual health costs will be 20 to 25% higher for those 55 to 65 compared with younger participants;
- (9) For actives the projected total cost of the benefit is spread over the expected working career (the number of years from the date of hire to expected age of retirement) to determine the current service cost. The actuarial liability as at the valuation dates was then determined as the current service cost times the number of years of past service (date of hire to valuation date). In other words, the accrued actuarial liability for actives is the pro rata portion of projected total cost of the benefits based on total projected service. For retirees, the future premiums payable with respect to them are discounted for mortality and interest only.

Summary Of Valuation Results

Valuation Results		
	December 31, 2014	December 31, 2015
Active Lives	\$68,996	\$72,977
Retired Lives	\$120,174	\$104,683
Accrued Benefit Obligation (ABO)	\$189,170	\$177,660
Current Service Cost per active life	\$323	\$339
Number of active lives	12	13
Current Service Cost (Note 1)	\$3,876	\$4,407
average age of active lives	44.8	46.0
EARS� (Note 2)	\$19	17.5
Number of Retired Lives	7	7
Average age of retired lives	65.2	66.2
<p>Note 1 - Equals Current Service Cost per active life x Number of active lives. Current Service Cost is synonymous with the accounting term "Current Period</p> <p>Note 2 - EARS� is the Expected Average Remaining Service Lifetime of all actives.</p>		

Breakdown of Actuarial Liability			
	Liability	Dec. 31, 2014	Dec. 31, 2015
Active	Health	\$14,875	\$14,520
	Life Ins.	\$54,121	\$58,457
	Totals:	\$68,996	\$72,977
Retired	Health	\$37,084	\$19,956
	Life Ins.	\$83,091	\$75,489
	Totals:	\$120,174	\$95,445
TOTALS:		\$189,170	\$168,422

Plan Amendment Cost: \$189,170

The plan amendment cost is the actuarial liability at December 31, 2014. It represents the inaugural recognition of the cost of Renfrew Hydro's Post Retirement Benefits Continuation Program.

Peter Martin, MA, FSA, FCIA
Consulting Actuary

Actuarial Liability at December 31, 2014: \$189,170

The actuarial liability, as at December 31, 2015, has been developed as a provision of \$72,977 for the active lives, and of \$95,445 for the retired. This actuarial liability also includes a provision for premium tax of 8%.

Benefits Continuation Accrual of \$16,177 per annum for 2015

The recommended accrual is based on an annual rate of \$328 per full time active employee under age 65 and Renfrew Hydro's estimate of 12 full time employees. This includes a provision for sales tax at 8%.

Summary of Disclosure Items for 2015

Accounting Presentation and Reconciliation for 2015				
PRB Health and Dental		ABO	Actuarial Gain/(Loss)	Total Liability in Books
A	Plan Ammendment Cost (Note 1)	\$189,170		\$189,170
B	plus Current Service Cost (Note 2)	\$3,876		\$3,876
C	plus Interest Cost (Note 3)	\$7,344		\$7,344
D	less Benefits Paid including Tax (Note 4)	(\$15,006)		(\$15,006)
E	Projected PRB Liability December 31, 2011	\$185,384	\$0	\$185,384
F	plus Actuarial loss revealed at this valuation	(\$16,942)	\$16,942	
G	Actual PRB Liability December 31, 2015 as a result of this valuation	\$168,442	\$16,942	\$185,384
Benefit Expenditure in 2015 from B + C		\$11,220	\$0	\$11,220
Plan Ammendment Cost in 2015 from A		\$189,170		\$189,170
Note 1 - based on the results contained herein as at December 31, 2014				
Note 2 - based on current service cost of \$323 per life and 12 lives.				
Note 3 - based on 4% per annum				
Note 4 - based on \$1,157.84 per month for 12 months plus 8% premium tax.				

Development of Actuarial Gain At Dec. 31, 2015: \$16,942

Actuarial Gain/(Loss) Revealed at December 31, 2015	
Projected Liability at December 31, 2015	\$185,384
less Actual Liability at December 31, 2015	(\$168,442)
Actuarial Gain/(Loss) Revealed at December 31, 2011	\$16,942

From Item F above. This represents the excess between the projected actuarial liability at December 31, 2015 of \$185,384, and the actual actuarial liability at December 31, 2015 of \$168,442. Under IAS 19 all gains and losses are recognized immediately.

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Benefit Expenditure for 2015: \$11,220

From the sum of items B and C above. B is the current service cost for calendar year 2015. C is the interest cost at 4% on the actuarial liability at December 31, 2014, plus half a year's interest on the current service cost for 2015, less half a year's interest on benefits actually paid during 2015.

Benefit Liability at December 31, 2015: \$168,442

From item G above. This represents the amount recorded in the books. It includes the gain of \$11,220.

Projected Benefit Liability at December 31, 2016 and December 31, 2017

Given the relatively small size of the liability I would recommend that for reporting purposes that the change in the liability the same as in 2015 in both 2016 and 2017 with the next triennial valuation being performed as at December 31, 2018. This recommendation assumes no change in the benefits, no large increase in their premium rates, and a relatively stable workforce. It assumes the same service cost, \$3,876, the same interest cost, \$7,344, and the same benefits paid, \$15,006, as in 2015. This results in an annual change in the actuarial liability of -\$3,786 per annum. Thus, the projected benefits are:

December 31, 2016	\$164,656
December 31, 2017	\$160,870

An actuarial review of the liability should be performed as at December 31, 2018.

Actuarial Certification

This valuation report is based on active and retired life data and other information supplied by Renfrew Hydro . The data have been reviewed for reasonableness and consistency.

The assumptions and methods adopted for the valuation are in aggregate appropriate for the valuation. The determination and presentation of results is in compliance with IAS 19 for retirement benefits and the Canadian Institute of Actuaries Standards of Practice – Post-Employment Benefit Plans (section 6000).

In my opinion:

- the data are sufficient and reliable for the purpose of the valuation,
- the methods used are appropriate for the purpose of the valuation,
- the assumptions are in aggregate appropriate, and
- the valuation has been prepared and my opinion given in accordance with generally accepted actuarial practice.



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March 31, 2016

APPENDICES

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CIA Accounting Spot Rates at December 31, 2015			
Term (Years)	Annual Effective Spot Rate	Term (Years)	Annual Effective Spot Rate
0	1.0656%	15.5	4.0216%
0.5	1.0656%	16.0	4.0656%
1.0	1.2024%	16.5	4.1048%
1.5	1.3388%	17.0	4.1429%
2.0	1.4768%	17.5	4.1764%
2.5	1.6128%	18.0	4.2090%
3.0	1.7491%	18.5	4.2374%
3.5	1.8821%	19.0	4.2650%
4.0	2.0144%	19.5	4.2888%
4.5	2.1425%	20.0	4.3117%
5.0	2.2698%	20.5	4.3313%
5.5	2.3910%	21.0	4.3501%
6.0	2.5113%	21.5	4.3658%
6.5	2.6254%	22.0	4.3807%
7.0	2.7380%	22.5	4.3930%
7.5	2.8443%	23.0	4.4044%
8.0	2.9488%	23.5	4.4137%
8.5	3.0470%	24.0	4.4220%
9.0	3.1437%	24.5	4.4285%
9.5	3.2332%	25.0	4.4341%
10.0	3.3215%	25.5	4.4381%
10.5	3.4029%	26.0	4.4412%
11.0	3.4829%	26.5	4.4431%
11.5	3.5564%	27.0	4.4440%
12.0	3.6284%	27.5	4.4440%
12.5	3.6943%	28.0	4.4430%
13.0	3.7590%	28.5	4.4412%
13.5	3.8173%	29.0	4.4385%
14.0	3.8746%	29.5	4.4354%
14.5	3.9261%	30.0	4.4312%
15.0	3.9765%	100.0	4.4312%

CIA Accounting Spot Rates at December 31, 2014			
Term (Years)	Annual Effective Spot Rate	Term (Years)	Annual Effective Spot Rate
0	1.4727%	15.5	3.9787%
0.5	1.4727%	16.0	4.0101%
1.0	1.5559%	16.5	4.0376%
1.5	1.6511%	17.0	4.0636%
2.0	1.7558%	17.5	4.0863%
2.5	1.8658%	18.0	4.1077%
3.0	1.9813%	18.5	4.1260%
3.5	2.0978%	19.0	4.1433%
4.0	2.2165%	19.5	4.1579%
4.5	2.3335%	20.0	4.1716%
5.0	2.4504%	20.5	4.1830%
5.5	2.5636%	21.0	4.1936%
6.0	2.6757%	21.5	4.2024%
6.5	2.7819%	22.0	4.2103%
7.0	2.8865%	22.5	4.2167%
7.5	2.9846%	23.0	4.2224%
8.0	3.0805%	23.5	4.2268%
8.5	3.1697%	24.0	4.2306%
9.0	3.2562%	24.5	4.2333%
9.5	3.3362%	25.0	4.2355%
10.0	3.4137%	25.5	4.2368%
10.5	3.4842%	26.0	4.2376%
11.0	3.5525%	26.5	4.2378%
11.5	3.6143%	27.0	4.2375%
12.0	3.6738%	27.5	4.2367%
12.5	3.7275%	28.0	4.2355%
13.0	3.7789%	28.5	4.2340%
13.5	3.8250%	29.0	4.2320%
14.0	3.8693%	29.5	4.2298%
14.5	3.9083%	30.0	4.2272%
15.0	3.9458%	100.0	4.2272%

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December 31, 2012 OMERS Termination Rates For Members With an NRA of 65	
Age	Termination Rate
25	0.0807
35	0.0424
45	0.0235
50	0.0185

December 31, 2012 OMERS Retirement Rates For Members With an NRA of 65		
Age	Before Eligibility for Unreduced Retirement	After Eligibility for Unreduced Retirement
55	0.018	0.217
56	0.014	0.091
57	0.018	0.098
58	0.018	0.105
59	0.025	0.119
60	0.056	0.182
61	0.035	0.140
62	0.039	0.126
63	0.046	0.119
64	0.070	0.133
65	1.000	1.000

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Active Employees at December 31, 2015										
#	Name	male =1 female = 2	Monthly Health Prem.	Salary 2015	Does Salary Inflate	Insurance Option	Date of Hire	Date of Birth	age	Service
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										

Ladouceur and Butler are on LTD, are not expected to recover, and thus are expected to retire at the normal retirement age of 65. Thus are assumed not to be eligible for the health continuation benefit. Their salaries for the purposes of post-retirement life insurance are frozen.

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Active Employees at December 31, 2014											
#	Name	male =1 female = 2	Monthly Health Prem.	Salary 2015	Does Salary Inflate	Insurance Option	Date of Hire	Date of Birth	age	Service	
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											

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Retired Employees At December 31, 2015													
#	Name		Sex	Date of Birth	Date of Hire	Date of Retirement	Ins. Option	Number of Reductions Made if Opt #2	Estimated Salary At Ret.	Age at Retirement	Age	Health Prem Per Month Plus 8% Tax	Life Prem Nov. 2015 Monthly Plus 8% Tax
1													
2													
3													
4													
5													
6													
7													

Life Insurance option 3 provides a fixed 50% of salary at termination as the face amount. Option 2 provides an initial 50% of salary as the coverage at termination but it decreases linearly over 10% to 25% of salary at termination.

Douglas Letang has addition life insurance coverage paid for outside the life insurance program proper that adds \$76 per month to the premium paid on his behalf.

I have illustrated the life premiums paid for retirees in the month of November 2015 as being indicative. Under option 3 this rate will remain fixed as long as the premium rate per thousand does not change. Under option 2 it decreases each year until the 11th year after which it remains level.

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Retired Employees At December 31, 2014													
#	Name		Sex	Date of Birth	Date of Hire	Date of Retirement	Ins. Option	Number of Reductions Made if Opt #2	Estimated Salary At Ret.	Age at Retirement	Age	Health Prem Per Month Plus 8% Tax	Life Prem Nov. 2015 Monthly Plus 8% Tax
1													
2													
3													
4													
5													
6													
7													

1

Collective Agreement

2

COLLECTIVE AGREEMENT

BETWEEN

RENFREW HYDRO INC.
(hereinafter referred to as "the Company")

AND

**LOCAL 636 OF THE INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS, AFL-CIO-CLC
(RENFREW UNIT)**

EFFECTIVE APRIL 1, 2014 TO MARCH 31, 2018

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ARTICLE 1 - PURPOSE

The general purpose of this agreement is to establish the terms and conditions required to govern the workplace relationship between the Company and its employees.

ARTICLE 2 - DURATION

- 2.1 This agreement supersedes all previous agreements and shall be deemed to take effect from **the first day of April 2014** to the **thirty first day of March 2018**. The agreement will be in effect from year to year thereafter unless written notice of amendment or cancellation be given by either party within ninety (90) days before the expiration of the said term as identified herein, and shall remain in full force during any period of negotiation renewal.
- 2.2 The parties agree to exchange agendas as soon as practical within the ninety day period.
- 2.3 Written notice shall be given by regular mail to the Company at its office in Renfrew, to the attention of the Company's president or to Local 636 of the I.B.E.W. at its Mississauga office.

ARTICLE 3 - RECOGNITION

- 3.1 The Company recognizes the Union as the sole bargaining agent for all employees, save and accept supervisors, superintendents, and those above the rank of these positions; students employed during their vacation period/work term; office staff; and persons employed for not more than twenty four (24) hours per week.
- 3.2 The term "employee" as used in this agreement, shall, unless specifically stated otherwise, be deemed to mean only those employees who have been in the employ of the Company for at least six (6) months, and classified as regular employees.

ARTICLE 4 - UNION SECURITY

- 4.1 All employees shall pay as a condition of employment the equivalent of regular monthly union dues. Amounts so deducted shall be forwarded to the financial secretary of the union by the fifteenth (15) day of each calendar month following the month of deduction and shall be accompanied by an alphabetical list of the names of each employee on behalf of whom the deductions were made, the amount deducted on behalf of each employee, and information upon which each such deduction was made. Any changes in the amount of dues shall be submitted in writing by the Union to the Company, thirty (30) days before such changes are put into effect.

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

UNION SECURITY - continued

- 4.2 The Company and the Union agree that there will be no intimidation, discrimination, interference, restraint, or coercion exercised or practiced by either of them or their representatives or members because of an employee's membership in the Union or because of his or her activity or lack of activity in the Union."
- 4.3 **Employees shall have the right of consultation with, and representation by, a recognized union representative on all matters pertaining to discipline. In the event an employee is disciplined or discharged in any manner, the company shall notify the Union in writing as soon as possible.**

Letters of discipline will be removed from an employees work record after two years, providing no other disciplinary action has been taken against the employee in the intervening period.

ARTICLE 5 - HOURS OF WORK

- 5.1 The normal hours of work shall be forty (40) hours per week consisting of five (5) eight (8) hour days between 07:30 hours and 16:30 hours from Monday to Friday. Such hours do not include a daily lunch period of one (1) hour normally taken between 12:00 and 13:00 hours. Providing there is mutual agreement between the Company and the Union, a half hour lunch period may be taken. The regular hours will then be 07:30 to 16:00.
- 5.2 Summer hours will commence the first Monday after the change to Daylight Savings Time and end the last Friday before the return to Standard Time. The normal hours of work will be between 07:00 and 16:00 hours with one (1) hour off for lunch as above. Providing there is mutual agreement between the Company and the Union, a half hour lunch period may be taken. The regular summer hours will then be 07:00 to 15:30.

ARTICLE 6 - OVERTIME RATE OF PAY

- 6.1 It is understood and agreed that from time to time it will be necessary for employees to perform work outside of normal schedules at all hours of the day and night, and management has the right to authorize such work as required.
- 6.2 All work performed outside normal working hours will be paid twice (2) the regular rate.

OVERTIME RATE OF PAY- continued

- 6.3 An employee called in to work outside normal working hours after leaving the premise of the Company shall be paid not less than the equivalent of three (3) hours pay.
- 6.4 If an employee is required to work during a scheduled lunch period, he/she will be paid at the appropriate overtime rate or, if it is mutually agreeable, the employee may elect to take time off at the end of the work day equal to the amount of the actual time worked.
- 6.5 Overtime can be accumulated to a maximum of eighty (80) hours and used as time off. Time off will be scheduled with the mutual agreement of the employee and management while maintaining the efficient operation of the Company. Use of time off will not take priority over previously scheduled vacation days of another employee.
- 6.6 Employees given less than one (1) hour notice for the cancellation of planned overtime will receive two (2) hours straight time pay.

6.7 PROVISION OF REST PERIOD

From time to time it will be necessary for employees to perform work outside of normal schedules at all hours of the day and night for extended periods of time. It is recognized that the employee's work can be hazardous and it is necessary that the employee should be alert at all times. These guidelines for rest periods following after hour work have been developed to ensure that employees do not create a risk to themselves, their fellow employees, or the public due to their physical condition caused by extended work hours without rest.

- 1. An employee who has worked for fourteen (14) or more continuous hours will be given an eight (8) hour rest period off work at the end of the overtime work. The portion of this rest period that falls in the employee's next normal scheduled shift will be paid at the employee's regular rate. This rest period may be staggered in order to ensure sufficient staff are available to meet the workload of the utility.
- 2. If an employee has worked overtime between 12 midnight and 6:00 a.m. on the day of a regularly scheduled shift the amount of overtime worked during that time period up to four (4) hours may be subtracted from the employees' regular shift on that day. The employee will be paid for this time at the employees' regular hourly rate. This rest time will be normally taken at the beginning of the scheduled shift and the employee will return to work after the rest period is complete. If the overtime work ends during the regular scheduled shift or within one hour start of the regular shift the rest period may be taken midday to shorten the regular shift.
- 3. Ontario Regulation 555/06 – Hours of Service – Under different emergency overtime scenarios the hours of rest for an employee may have to be extended by Management in order to meet work requirements and the off duty requirements of Reg. 555/06 for driving a CVOR rated vehicle. This decision will be made by Management on an event by event basis.

ARTICLE 7 - ON - CALL DUTY

- 7.1 On - call duty is defined as that duty performed by qualified employees who are required by the Company to be readily available within (15) minutes normal traveling time to the work center for emergency service. The response to the work centre after being contacted shall be within 30 minutes.
- 7.2 There will be one (1) person on call for emergency line work from Friday noon of one week to Friday noon of the next week.
- 7.3 The on call person will be notified by their Crew Leader by Friday noon, as set by the schedule for on call duty.
- 7.4 On call substitutions are permissible provided the Crew Leader is informed and agrees in advance. It is understood an employee on the on call roster will be given first opportunity to assume these duties.
- 7.5 Employees designated for call duty, who are unable to perform such duties because of an illness or emergency, shall notify the Crew Leader or find a replacement immediately whereupon the replacement will notify the Crew Leader of the change.
- 7.6 The on call employee will have the first opportunity to work emergency or planned overtime for the Company.
- 7.7 On call persons shall receive **\$21.92** per day for normal work days Monday to Thursday inclusive and **\$43.84** per day for Friday, Saturday, Sunday, Statutory holidays and the day preceding Statutory holidays. **On April 1, 2015 the rate will change to \$22.53 & \$45.06. On April 1, 2016 the rate will change to \$23.14 & \$46.28. On April 1, 2017 the rate will change to \$23.70 & \$47. 40**

ARTICLE 8 - PAY AND PAY DAYS

Employees shall be paid an hourly rate in accordance with Schedule 'A'. Pay days will be every second Thursday but when Thursday is a legal holiday, payment will be made the preceding Wednesday.

ARTICLE 9 - SENIORITY

- 9.1 Seniority shall commence from the date the employee last entered the employ of the Company as a probationary employee.
- 9.2 Employee shall lose seniority and cease to be an employee if he/she:
- a) Quits voluntarily
 - b) Is discharged, and the discharge is upheld
 - c) Is absent for three (3) working days or more, unless he/she provides management with evidence of unavoidable reasons for not reporting to work.
 - d) Is laid off for a period of more than six (6) calendar months for employees with less than ten (10) years of service credit and for a period of twelve (12) calendar months for employees with greater than ten (10) years of service credit.
 - e) Fails to report to work after a lay-off within five (5) working days of recall, notice of which has been mailed (by registered Mail) to the last address which the employee has given the Company.
 - f) Retires or is permanently disabled and unable to perform any available work
 - g) Accepts employment elsewhere while in receipt of W.S.I.B., L.T.D., or sick leave benefits from the Company.
- 9.3 a) In the event of lay-off the last employee hired shall be laid off first, provided that those employees left are able to perform the work required. When recalling employees to work after a layoff, the last employee laid off shall be recalled first provided that those employees returning are able to perform the work required.
- 9.3 b) In laying-off or promoting employees, seniority shall be the determining factor providing there is an equality of skill, efficiency, and ability to perform the required work.
- 9.4 New or vacant positions with the Company will be posted for at least five (5) days to allow interested employees an opportunity to apply for such a position. Any vacant or new positions outside the bargaining unit shall not be the subject of a grievance.

ARTICLE 10 - MANAGERIAL RIGHTS

The Company shall not be limited in any way in the exercise of the functions of management, and it is expressly recognized by the Union, that the Company has and shall retain the exclusive right to hire, promote, demote, or transfer any employee. The Company will have the right to suspend, discharge, or discipline any employee for a just cause. Employees who feel that they have been unfairly or unjustly disciplined or discharged shall have recourse to the grievance procedure.

ARTICLE 11 - EMPLOYEE CLASSIFICATIONS

- 11.1 The provisions of the present agreement shall apply to all departments and clauses specific to each Department as outlined in Schedule "A" annexed and forming part of this Agreement.
- 11.2 The progression of employees shall be according to Schedule "A" with equal chances for advancement and increases subject to skill and ability. Progression is subject to the Company's decision as to progress and ability with progression withheld in the event that an employee is considered performing his duties in a manner that does not justify promotion. If an employee is to be deprived an increment in the progression schedule, the employee will be advised prior to the progression date.
- 11.3 Employees promoted from one classification to another shall receive a rate of pay in the new classification nearest to, but not less than the rate they received in the previous classification. The Company at their sole discretion may advance an employee to a higher rate of pay within the classification depending on their skill, ability, and qualifications to perform the job.
- 11.4 Employees permanently transferred to a lower classification shall have his/her wages reduced by two (2) percent per year until reaching the maximum level of the new classification.
- 11.5 Employees who request and are granted a transfer into another classification shall be paid at a rate in the new classification subject to their skill, ability and qualification to perform the job as determined by the Company.
- 11.6 In cases of layoff, employees bumping to another classification will be paid a rate equivalent to their abilities within the classification but not less than the rate applied to the bumped position.

EMPLOYEE CLASSIFICATIONS - continued

- 11.7 **WORKING FOREMAN** - The Company agrees to appoint a working foreman as they deem necessary. The rate of pay to be six (6) percent per hour greater than their hourly rate of pay at appointment. The working foreman shall receive an additional three (3) percent increment when replacing and performing the duties of the Crew Leader for periods of eight (8) hours or longer.

TEMPORARY WORKING FOREMAN - In the absence of a Working Foreman for longer than four (4) hours or when the Working Foreman is replacing the Crew Leader, a Temporary Working Foreman, who will be in charge of one or more employees, will be appointed and their responsibilities assigned. The rate of pay to be to be six (6) percent greater than their hourly rate of pay during their assigned time.

RESPONSIBILITY PAY – When 2 or more employees work together on a job or project as a team or crew, without supervision by the Crew Leader or Working Foreman or Temporary Working Foreman for periods of 2 hours or greater, and when an employee is required by management to exercise responsibility over and / or leadership of such employees, management will assign a responsible employee.

An employee temporarily assigned responsibility for a crew or team shall be entitled to a responsibility pay premium of 4% of their normal pay rate for all hours worked. This rate shall be paid in addition to the employee's regular pay and be paid in addition to overtime rates where applicable.

Responsibilities, which must be performed where applicable, include but are not limited to:

- Responsibility for the job site or project
- Ensure that safety procedures are followed
- Ensuring the appropriate company rules, policies, standards and procedures are followed
- Ensuring that circle check is done prior to using company vehicles and that CVOR and other paperwork is in place
- Ensuring that appropriate standards of 'housekeeping' are maintained
- Overseeing tailboard conferences
- Ensuring that the team/crew follows the project design, approved line standards
- Ensuring completion of necessary documentation such as time sheets, work protection forms, material usage
- Ensuring availability of appropriate material
- Is responsible for coaching, training, providing technical support/knowledge to employee at the same position and grade level

ARTICLE 11 A - EMPLOYEE CATEGORIES

- 11A.1 Temporary employees are persons hired for periods of limited duration of up to six (6) months in positions which are not likely to become part of the Company's continuing organization. Temporary employees shall not accumulate Company service; shall not be entitled to any of the rights or privileges accruing to regular employees unless otherwise indicated in a specific article; nor have recourse to the grievance and arbitration procedure in the event of discharge.
- 11A.2 Probationary employees are persons hired to determine their suitability for continuing employment in regular positions. An employee shall be considered probationary for a six calendar month period. After the completion of the probationary period Company service credit will be effective from the original date of employment. During this time of probation they shall not be considered as having regular status and shall not be entitled to any of the rights or privileges accruing to regular employees excepting for: boot allowance, three (3) day bereavement provision, hours of work and overtime pay, nor shall they have recourse to the grievance procedure in the event of discharge.
- 11A.3 Regular employees are persons who have satisfactorily served the probationary period as outlined above.

ARTICLE 12 - ATTENDANCE AT COURSES OF TRAINING

When it is deemed advisable to send an employee on a course of training, the Company will pay all reasonable expenses, including transportation, lodging, and meals. Receipts will be required for expenses over \$5.00. Private cars may be used for transportation to and from the location of the course at the Company's mileage rate. If an employee is required to travel to a training course outside their normal scheduled shift the employee will be reimbursed at straight time.

ARTICLE 13 - NO STRIKES OR LOCKOUTS

It is hereby agreed that there shall be no lockouts by the Company and no strikes, slow downs or similar interference with the work by the employees herein concerned during this Agreement or any extension thereof.

ARTICLE 14 - SAFETY RULES

Employees shall strictly adhere to all safety rules that may be issued by the Company from time to time. The Company agrees to provide, within reason, protective devices to ensure the safety of the employees while working with equipment, or conductors carrying voltage, the employees to take all possible care of such protective devices as may be provided for their protection.

ARTICLE 15 - VOLUNTARY BENEFITS

It is the intention of the Company to continue any existing benefits or privileges not covered by this agreement. However, these benefits or privileges may be changed or withdrawn at the discretion of the Company. The Company agrees to supply a written notice and meet with the union to discuss options, if any, before a change is made.

ARTICLE 16 - BEREAVEMENT

- 16.01 In the event of death in the immediate family which includes Husband(including common-in-law Husband), wife(including common-in-law Wife), and children(including stepchildren) up to five (5) days with pay shall be granted to any employee for the purpose of making arrangements for and attending the funeral/**Celebration of Life**.
- 16.02 In the event of death of a brother, sister, parents , parents-in-law, son-in-law, daughter-in-law, grandchild, grandparent up to three (3) days with pay shall be granted to any employee for the purpose of making arrangements for and attending the funeral/ **Celebration of Life**.
- 16.03 In the event of the death of Brother-in-law, sister-in-law, Grandparents-in-law, Aunts and Uncles, Aunts-in-law and Uncles-in-law, one day with pay will be granted to any employee in order to attend the funeral/ **Celebration of Life**.

ARTICLE 16 A - JURY DUTY

An employee who is required to serve on a jury, inquest , or who serves as a Crown witness in the County of Renfrew, will receive their normal straight time wages.

ARTICLE 17 - RECOGNIZED HOLIDAYS

All employees with three (3) months continuous service will be paid for recognized holidays at their regular rate of pay, and defined as follows:

New Year's Day	Canada Day	Thanksgiving Day
Good Friday	Civic Holiday	Christmas Day
Easter Monday	Labour Day	Boxing Day
Victoria Day	One -Half of the last working day before Christmas Day and	
Family Day	One-Half of the last working day before New Years Day.	

Each regular employee shall be entitled to one (1) additional day of holidays with pay during the calendar year, and to be taken as mutually agreed by the employee and his/her immediate supervisor

Veterans or other employees who are attending remembrance functions on Armistice Day, will be permitted time off.

To be entitled to the paid holiday, employees must perform work within the pay period in which the holiday occurs, except if they are on vacation, sick leave, approved Company paid time off, or short term disability.

ARTICLE 18 - VACATION

18.1 Employees under this Agreement will be entitled to annual vacations with pay for each calendar year, exclusive of Saturdays, Sundays, and recognized Holidays:

- a) After one (1) years service ----- 2 weeks
- b) After three (3) years service -----3 weeks
- c) After nine (9) years service ----- 4 weeks
- d) After seventeen (17) years service ----- 5 weeks
- e) **After twenty five (25) years of service -----6 weeks**

ARTICLE 18 – VACATION- continued

- 18.2 Vacation is based on working 90 % of the regular scheduled working days in the vacation accumulated period. Where employees have worked less than 90 % of their regular scheduled working days, their vacation pay will be based upon the number of days worked and paid for by the Company during the vacation accumulation period.
- 18.3 When necessary the Company can require employees to take their vacation outside the normal period. Seniority is to count when determining when an employee shall be allowed to take his vacation. Vacations will not be carried over the end of the calendar year, except with prior written permission.
- 18.4 A vacation sheet will be posted by April 1 and removed on May 30 at which time vacation dates will have been agreed upon. If final dates have not been agreed to between employees on vacation dates as of May 30 seniority will govern (allotments will be fairly distributed). Any remaining vacation days must be scheduled by November 1.

ARTICLE 19 - HOSPITALIZATION & MEDICAL CARE

- 19.1 The Company will pay 100% of the premium cost for employee and family for the following plans:

M.E.A.R.I.E. Dental Plan "C"

M.E.A.R.I.E. Extended Health Care Plan "A"

Services of a licensed chiropractor, osteopath, podiatrist, massage therapist, naturopath, speech therapist, covered to a maximum of \$600 each per calendar year.

Vision Care - Equivalent to E.D.A. Plan "A" administered by Renfrew Hydro

Provides \$400.00 limit per 24 consecutive months

plus eye examination coverage every 24 consecutive months based on reasonable and customary charges to a maximum of \$120.00

or the equivalent of the above plans if any of these plans should become unavailable, and by agreement with the Union.

- 19.2 The Company will participate in the Sun Life of Canada Group Life Insurance Plan or equivalent. The Company will pay 100% of the basic term insurance premiums which provide a term insurance of 150% of basic annual earnings.

HOSPITALIZATION & MEDICAL CARE – continued

- 19.3 The Company will participate in the regular OMERS retirement pension plan for all regular employees.
- 19.4 The employer's contribution to the benefit plans outlined in this article will continue to be paid by the employer while the employees, who have seniority status as defined in Article 9, Clause 2, are in receipt of normal base wages from the employer, vacation pay, sickness, short term disability, long term disability allowance, and Workplace Safety & Insurance Board payments.
- 19.5 Employer contribution for employees on layoff cease at the end of the first full month following the month in which the layoff occurs.
- 19.6 New Employees (after April 1, 2001) The Company shall continue to pay for a period of time not to exceed twenty four (24) months from the first day of sickness or injury, the premium cost for those benefits outlined in Article 19 - Hospitalization & Medical Care providing the employee is in receipt of short term or long term disability benefits funded by the Company's plan or W.S.I.B. income replacement.
- 19.7 Existing Employees (before April 1, 2001) The Company shall continue to follow the current practice of funding the premium cost of Hospitalization & Medical Care, Dental & Vision Care, and Life insurance as outlined in Article 19 for those employees who are in continued receipt of Company L.T.D. benefits or W.S.I.B income replacement benefits and are unable to perform any available work at the Company.
- 19.8 Employee Recognition Program – Full time employees who are 55 years of age or older and have a minimum of twenty years of continuous service with the Company and have elected to apply for and receive an OMERS early retirement pension are eligible to receive extended family health care benefits equivalent to MEA Plan A until they reach age 65. Further, in the event the retiree dies while insured under the extended health plan, such benefits will continue for the surviving spouse until the surviving spouse reaches age 65. The Company shall pay 100 percent of the premium cost as covered in Article 19.1.

ARTICLE 20 - SICKNESS -ABSENCE - ACCIDENT

- 20.1 The Company's sick leave plan for regular employees was created by the Company to reduce the financial hardship that bonafide illness can create, so far as inability to work and consequent loss of normal wages are concerned. Upon request, the claimant must provide medical evidence of inability to work, satisfactory to the Company. Before returning to work from a lengthy absence, the employee must provide medical proof satisfactory to the Company, that he is fit to return. The cost of the medical return to work slip shall be borne by the Company.

ARTICLE 20 - SICKNESS -ABSENCE - ACCIDENT- continued

20.2 SICK BENEFITS

The employee would have a benefit of:

a) 96 hours (12 normal working days) each calendar year at 100% basic salary for sickness or accident. The benefit will not re-accumulate or improve on January 1st while an employee is off work on short term disability, long term disability, or W.S.I.B. accident

b) **On January 1st of the following year, the unused hours from previous years accumulated sick benefits may be applied to increase the Short Term Income Replacement benefit to 100% of basic salary. The accumulation of unused sick benefits begins Jan. 1, 2015.**

Personal Time Off: An employee will be permitted to utilize up to three (3) days per calendar year of the twelve (12) day sick leave allotment for family emergencies, family medical appointments, unforeseen happening, or state of affairs requiring prompt attention.

20.3 SHORT TERM INCOME REPLACEMENT

All full time employees who are unable to perform their duties due to a non-occupational illness or injury shall be entitled to Short Term Income Replacement Benefits, calculated at 80% of the employee's normal rate of pay for a maximum term of 15 weeks. This Benefit may be topped up to 100% of the employee's normal rate of pay by applying the unused hours of previous years accumulated sick benefits.

Should the employee still be unable to perform their duties at the end of the 15 weeks, he/she would become eligible to apply for benefits through the Long Term Disability Insurance Program.

20.4 LONG TERM DISABILITY

- a) Should the employee remain disabled at the expiration of a short term disability benefit, he would be immediately eligible to apply for long term disability benefits, which would pay benefits at the level of 70% of basic salary, in effect at the time of Accident or Illness.
- b) Both the local union and Company agree that after 12 months from commencement of Accident or Illness, the claimant's position becomes vacant. Should the employee recover sufficiently to allow his return to work, the Company would make every effort to re-employ him, but there can be no guarantees.

LONG TERM DISABILITY -- continued

- c) In the event of an employee receiving long term disability benefits through Group Insurance Program, the Company will waive the Omers immediate disability payout and the employee will continue to accrue additional pension benefits while in receipt of long term disability benefits.
- d) The Company will continue to pay 100% of Extended Health Care Plan "A", Dental Plan "C", equivalent to M.E.A. Vision Plan "A", and life insurance benefits that the employee (and, if applicable, his family) enjoyed immediately prior to his disability, for as long as the employee is in receipt of these long term disability benefits and has seniority as defined in Article 9, Clause 2. The short term and long term disability plan will not be changed without the consent of the Union.
- e) If an employee, off on disability, returns to work and within sixteen (16) working days, is off again, on the same disability, then it is considered a continuing disability, and the employee returns to the same level of benefits held previously. If an employee, off on disability, returns to work and after sixteen (16) working days, is off again, then it is considered a new disability, and he recommences his entitlement under the sick benefit plans.

20.5 *WORKPLACE SAFETY & INSURANCE BOARD*

- a) When an employee, through his paid employment by the Company, suffers an illness or injury which is compensable under the W.S.I.B. Legislation, the employee will receive payment in accordance with the Legislation.
- b) For a period of time not to exceed twenty four (24) months, only those employees on leave covered by W.S.I.B. shall be given consideration for any job which the employee is capable and qualified to perform. Failure to accept an alternative job, which the employee is deemed capable and qualified for, will result in discharge from the Company.

ARTICLE 21 - TOOLS AND CLOTHING

- 21.1 Specialized tools shall be supplied by the Company at its discretion excepting as follows:
 - 1 pair 9" Lineman Pliers
 - 1 skinning knife
 - 1 plastic rigid ruler
 - 1 10 inch adjustable wrench
 - 1 12 inch adjustable wrench
 - 1 flat blade screw driver
 - 1 large ball peen hammer
 - 1 9/16" & 3/4" combination speed wrench

The above tools shall be supplied by the employee. The Company shall replace any of the above tools that are lost or broken on the work site with tools of equivalent value.

TOOLS AND CLOTHING – continued

21.2 The Company shall supply the under noted clothing to employees working on lines or control dams during wet weather; Rain hats and coats

21.3 The Company shall supply the following clothing to the Line Department employees and Maintenance men:

- 1 Safety Hat - (to be worn at all times)
- 1 Pair Work Gloves - (a new pair shall be issued upon receipt of the old pair)

Flame resistant/flame retardant clothing **as listed in Appendix 'C'**

21.4 The Company agrees to subsidize 75 % of the cost of approved safety footwear purchases. This safety footwear must be worn on the job at all times. Purchases must be covered by a suitable receipt.

21.5 The Company shall contribute a maximum amount of \$400 per 24 consecutive months towards the cost of prescription safety glasses where required by an employee to perform their regular duties. These safety glasses shall meet CSA Z94 or ANSI Z89 Standard. **If an employee damages these glasses while performing his normal duties, the company will cover the cost to repair or replace these glasses.**

ARTICLE 22 - COMPLAINT OR GRIEVANCE PROCEDURE

22.1 For the purpose of this Agreement a dispute, claim or complaint which involves the interpretation, application, or alleged violation of some provision of this Agreement shall be considered to be a fit matter for grievance and shall be dealt with as specified below.

22.2 Time limits for the processing of grievances shall be observed strictly by the parties except in the case of mutual agreement to alter the time limits.

STEP 1: An employee believing he has a grievance shall present it to the Crew Leader verbally within five (5) of the employee's scheduled working days from the date of the occurrence which had given rise of the alleged grievance. Within five (5) working days of receipt of the grievance the Crew Leader will discuss the matter with the Manager. Failing settlement at this level, the employee may within five (5) working days of the issuance of the disposition at Step 1 proceed to Step 2 and may be accompanied by the Union Steward.

STEP 2: Within five (5) days of the presentation of a written grievance notice, the Manager will discuss the matter with the grievor and/or the Union Steward.

COMPLAINT OR GRIEVANCE PROCEDURE - continued

Failing settlement at this level, the employee may within five (5) working days of the issuance of the disposition at Step 2 proceed to Step 3.

STEP 3: Within five (5) working days of receipt of the notice to proceed to Step 3, the Manager will discuss the matter with the IBEW 636 Business Representative. Failing settlement at this level between the parties to the agreement, either of them may submit the matter to arbitration within thirty (30) calendar days.

No regular employee will be disciplined or discharged except for just cause. Any employee who feels he has been unjustly suspended or discharged may file a grievance at Step 3 of the grievance procedure.

22.4A A grievance arising directly between Management and the Union involving the interpretation or alleged violation of this Agreement may be submitted in writing by either party within fifteen (15) working days of the incident giving rise to the grievance. In the case of a Union grievance, the grievance procedure shall commence at Step 3. In the case of Management grievance, the matter will be submitted to the Union, and failing settlement within five (5) working days thereafter may be referred to arbitration within thirty (30) calendar days.

22.4B It is expressly understood that the provision of Article 22.4 above may not be used to institute a complaint or grievance directly affecting an employee who could himself institute same, and the regular grievance procedure shall not hereby be by-passed.

22.5 Management shall recognize one steward of the Committee who may assist employees in the processing of grievances.

22.6 Arbitration

Failing settlement at Step 3 the Union may within thirty (30) calendar days of receipt of the Manager's decision at Step 3 notify management of its intention to submit the grievance to arbitration in accordance with the Ontario Labour Relations Act and at the same time inform management of the Union nominee to an Arbitration board, or should the parties agree, a sole arbitrator may be chosen by mutual consent of the parties.

22.7 No board of arbitration or sole arbitrator shall have the power to alter or change any of the provisions of this agreement or to substitute any new provision for any existing provision or to provide a decision which is inconsistent with any term of this agreement.

22.8 Each party to this agreement will bear the expenses and the fee of its nominee, and the parties will share equally expenses and fee of the Chairman of the board or sole arbitrator whichever is the case.

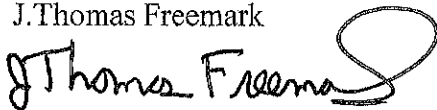
ARTICLE 23 - SUCCESSOR RIGHTS

In the event of a sale or transfer of its business, the parties agree to make every reasonable effort to preserve the continuance of the current collective agreement.

IN WITNESS WHEREOF the parties have hereunto set their hands and seals this 9th day of July , 2014 A.D.

FOR THE COMPANY

J.Thomas Freemark



Cindy Marshall

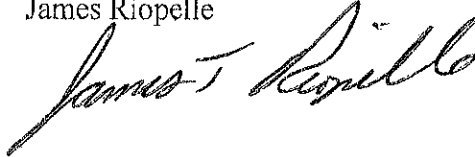


FOR THE UNION

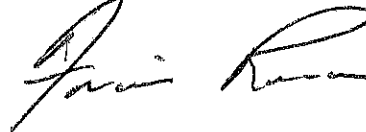
Mike Preston



James Riopelle



Frank Rowan



Barry Brown

APPENDIX "C" FLAME RESISTANT CLOTHING

Allocation of Clothing Types and Frequency of Issue

Compliance to Standard

- All employees who do hands on electrical work must comply with Renfrew Hydro Inc.'s flame resistant clothing requirements and must wear the clothing supplied by the utility.
- The requirements for FR clothing stems from E&USA rules, which clearly defines the type of garments to be worn.
- Renfrew Hydro Inc.'s position is that any employee working on or near energized apparatus is to wear clothing that is either inherently flame resistant (i.e. Nomex) or has been treated with flame retardant chemicals (i.e. Proban, Indura Ultrasoft). This clothing shall be Category 2 and have an Arc Rating of 8.0 cal/cm2 or greater. This applies to all outer clothing – summer and winter.

Type of Garment	Issue Frequency
Flame/Arc Resistant Rain suit	Every 3 Years
Insulated bomber style jacket or utility parka (up to a max. of 1 article)	Every 2 years
Unlined coat or jacket (up to a max. of 1 article)	Every 2 years
Insulated coveralls or overalls (up to max. of 1 article)	Every 3 Years
Unlined bib overalls or coveralls (up to max. of 2 articles)	Annual
Work Shirts/Polo/Long Sleeve T (up to a max. of 4 articles)	Annual
Sweatshirt / Bush shirt (up to a max. of 2 articles)	Annual
Workpants (1point)/ Chain saw pants(2 points) (up to a max. of 6 points)	Annual
FR Balaclava	Annual

May 2014

Shared Services and Corporate Cost Allocation

Ex.4/Tab 5/Sch.1 - Shared Services of Corporate Cost Allocation

The purpose of this evidence is to provide an overview of the Shared Services that RHI purchases from and provides to its affiliates. RHI is affiliated to Renfrew Power Generation by common ownership. The company structure is illustrated at Ex. 1/Tab. 6/Sch.16.

There are no shared services or allocated costs between RHI and its affiliate. Transactions with its affiliate are limited to the services described below which are all invoiced as services are rendered based on market-based methodology.

RHI provides streetlight and traffic light maintenance services to the Town of Renfrew through its relationship with Renfrew Power Generation, using the market-based pricing methodology. Contract work is charged using fully allocated costs plus a rate of return. Fully allocated costs include labour plus payroll burden, materials, and vehicle burden costs. This is outlined in the most current Services Agreement between RHI and Renfrew Power Generation which came into effect on March 1, 2016. This agreement is provided in the previous schedule. The mark-up (rate of return) is posted as other income in account #4375 – Revenues from Non-Utility Operations, and has remained fairly consistent as summarized below:

Table 4.15: Revenues from Non-Utility Operations

Revenues from Non-Utility Operations									
	2010 BA	2010	2011	2012	2013	2014	2015	2016	2017
#4375	10,600	11,527	10,380	7,673	10,539	7,123	5,978	6,909	8,000

RHI did rent garage, lines office and storeroom space from Renfrew Power Generation Inc. for its fleet and stores material from November 2000 to March 2015. The rent was market-based on 4,108 square feet of occupied space. The amount of rent paid to Renfrew Power Generation is listed below:

Table 4.16: Rent paid to Renfrew Power Generation

2010 BA	2010	2011	2012	2013	2014	2015	2016	2017
16,000	16,310	16,377	16,447	16,520	16,598	4,680	0	0

- 1
- 2 Renfrew Power Generation required more space for the expansion of its operation and
- 3 terminated the rental agreement effective March 31, 2015. The original rental agreement is
- 4 provided on the next page.

RENTAL AGREEMENT

Rental Agreement between Renfrew Power Generation and Renfrew Hydro

The agreement is for space occupied at 32 Bridge Avenue West in Renfrew Ontario.

The agreed upon areas are main garage (41 ft. by 83 ft.) 3403 square feet, office for line supervisor (16 ft. by 9 ft.) 144 square feet and transformer storage (33 ft. by 17 ft.) 561 square feet. Total area occupied is 4108 square feet.

Agreed price of \$3.25 per square foot or \$13351.00 annually paid monthly at \$1112 plus GST. Rent will be paid one month in advance due on the first day of each month. Electrical consumption is metered in the garage area and will be Renfrew Hydro's responsibility to reimburse Renfrew Power Generation for the consumption. The rate of compensation will be the power and commercial rate structure of Renfrew Hydro including and demand charges. It is agreed that Renfrew Hydro's consumption will be subtracted from Renfrew Power Generation's in house consumption and the rates applied that are applicable to the consumption grouping. Electrical consumption for the other areas is included in the rental fee.

General agreed upon terms.

- (a) Taxes are included in rental fee.
- (b) Sewer and water is included in rental fee.
- (c) Snow removal is included in rental fee.
- (d) Washroom Lunch room/ Training room will be RPC's responsibility to maintain. Renfrew Hydro staff will be allowed access and use of these areas however the lunchroom / training room is also the RPC boardroom and RPC will have precedence in its use.
- (e) Garage clean up, and garbage removal is the responsibility of Renfrew Hydro.
- (f) RPC will maintain an alarm system for the building. It is Renfrew Hydro's responsibility to insure the contents and provide liability insurance for their sections.
- (g) Renfrew Hydro's staff will have full access to the RPC facilities including the lower generation site. In using any and all equipment and facilities all safety procedures must be followed at all times.

These are terms agreed upon and hopefully address the intent for the cooperative use of the above facilities. This agreement will be in effect November 1 2000 until such time that it is deemed necessary to change the intent. It would seem appropriate after a trial period once the market opens in May 2000 we could formalize the agreement.

Peter Boldt
Superintendent Renfrew Power Generation Inc.

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

2 RHI has no variances to report in this section.

3

Non-Affiliate Services, One-Time Costs, Regulatory Costs

Ex.4/Tab 6/Sch.1 - Purchases of Non-Affiliate Services

Procurement Policy

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

All purchases of goods and services must be approved by the Board of Directors of RHI as presented in the annual Operating (OpEx) and Capital Investment (CapEx) budgets. Formal Board of Director's approval of the annual OpEx and CapEx budgets constitutes financial approval to proceed with the procurement process. Budget amendments, capital expenditures not yet approved in the budget or special expenditures must be supported by a Resolution, specifying the purpose of the expenditure and the funding source.

The President will obtain quotations on any exceptional purchases exceeding \$20,000, prior to obtaining board approval. Shareholder approval is required if the company is making or incurring any single capital expenditure in excess of \$250,000.

When goods or services are tendered, a Tender/Request for Proposal/Request for Quote will be issued to a minimum of three vendors, if time permits. The President, along with the input of the board members, shall authorize the acceptance of the proposals.

RHI has prepared a draft purchasing policy which will be presented to the Board of Directors at the next regular meeting. The appears on the next page.

RHI's 2015 Vendor list over \$10,000 is presented in Table 4.17: Products and Services from Non-Affiliates >\$10,000. A full 2015 Vendor list is presented in Table 4.18.

RENFREW HYDRO INC. Purchasing Policy

May 30, 2016.

Policy Statement:

Renfrew Hydro Inc. will purchase goods and services for its operations as outlined below.

Particulars

The objective of this policy is to obtain best value when purchasing goods and services for Renfrew Hydro Inc. while treating all suppliers fairly. The guiding procurement principle is that, wherever possible purchases be made using a competitive process that is open, transparent and fair to suppliers.

Procurement of goods and services will be based on:

- 1) Overall price
- 2) Quality of goods
- 3) Reputation and performance of the supplier
- 4) Delivery time
- 5) Environmental impact
- 6) Safety record
- 7) Local supplier preference
- 8) Standardization of equipment
- 9) Impact on the ongoing work process

Purchase Orders:

A purchase order will be signed by the Secretary Treasurer or President for purchase of goods and services over \$100 (before tax) if a blanket order is not in place or Visa is not accepted by the vendor. Otherwise a blanket order or Visa may be used up to the purchasing level authority of the employee. Petty cash (reimbursement) is acceptable for purchases under \$100.

Blanket Orders- generally specify prices, terms and conditions for a period of time (not to exceed one year), but do not specify quantity. Blanket orders may be issued to vendors for materials and supplies that are normally not stocked.

Petty Cash- No purchase order is required for purchases up to \$100 (before tax). All receipts must be provided.

Visa Purchases- Visa purchases for goods and services may be made up to the level of the cardholders purchasing authority as per this policy. Individual items greater than \$100 value (before Tax) used for a capital job or for work being billed to a third party

need to be identified on the credit card statement and corresponding workorder identified for the charge to be applied to. Visa should not be used for items normally carried in inventory. All receipts must accompany the monthly credit card statement and be submitted to the supervisor for approval.

Purchasing Exemptions:

The following do not require a purchase order:

- Small cash purchases under \$100 (before tax)
- IESO invoices
- Hydro One Invoices
- RPG invoices
- ESA Charges
- OEB Fixed costs
- Insurance
- Employee Benefits
- Postage
- Taxes
- Utility bills
- Customer refunds
- External audit invoices
- Memberships
- Subscriptions
- Freight and courier charges
- Legal expenses
- Travel, training and conference expenses
- Assets purchased by deed

Purchasing Level Authority:

- Items less than \$250 (before tax)- Any employee
- Items up to \$5000 - Secretary Treasurer, Billing Supervisor, Crew Leader
- Items up to \$20,000- President
- Items more than \$20,000- Board of Directors

Competitive Process:

- For Goods and Services greater than \$20,000 a RFP (Request for Proposals) will be used for purchases that are not well defined and are of high value. RFP may be followed up using a tender process or a purchase may be made based on the RFP.
- For Goods and Services greater than \$20,000 or items of a complex nature that

require well defined specifications and terms and conditions a Tender may be issued. Fixed closing date/time and official opening by two staff required.

- For Goods and Services greater than \$5000 and up to \$20,000 a minimum of 3 quotations will be required.
- For emergency work a sole source vendor may be used for Goods & Services.
- Prior to acceptance of a bid to perform services for RHI a contractor must provide a clearance certificate as proof of good standing with the WSIB.

Receipt of Goods and Services:

Upon receipt of material a qualified employee who can verify the materials must sign the appropriate receipt or packing slip to ensure compliance with section 6 of ESA Regulation "Approval of Electrical Equipment" section 22/04 particularly 2.1.2 which states that "all equipment must be formally approved".

Invoices:

Payments will only be made when receipt of goods and services and correct pricing have been acknowledged. A properly completed purchase order, the signed packing slip, and the invoice must be together before the authorizing agent can code and submit the invoice for payment.

Proper signing authority must be obtained and verified before any cheques are processed or issued.

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Table 4.17: Products and Services from Non Affiliates 2015 >\$10,000

Name	Activity	Process/Department	Total
Hydro One Networks Inc.	Power purchases	Administration	\$10,014,144.44
Renfrew Power Generation Inc.	Power purchases/HCI	Administration	\$2,362,206.65
Ontario Electricity Financial	Debt Retirement/PILS	Administration	\$575,226.15
Receiver General for Canada - HST	HST	Administration	\$302,500.11
Corp. of the Town of Renfrew	Loan Interest/Water/Taxes	Administration	\$237,890.73
Receiver General for Canada	Source Deductions	Administration	\$212,716.40
AMP1	Power purchases/FIT	Administration	\$154,526.10
OMERS	Employee Pension	Administration	\$153,398.66
Corporation of the County of Renfrew	Power purchases/FIT	Administration	\$145,474.36
Utility Collaborative Services	CIS Maintenance & Support	Billing	\$109,669.76
The MEARIE Group	Employee Benefits/Courses	Administration	\$93,421.09
Moloney Electric Inc.	Inventory purchases	Operations	\$47,730.07
Anixter Power Solutions Canada	Inventory purchases	Operations	\$41,657.07
Irvcon Limited	Capital/Leasehold Improve	Operations	\$40,475.47
119871 Canada Inc.	Rent & occupancy cost	Admin/Operations	\$34,558.72
Yemen Electric	Contract services	Operations	\$33,365.58
Royal Bank Visa	Miscellaneous	Admin/Operations	\$28,236.47
Ottawa River Power Corporation	Contract services	Billing	\$27,693.65
Elster Solutions Canada, Inc.	Inventory purchases	Operations	\$26,373.25
Harris Computer Systems	CIS Maintenance & Support	Billing	\$25,840.70
Utilismart Corporation	Contract services	Billing	\$24,600.10
Pitney Works	Postage	Administration	\$24,158.00
Lakeport Power Ltd	Inventory purchases	Operations	\$20,192.15
Minitel Communications Corp.	Capital - phone system	Administration	\$18,219.17
Rick's Dielectric & Hydraulic Ltd.	Fleet maintenance	Operations	\$16,514.69
Util-Assist Inc.	Services	Billing	\$16,455.16
CHEC	Membership	Administration	\$15,805.99
Valley Sales & Equipment	Capital - Stairs	Operations	\$15,092.16
Minister of Finance	Employee Health Tax	Administration	\$14,656.17
DNSnetworks Corporation	IT Services	Administration	\$14,470.79
AESI Acumen Engineered Solutions International Inc.	Consulting Services	Operations	\$14,202.41
MacKillican & Associates	Audit	Administration	\$13,560.00
Hydro One Networks Inc.	Impact Assessments	Administration	\$13,175.80
Municipal Electric Association Reciprocal Insurance Exchange	Insurance	Administration	\$12,808.15
Ontario Energy Board	Regulatory Costs	Administration	\$12,639.99
St. Joseph's High School	Power purchases - Microfit	Administration	\$12,607.18
Trinity St. Andrew's	Power purchases - Microfit	Administration	\$11,978.23
Crawl Consulting and Construction	Contract services	Operations	\$11,390.40
LaPrairie Inc.	Inventory purchases	Operations	\$10,999.99
Charles Briscoe Holdings	Power purchases - Microfit	Administration	\$10,762.04
Petro-Canada Fuels	Fuel	Operations	\$10,729.49
Riverview Metal Works	Fleet maintenance	Operations	\$10,600.31
My Broadcasting Corporation	Power purchases - Microfit	Administration	\$10,544.29
Electricity Distributors Association	Membership	Administration	\$10,170.00
Renfrew Hydro Incorporated	Electricity costs	Administration	\$10,083.25
Bell Aliant	Pole Rentals	Operations	\$10,058.98
1872038 Ontario Ltd.	Power purchases - Microfit	Administration	\$10,015.30

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Table 4.18: RHI Complete Vendor List (2015)

Name	Activity	Process/Department	Total
119871 Canada Inc.	Rent & occupancy cost	Admin/Operations	\$34,558.72
1872038 Ontario Ltd.	Power purchases - Microfit	Administration	\$10,015.30
407 ETR	Travel	Administration	\$79.48
697739 Ontario Inc.	Supplies	Operations	\$5,112.27
8099227 Canada Ltd.	ESA Audit	Operations	\$2,393.78
Accelerated Connections	Internet	Administration	\$3,421.64
Adam Kasprzak Surveying Ltd.	Services	Operations	\$2,825.00
AESI Acumen Engineered Solutions International Inc.	Consulting Services	Operations	\$14,202.41
AGO Industries Inc.	Safety Clothing	Operations	\$6,632.76
AMP1	Power purchases/FIT	Administration	\$154,526.10
Anixter Power Solutions Canada	Inventory purchases	Operations	\$41,657.07
Astley Gilbert Limited	Sign	Capital	\$768.20
Barker's Collision Centre Inc.	Fleet maintenance	Operations	\$3,838.09
BDO Canada LLP	Consulting Services	Administration	\$4,152.75
Beatty Pilgrim Construction Ltd.	Building/leasehold	Capital	\$1,695.00
Bel Volt Sales Ltd.	Inventory purchases	Operations	\$2,135.70
Bell Aliant	Pole Rentals	Operations	\$10,058.98
Bell Canada - DSL	Internet	Administration	\$407.12
Bell Canada - FIRE HALL	Communications	Administration	\$262.21
Bell Canada - - Garage	Communications	Administration	\$158.10
Bell Canada -- ARCHIVE	Communications	Billing	\$762.33
Bell Canada - 613-432-4884 - Office	Communications	Administration	\$6,734.20
Bell Canada - ADSL (Office internet)	Internet	Administration	\$3,759.70
Bell Canada - Smart Meter Collectors	Communications	Billing	\$3,439.84
Bell Canada - Static IP Address	Internet	Administration	\$37.30
Bell Canada - (office - 499 O'Brien Rd.)	Communications	Administration	\$923.86
Bell Mobility	Communications	Administration	\$3,312.33
Bell Mobility Paging	Communications	Administration	\$1,155.28
Benson Autoparts (Renfrew)	Fleet maintenance	Operations	\$2,377.39
Bluewave Energy	Fleet maintenance	Operations	\$1,206.13
Bonnechere Excavating INC.	Fleet maintenance	Operations	\$2,902.21
BOT Engineering Ltd.	Services	Operations	\$237.30
Burlington Business Forms	Billing Stock	Billing	\$5,709.14
Business Technology Solutions Inc.	Consulting Services	Administration	\$678.00
Canadian Brokerlink (Ontario) Inc.	Insurance	Administration	\$6,965.20
Canadian Credit Protection Corporation	Collection Fees	Billing	\$1,052.14
Canadian Pacific Railway Co.	Rent	Admin	\$2,003.42
Canadian Portable Structures (1992) Ltd.	Capital	Operations	\$10,170.00
Carswell	Safety Publications	Administration	\$671.25
CHEC	Membership	Administration	\$15,805.99
Cogeco -- Times Fiber	Communications	Billing	\$318.34
Commercial Truck Equipment Corp.	Fleet maintenance	Operations	\$2,719.42
Corp. of the Town of Renfrew	Loan Interest/Water/Taxes	Administration	\$237,890.73

Renfrew Hydro Inc.
EB-2016-0166
Exhibit 4 – Operating Expenses
Filed: June 14, 2016

Corporation of the County of Renfrew	Power purchases/FIT	Administration	\$145,474.36
County of Renfrew	LEAP Donation	Administration	\$5,000.00
Crawl Consulting and Construction	Contract services	Operations	\$11,390.40
Crosslink Technology Inc.	Supplies	Operations	\$993.04
D&A Collection Corporation	Collection Fees	Billing	\$169.24
Daltco Electric & Supply Ltd.	Inventory purchases	Operations	\$5,779.88
DNSnetworks Corporation	IT Services	Administration	\$14,470.79
Draperies PPlus	Office	Administration	\$1,011.35
Eaton Industries (Canada) Company	Services	Operations	\$3,616.00
Electrical Safety Authority	Membership	Operations	\$3,230.93
Electricity Distributors Association	Membership	Administration	\$10,170.00
Elster Solutions Canada, Inc.	Inventory purchases	Operations	\$26,373.25
Enbridge	Heat	Administration	\$1,189.93
ERTH Business Technologies Inc.	Retailer	Billing	\$4,909.15
ESAC Electrical & Systems Advanced Control Inc.	Professional Services	Administration	\$2,079.20
ESRI Canada Limited	Membership	Operations	\$2,050.95
GOJIT	Freight service	Operations	\$668.17
Gourleys Variety 1437094 Ont. Inc.	Fuel	Operations	\$2,438.88
Grant Crozier Excavating Ltd.	Contract services	Operations	\$5,825.16
Harris Computer Systems	CIS Maintenance & Support	Billing	\$25,840.70
Harris Computer Utility User Group	Membership	Billing	\$336.26
Hydro One Networks Inc.	Power purchases	Administration	\$10,014,144.44
Hydro One Networks Inc.	Impact Assessments	Administration	\$13,175.80
Hydro One Networks Inc.	Pole Rentals	Operations	\$323.29
Hydro Ottawa	Meter repairs	Operations	\$1,214.21
IBEW Local 636	Union Dues	Administration	\$5,272.85
IMCOM LTD	Metering supplies	Operations	\$548.62
Impressions	Supplies	Operations	\$339.80
Irvcon Limited	Capital/Leasehold Improve	Operations	\$40,475.47
Jacob Hultink Lawncare & Snow Removal Service	Services	Administration	\$5,554.95
Jesstec Industries Inc.	Supplies	Operations	\$584.38
Jp2g Consultants Inc.	Capital - Leaseholds	Administration	\$8,475.00
Jubb Utility Supply Ltd.	Supplies	Operations	\$2,719.76
Konica Minolta Business	Office equipment lease	Administration	\$4,831.41
Lakeport Power Ltd	Inventory purchases	Operations	\$20,192.15
LaPrairie Inc.	Inventory purchases	Operations	\$10,999.99
Lineman's Testing Laboratories	Supplies	Operations	\$706.34
M & R Feeds	Supplies	Operations	\$1,151.72
MacKillican & Associates	Audit	Administration	\$13,560.00
McNab, Stewart & Prince	Legal	Administration	\$2,960.17
Metroland Media Group	Advertising	Administration	\$4,243.36
Minister of Finance	Employee Health Tax	Administration	\$14,656.17
Minister of Finance	Fleet licence	Operations	\$5,473.00
Minitel Communications Corp.	Capital - phone system	Administration	\$18,219.17
Moloney Electric Inc.	Inventory purchases	Operations	\$47,730.07
Morneau Shepell Ltd.	Employee Assistance Program	Administration	\$1,097.01

Municipal Electric Association Reciprocal Insurance Exchange	Insurance	Administration	\$12,808.15
My Broadcasting Corporation	Power purchases - Microfit	Administration	\$10,544.29
my FM Radio	Home Show Booth	Administration	\$671.22
NEBS Business Forms	Office supplies	Administration	\$821.31
Nelson Waterlife Ltd.	Office supplies	Administration	\$170.00
Nortrax Canada Inc.	Fleet maintenance	Operations	\$1,245.80
OMERS	Employee Pension	Administration	\$153,398.66
Ontario Electricity Financial	Debt Retirement/PILS	Administration	\$575,226.15
Ontario Energy Board	Regulatory Costs	Administration	\$12,639.99
Ontario One Call	Services	Operations	\$1,228.76
Ottawa River Power Corporation	Contract services	Billing	\$27,693.65
Ottawa Valley Business Group	Advertising	Administration	\$84.75
Ottawa Valley Oxygen Ltd.	Supplies	Operations	\$248.71
Petro-Canada Fuels	Fuel	Operations	\$10,729.49
Pitney Bowes	Office equipment lease	Administration	\$4,398.93
Pitney Bowes	Office supplies	Administration	\$581.91
Pitney Works	Postage	Administration	\$24,158.00
Posi Plus Technologies Inc.	Fleet maintenance	Operations	\$555.85
Priority Business Services Inc.	Office supplies	Administration	\$56.44
Productivity Plus Account	Fleet maintenance	Operations	\$11.28
Proliner Utility Products	Supplies	Operations	\$375.73
Protyre	Fleet maintenance	Operations	\$169.99
Purolator Courier Ltd.	Courier	Administration	\$623.60
Quick Lane Tire & Auto Center	Fleet maintenance	Operations	\$2,194.08
Quintal Professional Corporation	Professional Services	Operations	\$1,500.00
Receiver General for Canada	Source Deductions	Administration	\$212,716.40
Receiver General for Canada	Source Deductions	Administration	\$1,650.52
Receiver General for Canada	Radio licence	Operations	\$434.00
Receiver General for Canada - HST	HST	Administration	\$302,500.11
Renfrew & Area Chamber of	Membership	Administration	\$325.00
Renfrew Auto Glass & Upholstery	Fleet maintenance	Operations	\$226.00
Renfrew County Bus Lines Ltd.	Fleet maintenance	Operations	\$360.00
Renfrew Hydro Incorporated	Electricity costs	Administration	\$10,083.25
Renfrew Power Generation Inc.	Power purchases/HCI	Administration	\$2,362,206.65
Renfrew Printing	Office supplies	Administration	\$1,059.94
Rick's Dielectric & Hydraulic Ltd.	Fleet maintenance	Operations	\$16,514.69
Riverview Metal Works	Fleet maintenance	Operations	\$10,600.31
Rivington Associates Commercial Division Inc.	Services	Administration	\$1,892.75
Rob Dougherty Masonry Contractor	Repairs	Operations	\$1,604.60
RODAN Energy Solutions Inc.	Professional Services	Administration	\$7,571.00
Royal Bank Visa	Miscellaneous	Admin/Operations	\$28,236.47
Sage Software Canada Ltd.	Software	Administration	\$4,753.37
Scott & Sons Hardware Ltd.	Supplies	Operations	\$2,155.83
Shepherd Utility Equipment	Supplies	Operations	\$230.52
Show Fund Kinsmen/Kinette Clubs	Advertising	Administration	\$165.00
Shred-it Ottawa	Services	Administration	\$952.73
SP Safety Solutions Inc.	Services	Operations	\$8,814.00

T. Williams Plumbing Ltd.	Repairs	Administration	\$345.78
Tandem Energy Services Inc.	Consulting Services	Administration	\$2,734.88
TF Custom Signs	Supplies	Operations	\$1,337.92
The Hydraulic Co.	Fleet maintenance	Operations	\$636.19
The ITM Group Inc.	IT Services	Administration	\$2,080.05
The MEARIE Group	Employee Benefits/Courses	Administration	\$93,421.09
The MEARIE Group	Training	Operations	\$7,441.05
The Security Company	Security service	Administration	\$2,192.20
Township of Admaston/Bromley	Contract services	Operations	\$1,260.00
Trenchless Utility Equipment Inc.	Equipment repair	Operations	\$525.45
Tubman Marketing Inc.	Website service	Administration	\$33.84
UniFirst Canada Ltd.	Services	Administration	\$2,381.14
Universal Field Supplies Inc.	Supplies	Operations	\$659.69
Util-Assist Inc.	Services	Billing	\$16,455.16
Utilismart Corporation	Contract services	Billing	\$24,600.10
Utilities Standards Forum	Membership/Training	Operations	\$678.00
Utility Collaborative Services	CIS Maintenance & Support	Billing	\$109,669.76
Utility Pole Drilling Inc.	Contract services	Operations	\$1,440.75
Valley Automation and Control	Contract services	Operations	\$233.89
Valley Bytes	Office supplies	Administration	\$370.57
Valley Rent Rite Ltd	Equipment rental	Operations	\$282.50
Valley Sales & Equipment	Capital - Stairs	Operations	\$15,092.16
Westburne Ontario	Supplies	Operations	\$305.32
Wilson's Telephone Installation & Repair	Capital/Leasehold Improve	Capital	\$3,925.25
Wood Duck Manufacturing Ltd.	Office furniture	Capital	\$3,467.97
Workplace Safety & Ins. Board	WSIB	Administration	\$7,311.64
Yemen Electric	Contract services	Operations	\$33,365.58

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Ex.4/Tab 6/Sch.2 - One-time Costs

The only noteworthy one-time cost relates to the costs associated with 2017 Cost of Service application which are amortized over a period of five years. Regulatory costs are discussed in the next section. Note that the costs related to the Distribution System Plan have also been amortized over a period of 5 years. These are also discussed in the regulatory section of the application at the next schedule.

Ex.4/Tab 6/Sch.3 - Regulatory Costs

OEB Appendix 2-M: Regulatory Costs below show RHI's historical actuals and anticipated costs for the bridge and test years. Note that the historical costs for regulatory matters shown at line 6 of the table, reflect actual costs for the 2010 Cost of Service Application (amortized over 3 years).

RHI has included the costs incurred and forecasted to conduct the surveys that are a requisite for the annual Scorecard. RHI, in collaboration with CHEC members, conducted the Safety Survey during the first quarter of 2016. RHI plans to use the same process to conduct its next Customer Satisfaction Survey later in 2016.

The Board's expectation is to conduct these surveys on a biennial basis. RHI has included an amortized annual estimate of \$10,000 for the surveys outlined above in the 2017 test year.

The second part of the chart for OEB Appendix 2-M below details the breakout of the costs forecast to occur in order to prepare the 2017 application. The total cost of \$266,000 is for consultant costs, legal fees and intervenor fees. The costs will be amortized over a 5 year period in the amount of \$53,200 per year.

All regulatory costs listed below are tracked in account 5655 – Regulatory Expenses. Sub accounts are used to track OEB Assessments and Cost Assessments from the OEB and the Cost of Service Rate Application.

Appendix 2-M: Breakdown of Regulatory Costs

Regulatory Cost Category		USoA Account	Ongoing or One-time Cost?	Last Rebasings Year Board Approved	2010	2011	2012	2013	2014	2015	2016	2017
1	OEB Annual Assessment	5655	On-Going	\$11,000	\$11,617	\$12,313	\$11,814	\$12,212	\$12,057	\$12,202	\$12,040	\$22,000
2	OEB Section 30 Costs (Applicant-originated)		On-Going									
3	OEB Section 30 Costs (OEB-initiated)		On-Going									
4	Expert Witness costs for regulatory matters		On-Going									
5	Legal costs for regulatory matters	5655	On-Going	\$500								
6	Consultants' costs for regulatory matters	5655	On-Going	\$43,750		\$33,236	\$32,500	\$32,500				\$53,200
7	Operating expenses associated with staff resources allocated to regulatory matters		On-Going									
8	Operating expenses associated with other resources allocated to regulatory matters ¹		On-Going									
9	Other regulatory agency fees or assessments	5655	On-Going	\$800								
10	Regulatory Costs related to IRM		On-Going		\$473	\$12,017	\$1,793					
	Safety Survey Costs	5655	On-Going								\$10,000	\$5,000
	Customer Satisfaction Survey Costs	5655	On-Going								\$10,000	\$5,000
11	Intervenor costs	5655	On-Going	\$5,000								
12	Sub-total - Ongoing Costs ³			\$61,050	\$12,090	\$57,566	\$46,106	\$44,712	\$12,057	\$12,202	\$32,040	\$85,200
13	Sub-total - One-time Costs ⁴			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Total			\$61,050	\$12,090	\$57,566	\$46,106	\$44,712	\$12,057	\$12,202	\$32,040	\$85,200

Table 4.19 - Breakdown of Expenses related to Cost of Service

	2017	2018	2019	2020	2021
Cost of Service	\$53,200.00	\$53,200.00	\$53,200.00	\$53,200.00	\$53,200.00
1/5 per year					
IRM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Application	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL in 5655	\$53,200.00	\$53,200.00	\$53,200.00	\$53,200.00	\$53,200.00

Table 4.20 - Cost of Service Cost Components

Tandem assistance for CoS	\$50,000.00
Tandem assistance for Irs	\$10,000.00
AESI assistance for CoS (DSP)	\$25,000.00
AESI assistance for Irs (DSP)	\$10,000.00
External Costs - legal	\$20,000.00
External Costs (other consulting)	\$20,000.00
Production & Submission	\$2,500.00
Public Notice	\$1,000.00
Settlement	\$20,000.00
Oral Hearing	\$50,000.00
Reply submission	\$5,000.00
Intervenor costs	\$50,000.00
Rate Order	\$2,500.00
Total Cost of Service Filing costs	\$266,000.00

LEAP, Charitable and Political Donations

Ex.4/Tab 7/Sch.1 – Low-Income Energy Assistance Programs

RHI has included \$5,000 of expense for the Low-Income Energy Assistance Program (LEAP) under Deductions Donation Expense (USoA #6205). This amount is higher than the Board's determination that the greater of 0.12% of a distributor's Board-approved distribution revenue requirement which would have been \$2,500. RHI has donated \$5K to this program in each year: 2013, 2014, and 2015. The funds are disbursed quickly, an indicator of the low income needs in the RHI service area.

RHI has partnered with the County of Renfrew Social Services (Ontario Works Department) to assist in the LEAP program intended to provide emergency relief to eligible low-income customers who may be experiencing difficulty paying current arrears to RHI.

In compliance with OEB policy, RHI

- Collects money from ratepayers for LEAP EFA in the amount approved by the OEB;
- Transfers program funds to the County of Renfrew;
- Determines funding allocations within their service territory by geography;
- Establishes partnerships, contracts, and operational procedures with Lead Agencies;
- Receives, records and takes appropriate action upon notification from an Intake Agency (or Lead Agency as appropriate) that an assessment of eligibility is being undertaken;
- Receives, records and takes appropriate action upon notification from an Intake Agency (or Lead Agency as appropriate) of decisions on applications;
- Confirms customer and account information used in determining program eligibility, including information on payment history; and RHI reports to the OEB in accordance with OEB reporting requirements through filings 2.1.16.
- RHI attests that the test year revenue requirement does not include legacy low income energy assistance programs.

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Table 4.21: Summary of LEAP RRR filings 2.1.16

	2011	2012	2013	2014	2015
LEAP Donation	\$2,500	\$2,500	\$5,000	\$5,000	\$5,000
Funds Depleted	September	April	April	March	March
LEAP Applicants Assisted	6	7	12	12	13

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Ex.4/Tab 7/Sch.2 - Charitable and Political Donations

RHI does not donate to charities and as such, the utility confirms that no charitable donations have been included in OM&A expenses for 2017 other than the \$5000 for LEAP funding.

No non-recoverable contributions are included in the proposed revenue requirement.

Depreciation, Amortization & Depletion

Ex.4/Tab 8/Sch.1 - Depreciation Rates and Methodology

In accordance with the July 17, 2012 letter from the Board on Regulatory accounting policy direction regarding changes to depreciation expense and capitalization policies, RHI completed an internal analysis in the summer of 2012. The analysis supported the revised average useful lives of various asset categories based on historical evidence and is within the typical useful life bands outlined in the Kinectrics Report “Asset Depreciation Study for the Ontario Energy Board”. RHI adopted the Kinectrics proposed useful lives and componentization as of January 1, 2013. At this time the life span of the existing assets and new additions were extended to comply with the depreciation changes, and the substations were split into major components allowing for the significant parts to be depreciated separately. The impact of on the utility’s net assets is discussed in Exhibit 2 and the newly adopted depreciation rates applied on a straight line basis are presented at Ex.4/Tab 8/Sch. 3, and Ex.4/Tab 8/Sch. 4.

Continuity Statements of the historical and forecasted depreciation expenses are presented at the next page.

Ex.4/Tab 8/Sch.2 – Depreciation Expense Schedule

In accordance with the Board's filing requirements, RHI has completed the following depreciation and amortization expense tables:

- a) 2010 Former CGAAP
- b) 2011 Former CGAAP
- c) 2012 Former CGAAP
- d) 2013 Former CGAAP
- e) 2013 Modified CGAAP
- f) 2014 Former CGAAP
- g) 2014 Modified CGAAP
- h) 2014 IFRS
- i) 2015 Former CGAAP
- j) 2015 Modified CGAAP
- k) 2015 IFRS
- l) 2016 Former CGAAP
- m) 2016 IFRS
- n) 2017 Former CGAAP
- o) 2017 IFRS

As stated previously, RHI adopted a change in capitalization and useful lives policies for assets in January 2013.

RHI does not have any differences between the depreciation for modified CGAAP vs MIFRS for 2014.

Appendix 2-CA
Depreciation and Amortization Expense

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

Account	Description	Year	2010	Former CGAAP		Total for Depreciation	Years	Depreciation Rate	2010 Depreciation Expense	2010 Depreciation Expense per Appendix 2-B Fixed Assets, Column K	Variance ²
		Opening Regulatory Gross PP&E as at Jan 1, 2010	Less Fully Depreciated	Net for Depreciation	Additions						
		(a)	(b)	(c)	(d)	(e)	(f)	(g) = 1 / (f)	(h) = (e) / (f)	(i) = (h) - (g)	(j) = (h) - (i)
1611	Computer Software (Formerly known as Account 1925)	\$ 114,253.76	\$ 3,348.00	\$ 110,911.76	\$ 6,445.00	\$ 114,134.26	5.00	20.00%	\$ 22,826.85	\$ 22,826.85	\$ 0.00
1612	Land Rights (Formerly known as Account 1906)	\$ 17,374.17	\$ 13,885.30	\$ 3,488.27	\$ 6,606.50	\$ 6,791.52	20.00	5.00%	\$ 339.58	\$ 340.17	\$ 0.59
1605	Land	\$ 22,895.33		\$ 22,895.33		\$ 22,895.33	-		\$ -	\$ -	\$ -
1808	Buildings - Equipment			\$ -		\$ -	10.00	10.00%	\$ -	\$ -	\$ -
1808	Buildings - Equipment			\$ -		\$ -	20.00	5.00%	\$ -	\$ -	\$ -
1808	Buildings - Major Repairs			\$ -		\$ -	25.00	4.00%	\$ -	\$ -	\$ -
1808	Buildings - Major Repairs			\$ -		\$ -	30.00	3.33%	\$ -	\$ -	\$ -
1808	Buildings - Brick, Stone, Concrete and Steel	\$ 143,976.83	\$ 13,819.12	\$ 136,157.71	\$ 11,168.46	\$ 141,741.34	50.00	2.00%	\$ 2,834.84	\$ 2,834.84	\$ 0.00
1808	Buildings - Other	\$ 4,151.77		\$ 4,151.77	\$ -	\$ 4,151.77	25.00	4.00%	\$ 166.07	\$ -	\$ 166.07
1810	Leasehold Improvements			\$ -		\$ -			\$ -	\$ -	\$ -
1815	Transformer Station Equipment >50 kV			\$ -		\$ -			\$ -	\$ -	\$ -
1820	Distribution Station Equipment <50 kV	\$ 1,146,264.00	\$ 201,648.59	\$ 944,615.41	\$ 141,933.03	\$ 1,015,581.93	30.00	3.33%	\$ 33,852.73	\$ 33,852.73	\$ 0.00
1825	Storage Battery Equipment			\$ -		\$ -			\$ -	\$ -	\$ -
1830	Poles, Towers & Fixtures	\$ 2,023,797.87	\$ 444,219.50	\$ 1,579,578.37	\$ 130,865.46	\$ 1,645,011.10	25.00	4.00%	\$ 65,800.44	\$ 65,800.44	\$ 0.00
1835	Overhead Conductors & Devices	\$ 3,501,362.36	\$ 357,394.50	\$ 2,543,367.86	\$ 139,070.40	\$ 2,612,303.06	25.00	4.00%	\$ 104,516.12	\$ 104,516.12	\$ 0.00
1840	Underground Conduit	\$ 45,129.43		\$ 45,129.43	\$ 7,458.74	\$ 48,858.80	25.00	4.00%	\$ 1,954.35	\$ 1,955.57	\$ 1.22
1845	Underground Conductors & Devices	\$ 345,188.74	\$ 1,737.25	\$ 343,451.49	\$ 42,022.55	\$ 364,462.77	25.00	4.00%	\$ 14,578.51	\$ 14,578.51	\$ 0.00
1850	Line Transformers	\$ 1,530,438.49	\$ 438,192.05	\$ 1,092,306.44	\$ 15,433.89	\$ 1,100,026.39	25.00	4.00%	\$ 44,001.06	\$ 44,001.06	\$ 0.00
1855	Services (Overhead & Underground)	\$ 1,474,563.55	\$ 427,241.90	\$ 1,047,321.65	\$ 21,175.84	\$ 1,057,303.57	25.00	4.00%	\$ 42,316.38	\$ 42,316.38	\$ 0.00
1860	Meters	\$ 587,712.50	\$ 158,280.86	\$ 429,431.64	\$ 6,616.89	\$ 432,740.09	25.00	4.00%	\$ 17,309.60	\$ 17,319.60	\$ 10.00
1860	Meters (Smart Meters)			\$ -		\$ -			\$ -	\$ -	\$ -
1905	Land			\$ -		\$ -	-		\$ -	\$ -	\$ -
1908	Buildings & Fixtures - Equipment			\$ -		\$ -	10.00	10.00%	\$ -	\$ -	\$ -
1908	Buildings & Fixtures - Driveways			\$ -		\$ -	20.00	5.00%	\$ -	\$ -	\$ -
1908	Buildings & Fixtures - Major Repairs			\$ -		\$ -	25.00	4.00%	\$ -	\$ -	\$ -
1908	Buildings & Fixtures - Brick Store etc			\$ -		\$ -	50.00	2.00%	\$ -	\$ -	\$ -
1910	Leasehold Improvements			\$ -		\$ -			\$ -	\$ -	\$ -
1915	Office Furniture & Equipment (10 years)	\$ 30,841.31	\$ 30,733.33	\$ 107.98		\$ 107.98	10.00	10.00%	\$ 10.80	\$ 10.80	\$ 0.00
1915	Office Furniture & Equipment (5 years)			\$ -		\$ -			\$ -	\$ -	\$ -
1920	Computer Equipment - Hardware	\$ 84,470.70	\$ 64,346.48	\$ 20,124.22	\$ 4,448.20	\$ 22,348.32	5.00	20.00%	\$ 4,469.66	\$ 4,469.66	\$ 0.00
1920	Computer Equip.-Hardware(Poort Mar. 22/04)			\$ -		\$ -			\$ -	\$ -	\$ -
1920	Computer Equip.-Hardware(Poort Mar. 19/07)			\$ -		\$ -			\$ -	\$ -	\$ -
1930	Transportation Equipment - under 3 Tons	\$ 100,904.77	\$ 66,163.05	\$ 34,741.72		\$ 34,741.72	5.00	20.00%	\$ 6,948.34	\$ 6,948.34	\$ 0.02
1930	Transportation Equipment - 3 Tons & Over	\$ 808,501.16	\$ 548,601.59	\$ 259,893.57		\$ 259,893.57	8.00	12.50%	\$ 32,486.70	\$ 32,486.70	\$ 0.00
1935	Storage Equipment	\$ 3,559.10	\$ 3,559.10	\$ -		\$ -	10.00	10.00%	\$ -	\$ -	\$ -
1940	Tools, Shop & Garage Equipment	\$ 186,853.67	\$ 154,529.20	\$ 32,324.47		\$ 32,324.47	10.00	10.00%	\$ 3,232.45	\$ 3,232.64	\$ 0.19
1945	Measurement & Testing Equipment			\$ -		\$ -	10.00	10.00%	\$ -	\$ -	\$ -
1950	Power Operated Equipment			\$ -		\$ -			\$ -	\$ -	\$ -
1955	Communications Equipment			\$ -		\$ -	5.00	20.00%	\$ -	\$ -	\$ -
1955	Communication Equipment (Smart Meters)			\$ -		\$ -			\$ -	\$ -	\$ -
1960	Miscellaneous Equipment			\$ -		\$ -			\$ -	\$ -	\$ -
1970	Load Management Controls Customer Premises			\$ -		\$ -	10.00	10.00%	\$ -	\$ -	\$ -
1975	Load Management Controls Utility Premises			\$ -		\$ -	10.00	10.00%	\$ -	\$ -	\$ -
1980	System Supervisor Equipment			\$ -		\$ -	15.00	6.67%	\$ -	\$ -	\$ -
1985	Miscellaneous Fixed Assets			\$ -		\$ -			\$ -	\$ -	\$ -
1990	Other Tangible Property			\$ -		\$ -			\$ -	\$ -	\$ -
1995	Contributions & Grants			\$ -		\$ -			\$ -	\$ -	\$ -
Total		\$ 12,178,305.51	\$ 3,528,306.42	\$ 8,649,999.09	\$ 533,250.96	\$ 8,316,624.57			\$ 337,644.49	\$ 337,490.43	\$ 154.06

Appendix 2-CA

Depreciation and Amortization Expense

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

Account	Description	Year 2011		Former CGAAP		Years	Depreciation Rate	2011 Depreciation Expense	2011 Depreciation Expense per Appendix 2-B Fixed Assets, Column K	Variance ²
		Opening Regulatory Gross PP&E as at Jan 1, 2011	Less Fully Depreciated	Net for Depreciation	Additions					
		(a)	(b)	(c)	(d)			(g) = (f) / (f)	(h) = (c) / (f)	(m) = (b) - (f)
1611	Computer Software (Formally known as Account 1925)	\$ 120,704.76	\$ 3,348.00	\$ 117,356.76	\$ -	5.00	20.00%	\$ 23,471.35	\$ 23,471.35	\$ 0.00
1612	Land Rights (Formally known as Account 1906)	\$ 23,380.67	\$ 13,885.30	\$ 10,094.77	\$ -	20.00	5.00%	\$ 504.74	\$ 505.33	\$ - 0.59
1612	Land Rights (Formally known as Account 1906)	\$ -	\$ -	\$ -	\$ -	25.00	4.00%	\$ -	\$ -	\$ -
1805	Land	\$ 22,895.33	\$ -	\$ 22,895.33	\$ -	-	-	\$ -	\$ -	\$ -
1808	Buildings - Equipment	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1808	Buildings - Equipment	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1808	Buildings - Major Repairs	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1808	Buildings - Major Repairs	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1808	Buildings - Brick, Stone, Concrete and Steel	\$ 161,145.29	\$ 13,819.12	\$ 147,326.17	\$ 36,537.27	50.00	2.00%	\$ 3,311.30	\$ 3,311.69	\$ 0.01
1808	Buildings - Other	\$ 4,151.77	\$ -	\$ 4,151.77	\$ -	25.00	4.00%	\$ 166.07	\$ -	\$ 166.07
1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1815	Transformer Station Equipment >50 kV	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1820	Distribution Station Equipment <50 kV	\$ 1,288,137.03	\$ 201,648.59	\$ 1,086,548.44	\$ -	30.00	3.33%	\$ 36,218.28	\$ 36,218.28	\$ 0.00
1825	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1830	Poles, Towers & Fixtures	\$ 2,154,663.33	\$ 481,999.00	\$ 1,672,664.33	\$ 167,919.46	25.00	4.00%	\$ 70,264.36	\$ 70,264.36	\$ 0.00
1835	Overhead Conductors & Devices	\$ 3,640,432.76	\$ 1,046,146.70	\$ 2,594,286.06	\$ 185,957.61	25.00	4.00%	\$ 107,430.53	\$ 107,430.53	\$ 0.00
1840	Underground Conduit	\$ 52,588.17	\$ 303.20	\$ 52,284.97	\$ 1,982.23	25.00	4.00%	\$ 2,131.04	\$ 2,131.04	\$ 0.00
1845	Underground Conductors & Devices	\$ 387,211.29	\$ 4,739.35	\$ 382,471.94	\$ 2,302.89	25.00	4.00%	\$ 15,344.34	\$ 15,344.34	\$ 0.00
1850	Line Transformers	\$ 1,545,336.38	\$ 554,065.05	\$ 991,271.33	\$ 53,277.00	25.00	4.00%	\$ 40,860.47	\$ 40,860.47	\$ 0.00
1855	Services (Overhead & Underground)	\$ 1,435,739.39	\$ 470,330.30	\$ 1,025,408.49	\$ 24,103.19	25.00	4.00%	\$ 41,438.40	\$ 41,438.40	\$ 0.00
1860	Meters	\$ 534,329.39	\$ 196,337.39	\$ 337,992.00	\$ -	25.00	4.00%	\$ 15,313.68	\$ 15,313.68	\$ -
1860	Meters (Smart Meters)	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1905	Land	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1908	Buildings & Fixtures - Equipment	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1908	Buildings & Fixtures - Driveways	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1908	Buildings & Fixtures - Major Repairs	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1908	Buildings & Fixtures - Brick Store etc	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1910	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1915	Office Furniture & Equipment (10 years)	\$ 30,841.31	\$ 30,841.31	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1920	Computer Equipment - Hardware	\$ 88,918.90	\$ 78,636.02	\$ 10,282.88	\$ -	5.00	20.00%	\$ 2,056.58	\$ 2,056.58	\$ - 0.00
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1930	Transportation Equipment - under 3 Tons	\$ 100,304.77	\$ 38,863.57	\$ 2,041.20	\$ -	5.00	20.00%	\$ 408.24	\$ 408.24	\$ - 0.00
1930	Transportation Equipment - 3 Tons & Over	\$ 808,501.16	\$ 548,607.59	\$ 259,893.57	\$ 40,204.00	8.00	12.50%	\$ 34,399.45	\$ 34,399.45	\$ - 0.00
1935	Stores Equipment	\$ 3,559.10	\$ 3,559.10	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1940	Tools, Shop & Garage Equipment	\$ 186,853.67	\$ 167,014.29	\$ 19,839.38	\$ -	10.00	10.00%	\$ 1,983.94	\$ 1,983.94	\$ - 0.00
1945	Measurement & Testing Equipment	\$ -	\$ -	\$ -	\$ -	10.00	10.00%	\$ -	\$ -	\$ -
1950	Power Operated Equipment	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1955	Communications Equipment	\$ -	\$ -	\$ -	\$ -	5.00	20.00%	\$ -	\$ -	\$ -
1955	Communication Equipment (Smart Meters)	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1960	Miscellaneous Equipment	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1970	Load Management Controls Customer Premises	\$ -	\$ -	\$ -	\$ -	10.00	10.00%	\$ -	\$ -	\$ -
1975	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -	10.00	10.00%	\$ -	\$ -	\$ -
1980	System Supervisor Equipment	\$ -	\$ -	\$ -	\$ -	15.00	6.67%	\$ -	\$ -	\$ -
1985	Miscellaneous Fixed Assets	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1990	Other Tangible Property	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1995	Contributions & Grants	\$ -	\$ -	\$ -	\$ -	25.00	4.00%	\$ -	\$ -	\$ -
1609	Other Tangible Property	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
Total		\$ 12,711,556.47	\$ 3,914,145.08	\$ 8,797,411.39	\$ 518,283.65			\$ 336,630.63	\$ 336,465.14	\$ 165.49

Appendix 2-CA Depreciation and Amortization Expense											
Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013 and will adopt IFRS for financial reporting purposes effective January 1, 2015.											
Year		Former CGAAP									
Account	Description	Opening Regulatory Gross PP&E as at Jan 1, 2012	Less Fully Depreciated	Net for Depreciation	Additions	Total for Depreciation	Years	Depreciation Rate	2012 Depreciation Expense	2012 Depreciation Expense per Appendix 2-B Fixed Assets	Variance
		(a)	(b)	(c)	(d)	(e)	(f)	(g) - 1/2 (f)	(h) - (a) 1/2 (f)	(m) - (b) - (l)	
1611	Computer Software (Formally known as Account 1625)	\$ 120,704.76	\$ 114,259.76	\$ 6,445.00	\$ -	\$ 6,445.00	5.00	20.00%	\$ 1,289.00	\$ 1,289.00	\$ -
1612	Land Rights (Formally known as Account 1906)	\$ 23,980.67	\$ 15,635.90	\$ 8,344.77	\$ -	\$ 8,344.77	20.00	5.00%	\$ 417.24	\$ 405.60	\$ 11.64
1612	Land Rights (Formally known as Account 1906)			\$ -	\$ -	\$ -	25.00	4.00%	\$ -	\$ -	\$ -
1605	Land	\$ 22,895.33	\$ -	\$ 22,895.33	\$ -	\$ 22,895.33	-	-	\$ -	\$ -	\$ -
1608	Building - Equipment		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1608	Building - Equipment		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1608	Building - Equipment		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1608	Building - Major Repairs		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1608	Building - Major Repairs		\$ -	\$ -	\$ -	\$ -	25.00	4.00%	\$ -	\$ -	\$ -
1608	Building - Brick, Stone, Concrete and Steel	\$ 197,632.56	\$ 13,819.12	\$ 183,813.44	\$ -	\$ 183,813.44	50.00	2.00%	\$ 3,677.27	\$ 3,677.27	\$ 0.00
1608	Building - Other	\$ 4,151.77	\$ -	\$ 4,151.77	\$ -	\$ 4,151.77	25.00	4.00%	\$ 166.07	\$ -	\$ 166.07
1610	Leasehold Improvements		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1615	Transformer Station Equipment <50 kV		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1620	Distribution Station Equipment <50 kV	\$ 1,288,197.02	\$ 201,648.59	\$ 1,086,548.44	\$ -	\$ 1,086,548.44	30.00	3.33%	\$ 36,218.28	\$ 36,218.28	\$ 0.00
1625	Storage Battery Equipment		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1630	Pole, Tower & Fixture	\$ 2,322,582.79	\$ 519,564.75	\$ 1,803,018.04	\$ 161,976.09	\$ 1,964,994.13	25.00	4.00%	\$ 75,260.24	\$ 75,260.24	\$ 0.00
1635	Overhead Conductors & Devices	\$ 3,826,290.37	\$ 1,123,800.40	\$ 2,692,589.97	\$ 145,097.59	\$ 2,765,138.77	25.00	4.00%	\$ 110,605.55	\$ 110,605.55	\$ 0.00
1640	Underground Conduit	\$ 54,570.40	\$ 1,257.25	\$ 53,313.15	\$ 8,500.42	\$ 57,563.26	25.00	4.00%	\$ 2,302.53	\$ 2,302.53	\$ 0.00
1645	Underground Conductors & Devices	\$ 389,514.18	\$ 13,325.10	\$ 376,189.08	\$ 23,628.42	\$ 388,003.29	25.00	4.00%	\$ 15,520.13	\$ 15,520.13	\$ 0.00
1650	Line Transformer	\$ 1,605,215.38	\$ 636,008.25	\$ 969,207.13	\$ 23,827.94	\$ 981,121.10	25.00	4.00%	\$ 39,244.84	\$ 39,244.84	\$ 0.00
1655	Service (Overhead & Underground)	\$ 1,519,842.58	\$ 515,250.90	\$ 1,004,591.68	\$ 22,577.15	\$ 1,015,880.26	25.00	4.00%	\$ 40,635.21	\$ 40,635.21	\$ 0.00
1660	Motors	\$ 594,329.39	\$ 214,688.89	\$ 379,640.50	\$ -	\$ 379,640.50	25.00	4.00%	\$ 15,185.62	\$ 15,185.62	\$ -
1660	Motors (Smart Motors)		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1905	Land		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1908	Building & Fixture		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1908	Building & Fixture		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1908	Building & Fixture		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1908	Building & Fixture		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1908	Building & Fixture		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1908	Building & Fixture		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1910	Leasehold Improvements		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1915	Office Furniture & Equipment (10 years)	\$ 30,341.31	\$ 30,341.31	\$ -	\$ -	\$ -	10.00	10.00%	\$ -	\$ -	\$ -
1915	Office Furniture & Equipment (5 years)		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1920	Computer Equipment - Hardware	\$ 88,918.90	\$ 84,470.70	\$ 4,448.20	\$ 6,705.00	\$ 7,200.70	5.00	20.00%	\$ 1,560.14	\$ 1,560.14	\$ 0.00
1920	Computer Equip.-Hardware (Part Mar. 22/04)		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1920	Computer Equip.-Hardware (Part Mar. 19/07)		\$ -	\$ -	\$ -	\$ -	5.00	20.00%	\$ -	\$ -	\$ -
1930	Transportation Equipment - under 3 Tons	\$ 100,904.77	\$ 100,904.77	\$ -	\$ 47,264.18	\$ 23,632.09	5.00	20.00%	\$ 4,726.42	\$ 4,726.42	\$ 0.00
1930	Transportation Equipment - 3 Tons & Over	\$ 849,705.16	\$ 548,607.59	\$ 300,097.57	\$ -	\$ 300,097.57	8.00	12.50%	\$ 37,512.20	\$ 37,512.20	\$ 0.00
1935	Storage Equipment	\$ 3,559.10	\$ 3,559.10	\$ -	\$ -	\$ -	10.00	10.00%	\$ -	\$ -	\$ -
1940	Tool, Shop & Garage Equipment	\$ 116,852.67	\$ 167,014.29	\$ 19,829.28	\$ -	\$ 19,829.28	10.00	10.00%	\$ 1,982.94	\$ 1,982.94	\$ 0.00
1945	Measurement & Testing Equipment		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1950	Power Operated Equipment		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1955	Communication Equipment		\$ -	\$ -	\$ -	\$ -	5.00	20.00%	\$ -	\$ -	\$ -
1955	Communication Equipment (Smart Motors)		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1960	Miscellaneous Equipment		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1970	Load Management Controls Customer Premises		\$ -	\$ -	\$ -	\$ -	10.00	10.00%	\$ -	\$ -	\$ -
1975	Load Management Controls Utility Premises		\$ -	\$ -	\$ -	\$ -	10.00	10.00%	\$ -	\$ -	\$ -
1980	System Supervisor Equipment		\$ -	\$ -	\$ -	\$ -	15.00	6.67%	\$ -	\$ -	\$ -
1985	Miscellaneous Fixed Assets		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1990	Other Tangible Property		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
1995	Contributions & Grants		\$ -	\$ -	\$ -	\$ -	25.00	4.00%	\$ -	\$ -	\$ -
1609	Other Tangible Property		\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
Total		\$ 13,229,040.12	\$ 4,214,656.67	\$ 9,014,383.45	\$ 429,576.79	\$ 9,124,971.85			\$ 386,404.69	\$ 386,226.97	\$ 177.72

Appendix 2-CA
Depreciation and Amortization Expense

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

Account	Description	Year 2013		Former CGAAP		Total for Depreciation	Years	Depreciation Rate	2013 Depreciation Expense	2013 Depreciation Expense - old CGAAP	Variance ²
		Opening Regulatory Gross PP&E as at Jan 1, 2013	Less Fully Depreciated	Net for Depreciation	Additions						
		(a)	(b)	(c)	(d)	(e)	(f)	(g) = 1 / (f)	(h) = (c) / (f)	(i) = (d) / (f)	(j) = (b) - (i)
1611	Computer Software (Formerly known as Account 1925)	\$ 120,704.76	\$ 114,253.76	\$ 6,445.00		\$ 6,445.00	5.00	20.00%	\$ 1,289.00	\$ 1,289.00	\$ -
1612	Land Rights (Formerly known as Account 1906)	\$ 23,380.67	\$ 16,174.17	\$ 7,806.50		\$ 7,806.50	20.00	5.00%	\$ 390.33	\$ 390.33	\$ - 0.01
1612	Land Rights (Formerly known as Account 1906)			\$ -		\$ -			\$ -	\$ -	\$ -
1805	Land	\$ 22,895.33		\$ 22,895.33		\$ 22,895.33	-		\$ -	\$ -	\$ -
1808	Buildings - Equipment			\$ -		\$ -			\$ -	\$ -	\$ -
1808	Buildings - Equipment			\$ -		\$ -			\$ -	\$ -	\$ -
1808	Buildings - Equipment			\$ -		\$ -			\$ -	\$ -	\$ -
1808	Buildings - Major Repairs			\$ -		\$ -			\$ -	\$ -	\$ -
1808	Buildings - Major Repairs			\$ -		\$ -			\$ -	\$ -	\$ -
1808	Buildings - Brick, Stone, Concrete and Steel	\$ 191,682.56	\$ 13,819.12	\$ 183,863.44		\$ 183,863.44	50.00	2.00%	\$ 3,677.27	\$ 3,677.27	\$ - 0.00
1808	Buildings - Other	\$ 4,151.77		\$ 4,151.77		\$ 4,151.77	25.00	4.00%	\$ 166.07	\$ 166.07	\$ - 1,508.70
1810	Leasehold Improvements			\$ -		\$ -			\$ -	\$ -	\$ -
1815	Transformer Station Equipment >50 kV			\$ -		\$ -			\$ -	\$ -	\$ -
1820	Distribution Station Equipment <50 kV	\$ 1,288,197.03	\$ 201,648.59	\$ 1,086,548.44		\$ 1,086,548.44	30.00	3.33%	\$ 36,218.28	\$ 36,218.28	\$ - 0.00
1825	Storage Battery Equipment			\$ -		\$ -			\$ -	\$ -	\$ -
1830	Poles, Towers & Fixtures	\$ 2,484,558.88	\$ 566,113.35	\$ 1,918,444.33	\$ 109,813	\$ 1,973,351.19	25.00	4.00%	\$ 78,334.05	\$ 78,334.05	\$ - 0.00
1835	Overhead Conductors & Devices	\$ 3,371,467.36	\$ 1,242,415.40	\$ 2,129,052.56	\$ 64,843	\$ 2,761,434.08	25.00	4.00%	\$ 110,453.76	\$ 110,453.76	\$ - 0.00
1840	Underground Conduit	\$ 63,070.82	\$ 1,814.75	\$ 61,256.07	\$ 4,520	\$ 63,516.08	25.00	4.00%	\$ 2,540.64	\$ 2,540.64	\$ - 0.00
1845	Underground Conductors & Devices	\$ 413,142.60	\$ 16,347.10	\$ 394,735.50	\$ 85,037	\$ 437,314.00	25.00	4.00%	\$ 17,432.56	\$ 17,432.56	\$ -
1850	Line Transformers	\$ 1,629,043.32	\$ 735,509.25	\$ 893,534.07	\$ 41,356	\$ 914,212.04	25.00	4.00%	\$ 36,568.48	\$ 36,568.48	\$ - 0.00
1855	Services (Overhead & Underground)	\$ 1,542,419.73	\$ 568,831.65	\$ 973,588.08	\$ 34,966	\$ 991,071.17	25.00	4.00%	\$ 39,642.85	\$ 39,642.85	\$ - 0.00
1860	Meters	\$ 534,323.33	\$ 240,829.33	\$ 353,500.00		\$ 353,500.00	25.00	4.00%	\$ 14,140.00	\$ 14,140.00	\$ -
1860	Meters (Smart Meters)			\$ -	\$ 14,491	\$ 14,491	15.00	6.67%	\$ 483.02	\$ 483.02	\$ - 0.00
1905	Land			\$ -		\$ -			\$ -	\$ -	\$ -
1908	Buildings & Fixtures			\$ -		\$ -			\$ -	\$ -	\$ -
1908	Buildings & Fixtures			\$ -		\$ -			\$ -	\$ -	\$ -
1908	Buildings & Fixtures			\$ -		\$ -			\$ -	\$ -	\$ -
1908	Buildings & Fixtures			\$ -		\$ -			\$ -	\$ -	\$ -
1908	Buildings & Fixtures			\$ -		\$ -			\$ -	\$ -	\$ -
1908	Buildings & Fixtures			\$ -		\$ -			\$ -	\$ -	\$ -
1910	Leasehold Improvements			\$ -		\$ -			\$ -	\$ -	\$ -
1915	Office Furniture & Equipment (10 years)	\$ 30,841.31	\$ 30,841.31	\$ -		\$ -	10.00	10.00%	\$ -	\$ -	\$ -
1915	Office Furniture & Equipment (5 years)			\$ -		\$ -			\$ -	\$ -	\$ -
1920	Computer Equipment - Hardware	\$ 35,623.90	\$ 84,470.70	\$ 1153.20		\$ 1153.20	5.00	20.00%	\$ 2,230.64	\$ 2,230.64	\$ - 0.00
1920	Computer Equip.-Hardware(Post Mar. 22/04)			\$ -		\$ -			\$ -	\$ -	\$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)			\$ -		\$ -	5.00	20.00%	\$ -	\$ -	\$ -
1930	Transportation Equipment - under 3 Tons	\$ 148,168.35	\$ 100,304.75	\$ 47,264.20	\$ 2,500.00	\$ 48,514.20	5.00	20.00%	\$ 3,702.84	\$ 3,702.84	\$ - 0.00
1930	Transportation Equipment - 3 Tons & Over	\$ 848,705.16	\$ 548,609.16	\$ 300,096.00		\$ 300,096.00	8.00	12.50%	\$ 37,512.00	\$ 37,512.00	\$ - 0.20
1935	Stores Equipment	\$ 3,553.10	\$ 3,553.10	\$ -		\$ -	10.00	10.00%	\$ -	\$ -	\$ -
1940	Tools, Shop & Garage Equipment	\$ 186,853.67	\$ 168,607.29	\$ 18,246.38		\$ 18,246.38	10.00	10.00%	\$ 1,824.64	\$ 1,824.64	\$ - 0.00
1945	Measurement & Testing Equipment			\$ -		\$ -	10.00	10.00%	\$ -	\$ -	\$ -
1950	Power Operated Equipment			\$ -		\$ -			\$ -	\$ -	\$ -
1955	Communications Equipment			\$ -		\$ -	5.00	20.00%	\$ -	\$ -	\$ -
1955	Communication Equipment (Smart Meters)			\$ -		\$ -			\$ -	\$ -	\$ -
1960	Miscellaneous Equipment			\$ -		\$ -	10.00	10.00%	\$ -	\$ -	\$ -
1970	Load Management Controls Customer Premises			\$ -		\$ -	10.00	10.00%	\$ -	\$ -	\$ -
1975	Load Management Controls Utility Premises			\$ -		\$ -	10.00	10.00%	\$ -	\$ -	\$ -
1980	System Supervisor Equipment			\$ -		\$ -	5.00	20.00%	\$ -	\$ -	\$ -
1985	Miscellaneous Fixed Assets			\$ -		\$ -			\$ -	\$ -	\$ -
1990	Other Tangible Property			\$ -		\$ -			\$ -	\$ -	\$ -
1995	Contributions & Grants - O/H Conductor			\$ -	\$ 2,000.00	\$ 2,000.00	25.00	4.00%	\$ 40.00	\$ 40.00	\$ -
1995	Contributions & Grants - Poles			\$ -	\$ 15,100.00	\$ 15,100.00	25.00	4.00%	\$ 302.00	\$ 302.00	\$ -
1995	Contributions & Grants - Transformers			\$ -	\$ 7,500.00	\$ 7,500.00	25.00	4.00%	\$ 150.00	\$ 150.00	\$ -
1603	Other Tangible Property			\$ -		\$ -			\$ -	\$ -	\$ -
Total		\$ 13,663,416.31	\$ 4,656,755.44	\$ 9,012,661.47	\$ 332,925.27	\$ 9,379,124.11			\$ 332,780.43	\$ 334,289.33	\$ - 1,508.90

Depreciation and Amortization Expense

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

		2014 Former CGAAP										
Account	Description	Year	Opening	Less Fully	Net for	Additions	Total for	Years	Depreciat	2014	2014	Variance
		Regulatory	on Rate	Depreciated	Depreciation		Depreciation		on Rate	Depreciation	Depreciation	
		Gross PP&E as at Jan 1, 2014									Expense - old CGAAP	Expense - old CGAAP
		(a)	(b)	(c)	(d)	(e)	(f)	(g) = 1 / (f)	(h) = (e) / (f)	(i) = (e) / (f)	(j) = (e) / (f)	(k) = (h) - (i)
1611	Computer Software (Formally known as Account 1925)	\$ 120,104.76	\$ 114,253.76	\$ 6,445.00	\$ -	\$ 6,445.00	5.00	20.00%	\$ 1,283.00	\$ 1,283.00	\$ -	
1612	Land Rights (Formally known as Account 1906)	\$ 23,380.67	\$ 16,114.17	\$ 7,806.50	\$ -	\$ 7,806.50	20.00	5.00%	\$ 390.33	\$ 390.33	\$ -	
1612	Land Rights (Formally known as Account 1906)	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	
1805	Land	\$ 22,895.33	\$ -	\$ 22,895.33	\$ -	\$ 22,895.33	-	-	\$ -	\$ -	\$ -	
1808	Buildings - Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	
1808	Buildings - Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	
1808	Buildings - Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	
1808	Buildings - Major Repairs	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	
1808	Buildings - Major Repairs	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	
1808	Buildings - Brick, Stone, Concrete and Steel	\$ 197,682.56	\$ 13,819.12	\$ 183,863.44	\$ -	\$ 183,863.44	50.00	2.00%	\$ 3,677.27	\$ 3,677.27	\$ -	
1808	Buildings - Other	\$ 4,151.77	\$ 4,151.77	\$ -	\$ -	\$ -	25.00	4.00%	\$ -	\$ -	\$ -	
1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	
1815	Transformer Station Equipment >50 kV	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	
1820	Distribution Station Equipment <50 kV	\$ 1,288,197.03	\$ 286,608.63	\$ 1,001,588.40	\$ -	\$ 1,001,588.40	30.00	3.33%	\$ 33,386.28	\$ 33,386.28	\$ -	
1825	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	
1825	Poles, Towers & Fixtures	\$ 2,534,371.40	\$ 623,009.40	\$ 1,911,362.00	\$ 127,370	\$ 2,038,732.00	25.00	4.00%	\$ 81,401.88	\$ 81,401.88	\$ -	
1835	Overhead Conductors & Devices	\$ 4,036,330.39	\$ 1,375,170.39	\$ 2,661,160.00	\$ 114,305	\$ 2,775,465.00	25.00	4.00%	\$ 108,744.50	\$ 108,744.50	\$ 0.00	
1840	Underground Conduit	\$ 67,590.83	\$ 3,548.83	\$ 64,042.00	\$ 10,114	\$ 74,156.00	25.00	4.00%	\$ 2,763.96	\$ 2,763.96	\$ -	
1845	Underground Conductors & Devices	\$ 438,179.60	\$ 33,343.35	\$ 404,836.25	\$ 24,717	\$ 429,553.25	25.00	4.00%	\$ 19,063.55	\$ 19,063.55	\$ -	
1850	Line Transformers	\$ 1,670,339.25	\$ 835,360.00	\$ 834,979.25	\$ 28,523	\$ 863,502.25	25.00	4.00%	\$ 33,948.03	\$ 33,948.03	\$ 0.00	
1855	Services (Overhead & Underground)	\$ 1,577,385.31	\$ 637,827.31	\$ 939,558.00	\$ 14,548	\$ 954,106.00	25.00	4.00%	\$ 37,873.28	\$ 37,873.28	\$ -	
1860	Meters	\$ 534,323.33	\$ 260,134.89	\$ 274,188.44	\$ -	\$ 274,188.44	25.00	4.00%	\$ 13,367.78	\$ 13,367.78	\$ -	
1860	Meters (Smart Meters)	\$ 14,430.60	\$ -	\$ 14,430.60	\$ 10,278	\$ 24,709.20	15.00	6.67%	\$ 1,647.28	\$ 1,647.28	\$ -	
1905	Land	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	
1908	Buildings & Fixtures	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	
1908	Buildings & Fixtures	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	
1908	Buildings & Fixtures	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	
1908	Buildings & Fixtures	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	

Depreciation and Amortization Expense

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

		2015		Former CGAAP													
Account	Description	Year		Net for Depreciation	Additions	Total for Depreciation	Years	Depreciat on Rate	2015		2015 Depreciation Expense - old CGAAP	Variance ²					
		Opening Regulatory Gross PP&E as at Jan 1, 2015	Less Fully Depreciated						2015 Depreciation Expense	(h) = (e) / (f)							
		(a)	(b)	(c)	(d)	(e)	(f)	(g) = 1 / (f)	(h) = (e) / (f)	(i)	(j) = (h) - (i)						
1611	Computer Software (Formerly known as Account 1925)	\$ 120,704.76	\$ 117,482.41	\$ 3,222.35	\$ 39,417	\$ 22,930.85	5.00	20.00%	\$ 4,586.17	\$ 4,586.17	\$ 0.00						
1612	Land Rights (Formerly known as Account 1906)	\$ 23,380.67	\$ 16,174.17	\$ 7,806.50	\$ 4,321	\$ 3,967.00	20.00	5.00%	\$ 498.35	\$ 498.35	\$ 0.00						
1612	Land Rights (Formerly known as Account 1906)			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -						
1605	Land	\$ 22,895.33		\$ 22,895.33		\$ 22,895.33	-		\$ -	\$ -	\$ -						
1608	Buildings - Equipment			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -						
1608	Buildings - Equipment			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -						
1608	Buildings - Equipment			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -						
1608	Buildings - Major Repairs			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -						
1608	Buildings - Major Repairs			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -						
1608	Buildings - Major Repairs			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -						
1608	Buildings - Brick, Stone, Concrete and Steel	\$ 197,682.56	\$ 13,819.12	\$ 183,863.44		\$ 183,863.44	50.00	2.00%	\$ 3,677.27	\$ 3,677.27	\$ 0.00						
1608	Buildings - Other	\$ 4,151.77	\$ 4,151.77	\$ -		\$ -	25.00	4.00%	\$ -	\$ -	\$ -						
1610	Leasehold Improvements			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -						
1615	Transformer Station Equipment >50 kV			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -						
1620	Distribution Station Equipment <50 kV	\$ 1,288,197.03	\$ 286,608.63	\$ 1,001,588.40		\$ 1,001,588.40	30.00	3.33%	\$ 33,386.28	\$ 33,386.28	\$ -						
1625	Storage Battery Equipment			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -						
1630	Police, Towers & Fixtures	\$ 2,721,741.40	\$ 675,531.65	\$ 2,046,209.75	\$ 182,603	\$ 2,137,511.25	25.00	4.00%	\$ 85,500.45	\$ 85,500.45	\$ -						
1635	Overhead Conductors & Devices	\$ 4,151,235.39	\$ 1,437,722.39	\$ 2,653,513.00	\$ 68,146	\$ 2,687,586.00	25.00	4.00%	\$ 107,503.44	\$ 107,503.44	\$ 0.00						
1640	Underground Conduit	\$ 17,704.83	\$ 3,791.83	\$ 13,913.00		\$ 13,913.00	25.00	4.00%	\$ 2,956.51	\$ 2,956.51	\$ 0.01						
1645	Underground Conductors & Devices	\$ 522,936.60	\$ 36,158.60	\$ 486,778.00		\$ 486,778.00	25.00	4.00%	\$ 19,410.32	\$ 19,410.32	\$ -						
1650	Line Transformers	\$ 1,698,922.25	\$ 890,367.50	\$ 808,554.75	\$ 62,246	\$ 833,671.75	25.00	4.00%	\$ 33,587.11	\$ 33,587.11	\$ 0.00						
1655	Services (Overhead & Underground)	\$ 1,591,353.31	\$ 696,997.66	\$ 894,355.65	\$ 10,407	\$ 900,158.15	25.00	4.00%	\$ 36,009.53	\$ 36,009.53	\$ 0.00						
1660	Meters	\$ 594,323.33	\$ 274,404.89	\$ 319,918.44		\$ 319,918.44	25.00	4.00%	\$ 12,796.38	\$ 12,796.38	\$ -						
1660	Meters (Smart Meters)	\$ 24,768.60		\$ 24,768.60	\$ 1,884	\$ 25,710.60	15.00	6.67%	\$ 1,714.04	\$ 1,714.04	\$ 0.04						
1905	Land			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -						
1908	Buildings & Fixtures			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -						
1908	Buildings & Fixtures			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -						
1908	Buildings & Fixtures			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -						
1908	Buildings & Fixtures			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -						
1																	

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

		Year		2016		Former CGAAP															
Account Description		Opening Regulatory Gross PP&E as at Jan 1, 2016	Less Fully Depreciated	Net for Depreciation	Additions	Total for Depreciation	Years	Depreciation Rate	2016 Depreciation Expense	2016 Depreciation Expense - old CGAAP	Variance ¹										
		(a)	(b)	(c)	(d)	(e)	(f)	(g) = 1 / (f)	(h) = (c) / (f)	(i) = (h) - (g)	(j) = (h) - (i)										
1611	Computer Software (Formally known as Account 1925)	\$ 160,121.76	\$ 120,705.11	\$ 39,416.65		\$ 39,416.65	5.00	20.00%	\$ 7,883.33	\$ 7,883.33	\$ 0.00										
1612	Land Rights (Formally known as Account 1906)	\$ 28,301.67	\$ 16,174.17	\$ 12,127.50	\$ 3,000	\$ 13,627.50	20.00	5.00%	\$ 681.38	\$ 681.38	\$ 0.01										
1612	Land Rights (Formally known as Account 1906)	\$ 22,895.33		\$ 22,895.33		\$ 22,895.33	-		\$ -	\$ -	\$ -										
1808	Land								\$ -	\$ -	\$ -										
1808	Buildings - Equipment								\$ -	\$ -	\$ -										
1808	Buildings - Equipment								\$ -	\$ -	\$ -										
1808	Buildings - Equipment								\$ -	\$ -	\$ -										
1808	Buildings - Major Repairs								\$ -	\$ -	\$ -										
1808	Buildings - Major Repairs								\$ -	\$ -	\$ -										
1808	Buildings - Brick, Stone, Concrete and Steel	\$ 197,682.56	\$ 158,610.56	\$ 39,072.00		\$ 39,072.00	50.00	2.00%	\$ 781.44	\$ 781.44	\$ -										
1808	Buildings - Other	\$ 4,151.77	\$ 4,151.77	\$ -		\$ -	25.00	4.00%	\$ -	\$ -	\$ -										
1810	Leasehold Improvements								\$ -	\$ -	\$ -										
1815	Transformer Station Equipment >50 kV								\$ -	\$ -	\$ -										
1820	Distribution Station Equipment <50 kV	\$ 1,288,197.03	\$ 286,608.63	\$ 1,001,588.40		\$ 1,001,588.40	30.00	3.33%	\$ 33,386.28	\$ 33,386.28	\$ -										
1825	Storage Battery Equipment								\$ -	\$ -	\$ -										
1830	Poles, Towers & Fixtures	\$ 2,304,344.40	\$ 727,815.65	\$ 2,176,528.75	\$ 172,000	\$ 2,262,528.75	25.00	4.00%	\$ 90,501.15	\$ 90,501.15	\$ -										
1835	Overhead Conductors & Devices	\$ 4,219,381.93	\$ 1,619,719.74	\$ 2,593,662.25	\$ 83,000	\$ 2,641,162.25	25.00	4.00%	\$ 105,646.43	\$ 105,646.43	\$ 0.00										
1840	Underground Cables	\$ 77,704.83	\$ 4,296.08	\$ 73,408.75	\$ 7,400	\$ 77,708.75	25.00	4.00%	\$ 3,084.35	\$ 3,084.35	\$ -										
1845	Underground Conductors & Devices	\$ 522,896.60	\$ 40,675.10	\$ 482,221.50	\$ 92,600	\$ 528,521.50	25.00	4.00%	\$ 21,140.86	\$ 21,140.86	\$ -										
1850	Line Transformers	\$ 1,761,168.25	\$ 316,563.50	\$ 844,604.75	\$ 163,000	\$ 926,104.75	25.00	4.00%	\$ 37,044.19	\$ 37,044.19	\$ -										
1855	Services (Overhead & Underground)	\$ 1,602,340.91	\$ 756,771.41	\$ 845,569.50	\$ 16,000	\$ 853,569.50	25.00	4.00%	\$ 34,142.78	\$ 34,142.78	\$ -										
1860	Meters	\$ 594,329.39	\$ 301,864.14	\$ 292,465.25		\$ 292,465.25	25.00	4.00%	\$ 11,638.61	\$ 11,638.61	\$ -										
1860	Meters (Smart Meters)	\$ 26,652.60		\$ 26,652.60	\$ 10,000	\$ 31,652.60	15.00	6.67%	\$ 2,110.17	\$ 2,110.22	\$ 0.05										
1905	Land								\$ -	\$ -	\$ -										
1908	Buildings & Fixtures								\$ -	\$ -	\$ -										
1908	Buildings & Fixtures								\$ -	\$ -	\$ -										
1908	Buildings & Fixtures								\$ -	\$ -	\$ -										
1908	Buildings & Fixtures								\$ -	\$ -											

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

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Appendix 2-CB Depreciation and Amortization Expense

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

		Year	2013	Revised CGAAP											
Account	Description	Opening NBV as at Jan 1, 2013 ⁵	Additions	Average Remaining Life of Opening NBV ⁴	Years (new additions only) ³	Depreciation Rate on New Additions	Depreciation Expense on Opening NBV	Depreciation Expense on Additions ¹	2013 Depreciation Expense	2013 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance ²	Depreciation Expense on 2013 Full Year Additions	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2013 Full Year Depreciation ⁶	
		(a)	(d)	(l)	(f)	(g) = 1 / (f)	(j) = (a) / (l)	(h)=(d)-(j)*0.5/(f)	(k) = (j) + (h)		(m) = (k) - (l)	(n) = (d)/(f)		(p) = (j) + (n) - (o)	
1611	Computer Software (Formally known as Account 1925)	\$ 3,222	\$ -	2.50	5.00	20.00%	\$ 1,289	\$ -	\$ 1,289	\$ 1,289	\$ 0	\$ -		\$ 1,289	
1612	Land Rights (Formally known as Account 1906)	\$ 6,018	\$ -	15.42	20.00	5.00%	\$ 390	\$ -	\$ 390	\$ 390	\$ 0	\$ -		\$ 390	
1805	Land	\$ 22,895	\$ -	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1808	Buildings - Brick	\$ 80,637	\$ -	27.85	50.00	2.00%	\$ 2,895	\$ -	\$ 2,895	\$ 2,895	\$ 0	\$ -	\$ -	\$ 2,895	
1808	Buildings - Other	\$ 28,221	\$ -	36.11	50.00	2.00%	\$ 782	\$ -	\$ 782	\$ 781	\$ 0	\$ -		\$ 782	
1808	Building - Opeongo Rd	\$ 1,675	\$ -	1.00	25.00	4.00%	\$ 1,675	\$ -	\$ 1,675	\$ 1,675	\$ 0	\$ -	\$ 1,675	\$ -	
1810	Leasehold Improvements	\$ -	\$ -	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1815	Transformer Station Equipment >50 kV	\$ -	\$ -	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1820	Transmission Lines	\$ -	\$ -	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1820	Dist Stn Eq <50 kV MS 1 - Bldg & Infrastructure	\$ 4,070	\$ -	25.00	40.00	2.50%	\$ 163	\$ -	\$ 163	\$ 163	\$ 0	\$ -		\$ 163	
1820	Dist Stn Eq <50 kV MS 1 - Equipment	\$ 47,068	\$ -	28.75	40.00	2.50%	\$ 1,637	\$ -	\$ 1,637	\$ 1,637	\$ 0	\$ -		\$ 1,637	
1820	Dist Stn Eq <50 kV MS 1 - Transformers	\$ 43,606	\$ -	32.00	40.00	2.50%	\$ 1,363	\$ -	\$ 1,363	\$ 1,363	\$ 0	\$ -		\$ 1,363	
1820	Dist Stn Eq <50 kV MS 2 - Bldg & Infrastructure	\$ 14,177	\$ -	25.00	40.00	2.50%	\$ 567	\$ -	\$ 567	\$ 567	\$ 0	\$ -		\$ 567	
1820	Dist Stn Eq <50 kV MS 2 - Electrics Equipment	\$ 8,764	\$ -	25.00	40.00	2.50%	\$ 351	\$ -	\$ 351	\$ 351	\$ 0	\$ -		\$ 351	
1820	Dist Stn Eq <50 kV MS 2 - Equipment	\$ 105,171	\$ -	25.00	40.00	2.50%	\$ 4,207	\$ -	\$ 4,207	\$ 4,207	\$ 0	\$ -		\$ 4,207	
1820	Dist Stn Eq <50 kV MS 2 - Transformers	\$ 73,173	\$ -	38.00	40.00	2.50%	\$ 1,926	\$ -	\$ 1,926	\$ 1,926	\$ 0	\$ -		\$ 1,926	
1820	Dist Stn Eq <50 kV MS 3 - Bldg & Infrastructure	\$ 2,469	\$ -	25.00	40.00	2.50%	\$ 99	\$ -	\$ 99	\$ 99	\$ 0	\$ -		\$ 99	
1820	Dist Stn Eq <50 kV MS 3 - Equipment	\$ 147,753	\$ -	34.75	40.00	2.50%	\$ 4,252	\$ -	\$ 4,252	\$ 4,252	\$ 0	\$ -		\$ 4,252	
1820	Dist Stn Eq <50 kV MS 3 - Transformers	\$ 52,061	\$ -	28.00	40.00	2.50%	\$ 1,859	\$ -	\$ 1,859	\$ 1,859	\$ 0	\$ -		\$ 1,859	
1820	Dist Stn Eq <50 kV MS 4 - Bldg & Infrastructure	\$ 242	\$ -	25.00	40.00	2.50%	\$ 10	\$ -	\$ 10	\$ 10	\$ 0	\$ -		\$ 10	
1820	Dist Stn Eq <50 kV MS 4 - Misc Bldg Infrastructure	\$ 41	\$ -	25.00	40.00	2.50%	\$ 2	\$ -	\$ 2	\$ 2	\$ 0	\$ -		\$ 2	
1820	Dist Stn Eq <50 kV MS 4 - Electrics Equip	\$ 122	\$ -	25.00	40.00	2.50%	\$ 5	\$ -	\$ 5	\$ 5	\$ 0	\$ -		\$ 5	
1820	Dist Stn Eq <50 kV MS 4 - Equipment	\$ 1,397	\$ -	25.00	40.00	2.50%	\$ 56	\$ -	\$ 56	\$ 56	\$ -	\$ -		\$ 56	
1820	Dist Stn Eq <50 kV MS 4 - Transformers	\$ 1,030	\$ -	25.00	40.00	2.50%	\$ 41	\$ -	\$ 41	\$ 41	\$ 0	\$ -		\$ 41	
1820	Dist Stn Eq <50 kV MS 5 - Bldg & Infrastructure	\$ 5,181	\$ -	25.00	40.00	2.50%	\$ 207	\$ -	\$ 207	\$ 207	\$ 0	\$ -		\$ 207	
1820	Dist Stn Eq <50 kV MS 5 - Misc Bldg Infrastructure	\$ 710	\$ -	25.00	40.00	2.50%	\$ 28	\$ -	\$ 28	\$ 28	\$ 0	\$ -		\$ 28	
1820	Dist Stn Eq <50 kV MS 5 - Electrics Equip	\$ 3,526	\$ -	25.00	40.00	2.50%	\$ 141	\$ -	\$ 141	\$ 141	\$ 0	\$ -		\$ 141	
1820	Dist Stn Eq <50 kV MS 5 - Equipment	\$ 30,993	\$ -	25.00	40.00	2.50%	\$ 1,240	\$ -	\$ 1,240	\$ 1,240	\$ 0	\$ -		\$ 1,240	
1820	Dist Stn Eq <50 kV MS 5 - Transformers	\$ 20,820	\$ -	25.00	40.00	2.50%	\$ 833	\$ -	\$ 833	\$ 833	\$ 0	\$ -		\$ 833	
1825	Storage Battery Equipment	\$ -	\$ -	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1830	Poles, Towers & Fixtures	\$ 1,171,510	\$ 109,813	31.54	45.00	2.22%	\$ 37,140	\$ 1,220	\$ 38,360	\$ 38,360	\$ 0	\$ 2,440	\$ 279	\$ 39,301	
1835	Overhead Conductors & Devices	\$ 1,380,974	\$ 64,843	42.85	60.00	1.67%	\$ 32,229	\$ 540	\$ 32,769	\$ 32,770	\$ 0	\$ 1,081	\$ 147	\$ 33,163	
1840	Underground Conduit	\$ 41,377	\$ 4,520	39.59	50.00	2.00%	\$ 1,045	\$ 45	\$ 1,090	\$ 1,090	\$ 0	\$ 90	\$ -	\$ 1,136	
1845	Underground Conductors & Devices	\$ 244,541	\$ 85,037	37.55	50.00	2.00%	\$ 6,512	\$ 850	\$ 7,362	\$ 7,362	\$ 0	\$ 1,701	\$ -	\$ 8,212	
1850	Line Transformers	\$ 421,701	\$ 41,356	23.74	40.00	2.50%	\$ 17,763	\$ 517	\$ 18,280	\$ 18,280	\$ 0	\$ 1,034	\$ 119	\$ 18,678	
1855	Services - Overhead	\$ 303,307	\$ 19,346	27.16	60.00	1.67%	\$ 11,167	\$ 161	\$ 11,329	\$ 11,328	\$ 0	\$ 322	\$ 67	\$ 11,423	
1855	Services - Underground	\$ 69,875	\$ 15,621	24.26	40.00	2.50%	\$ 2,880	\$ 195	\$ 3,076	\$ 3,075	\$ 0	\$ 391	\$ -	\$ 3,271	
1860	Meters	\$ 124,575	\$ -	8.81	25.00	4.00%	\$ 14,140	\$ -	\$ 14,140	\$ 14,140	\$ 0	\$ -	\$ 772	\$ 13,368	
1860	Meters (Smart Meters)	\$ -	\$ 14,491	15.00	15.00	6.67%	\$ -	\$ 483	\$ 483	\$ 483	\$ 0	\$ 966		\$ 966	
1905	Land	\$ -	\$ -	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1908	Buildings & Fixtures	\$ -	\$ -	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1910	Leasehold Improvements	\$ -	\$ -	-	10.00	10.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1915	Office Furniture & Equipment (10 years)	\$ 0	\$ -	-	10.00	10.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1920	Computer Equipment - Hardware	\$ 8,259	\$ -	3.70	5.00	20.00%	\$ 2,231	\$ -	\$ 2,231	\$ 2,231	\$ 0	\$ -		\$ 2,231	
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -	\$ -	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ -	\$ -	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1930	Transportation Equipment >3 ton	\$ 162,613	\$ -	4.33	8.00	12.50%	\$ 37,512	\$ -	\$ 37,512	\$ 37,512	\$ 0	\$ -		\$ 37,512	
1930	Transportation Equipment <3 ton	\$ 42,538	\$ 2,500	4.50	5.00	20.00%	\$ 9,453	\$ 250	\$ 9,703	\$ 9,703	\$ 0	\$ 500		\$ 9,953	
1935	Stores Equipment	\$ -	\$ -	-	10.00	10.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1940	Tools, Shop & Garage Equipment	\$ 7,015	\$ -	3.85	10.00	10.00%	\$ 1,824	\$ -	\$ 1,824	\$ 1,825	\$ 0	\$ -	\$ 254	\$ 1,570	
1945	Measurement & Testing Equipment	\$ -	\$ -	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1950	Power Operated Equipment	\$ -	\$ -	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1955	Communications Equipment	\$ -	\$ -	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1955	Communication Equipment (Smart Meters)	\$ -	\$ -	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1960	Miscellaneous Equipment	\$ -	\$ -	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1970	Load Management Controls Customer Premises	\$ -	\$ -	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1975	Load Management Controls Utility Premises	\$ -	\$ -	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1980	System Supervisor Equipment	\$ -	\$ -	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1985	Miscellaneous Fixed Assets	\$ -	\$ -	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1990	Other Tangible Property	\$ -	\$ -	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
1995	Contributions & Grants - O/H Conductor	\$ -	\$ 2,000	-	60.00	1.67%	\$ -	\$ 17	\$ 17	\$ 17	\$ 0	\$ 33		\$ 33	
1995	Contributions & Grants - Poles	\$ -	\$ 15,100	-	45.00	2.22%	\$ -	\$ 168	\$ 168	\$ 168	\$ 0	\$ 336		\$ 336	
1995	Contributions & Grants - Transformers	\$ -	\$ 7,500	-	40.00	2.50%	\$ -	\$ 94	\$ 94	\$ 94	\$ 0	\$ 188		\$ 188	
2440	Deferred Revenue ⁶	\$ -	\$ -	-	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
	Total	\$ 4,683,324	\$ 332,925				\$ 199,914	\$ 3,984	\$ 203,898	\$ 203,897	\$ 1	\$ 7,969	\$ 3,313	\$ 204,569	

Notes:

- Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.
- The applicant must provide an explanation of material variances in evidence.
The applicant should ensure that the years for new additions of assets are the asset useful lives determined by management in accordance with the Board's regulatory accounting policies. The capitalization and depreciation expense accounting changes should be implemented consistent with the Board's regulatory accounting policies as set out for modified IFRS as contained in the Report of the Board, Transition to International Financial Reporting Standards, EB-2008-0408, the Kinetics Report, and the Revised 2012 Accounting Procedures Handbook for Electricity Distributors ("APH").
- A recalculation should be performed to determine the average remaining life of opening balance of assets (i.e. excluding 2012 additions) under the change in policies under CGAAP. For example, Asset A had a useful life of 20 years under CGAAP without the change in policies. On January 1, 2012, the effective date of the changes in policies, Asset A was 3 years depreciated. As a result, Asset A would have a remaining service life of 17 years (20 years less 3 years) as of January 1, 2012. Due to making the change in policies under CGAAP, management re-assessed the asset useful lives and concluded that the revised useful life of Asset A is now 30 years. Therefore, the average remaining useful life of the opening balance of Asset A is determined to be 27 years (30 years less 3 years) under the revised CGAAP as of January 1, 2012.
- NBV must exclude assets still on the books but which have been fully amortized or depreciated.
This column refers to the calculated full year depreciation but excludes the depreciation expense on assets fully depreciated during the year. This column is used for the purpose of calculating depreciation expense in the following year on the next worksheet.

General: Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Asset Retirement Obligations (AROs), depreciation and accretion expense should be disclosed separately consistent with the Notes of historical Audited Financial Statements.

Appendix 2-CD Depreciation and Amortization Expense

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

2014 Revised CGAAP

Account	Description	Additions (d)	Years (new additions only) (f)	Depreciation Rate on New Additions (g) = 1 / (f)	2014 Depreciation Expense ¹ (h)=2013 Full Year Depreciation + (d)*(0.5)/(f)	2014 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance ² (m) = (h) - (l)	Depreciation Expense on 2014 Full Year Additions (n)=(d)/(f)	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2014 Full Year Depreciation ³ (p) = 2013 Full Year Depreciation + (n) - (o)
1611	Computer Software (Formally known as Account 1925)	\$ -	5.00	20.00%	\$ 1,289	\$ 1,289	\$ 0	\$ -	\$ 644	\$ 645
1612	Land Rights (Formally known as Account 1906)	\$ -	20.00	5.00%	\$ 390	\$ 390	\$ 0	\$ -		\$ 390
1805	Land	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1808	Buildings - Brick	\$ -	50.00	2.00%	\$ 2,895	\$ 2,896	\$ -	\$ -		\$ 2,895
1808	Buildings - Other	\$ -	50.00	2.00%	\$ 782	\$ 781	\$ 0	\$ -		\$ 782
1808	Building - Opeongo Rd	\$ -	25.00	4.00%	\$ 0	\$ -	\$ 0	\$ -		\$ 0
1810	Leasehold Improvements	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1815	Transformer Station Equipment >50 kV	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1820	Transmission Lines	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1820	Dist Stn Eq <50 kV MS 1 - Bldg & Infrastructure	\$ -	40.00	2.50%	\$ 163	\$ 163	\$ 0	\$ -		\$ 163
1820	Dist Stn Eq <50 kV MS 1 - Equipment	\$ -	40.00	2.50%	\$ 1,637	\$ 1,637	\$ 0	\$ -		\$ 1,637
1820	Dist Stn Eq <50 kV MS 1 - Transformers	\$ -	40.00	2.50%	\$ 1,363	\$ 1,363	\$ 0	\$ -		\$ 1,363
1820	Dist Stn Eq <50 kV MS 2 - Bldg & Infrastructure	\$ -	40.00	2.50%	\$ 567	\$ 567	\$ 0	\$ -		\$ 567
1820	Dist Stn Eq <50 kV MS 2 - Electrics Equipment	\$ -	40.00	2.50%	\$ 351	\$ 351	\$ 0	\$ -		\$ 351
1820	Dist Stn Eq <50 kV MS 2 - Equipment	\$ -	40.00	2.50%	\$ 4,207	\$ 4,207	\$ 0	\$ -		\$ 4,207
1820	Dist Stn Eq <50 kV MS 2 - Transformers	\$ -	40.00	2.50%	\$ 1,926	\$ 1,926	\$ 0	\$ -		\$ 1,926
1820	Dist Stn Eq <50 kV MS 3 - Bldg & Infrastructure	\$ -	40.00	2.50%	\$ 99	\$ 99	\$ 0	\$ -		\$ 99
1820	Dist Stn Eq <50 kV MS 3 - Equipment	\$ -	40.00	2.50%	\$ 4,252	\$ 4,252	\$ 0	\$ -		\$ 4,252
1820	Dist Stn Eq <50 kV MS 3 - Transformers	\$ -	40.00	2.50%	\$ 1,859	\$ 1,859	\$ 0	\$ -		\$ 1,859
1820	Dist Stn Eq <50 kV MS 4 - Bldg & Infrastructure	\$ -	40.00	2.50%	\$ 10	\$ 10	\$ 0	\$ -		\$ 10
1820	Dist Stn Eq <50 kV MS 4 - Misc Bldg Infrastructure	\$ -	40.00	2.50%	\$ 2	\$ 2	\$ 0	\$ -		\$ 2
1820	Dist Stn Eq <50 kV MS 4 - Electrics Equip	\$ -	40.00	2.50%	\$ 5	\$ 5	\$ 0	\$ -		\$ 5
1820	Dist Stn Eq <50 kV MS 4 - Equipment	\$ -	40.00	2.50%	\$ 56	\$ 56	\$ -	\$ -		\$ 56
1820	Dist Stn Eq <50 kV MS 4 - Transformers	\$ -	40.00	2.50%	\$ 41	\$ 42	\$ -	\$ -		\$ 41
1820	Dist Stn Eq <50 kV MS 5 - Bldg & Infrastructure	\$ -	40.00	2.50%	\$ 207	\$ 207	\$ 0	\$ -		\$ 207
1820	Dist Stn Eq <50 kV MS 5 - Misc Bldg Infrastructure	\$ -	40.00	2.50%	\$ 28	\$ 28	\$ 0	\$ -		\$ 28
1820	Dist Stn Eq <50 kV MS 5 - Electrics Equip	\$ -	40.00	2.50%	\$ 141	\$ 141	\$ 0	\$ -		\$ 141
1820	Dist Stn Eq <50 kV MS 5 - Equipment	\$ -	40.00	2.50%	\$ 1,240	\$ 1,240	\$ 0	\$ -		\$ 1,240
1820	Dist Stn Eq <50 kV MS 5 - Transformers	\$ -	40.00	2.50%	\$ 833	\$ 833	\$ 0	\$ -		\$ 833
1825	Storage Battery Equipment	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1830	Poles, Towers & Fixtures	\$ 127,370	45.00	2.22%	\$ 40,717	\$ 40,717	\$ 0	\$ 2,830	\$ 42	\$ 42,090
1835	Overhead Conductors & Devices	\$ 114,905	60.00	1.67%	\$ 34,120	\$ 34,121	\$ 0	\$ 1,915	\$ 238	\$ 34,840
1840	Underground Conduit	\$ 10,114	50.00	2.00%	\$ 1,237	\$ 1,237	\$ 0	\$ 202	\$ 2	\$ 1,336
1845	Underground Conductors & Devices	\$ 24,717	50.00	2.00%	\$ 8,460	\$ 8,460	\$ 0	\$ 494	\$ 5	\$ 8,702
1850	Line Transformers	\$ 28,523	40.00	2.50%	\$ 19,035	\$ 19,035	\$ 0	\$ 713	\$ 61	\$ 19,330
1855	Services - Overhead	\$ 9,808	60.00	1.67%	\$ 11,505	\$ 11,504	\$ 0	\$ 163		\$ 11,586
1855	Services - Underground	\$ 4,739	40.00	2.50%	\$ 3,330	\$ 3,330	\$ 0	\$ 118	\$ 32	\$ 3,357
1860	Meters	\$ -	25.00	4.00%	\$ 13,368	\$ 13,368	\$ 0	\$ 474	\$ 1,045	\$ 12,797
1860	Meters (Smart Meters)	\$ 10,278	15.00	6.67%	\$ 1,309	\$ 1,309	\$ 0	\$ 685		\$ 1,651
1905	Land	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1908	Buildings & Fixtures	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1910	Leasehold Improvements	\$ -	10.00	10.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1915	Office Furniture & Equipment (10 years)	\$ -	10.00	10.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1915	Office Furniture & Equipment (5 years)	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1920	Computer Equipment - Hardware	\$ 5,437	5.00	20.00%	\$ 2,775	\$ 2,774	\$ 0	\$ 1,087	\$ 445	\$ 2,873
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1930	Transportation Equipment >3 ton	\$ -	8.00	12.50%	\$ 37,512	\$ 37,512	\$ 0	\$ -		\$ 37,512
1930	Transportation Equipment <3 ton	\$ 21,744	5.00	20.00%	\$ 12,127	\$ 12,127	\$ 0	\$ 4,349		\$ 14,302
1935	Stores Equipment	\$ -	10.00	10.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1940	Tools, Shop & Garage Equipment	\$ -	10.00	10.00%	\$ 1,570	\$ 1,570	\$ 0	\$ -	\$ 186	\$ 1,384
1945	Measurement & Testing Equipment	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1950	Power Operated Equipment	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1955	Communications Equipment	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1955	Communication Equipment (Smart Meters)	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1960	Miscellaneous Equipment	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1970	Load Management Controls Customer Premises	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1975	Load Management Controls Utility Premises	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1980	System Supervisor Equipment	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1985	Miscellaneous Fixed Assets	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1990	Other Tangible Property	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
2440	Deferred Revenue - O/H Conductor	\$ -	60.00	1.67%	\$ 33	\$ 33	\$ 0	\$ -		\$ 33
2440	Deferred Revenue - Poles	\$ -	45.00	2.22%	\$ 336	\$ 336	\$ 0	\$ -		\$ 336
2440	Deferred Revenue - Transformers	\$ -	40.00	2.50%	\$ 188	\$ 188	\$ -	\$ -		\$ 188
2440	Deferred Revenue ⁵	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
Total		\$ 357,636			\$ 210,848	\$ 210,850	\$ 1	\$ 13,033	\$ 2,699	\$ 214,902
Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets)					\$ -					
Total Depreciation Expense					\$ 210,848					

Notes:

- Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.
- The applicant must provide an explanation of material variances in evidence.
- This column refers to the calculated full year depreciation but excludes the depreciation expense on assets fully depreciated during the year. This column is used for the purpose of calculating depreciation expense in the following year on the next worksheet.

General: Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Asset Retirement Obligations (AROs), depreciation and accretion expense should be disclosed separately consistent with the Notes of historical Audited Financial Statements.

Appendix 2-CD Depreciation and Amortization Expense

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

2014 MIFRS

Account	Description	Additions	Years (new additions only)	Depreciation Rate on New Additions	2014 Depreciation Expense ¹	2014 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (I)	Variance ²	Depreciation Expense on 2014 Full Year Additions	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2014 Full Year Depreciation ³
		(d)	(f)	(g) = 1 / (f)	(h)=2013 Full Year Depreciation + (d)*(0.5)/(f)		(m) = (h) - (l)	(n)=(d)/(f)		(p) = 2013 Full Year Depreciation + (n) - (o)
1611	Computer Software (Formally known as Account 1925)	\$ -	5.00	20.00%	\$ 1,289	\$ 1,289	\$ 0	\$ -	\$ 644	\$ 645
1612	Land Rights (Formally known as Account 1906)	\$ -	20.00	5.00%	\$ 390	\$ 390	\$ 0	\$ -		\$ 390
1805	Land	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1808	Buildings - Brick	\$ -	50.00	2.00%	\$ 2,895	\$ 2,896	\$ -	\$ -		\$ 2,895
1808	Buildings - Other	\$ -	50.00	2.00%	\$ 782	\$ 781	\$ 0	\$ -		\$ 782
1808	Building - Opeongo Rd	\$ -	25.00	4.00%	\$ 0	\$ -	\$ -	\$ -		\$ 0
1810	Leasehold Improvements	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1815	Transformer Station Equipment >50 kV	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1820	Transmission Lines	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1820	Dist Stn Eq <50 kV MS 1 - Bldg & Infrastructure	\$ -	40.00	2.50%	\$ 163	\$ 163	\$ 0	\$ -		\$ 163
1820	Dist Stn Eq <50 kV MS 1 - Equipment	\$ -	40.00	2.50%	\$ 1,637	\$ 1,637	\$ 0	\$ -		\$ 1,637
1820	Dist Stn Eq <50 kV MS 1 - Transformers	\$ -	40.00	2.50%	\$ 1,363	\$ 1,363	\$ 0	\$ -		\$ 1,363
1820	Dist Stn Eq <50 kV MS 2 - Bldg & Infrastructure	\$ -	40.00	2.50%	\$ 567	\$ 567	\$ 0	\$ -		\$ 567
1820	Dist Stn Eq <50 kV MS 2 - Electrics Equipment	\$ -	40.00	2.50%	\$ 351	\$ 351	\$ 0	\$ -		\$ 351
1820	Dist Stn Eq <50 kV MS 2 - Equipment	\$ -	40.00	2.50%	\$ 4,207	\$ 4,207	\$ 0	\$ -		\$ 4,207
1820	Dist Stn Eq <50 kV MS 2 - Transformers	\$ -	40.00	2.50%	\$ 1,926	\$ 1,926	\$ 0	\$ -		\$ 1,926
1820	Dist Stn Eq <50 kV MS 3 - Bldg & Infrastructure	\$ -	40.00	2.50%	\$ 99	\$ 99	\$ 0	\$ -		\$ 99
1820	Dist Stn Eq <50 kV MS 3 - Equipment	\$ -	40.00	2.50%	\$ 4,252	\$ 4,252	\$ 0	\$ -		\$ 4,252
1820	Dist Stn Eq <50 kV MS 3 - Transformers	\$ -	40.00	2.50%	\$ 1,859	\$ 1,859	\$ 0	\$ -		\$ 1,859
1820	Dist Stn Eq <50 kV MS 4 - Bldg & Infrastructure	\$ -	40.00	2.50%	\$ 10	\$ 10	\$ 0	\$ -		\$ 10
1820	Dist Stn Eq <50 kV MS 4 - Misc Bldg Infrastructure	\$ -	40.00	2.50%	\$ 2	\$ 2	\$ 0	\$ -		\$ 2
1820	Dist Stn Eq <50 kV MS 4 - Electrics Equip	\$ -	40.00	2.50%	\$ 5	\$ 5	\$ 0	\$ -		\$ 5
1820	Dist Stn Eq <50 kV MS 4 - Equipment	\$ -	40.00	2.50%	\$ 56	\$ 56	\$ -	\$ -		\$ 56
1820	Dist Stn Eq <50 kV MS 4 - Transformers	\$ -	40.00	2.50%	\$ 41	\$ 42	\$ -	\$ -		\$ 41
1820	Dist Stn Eq <50 kV MS 5 - Bldg & Infrastructure	\$ -	40.00	2.50%	\$ 207	\$ 207	\$ 0	\$ -		\$ 207
1820	Dist Stn Eq <50 kV MS 5 - Misc Bldg Infrastructure	\$ -	40.00	2.50%	\$ 28	\$ 28	\$ 0	\$ -		\$ 28
1820	Dist Stn Eq <50 kV MS 5 - Electrics Equip	\$ -	40.00	2.50%	\$ 141	\$ 141	\$ 0	\$ -		\$ 141
1820	Dist Stn Eq <50 kV MS 5 - Equipment	\$ -	40.00	2.50%	\$ 1,240	\$ 1,240	\$ 0	\$ -		\$ 1,240
1820	Dist Stn Eq <50 kV MS 5 - Transformers	\$ -	40.00	2.50%	\$ 833	\$ 833	\$ 0	\$ -		\$ 833
1825	Storage Battery Equipment	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1830	Poles, Towers & Fixtures	\$ 127,370	45.00	2.22%	\$ 40,717	\$ 40,717	\$ 0	\$ 2,830	\$ 42	\$ 42,090
1835	Overhead Conductors & Devices	\$ 114,905	60.00	1.67%	\$ 34,120	\$ 34,121	\$ 0	\$ 1,915	\$ 238	\$ 34,840
1840	Underground Conduit	\$ 10,114	50.00	2.00%	\$ 1,237	\$ 1,237	\$ 0	\$ 202	\$ 2	\$ 1,336
1845	Underground Conductors & Devices	\$ 24,717	50.00	2.00%	\$ 8,460	\$ 8,460	\$ 0	\$ 494	\$ 5	\$ 8,702
1850	Line Transformers	\$ 28,523	40.00	2.50%	\$ 19,035	\$ 19,035	\$ 0	\$ 713	\$ 61	\$ 19,330
1855	Services - Overhead	\$ 9,808	60.00	1.67%	\$ 11,505	\$ 11,504	\$ 0	\$ 163	\$ 34	\$ 11,620
1855	Services - Underground	\$ 4,739	40.00	2.50%	\$ 3,330	\$ 3,330	\$ 0	\$ 119	\$ 32	\$ 3,357
1860	Meters	\$ -	25.00	4.00%	\$ 13,368	\$ 13,368	\$ 0	\$ 474	\$ 1,045	\$ 12,797
1860	Meters (Smart Meters)	\$ 10,278	15.00	6.67%	\$ 1,309	\$ 1,309	\$ 0	\$ 685		\$ 1,651
1905	Land	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1908	Buildings & Fixtures	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1910	Leasehold Improvements	\$ -	10.00	10.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1915	Office Furniture & Equipment (10 years)	\$ -	10.00	10.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1915	Office Furniture & Equipment (5 years)	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1920	Computer Equipment - Hardware	\$ 5,437	5.00	20.00%	\$ 2,775	\$ 2,774	\$ 0	\$ 1,087	\$ 445	\$ 2,873
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1930	Transportation Equipment >3 ton	\$ -	8.00	12.50%	\$ 37,512	\$ 37,512	\$ 0	\$ -		\$ 37,512
1930	Transportation Equipment <3 ton	\$ 21,744	5.00	20.00%	\$ 12,127	\$ 12,127	\$ 0	\$ 4,349		\$ 14,302
1935	Stores Equipment	\$ -	10.00	10.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1940	Tools, Shop & Garage Equipment	\$ -	10.00	10.00%	\$ 1,570	\$ 1,570	\$ 0	\$ -	\$ 186	\$ 1,384
1945	Measurement & Testing Equipment	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1950	Power Operated Equipment	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1955	Communications Equipment	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1955	Communication Equipment (Smart Meters)	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1960	Miscellaneous Equipment	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1970	Load Management Controls Customer Premises	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1975	Load Management Controls Utility Premises	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1980	System Supervisor Equipment	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1985	Miscellaneous Fixed Assets	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1990	Other Tangible Property	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
2440	Deferred Revenue - O/H Conductor	\$ -	60.00	1.67%	\$ 33	\$ 33	\$ 0	\$ -		\$ 33
2440	Deferred Revenue - Poles	\$ -	45.00	2.22%	\$ 336	\$ 336	\$ 0	\$ -		\$ 336
2440	Deferred Revenue - Transformers	\$ -	40.00	2.50%	\$ 188	\$ 188	\$ -	\$ -		\$ 188
2440	Deferred Revenue ⁵	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
Total		\$ 357,636			\$ 210,848	\$ 210,850	\$ 1	\$ 13,033	\$ 2,666	\$ 214,936
Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets)					\$ -					
Total Depreciation Expense					\$ 210,848					

Notes:

- Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.
- The applicant must provide an explanation of material variances in evidence.
- This column refers to the calculated full year depreciation but excludes the depreciation expense on assets fully depreciated during the year. This column is used for the purpose of calculating depreciation expense in the following year on the next worksheet.

General: Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Asset Retirement Obligations (AROs), depreciation and accretion expense should be disclosed separately consistent with the Notes of historical Audited Financial Statements.

Appendix 2-CD Depreciation and Amortization Expense

Assumes the applicant made capitalization and depreciation expense accounting policy changes under GAAP effective January 1, 2013 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

2015 MIFRS

Account	Description	Additions (d)	Years (new additions only) (f)	Depreciation Rate on New Additions (g) = 1 / (f)	2015 Depreciation Expense ¹ (h)=2014 Full Year Depreciation + ((d)*0.5)/(f)	2015 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance ² (m) = (h) - (l)	Depreciation Expense on 2015 Full Year Additions (n)=(d)/(f)	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2015 Full Year Depreciation ³ (p) = 2014 Full Year Depreciation + (n) - (o)
1611	Computer Software (Formally known as Account 1925)	\$ 39,417	5.00	20.00%	\$ 4,587	\$ 4,586	\$ 0	\$ 7,883	\$ 645	\$ 7,884
1612	Land Rights (Formally known as Account 1906)	\$ 4,321	20.00	5.00%	\$ 498	\$ 498	\$ 0	\$ 216		\$ 606
1805	Land	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1808	Buildings - Brick	\$ -	50.00	2.00%	\$ 2,895	\$ 2,896	\$ -	\$ -	\$ 2,895	\$ 0
1808	Buildings - Other	\$ -	50.00	2.00%	\$ 782	\$ 781	\$ 0	\$ -		\$ 782
1808	Building - Opeongo Rd	\$ -	25.00	4.00%	\$ 0	\$ -	\$ 0	\$ -		\$ 0
1810	Leasehold Improvements	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1815	Transformer Station Equipment >50 kV	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1820	Transmission Lines	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1820	Dist Stn Eq <50 kV MS 1 - Bldg & Infrastructure	\$ -	40.00	2.50%	\$ 163	\$ 156	\$ 7	\$ -	\$ 7	\$ 156
1820	Dist Stn Eq <50 kV MS 1 - Equipment	\$ -	40.00	2.50%	\$ 1,637	\$ 1,580	\$ 57	\$ -	\$ 57	\$ 1,580
1820	Dist Stn Eq <50 kV MS 1 - Transformers	\$ -	40.00	2.50%	\$ 1,363	\$ 1,320	\$ 43	\$ -	\$ 43	\$ 1,320
1820	Dist Stn Eq <50 kV MS 2 - Bldg & Infrastructure	\$ -	40.00	2.50%	\$ 567	\$ 544	\$ 23	\$ -	\$ 23	\$ 544
1820	Dist Stn Eq <50 kV MS 2 - Electrics Equipment	\$ -	40.00	2.50%	\$ 351	\$ 337	\$ 14	\$ -	\$ 14	\$ 337
1820	Dist Stn Eq <50 kV MS 2 - Equipment	\$ -	40.00	2.50%	\$ 4,207	\$ 4,039	\$ 168	\$ -	\$ 168	\$ 4,039
1820	Dist Stn Eq <50 kV MS 2 - Transformers	\$ -	40.00	2.50%	\$ 1,926	\$ 1,875	\$ 51	\$ -	\$ 51	\$ 1,875
1820	Dist Stn Eq <50 kV MS 3 - Bldg & Infrastructure	\$ -	40.00	2.50%	\$ 99	\$ 95	\$ 4	\$ -	\$ 4	\$ 95
1820	Dist Stn Eq <50 kV MS 3 - Equipment	\$ -	40.00	2.50%	\$ 4,252	\$ 4,130	\$ 122	\$ -	\$ 122	\$ 4,130
1820	Dist Stn Eq <50 kV MS 3 - Transformers	\$ -	40.00	2.50%	\$ 1,859	\$ 1,793	\$ 66	\$ -	\$ 66	\$ 1,793
1820	Dist Stn Eq <50 kV MS 4 - Bldg & Infrastructure	\$ -	40.00	2.50%	\$ 10	\$ 9	\$ 0	\$ -		\$ 10
1820	Dist Stn Eq <50 kV MS 4 - Misc Bldg Infrastructure	\$ -	40.00	2.50%	\$ 2	\$ 2	\$ 0	\$ -		\$ 2
1820	Dist Stn Eq <50 kV MS 4 - Electrics Equip	\$ -	40.00	2.50%	\$ 5	\$ 5	\$ 0	\$ -		\$ 5
1820	Dist Stn Eq <50 kV MS 4 - Equipment	\$ -	40.00	2.50%	\$ 56	\$ 54	\$ 2	\$ -	\$ 2	\$ 54
1820	Dist Stn Eq <50 kV MS 4 - Transformers	\$ -	40.00	2.50%	\$ 41	\$ 40	\$ 2	\$ -	\$ 2	\$ 39
1820	Dist Stn Eq <50 kV MS 5 - Bldg & Infrastructure	\$ -	40.00	2.50%	\$ 207	\$ 199	\$ 8	\$ -	\$ 8	\$ 199
1820	Dist Stn Eq <50 kV MS 5 - Misc Bldg Infrastructure	\$ -	40.00	2.50%	\$ 28	\$ 27	\$ 1	\$ -	\$ 1	\$ 27
1820	Dist Stn Eq <50 kV MS 5 - Electrics Equip	\$ -	40.00	2.50%	\$ 141	\$ 135	\$ 6	\$ -	\$ 6	\$ 135
1820	Dist Stn Eq <50 kV MS 5 - Equipment	\$ -	40.00	2.50%	\$ 1,240	\$ 1,190	\$ 50	\$ -	\$ 50	\$ 1,190
1820	Dist Stn Eq <50 kV MS 5 - Transformers	\$ -	40.00	2.50%	\$ 833	\$ 799	\$ 33	\$ -	\$ 33	\$ 800
1825	Storage Battery Equipment	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1830	Poles, Towers & Fixtures	\$ 182,603	45.00	2.22%	\$ 44,119	\$ 42,349	\$ 1,770	\$ 4,058	\$ 1,770	\$ 44,378
1835	Overhead Conductors & Devices	\$ 68,146	60.00	1.67%	\$ 35,408	\$ 35,320	\$ 88	\$ 1,136	\$ 88	\$ 35,888
1840	Underground Conduit	\$ -	50.00	2.00%	\$ 1,336	\$ 1,311	\$ 26	\$ -	\$ 26	\$ 1,310
1845	Underground Conductors & Devices	\$ -	50.00	2.00%	\$ 8,702	\$ 8,496	\$ 206	\$ -	\$ 206	\$ 8,496
1850	Line Transformers	\$ 62,246	40.00	2.50%	\$ 20,108	\$ 18,807	\$ 1,301	\$ 1,556	\$ 1,301	\$ 19,555
1855	Services - Overhead	\$ 3,839	60.00	1.67%	\$ 11,652	\$ 11,174	\$ 478	\$ 64	\$ 444	\$ 11,240
1855	Services - Underground	\$ 6,568	40.00	2.50%	\$ 3,439	\$ 3,268	\$ 171	\$ 164	\$ 171	\$ 3,350
1860	Meters	\$ -	25.00	4.00%	\$ 12,797	\$ 12,797	\$ 0	\$ -	\$ 1,099	\$ 11,698
1860	Meters (Smart Meters)	\$ 1,884	15.00	6.67%	\$ 1,714	\$ 1,714	\$ 0	\$ 126		\$ 1,777
1905	Land	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1908	Buildings & Fixtures	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1910	Leasehold Improvements	\$ 116,088	10.00	10.00%	\$ 5,804	\$ 5,804	\$ 0	\$ 11,609		\$ 11,609
1915	Office Furniture & Equipment (10 years)	\$ 21,604	10.00	10.00%	\$ 1,080	\$ 1,080	\$ 0	\$ 2,160		\$ 2,160
1915	Office Furniture & Equipment (5 years)	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1920	Computer Equipment - Hardware	\$ 1,918	5.00	20.00%	\$ 3,065	\$ 3,065	\$ 0	\$ 384	\$ 445	\$ 2,812
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1930	Transportation Equipment >3 ton	\$ -	8.00	12.50%	\$ 37,512	\$ 37,512	\$ 0	\$ -		\$ 37,512
1930	Transportation Equipment <3 ton	\$ -	5.00	20.00%	\$ 14,302	\$ 14,302	\$ 0	\$ -		\$ 14,302
1935	Stores Equipment	\$ 1,731	10.00	10.00%	\$ 87	\$ 87	\$ 0	\$ 173		\$ 173
1940	Tools, Shop & Garage Equipment	\$ 625	10.00	10.00%	\$ 1,415	\$ 1,416	\$ -	\$ 63	\$ 267	\$ 1,180
1945	Measurement & Testing Equipment	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1950	Power Operated Equipment	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1955	Communications Equipment	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1955	Communication Equipment (Smart Meters)	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1960	Miscellaneous Equipment	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1970	Load Management Controls Customer Premises	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1975	Load Management Controls Utility Premises	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1980	System Supervisor Equipment	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1985	Miscellaneous Fixed Assets	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1990	Other Tangible Property	\$ -		0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
2440	Deferred Revenue - Oil Conductor	\$ -	60.00	1.67%	\$ 33	\$ 33	\$ 0	\$ -		\$ 33
2440	Deferred Revenue - Poles	\$ 4,452	45.00	2.22%	\$ 385	\$ 385	\$ 0	\$ 99		\$ 434
2440	Deferred Revenue - Transformers	\$ 11,930	40.00	2.50%	\$ 337	\$ 337	\$ 0	\$ 298		\$ 486
2440	Contributions & Grants - Meters	\$ 1,884	15.00	6.67%	\$ 63	\$ 63	\$ 0	\$ 126		\$ 126
	Total	\$ 492,724			\$ 229,470	\$ 224,774	\$ 4,696	\$ 29,069	\$ 10,013	\$ 233,992
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets)				\$ -					
	Total Depreciation Expense				\$ 229,470					

\$4,694.95 Variance - errors found in new continuity schedules for IFRS. Adjusted and corrected

Notes:

- Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.
- The applicant must provide an explanation of material variances in evidence.
- This column refers to the calculated full year depreciation but excludes the depreciation expense on assets fully depreciated during the year. This column is used for the purpose of calculating depreciation expense in the following year on the next worksheet.

General: Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Asset Retirement Obligations (AROs), depreciation and accretion expense should be disclosed separately consistent with the Notes of historical Audited Financial Statements.

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

Account	Description	Additions	Years (new additions only)	Depreciation Rate on New Additions	2016 Depreciation Expense ¹	2016 Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance ²	Depreciation Expense on 2016 Full Year Additions	Less Depreciation Expense on Assets Fully Depreciated during the year (o)	2014 Full Year Depreciation ³
		(d)	(f)	(g) = 1 / (f)	(h)=2015 Full Year Depreciation + ((d)*0.5)/(f)		(m) = (h) - (l)	(n)=((d))/(f)		(p) = 2015 Full Year Depreciation + (n) - (o)
1611	Computer Software (Formally known as Account 1925)		5.00	20.00%	\$ 7,884	\$ 7,883	\$ 1	\$ -		\$ 7,884
1612	Land Rights (Formally known as Account 1906)	\$ 3,000	20.00	5.00%	\$ 681	\$ 681	\$ - 0	\$ 150	\$ 60	\$ 696
1805	Land			0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1808	Buildings - Brick		50.00	2.00%	\$ 0	\$ -	\$ - 0	\$ -		\$ 0
1808	Buildings - Other		50.00	2.00%	\$ 782	\$ 781	\$ 0	\$ -		\$ 782
1808	Building - Opeongo Rd		25.00	4.00%	\$ 0	\$ -	\$ - 0	\$ -	\$ -	\$ 0
1810	Leasehold Improvements			0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1815	Transformer Station Equipment >50 kV			0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1820	Transmission Lines			0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1820	Dist Stn Eq <50 kV MS 1 - Bldg & Infrastructure		40.00	2.50%	\$ 156	\$ 156	\$ - 0	\$ -		\$ 156
1820	Dist Stn Eq <50 kV MS 1 - Equipment		40.00	2.50%	\$ 1,580	\$ 1,580	\$ - 0	\$ -		\$ 1,580
1820	Dist Stn Eq <50 kV MS 1 - Transformers		40.00	2.50%	\$ 1,320	\$ 1,320	\$ - 0	\$ -		\$ 1,320
1820	Dist Stn Eq <50 kV MS 2 - Bldg & Infrastructure		40.00	2.50%	\$ 544	\$ 544	\$ - 0	\$ -		\$ 544
1820	Dist Stn Eq <50 kV MS 2 - Electrics Equipment		40.00	2.50%	\$ 337	\$ 337	\$ - 0	\$ -		\$ 337
1820	Dist Stn Eq <50 kV MS 2 - Equipment		40.00	2.50%	\$ 4,039	\$ 4,039	\$ - 0	\$ -		\$ 4,039
1820	Dist Stn Eq <50 kV MS 2 - Transformers		40.00	2.50%	\$ 1,875	\$ 1,875	\$ - 0	\$ -		\$ 1,875
1820	Dist Stn Eq <50 kV MS 3 - Bldg & Infrastructure		40.00	2.50%	\$ 95	\$ 95	\$ - 0	\$ -		\$ 95
1820	Dist Stn Eq <50 kV MS 3 - Equipment		40.00	2.50%	\$ 4,130	\$ 4,130	\$ - 0	\$ -		\$ 4,130
1820	Dist Stn Eq <50 kV MS 3 - Transformers		40.00	2.50%	\$ 1,793	\$ 1,793	\$ - 0	\$ -		\$ 1,793
1820	Dist Stn Eq <50 kV MS 4 - Bldg & Infrastructure		40.00	2.50%	\$ 10	\$ 9	\$ 0	\$ -		\$ 10
1820	Dist Stn Eq <50 kV MS 4 - Misc Bldg Infrastructure		40.00	2.50%	\$ 2	\$ 2	\$ 0	\$ -		\$ 2
1820	Dist Stn Eq <50 kV MS 4 - Electrics Equip		40.00	2.50%	\$ 5	\$ 5	\$ 0	\$ -		\$ 5
1820	Dist Stn Eq <50 kV MS 4 - Equipment		40.00	2.50%	\$ 54	\$ 54	\$ 0	\$ -		\$ 54
1820	Dist Stn Eq <50 kV MS 4 - Transformers		40.00	2.50%	\$ 39	\$ 40	\$ - 0	\$ -		\$ 39
1820	Dist Stn Eq <50 kV MS 5 - Bldg & Infrastructure		40.00	2.50%	\$ 199	\$ 199	\$ 0	\$ -		\$ 199
1820	Dist Stn Eq <50 kV MS 5 - Misc Bldg Infrastructure		40.00	2.50%	\$ 27	\$ 27	\$ 0	\$ -		\$ 27
1820	Dist Stn Eq <50 kV MS 5 - Electrics Equip		40.00	2.50%	\$ 135	\$ 135	\$ 0	\$ -		\$ 135
1820	Dist Stn Eq <50 kV MS 5 - Equipment		40.00	2.50%	\$ 1,190	\$ 1,190	\$ 0	\$ -		\$ 1,190
1820	Dist Stn Eq <50 kV MS 5 - Transformers		40.00	2.50%	\$ 800	\$ 799	\$ 0	\$ -		\$ 800
1825	Storage Battery Equipment			0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
1830	Poles, Towers & Fixtures	\$ 172,000	45.00	2.22%	\$ 46,289	\$ 46,289	\$ 0	\$ 3,822		\$ 48,200
1835	Overhead Conductors & Devices	\$ 83,000	60.00	1.67%	\$ 36,579	\$ 36,580	\$ - 0	\$ 1,383		\$ 37,271
1840	Underground Conduit	\$ 7,400	50.00	2.00%	\$ 1,384	\$ 1,385	\$ - 0	\$ 148		\$ 1,458
1845	Underground Conductors & Devices	\$ 92,600	50.00	2.00%	\$ 9,422	\$ 9,422	\$ - 0	\$ 1,852		\$ 10,348
1850	Line Transformers	\$ 163,000	40.00	2.50%	\$ 21,623	\$ 21,623	\$ - 0	\$ 4,075		\$ 23,660
1855	Services - Overhead	\$ 11,000	60.00	1.67%	\$ 11,332	\$ 11,298	\$ 34	\$ 183		\$ 11,423
1855	Services - Underground	\$ 5,000	40.00	2.50%	\$ 3,413	\$ 3,412	\$ 0	\$ 125		\$ 3,475
1860										

Total Depreciation Expense

3 This column refers to the calculated full year depreciation but excludes the depreciation expense on assets fully depreciated during the year. This column is used for the purpose of calculating depreciation expense in the following year on the next worksheet.

General: Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Asset Retirement Obligations (AROs), depreciation and accretion expense should be disclosed separately consistent with the Notes of historical Audited Financial Statements.

Assumes the applicant made capitalization and depreciation expense accounting policy changes under CGAAP effective January 1, 2013 and will adopt IFRS for financial reporting purposes effective January 1, 2015.

Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Asset Retirement Obligations (AROs), depreciation and accretion expense should be disclosed separately consistent with the Notes of historical Audited Financial Statements.

Ex.4/Tab 8/Sch.3 - Typical Useful Lives Study

RHI based its new depreciation rates on the Board sponsored Kinectrics study. Due to the size of the study (188 page), RHI has included the link to the study:

<http://www.ontarioenergyboard.ca/oeb/ Documents/EB-2010-0178/Kinectrics-418033-OEB%20Asset%20Amortization-%20Final%20Rep.pdf>

Below, RHI has summarized the change in useful lives applied under Modified CGAAP on January 1, 2013.

Comparison of Typical Useful Lives used for Straight-line Depreciation

Account	Description	CGAAP	Modified CGAAP 2013
1611	Computer Software (Formally known as Account 1925)	5.00	5.00
1612	Land Rights (Formally known as Account 1906)	20.00	20.00
1808	Buildings	50.00	50.00
1820	Distribution Station Equipment <50 kV	30.00	40.00
1830	Poles, Towers & Fixtures	25.00	45.00
1835	Overhead Conductors & Devices	25.00	60.00
1840	Underground Conduit	25.00	50.00
1845	Underground Conductors & Devices	25.00	50.00
1850	Line Transformers	25.00	40.00
1855	Services – Overhead	25.00	60.00
1855	Services – Underground	25.00	40.00
1860	Meters	25.00	25.00
1860	Meters (Smart Meters)	25.00	15.00
1915	Office Furniture & Equipment (10 years)	10.00	10.00
1920	Computer Equipment – Hardware	5.00	5.00
1930	Transportation Equipment – under 3 Tons	5.00	5.00
1930	Transportation Equipment – 3 Tons & Over	8.00	8.00
1935	Stores Equipment	10.00	10.00
1940	Tools, Shop & Garage Equipment	10.00	10.00
1980	System Supervisor Equipment	20.00	20.00

The applicable depreciation appendices as provided in the Chapter 2 MIFRS Appendices (2-CA to 2-CI) are provided at the next page.

1

Ex.4/Tab 8/Sch.4 -

OEB Appendix 2-BB

Parent*	#	Asset Details		Useful Life			USoA #	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 & Fixtures	25	4%	45	2%	No	No
			Cross Arm	20	40	55								
			Steel	30	70	95								
	2	Fully Dressed Concrete Poles	Overall	50	60	80								
			Cross Arm	20	40	55								
			Steel	30	70	95								
	3	Fully Dressed Steel Poles	Overall	60	60	80								
			Cross Arm	20	40	55								
			Steel	30	70	95								
	4	OH Line Switch		30	45	55								
	5	OH Line Switch Motor		15	25	25								
	6	OH Line Switch RTU		15	20	20								
	7	OH Integral Switches		35	45	60								
TS & MS	8	OH Conductors		50	60	75	1835	O/H Conductor and Devices	25	4%	60	2%	No	No
	9	OH Transformers & Voltage Regulators		30	40	60	1850	Line Transformers	25	4%	40	3%	No	No
	10	OH Shunt Capacitor Banks		25	30	40								
	11	Reclosers		25	40	55								
	12	Power Transformers	Overall	30	45	60	1820	Distribution Station Equipment	30	3%	40	3%	No	No
			Bushing	10	20	30								
			Tap Changer	20	30	60								
	13	Station Service Transformer		30	45	55								
	14	Station Grounding Transformer		30	40	40								
	15	Station DC System	Overall	10	20	30								
			Battery Bank	10	15	15								
			Charger	20	20	30								
	16	Station Metal Clad Switchgear	Overall	30	40	60								
			Removable Breaker	25	40	60								
	17	Station Independent Breakers		35	45	65								
	18	Station Switch		30	50	60								

UG	19	Electromechanical Relays		25	35	50									
	20	Solid State Relays		10	30	45									
	21	Digital & Numeric Relays		15	20	20									
	22	Rigid Busbars		30	55	60									
	23	Steel Structure		35	50	90									
	24	Primary Paper Insulated Lead Covered (PILC) Cables		60	65	75									
	25	Primary Ethylene-Propylene Rubber (EPR) Cables		20	25	25									
	26	Primary Non-Tree Retardant (TR) Cross Linked Polyethylene (XLPE) Cables Direct Buried		20	25	30									
	27	Primary Non-TR XLPE Cables in Duct		20	25	30									
	29	Primary TR XLPE Cables in Duct		35	40	55	1845	UG Conductors and Devices	25	4%	50	2%	No	No	
	30	Secondary PILC Cables		70	75	80									
	31	Secondary Cables Direct Buried		25	35	40									
	32	Secondary Cables in Duct		35	35	60									
	33	Network Transformers	Overall	20	35	50									
			Protector	20	35	40									
	34	Pad-Mounted Transformers		25	40	45									
	35	Submersible/Vault Transformers		25	35	45									
	36	UG Foundation		35	55	70									
	37	UG Vaults	Overall	40	60	80									
			Roof	20	30	45									
	38	UG Vault Switches		20	35	50									
	39	Pad-Mounted Switchgear		20	30	45									
S	40	Ducts		30	50	85	1840	UG Conduit	25	4%	50	2%	No	No	
	41	Concrete Encased Duct Banks		35	55	80									
	42	Cable Chambers		50	60	80									
	43	Remote SCADA		15	20	30									

	Asset Details		Useful Life Range			USoA Account Number	USoA Account Description	Current		Proposed		Outside Range of Min, Max TUL?	
#	Category| Component | Type							Years	Rate	Years	Rate	Below Min Range	Above Max Range
1	Office Equipment		5	15		1915	Office Furniture and Equipment	10	10%	10	10%	No	No
2	Vehicles	Trucks & Buckets	5	15		1930	Transportation Equipment - Trucks/Buckets	8	13%	8	13%	No	No

		Trailers	5	20		1930	Transportation Equipment - Trailers	8	13%	8	13%	No	No
		Vans	5	10		1930	Transportation Equipment - Pickup/Cars	5	20%	5	20%	No	No
3	Administrative Buildings		50	75		1808	Buildings - Office	50	2%	50	2%	No	No
4	Leasehold Improvements		Lease dependent										
5	Station Buildings	Station Buildings	50	75		1808	Brick Building at MS #1	50	2%	50	2%	No	No
		Parking	25	30									
		Fence	25	60									
		Roof	20	30									
6	Computer Equipment	Hardware	3	5		1920	Computer Hardware	5	20%	5	20%	No	No
		Software	2	5		1925	Computer Software	5	20%	5	20%	No	No
7	Equipment	Power Operated	5	10									
		Stores	5	10		1935	Stores Equipment	10	10%	10	10%	No	No
		Tools, Shop, Garage Equipment	5	10		1940	Tools, Shop, Garage Equipment	10	10%	10	10%	No	No
		Measurement & Testing Equipment	5	10									
8	Communication	Towers	60	70									
		Wireless	2	10									
9	Residential Energy Meters		25	35		1860	Stranded Meters	25	4%	25	4%	No	No
10	Industrial/Commercial Energy Meters		25	35		1860	Industrial/Commercial Energy Meters	25	4%	25	4%	No	No
11	Wholesale Energy Meters		15	30				25					
12	Current & Potential Transformer (CT & PT)		35	50									
13	Smart Meters		5	15		1860	Smart Meters	15	7%	15	7%	No	No
14	Repeaters - Smart Metering		10	15									
15	Data Collectors - Smart Metering		15	20									

1

2

3

4

**Ex.4/Tab 8/Sch.5 - Depreciation Expense Associated with Retirement
Obligation**

At this time, RHI does not have any Asset Retirement Obligations, associated depreciation or accretion expenses in relation to asset retirement obligations to report as part of the application.

RHI, in general, will decommission an asset only to replace it with another (substation and poles). No provision for the cost of removing assets is currently recorded at the inception of the asset; and all costs of removal and replacement are capitalized (expensed as appropriate) at the time of replacement.

The perpetual nature of the assets results in the fact that new items are placed into service when old assets are removed from service.

The general view of the industry is that no asset retirement obligations exist because of this perpetual/continuing replacement process. There would be no legal or constructive requirement to remove the very last pole if another pole was not being put up.

RHI has determined that it does not have any Asset Retirement Obligations.

Ex.4/Tab 8/Sch.6 - Depreciation and Capitalization Policy

RHI's Capitalization Policy is presented at Exhibit 2.

Depreciation/Amortization Practices

As of January 1, 2013 RHI adopted the "Typical Useful Life (TUL)" depreciation rates set out in the Kinetrics Inc. Report prepared for the Ontario Energy Board July 8, 2010. Capital assets are amortized on a straight-line basis over the estimated useful life of each significant identifiable component of an item of property, plant, and equipment. Land is not depreciated. Construction in progress and capital spare equipment are not amortized until they are in service. The half year rule is utilized for amortization purposes, with a half year of amortization being recorded in the year of acquisition. Depreciation of an asset ceases when the asset is retired from active use, sold or is fully depreciated.

RHI has made one change to its depreciation/amortization practices since the 2010 cost of service filing. With the assistance of RHI's IFRS consultants new fixed asset continuity and depreciation schedules were developed applying the new useful lives to all existing and new assets. The useful lives and depreciation rates were based on the Kinetrics study. The schedules also allowed for the componentization of significant parts to be depreciated separately. Beginning January 1, 2013 RHI now has the ability to remove all asset retirements from its fixed asset database. When assets are taken out of service the asset cost and related accumulated amortization are removed from the totals. Any difference between the proceeds and the net book value including removal cost are recorded as a gain or loss in the year of disposal.

Ex.4/Tab 8/Sch.7 - Adoption of Half Year Rule

RHI confirms that it has applied the half-year rule for the purposes of computing the net book value of Property, Plant and Equipment and General Plant to include in rate base. Under the

- 1 half-year rule acquisitions and investments made during the year are amortized assuming they
- 2 entered service at the mid-point of the year.

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

Ex.4/Tab 9/Sch.1 - Overview of PILs

RHI is required to make payments in lieu of income taxes (“taxes”) based on its taxable income. The utility files Federal/Provincial tax returns annually. There have been no special circumstances that would require specific tax planning measures to minimize taxes payable. There are no outstanding audits, reassessments or disputes relating the tax returns filed by RHI. Taxes indicated on the tax return are identical to the taxes reported on the utility’s audited financial statements.

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

RHI has used the OEB Tax Work Form model to calculate the amount of taxes for inclusion in its 2017 rates. This model is filed in conjunction with this application. PILs have been calculated under MIFRS accounting policies. The PILS model was reviewed by RHI’s external auditor to ensure that the amount of PILS calculated appears reasonable and that the integrity checks established in the Boards Minimum Filing Requirements have been adhered to.

RHI notes that it has calculated PILS based on the rate included in the OEB model which reflects a combined Federal and Ontario rate of 15% for the 2017 Test year. RHI’s actual PILS rate will be 26.5%. RHI is associated to Renfrew Power Generation Inc. through common ownership, and as such, the taxable capital must be combined for tax purposes. This will cause RHI to lose the small business deduction and maximum tax rates will apply.

Table 4.22 summarizes RHI’s actual taxes for the 2015 Historical Year, and the provision for the 2016 Bridge Year and 2017 Test Year. Under the new accounting policies, RHI’s 2017 PILs amount to \$19,590 and \$23,047 grossed up.

Table 4.22 – Income Tax Summary

	2015 Actual	2016 Bridge Year	2017 Test Year
Actual PILS	16,113	2,425	19,590

The income tax sheet from the Revenue Requirement Workform is presented at the next page and the PILs model is being filed in conjunction with this application.

Table 4.23: Tax Provision for the Test Year

Particulars	Application
<u>Determination of Taxable Income</u>	
Utility net income before taxes	\$254,894
Adjustments required to arrive at taxable utility income	(\$124,293)
Taxable income	\$130,600
<u>Calculation of Utility income Taxes</u>	
Income taxes	\$19,590
Total taxes	\$19,590
Gross-up of Income Taxes	\$3,457
Grossed-up Income Taxes	\$23,047
PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$23,047
Other tax Credits	\$ -
<u>Tax Rates</u>	
Federal tax (%)	10.50%
Provincial tax (%)	4.50%
Total tax rate (%)	15.00%

**Ex.4/Tab 9/Sch.2 - Latest Filed Tax Return, Tax Assessments and
Correspondence**

The utility's latest tax return is presented at the next page.

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2016-12-31Business number 86222 7923 RC0001

The following is a list of federal instalments payable for the current taxation year. The last column indicates the instalments payable to Canada Revenue Agency. The instalments are due no later than on the dates indicated, otherwise non-deductible interest will be charged. Payment may be made by cheque or money order payable to the Receiver General either at an authorized financial institution or filed with **the appropriate remittance voucher at the following address:**

Canada Revenue Agency
875 Heron Road
Ottawa ON K1A 1B1

Note that you may also be able to pay by telephone or Internet banking. For more information, consult the *Corporation Instalment Guide*.

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2016-01-31	1,343				1,343
2016-02-29	1,343				1,343
2016-03-31	1,343				1,343
2016-04-30	1,343				1,343
2016-05-31	1,343				1,343
2016-06-30	1,343				1,343
2016-07-31	1,343				1,343
2016-08-31	1,343				1,343
2016-09-30	1,343				1,343
2016-10-31	1,343				1,343
2016-11-30	1,343				1,343
2016-12-31	1,340				1,340
Totals	16,113				16,113

Quarterly instalment workchart

Date	Quarterly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2016-03-31					
2016-06-30					
2016-09-30					
2016-12-31					
Totals					

Instalment method

Indicate instalment method chosen [1-3] 11st Instalment base method

If payment of instalments other than quarterly instalments is delayed, indicate the MONTH in which you want them to begin (1=January, 2=February, etc.).

1

Select this box if you want the instalments to be calculated without taking the applicable threshold into account

☐

Quarterly instalments calculation

The corporation must meet requirements 1 to 5 to be eligible for quarterly instalments for a tax year.

- 1 – Is the corporation a Canadian-controlled private corporation (CCPC)? ☒ Yes ☐ No
- 2 – Did the corporation claim any deduction under the section 125, during either the current or previous year? ☐ Yes ☒ No
- 3 – Is the corporation's, or any of its associated corporations', taxable income for the current or previous year less than or equal to \$500,000? ☐ Yes ☐ No
- 4 – Is the corporation and any associated corporations' taxable capital employed in Canada for the current or previous year less than or equal to \$10,000,000? ☐ Yes ☐ No
- 5 – Does the corporation have a perfect compliance history in the last 12 months? ☐ Yes ☐ No

If you do not want to use the quarterly instalments option, select this box to go back to monthly instalments. ☐

1 – 1st Instalment base method

1st Instalment base amount (amount N below)	$16,113 \div 12 =$	<u>1,343</u>
	Monthly instalments required	<u>1,343</u>
Quarterly tax instalments required	$16,113 \div 4 =$	

2 – Combined 1st and 2nd instalment base method

Select this box if you want the first 2 payments* to be calculated without taking the applicable threshold into account? ☐

2nd Monthly instalment base amount

Indicate: Part I tax		<u>29,193</u>	
Part VI, VI.1 and XIII.1 tax	+		
Federal adjustment for amalgamation, winding up or transfer	+		
Provincial tax, other than Alberta, Québec and Ontario	+		
Ontario tax	+	<u>22,381</u>	
Provincial adjustment for amalgamation, winding up or transfer	+		
Total	=	$51,574 \div 12 =$	<u>4,298</u> A
1/12 of estimated current year credits (M below /12)			<u>16</u>
		Each of the first two instalment payments	<u>4,282</u> B
Total tax from N below		<u>16,113</u>	
Amount B above x 2	–	<u>8,564</u>	
	=	$7,549 \div 10 =$	<u>755</u>
		Each of the remaining ten instalment payments	<u>755</u>

2nd Quarterly instalment base amount

Indicate: Part I tax		<u>29,193</u>	
Part VI, VI.1 and XIII.1 tax	+		
Federal adjustment for amalgamation, winding up or transfer	+		
Provincial tax, other than Alberta, Québec and Ontario	+		
Ontario tax	+	<u>22,381</u>	
Provincial adjustment for amalgamation, winding up or transfer	+		
Total	=	$51,574 \div 4 =$	<u>12,894</u> A
1/4 of estimated current year credits (M below /4)			<u>48</u>
		The first instalment payment	<u></u> B
Total tax from N below		<u>16,113</u>	
Amount B above	–		
	=	$16,113 \div 3 =$	<u>5,371</u>
		Each of the remaining three instalment payments	<u></u>

* It is the first payment if the quarterly instalments are applicable.

3 – Estimated tax method

Instalment base amount (amount N below)	$\div 12 =$	
	Monthly instalments required	
Quarterly tax instalments required	$\div 4 =$	

Instalment base calculation

Federal tax	1st instalment base method	Estimated tax method
Taxable income	<u>61,529</u>	
Calculation of tax payable		
Federal part I tax	23,381	
Recapture of investment tax credit	+	+
Refundable tax on a CCPC's investment income	+	+
Subtotal	<u>= 23,381</u>	<u>= A</u>
Deduction		
Small business deduction		
Investment corporation deduction	+	+
Federal tax abatement	+	+
Manufacturing and processing profits deduction	+	+
Non-business foreign tax credit	+	+
Business foreign tax credit	+	+
Tax reduction, general and accelerated	+	+
Logging tax credit	+	+
Investment tax credit per Schedule 31	+	+
Eligible Canadian bank deduction	+	+
Qualifying environmental trust tax credit	+	+
Subtotal	<u>= 14,152</u>	<u>= B</u>
Federal tax summary		
Total part I tax payable (A minus B)	9,229	C
Part VI tax	+	D
Part VI.1 tax	+	E1
Part XIII.1 tax	+	E2
Parts I, VI, VI.1 and XIII.1	Total = 9,229	<u>= F</u>
Federal adjustments		
Adjustment for short taxation years multiplied by 365 and divided by the number of days in the year if less than 365	x <u>365 / 365</u>	x <u>365 / 365</u>
Subtotal	<u>= 9,229</u>	<u>=</u>
Federal adjustment for amalgamation, winding up or transfer	+	+ N/A
Total federal tax after adjustments	<u>= 9,229</u>	<u>= G</u>
Provincial tax		
Provincial/territorial tax other than Alberta, Québec and Ontario before provincial refundable tax credits	+	+ H
Ontario tax		
Income tax	7,076	
Corporate minimum tax paid (credited)	+	
Special additional tax on life insurance corporations	+	
Total Ontario tax	<u>= 7,076</u>	<u>+ I</u>
Harmonized provincial tax (H + I)		
Provincial/territorial tax other than Alberta and Québec before provincial refundable tax credits	<u>= 7,076</u>	<u>= J</u>
Provincial adjustments		
Adjustment for short taxation years multiplied by 365 and divided by the number of days in the year if less than 365	x <u>365 / 365</u>	x <u>365 / 365</u>
Subtotal	<u>= 7,076</u>	<u>=</u>
Provincial adjustment for amalgamation, winding up or transfer	+	+ N/A
Total provincial tax after adjustments	<u>= 7,076</u>	<u>= K</u>
Total of tax before refundable credits**	<u>= 16,305</u>	<u>= L</u>

Instalment base calculation (continued)

Estimated current year credits			
Investment tax credit refund			
Dividend refund	+		+
Federal capital gains refund	+		+
Provincial and territorial capital gains refund	+		+
NRO allowable refund per Schedule 26	+		+
Tax withheld at source	+		+
Other estimated credits	+		+
Provincial/territorial refundable tax credits other than Alberta, Québec and Ontario*	+		+
Ontario refundable tax credits*	+	192	+
Total estimated current year credits	=	<u>192</u>	= <u></u> M
Instalment base amount (L – M)		<u>16,113</u>	<u></u> N

* For more details with regards to the impact of the refundable tax credits in the instalment base calculation, consult the Help.

** For instalments payable, the amount on line G will only be included in the amount of line L when it exceeds \$3,000. The same rule applies to line K.

Canada Revenue Agency
Agence du revenu
du Canada

T2 Corporation Income Tax Return

200

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

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

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

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

055 Do not use this area

Identification

Business number (BN) **001** 86222 7923 RC0001

Corporation's name

002 RENFREW HYDRO INC.

Address of head office

Has this address changed since the last time we were notified? **010** 1 Yes ☐ 2 No ☒(If **yes**, complete lines 011 to 018.)**011** 499 O'BRIEN ROAD**012** UNIT B

City Province, territory, or state

015 RENFREW**016** ON

Country (other than Canada) Postal code/Zip code

017 **018** K7V 3Z3

Mailing address (if different from head office address)

Has this address changed since the last time we were notified? **020** 1 Yes ☐ 2 No ☒(If **yes**, complete lines 021 to 028.)**021** c/o**022** 499 O'BRIEN ROAD**023** UNIT B

City Province, territory, or state

025 RENFREW**026** ON

Country (other than Canada) Postal code/Zip code

027 **028** K7V 3Z3

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

Has the location of books and records changed since the last time we were notified? **030** 1 Yes ☐ 2 No ☒(If **yes**, complete lines 031 to 038.)**031** 499 O'BRIEN ROAD**032**

City Province, territory, or state

035 RENFREW**036** ON

Country (other than Canada) Postal code/Zip code

037 **038** K7V 3Z3**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

YYYY MM DD

Tax year-end

061 2015-12-31

YYYY MM DD

Has there been an acquisition of control to which subsection 249(4) applies since the tax year start on line 060? **063** 1 Yes ☐ 2 No ☒If **yes**, provide the date control was acquired **065**

YYYY MM DD

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? **066** 1 Yes ☐ 2 No ☒Is the corporation a professional corporation that is a member of a partnership? **067** 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

Incorporation? **070** 1 Yes ☐ 2 No ☒Amalgamation? **071** 1 Yes ☐ 2 No ☒If **yes**, complete lines 030 to 038 and attach Schedule 24.Has there been a wind-up of a subsidiary under section 88 during the current tax year? **072** 1 Yes ☐ 2 No ☒If **yes**, complete and attach Schedule 24.Is this the final tax year before amalgamation? **076** 1 Yes ☐ 2 No ☒Is this the final return up to dissolution? **078** 1 Yes ☐ 2 No ☒If an election was made under section 261, state the functional currency used **079**

Is the corporation a resident of Canada?

080 1 Yes ☒ 2 No ☐ If **no**, give the country of residence on line 081 and complete and attach Schedule 97.**081**Is the non-resident corporation claiming an exemption under an income tax treaty? **082** 1 Yes ☐ 2 No ☒If **yes**, complete and attach Schedule 91.

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

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

Do not use this area

095**096****098**

Attachments**Financial statement information:** Use 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 type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 <input checked="" type="checkbox"/>	3
Is the corporation claiming any type of losses?	204 <input type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205 <input checked="" type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206 <input type="checkbox"/>	6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or		
ii) does the corporation have aggregate investment income at line 440?	207 <input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	208 <input checked="" type="checkbox"/>	8
Does the corporation have any property that is eligible capital property?	210 <input checked="" type="checkbox"/>	10
Does the corporation have any resource-related deductions?	212 <input type="checkbox"/>	12
Is the corporation claiming deductible reserves (other than transitional reserves under section 34.2)?	213 <input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	216 <input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217 <input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	218 <input type="checkbox"/>	18
Is the corporation carrying on business in Canada as a non-resident corporation?	220 <input type="checkbox"/>	20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221 <input type="checkbox"/>	21
Does the corporation have any Canadian manufacturing and processing profits?	227 <input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	231 <input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232 <input type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	233 <input checked="" type="checkbox"/>	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	234 <input checked="" type="checkbox"/>	
Is the corporation claiming a surtax credit?	237 <input type="checkbox"/>	37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238 <input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	242 <input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243 <input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244 <input type="checkbox"/>	45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249 <input type="checkbox"/>	46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250 <input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit refund?	253 <input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit refund?	254 <input type="checkbox"/>	T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255 <input type="checkbox"/>	92

Attachments – continued from page 2

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

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
Is the corporation inactive?	280 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
What is the corporation's main revenue-generating business activity? 339990 All Other Miscellaneous Manufacturing	
Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284 Electric Distributio 285 100.000 % 286 287 % 288 289 %
Did the corporation immigrate to Canada during the tax year?	291 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year?	292 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	294 YYYY MM DD
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL.	300	61,529	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")		61,529	C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C plus amount D)	360	61,529	
Income exempt under paragraph 149(1)(t)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)		61,529	Z

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

Small business deduction**Canadian-controlled private corporations (CCPCs) throughout the tax year**

Income from active business carried on in Canada from Schedule 7	400	61,529	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	61,529	B
Business limit (see notes 1 and 2 below)	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 ***	45,561	D	=	2,024,933	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	_____		x	17.5 % =	_____	2
			Number of days in the tax year		365				
Total of amounts 1 and 2 (enter amount G on line I 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)	61,529	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")	61,529	I
General tax reduction for Canadian-controlled private corporations – Amount I multiplied by 13 %	7,999	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 **440** $\times \left(\frac{26}{2} / \frac{3}{3} + \frac{4}{4} \times \frac{\text{Number of days in the tax year after 2015}}{365} \right) \% =$ _____ A
from Schedule 7

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

Deduct:

Foreign investment income **445** $\times \left(\frac{9}{1} / \frac{3}{3} - \frac{1}{1} / \frac{3}{3} \times \frac{\text{Number of days in the tax year after 2015}}{365} \right) \% =$ _____ C
from Schedule 7

(if negative, enter "0") _____ **▶** _____ D

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

Taxable income from line 360 on page 3 61,529 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 $\times \frac{100}{35} =$ _____ H

Foreign business income tax credit from line 636 on page 7 $\times \frac{4}{4} =$ _____ I

Subtotal _____ **▶** _____ J

$\times \left(\frac{26}{2} / \frac{3}{3} + \frac{4}{4} \times \frac{\text{Number of days in the tax year after 2015}}{365} \right) \% =$ _____ 16,408 L
Number of days in the tax year

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 8) 9,229 M

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

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the previous tax year **460** _____
Deduct: Dividend refund for the previous tax year **465** _____ **▶** _____ O

Add the total of:

Refundable portion of Part I tax from line 450 above _____ P

Total Part IV tax payable from Schedule 3 _____ Q

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

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

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

Taxable dividends paid in the tax year from line 460 on page 2 of Schedule 3 22,268 $\times \left[\left(\frac{1}{1} / \frac{3}{3} \right) + \left(\frac{5}{5} \times \frac{\text{Number of days in the tax year after 2015}}{365} \right) \% \right] =$ _____ 7,423 S
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 taxBase amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) **multiplied** by 38 % . . . **550** 23,381 ARecapture 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 61,529 D

Deduct:Amount from line 400, 405, 410, or 425 on page 4, whichever
is the least ENet amount (amount D **minus** amount E) 61,529 **▶** 61,529 F**Refundable tax on CCPC's investment income –**

($\frac{62}{365} + 4 \times \frac{3}{365}$) % of whichever is less: amount C or amount F **604** G

Number of days in the tax year after 2015
365
Number of days in the tax year

Subtotal (**add** amounts A, B, and G) 23,381 H

Deduct:

Small business deduction from line 430 on page 4 I

Federal tax abatement **608** 6,153Manufacturing and processing profits deduction from Schedule 27 **616**Investment corporation deduction **620**Taxed capital gains **624**Additional deduction – credit unions from Schedule 17 **628**Federal foreign non-business income tax credit from Schedule 21 **632**Federal foreign business income tax credit from Schedule 21 **636**General tax reduction for CCPCs from amount J on page 5 **638** 7,999General tax reduction from amount R on page 5 **639**Federal logging tax credit from Schedule 21 **640**Eligible Canadian bank deduction under section 125.21 **641**Federal qualifying environmental trust tax credit **648**Investment tax credit from Schedule 31 **652**Subtotal **▶** 14,152 **J****Part I tax payable** – Amount H **minus** amount J 9,229 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	9,229
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 9,229

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 6,884
Total tax payable 770 16,113 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

Total credits 890 B

Refund code 894 Overpayment

Balance (amount A minus amount B) 16,113

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 16,113

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 F5943

CertificationI, 950 NIPPARD 951 WILLIAM 954 PRESIDENT
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 2016-04-27
Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation956 (613) 432-4884
Telephone numberIs the contact person the same as the authorized signing officer? If **no**, complete the information below957 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

Canada Revenue
AgencyAgence du revenu
du Canada**SCHEDULE 100**

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Corporation's name	Business number	Tax year end Year Month Day
RENFREW HYDRO INC.	86222 7923 RC0001	2015-12-31

Balance sheet information

Account	Description	GIFI	Current year	Prior year
Assets				
	Total current assets	1599 +	3,164,646	3,134,754
	Total tangible capital assets	2008 +	5,796,104	14,321,275
	Total accumulated amortization of tangible capital assets	2009 –	434,963	9,289,672
	Total intangible capital assets	2178 +		
	Total accumulated amortization of intangible capital assets	2179 –		
	Total long-term assets	2589 +	1,007,120	254,558
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	<u>9,532,907</u>	<u>8,420,915</u>

Liabilities				
	Total current liabilities	3139 +	2,224,586	1,878,929
	Total long-term liabilities	3450 +	3,635,518	2,897,577
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	<u>5,860,104</u>	<u>4,776,506</u>

Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	3,672,803	3,644,409

	Total liabilities and shareholder equity	3640 =	<u>9,532,907</u>	<u>8,420,915</u>
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Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	<u>967,635</u>	<u>939,241</u>

* Generic item

Current Assets

SCHEDULE 100

Form identifier 1599

Account	Description	GIFI	Current year	Prior year
Cash and deposits				
_____	* Cash and deposits	1000	620,644	342,775
	Cash and deposits		<u>620,644</u>	<u>342,775</u>
		+		
Accounts receivable				
_____	Trade accounts receivable	1062	847,977	1,086,083
	Accounts receivable		<u>847,977</u>	<u>1,086,083</u>
		+		
Inventories				
_____	* Inventories	1120	229,057	296,155
	Inventories		<u>229,057</u>	<u>296,155</u>
		+		
Other current assets				
_____	* Other current assets	1480	1,420,258	1,349,826
_____	Taxes recoverable/refundable	1483	10,087	
_____	Prepaid expenses	1484	36,623	59,915
	Other current assets		<u>1,466,968</u>	<u>1,409,741</u>
		+		
_____	Total current assets	1599	<u>3,164,646</u>	<u>3,134,754</u>

* Generic item

Tangible Capital Assets and Accumulated Amortization

SCHEDULE 100

Form identifier 2008/2009

Account	Description	GIFI	Tangible capital assets	Accumulated amortization	Prior year
Land					
	* Land	1600	+	22,895	22,895
	Land improvements	1601	+	9,948	23,981
	Accumulated amortization of land improvements	1602	-	889	18,744
	Total			889	
Buildings					
	* Buildings	1680	+	5,285,733	12,766,778
	* Accumulated amortization of buildings	1681	-	310,949	7,952,285
	Total			310,949	
Machinery, equipment, furniture and fixtures					
	* Machinery, equipment, furniture, and fixtures	1740	+	189,726	1,211,531
	* Accumulated amortization of machinery, equipment, furniture, and fixtures	1741	-	104,526	1,075,371
	Computer equipment/software	1774	+	41,350	
	Accumulated amortization of computer equipment/software	1775	-	5,875	
	Furniture and fixtures	1787	+	34,988	252,607
	Accumulated amortization of furniture and fixtures	1788	-	6,920	243,272
	Total			117,321	
Other tangible capital assets					
	Leasehold improvements	1918	+	116,088	
	Accumulated amortization of leasehold improvements	1919	-	5,804	
	Other capital assets under construction	1920	+	95,376	43,483
	Total			5,804	
	Total tangible capital assets	2008	=	5,796,104	14,321,275
	Total accumulated amortization of tangible capital assets	2009	=	434,963	9,289,672

* Generic item

Long-term Assets

SCHEDULE 100

Form identifier 2589

Account	Description	GIFI	Current year	Prior year
Long-term investments				
	* Long-term investments	2300	100	
	Long-term investments		+ 100	
Other long-term assets				
	* Other long-term assets	2420	793,103	254,558
	Future (deferred) income taxes	2421	213,917	
	Other long-term assets		+ 1,007,020	254,558
	Total long-term assets	2589	= 1,007,120	254,558

* Generic item

Current Liabilities

SCHEDULE 100

Form identifier 3139

Account	Description	GIFI	Current year	Prior year
Amounts payable and accrued liabilities				
	Trade payables	2621	778,870	1,571,668
	Amounts payable and accrued liabilities		<u>778,870</u>	<u>1,571,668</u>
		+		
	* Taxes payable	2680		11,574
Short-term debt				
	Loans from Canadian banks	2701	40,017	38,751
	Short-term debt		<u>40,017</u>	<u>38,751</u>
		+		
Due to related parties				
	* Due to related parties	2860	1,225,864	132,488
	Due to related parties		<u>1,225,864</u>	<u>132,488</u>
		+		
Other current liabilities				
	* Other current liabilities	2960	147,211	89,422
	Deposits received	2961	32,624	35,026
	Other current liabilities		<u>179,835</u>	<u>124,448</u>
		+		
	Total current liabilities	3139	<u>2,224,586</u>	<u>1,878,929</u>

* Generic item

Long-term Liabilities

SCHEDULE 100

Form identifier 3450

Account	Description	GIFI	Current year	Prior year
Long-term debt				
_____	* Long-term debt	3140	2,705,168	2,705,168
_____	Chartered bank loan	3143	18,592	58,607
	Long-term debt		<u>2,723,760</u>	<u>2,763,775</u>
		+		
_____	* Deferred income	3220	41,214	23,765
		+		
Other long-term liabilities				
_____	* Other long-term liabilities	3320	870,544	110,037
	Other long-term liabilities		<u>870,544</u>	<u>110,037</u>
		+		
_____	Total long-term liabilities	3450	<u>3,635,518</u>	<u>2,897,577</u>
		=		

* Generic item

Shareholder Equity

SCHEDULE 100

Form identifier 3620

Account	Description	GIFI	Current year	Prior year
	* Common shares	3500 +	2,705,168	2,705,168
	* Retained earnings/deficit	3600 +	967,635	939,241
	Total shareholder equity	3620 =	<u>3,672,803</u>	<u>3,644,409</u>

* Generic item

Retained Earnings/Deficit

SCHEDULE 100

Form identifier 3849

Account	Description	GIFI	Current year	Prior year
	* Retained earnings/deficit – start	3660 +	939,241	878,398
	* Net income/loss	3680 +	-15,765	89,073
Dividends declared				
	* Dividends declared	3700	22,268	28,230
	Dividends declared	–	<u>22,268</u>	<u>28,230</u>
Other items affecting retained earnings				
	* Other items affecting retained earnings	3740	66,427	
	Other items affecting retained earnings	+	<u>66,427</u>	
	Retained earnings/deficit – end	3849 =	<u>967,635</u>	<u>939,241</u>

* Generic item

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
RENFREW HYDRO INC.	86222 7923 RC0001	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
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Income statement information

Total sales of goods and services	8089 +	12,706,378	11,491,574
Cost of sales	8518 -	10,853,776	9,652,816
Gross profit/loss	8519 =	1,852,602	1,838,758
Cost of sales	8518 +	10,853,776	9,652,816
Total operating expenses	9367 +	1,923,798	1,821,631
Total expenses (mandatory field)	9368 =	12,777,574	11,474,447
Total revenue (mandatory field)	8299 +	12,819,602	11,605,094
Total expenses (mandatory field)	9368 -	12,777,574	11,474,447
Net non-farming income	9369 =	42,028	130,647

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 =	42,028	130,647
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Total other comprehensive income	9998 =		
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Extraordinary items and income (linked to Schedule 140)

Extraordinary item(s)	9975 -		
Legal settlements	9976 -		
Unrealized gains/losses	9980 +		
Unusual items	9985 -		
Current income taxes	9990 -	16,113	41,574
Future (deferred) income tax provision	9995 -	41,680	
Total – Other comprehensive income	9998 +		
Net income/loss after taxes and extraordinary items (mandatory field)	9999 =	-15,765	89,073

Revenue

SCHEDULE 125

Form identifier 8299

Account	Description	GIFI	Current year	Prior year	
	* Trade sales of goods and services	8000	+	12,706,378	11,491,574
	Total sales of goods and services	8089	=	12,706,378	11,491,574
Investment revenue					
	* Investment revenue	8090		16,348	17,457
	Investment revenue		+	16,348	17,457
Realized gains/losses on disposal of assets					
	* Realized gains/losses on disposal of assets	8210		-10,708	-12,269
	Realized gains/losses on disposal of assets		+	-10,708	-12,269
Other revenue					
	* Other revenue	8230		107,584	108,332
	Other revenue		+	107,584	108,332
	Total revenue	8299	=	12,819,602	11,605,094

* Generic item

Cost of Sales

SCHEDULE 125

Form identifier 8518

Account	Description	GIFI	Current year	Prior year
Other direct costs				
	* Other direct costs	8450	10,853,776	9,652,816
	Other direct costs		+ 10,853,776	9,652,816
	Cost of sales	8518	= 10,853,776	9,652,816

* Generic item

Operating Expenses

SCHEDULE 125

Form identifier 9367

Account	Description	GIFI	Current year	Prior year
	* Amortization of tangible assets	8670 +	222,240	213,223
Interest and bank charges				
	Interest on long-term debt	8714	203,789	209,352
	Interest and bank charges	+	<u>203,789</u>	<u>209,352</u>
Office expenses				
	* Office expenses	8810	427,970	364,894
	Office expenses	+	<u>427,970</u>	<u>364,894</u>
Repairs and maintenance				
	Repairs and maintenance – buildings	8961		21,878
	Repairs and maintenance – machinery and equipment	8964	484,226	465,779
	Repairs and maintenance	+	<u>484,226</u>	<u>487,657</u>
Other expenses				
	* Other expenses	9270	585,573	546,505
	Other expenses	+	<u>585,573</u>	<u>546,505</u>
	Total operating expenses	9367 =	<u>1,923,798</u>	<u>1,821,631</u>

* Generic item

Notes Checklist

Corporation's name RENFREW HYDRO INC.	Business number 86222 7923 RC0001	Tax year-end Year Month Day 2015-12-31
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- Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in these parts as the **accountant**) who prepared or reported on the financial statements. If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2, 3, and 4, as applicable.
- For more information, see Guide RC4088, *General Index of Financial Information (GIFI)* and T4012, *T2 Corporation – Income Tax Guide*.
- Complete this schedule and include it with your T2 return along with the other GIFI schedules.

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

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

Note

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

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

Part 2 – Type of involvement with the financial statements

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

Part 3 – Reservations

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

Has the accountant expressed a reservation?	099	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
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Part 4 – Other information

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

Part 4 – Other information (continued)**Impairment and fair value changes**

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

200 1 Yes ☐ 2 No ☒

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

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

Financial instruments

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

250 1 Yes ☐ 2 No ☒

Did the corporation apply hedge accounting during the tax year?

255 1 Yes ☐ 2 No ☒

Did the corporation discontinue hedge accounting during the tax year?

260 1 Yes ☐ 2 No ☒

Adjustments to opening equity

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

265 1 Yes ☐ 2 No ☒

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

SCHEDULE 100**GENERAL INDEX OF FINANCIAL INFORMATION – GIF1**

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
RENFREW HYDRO INC.	86222 7923 RC0001	2015-12-31

Assets – lines 1000 to 2599

1000	620,644	1062	847,977	1120	229,057
1480	1,420,258	1483	10,087	1484	36,623
1599	3,164,646	1600	22,895	1601	9,948
1602	-889	1680	5,285,733	1681	-310,949
1740	189,726	1741	-104,526	1774	41,350
1775	-5,875	1787	34,988	1788	-6,920
1918	116,088	1919	-5,804	1920	95,376
2008	5,796,104	2009	-434,963	2300	100
2420	793,103	2421	213,917	2589	1,007,120
2599	9,532,907				

Liabilities – lines 2600 to 3499

2621	778,870	2701	40,017	2860	1,225,864
2960	147,211	2961	32,624	3139	2,224,586
3140	2,705,168	3143	18,592	3220	41,214
3320	870,544	3450	3,635,518	3499	5,860,104

Shareholder equity – lines 3500 to 3640

3500	2,705,168	3600	967,635	3620	3,672,803
3640	9,532,907				

Retained earnings – lines 3660 to 3849

3660	939,241	3680	-15,765	3700	-22,268
3740	66,427	3849	967,635		

SCHEDULE 125**GENERAL INDEX OF FINANCIAL INFORMATION – GIF**

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
RENFREW HYDRO INC.	86222 7923 RC0001	2015-12-31

DescriptionSequence number **0003** _01**Revenue – lines 8000 to 8299**

8000	12,706,378	8089	12,706,378	8090	16,348
8210	-10,708	8230	107,584	8299	12,819,602

Cost of sales – lines 8300 to 8519

8450	10,853,776	8518	10,853,776	8519	1,852,602
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Operating expenses – lines 8520 to 9369

8670	222,240	8714	203,789	8810	427,970
8964	484,226	9270	585,573	9367	1,923,798
9368	12,777,574	9369	42,028		

Extraordinary items and taxes – lines 9970 to 9999

9970	42,028	9990	16,113	9995	41,680
9999	-15,765				

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

Corporation's name RENFREW HYDRO INC.	Business Number 86222 7923 RC0001	Tax year end Year Month Day 2015-12-31
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- 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 -15,765 A

Add:

Provision for income taxes – current	101	16,113	
Provision for income taxes – deferred	102	41,680	
Amortization of tangible assets	104	222,240	
Loss on disposal of assets	111	10,708	
Subtotal of additions		290,741	290,741

Other additions:**Miscellaneous other additions:**

600 Regulated debit	290	172,388	
604 Ontario Specified Tax Credits 2015		192	
Total		192	192
Subtotal of other additions	199	172,580	172,580
Total additions	500	463,321	463,321 B

Amount A **plus** amount B 447,556

Deduct:

Capital cost allowance from Schedule 8	403	364,754	
Cumulative eligible capital deduction from Schedule 10	405	525	
Subtotal of deductions		365,279	365,279

Other deductions:**Miscellaneous other deductions:**

700 Remeasurements of employee future benefits	390	20,748	
704			
Total			
Subtotal of other deductions	499	20,748	20,748
Total deductions	510	386,027	386,027

Net income (loss) for income tax purposes – enter on line 300 of the T2 return 61,529

Canada Revenue
AgencyAgence du revenu
du Canada**DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND
PART IV TAX CALCULATION****SCHEDULE 3**

Name of corporation	Business Number	Tax year-end Year Month Day
RENFREW HYDRO INC.	86222 7923 RC0001	2015-12-31

- This schedule is for the use of any corporation to report:
 - non-taxable dividends under section 83;
 - deductible dividends under subsection 138(6);
 - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (b) or (d); or
 - taxable dividends paid in the tax year that qualify for a dividend refund.
- The calculations in this schedule apply only to private or subject corporations.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act*.
- A recipient corporation is connected with a payer corporation at any time in a tax year, if at that time the recipient corporation:
 - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
 - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- Column A – Enter "X" if dividends received from a foreign source (connected corporation only).
- Column F1 – Enter the amount of dividends received reported in column 240 that are eligible.
- Column F2 – Enter the code that applies to the deductible taxable dividend.
- Column FF – Indicate if the dividends have been received before January 1, 2016, or after December 31, 2015. This information is required to determine the appropriate rate for the Part IV tax calculation.

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

Complete if payer corporation is connected

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

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

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

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

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

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

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

Rate: The Part IV tax rate is 38 1/3% for dividends received after December 31, 2015, and 33 1/3% for dividends received before January 1, 2016.

Part 2 – Calculation of Part IV tax payable

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

Deduct:

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

Subtotal

Deduct:

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

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

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

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

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

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

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

A	B	C	D	D1
Name of connected recipient corporation	Business Number	Tax year end of connected recipient corporation in which the dividends in column D were received YYYY/MM/DD (See note)	Taxable dividends paid to connected corporations	Eligible dividends (included in column D)
400	410	420	430	
1 Town of Renfrew	10698 4826 RC0001	2015-12-31	22,268	

Note

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

Total 22,268

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

Eligible dividends (included in line 450) 450a

Total taxable dividends paid in the tax year that qualify for a dividend refund
(total of column D above **plus** line 450) **460** 22,268

Part 4 – Total dividends paid in the tax year

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

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above) 22,268

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

Total dividends paid in the tax year **500** 22,268

Deduct:

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

Capital gains dividends **520**

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

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

Subtotal ▶

Total taxable dividends paid in the tax year that qualify for a dividend refund 22,268

Canada Revenue
AgencyAgence du revenu
du Canada

Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
RENFREW HYDRO INC.	86222 7923 RC0001	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 Jurisdiction Tick yes if the corporation had a permanent establishment in the jurisdiction during the tax year. *	B Total salaries and wages paid in jurisdiction	C (B x taxable income**) / G	D Gross revenue	E (D x taxable income**) / H	F Allocation of taxable income (C + E) x 1/2*** (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador 003 1 Yes <input type="checkbox"/>	103		143		
Newfoundland and Labrador Offshore 004 1 Yes <input type="checkbox"/>	104		144		
Prince Edward Island 005 1 Yes <input type="checkbox"/>	105		145		
Nova Scotia 007 1 Yes <input type="checkbox"/>	107		147		
Nova Scotia Offshore 008 1 Yes <input type="checkbox"/>	108		148		
New Brunswick 009 1 Yes <input type="checkbox"/>	109		149		
Quebec 011 1 Yes <input type="checkbox"/>	111		151		
Ontario 013 1 Yes <input type="checkbox"/>	113		153		
Manitoba 015 1 Yes <input type="checkbox"/>	115		155		
Saskatchewan 017 1 Yes <input type="checkbox"/>	117		157		
Alberta 019 1 Yes <input type="checkbox"/>	119		159		
British Columbia 021 1 Yes <input type="checkbox"/>	121		161		
Yukon 023 1 Yes <input type="checkbox"/>	123		163		
Northwest Territories 025 1 Yes <input type="checkbox"/>	125		165		
Nunavut 026 1 Yes <input type="checkbox"/>	126		166		
Outside Canada 027 1 Yes <input type="checkbox"/>	127		167		
Total	129 G		169 H		

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

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

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

Notes:

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

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

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
61,529		61,529	7,076

Ontario basic income tax (from Schedule 500) **270** 7,076**Deduct:** Ontario small business deduction (from Schedule 500) **402**
Subtotal 7,076 ► 7,076 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) 7,076 C6**Deduct:**Ontario resource tax credit (from Schedule 504) **404**
Ontario tax credit for manufacturing and processing (from Schedule 502) **406**
Ontario foreign tax credit (from Schedule 21) **408**
Ontario credit union tax reduction (from Schedule 500) **410**
Ontario transitional tax credits (from Schedule 506) **414**
Ontario political contributions tax credit (from Schedule 525) **415**
Subtotal ► D6
Subtotal (amount C6 **minus** amount D6) (if negative, enter "0") 7,076 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") 7,076 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") 7,076 G6**Add:**Ontario corporate minimum tax (from Schedule 510) **278**
Ontario special additional tax on life insurance corporations (from Schedule 512) **280**
Subtotal ► H6Total Ontario tax payable before refundable credits (amount G6 **plus** amount H6) 7,076 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** 192
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 192 ► 192 J6**Net Ontario tax payable or refundable credit** (amount I6 **minus** amount J6) **290** 6,884 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 6,884

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

Capital Cost Allowance (CCA)

Corporation's name	Business Number	Tax year end Year Month Day
RENFREW HYDRO INC.	86222 7923 RC0001	2015-12-31

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

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

	1 Class number (See Note)	Description	2 Undepreciated capital cost at the beginning of the year (amount from column 12 of last year's schedule 8)	3 Cost of acquisitions during the year (new property must be available for use)*	4 Adjustments and transfers**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)***	7 Reduced undepreciated capital cost	8 CCA rate % ****	9 Recapture of capital cost allowance***** (line 107 of Schedule 1)	10 Terminal loss (line 404 of Schedule 1)	11 Capital cost allowance (for declining balance method, column 7 multiplied by column 8, or a lower amount) (line 403 of Schedule 1) *****	12 Undepreciated capital cost at the end of the year (column 6 plus column 7 minus column 11)
	200		201	203	205	207	211		212	213	215	217	220
1.	1	Builds, trans & dist	4,158,620			0		4,158,620	4	0	0	166,345	3,992,275
2.	8	Office equipment	152	21,604		0	10,802	10,954	20	0	0	2,191	19,565
3.	10	Computer Equipment	10,005	1,918		0	959	10,964	30	0	0	3,289	8,634
4.	10	Transportation Equip	93,795	2,356		398	979	94,774	30	0	0	28,432	67,321
5.	8	Tools, shop & garg	5,790			0		5,790	20	0	0	1,158	4,632
6.	47	Hydro distribution Equipment	1,560,200	325,287		0	162,644	1,722,843	8	0	0	137,827	1,747,660
7.	12	Computer software		39,417		0	19,709	19,708	100	0	0	19,708	19,709
8.	13	Leasehold improvements		116,088		0	58,044	58,044	NA	0	0	5,804	110,284
		Totals	5,828,562	506,670		398	253,137	6,081,697				364,754	5,970,080

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

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

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

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

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

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

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

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

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

T2 SCH 8 (14)

Canada

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
RENFREW HYDRO INC.	86222 7923 RC0001	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*.

Name	Country of resi- dence (other than Canada)	Business number (see note 1)	Rela- tion- ship 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
100	200	300	400	500	550	600	650	700
1. RENFREW POWER GENERATION IN	CA	89959 1010 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	Business Number	Tax year-end Year Month Day
RENFREW HYDRO INC.	86222 7923 RC0001	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	4,261	A
Add: Cost of eligible capital property acquired during the taxation year	222	4,321	
Other adjustments	226		
Subtotal (line 222 plus line 226)		4,321	
		x 3 / 4 =	3,241 B
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002	228		
		x 1 / 2 =	C
amount B minus amount C (if negative, enter "0")		3,241	3,241 D
Amount transferred on amalgamation or wind-up of subsidiary	224		E
Subtotal (add amounts A, D, and E)	230	7,502	F
Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	242		G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244		H
Other adjustments	246		I
(add amounts G, H, and I)		x 3 / 4 =	248 J
Cumulative eligible capital balance (amount F minus amount J)		7,502	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		7,502	
less amount from line 249			
Current year deduction		7,502	
		x 7.00 % =	525 *
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)		525	525 L
Cumulative eligible capital - Closing balance (amount K minus amount L) (if negative, enter "0")	300	6,977	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.

(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* (ITA) not to be associated for purposes of the small business deduction.

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

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

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

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

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

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

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

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

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

Allocating the business limit

Date filed (do not use this area)

025

Year Month Day

Enter the calendar year to which the agreement applies

050Year
2015

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below?

0751 Yes ☐ 2 No ☒

	1 Names of associated corporations 100	2 Business Number of associated corporations 200	3 Asso- ciation code 300	4 Business limit for the year (before the allocation) \$	5 Percentage of the business limit % 350	6 Business limit allocated* \$ 400
1	RENFREW HYDRO INC.	86222 7923 RC0001	1	500,000	100.0000	500,000
2	RENFREW POWER GENERATION INC.	89959 1010 RC0001	1	500,000		
	Total				100.0000	500,000
						A

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

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

* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules apply if a CCPC has more than one tax year ending in a calendar year and is associated in more than one of those years with another CCPC that has a tax year ending in the same calendar year. If the tax year straddles January 1, 2009, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit that would have been determined for the first tax year ending in the calendar year, if \$500,000 was used in allocating the amounts among associated corporations and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year. Otherwise, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit determined for the first tax year ending in the calendar year and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year.

** The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

*** "Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the ITA.

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
RENFREW HYDRO INC.	86222 7923 RC0001	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 I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

Reserves that have not been deducted in calculating income for the year under Part I	101	
Capital stock (or members' contributions if incorporated without share capital)	103	2,705,168
Retained earnings	104	967,635
Contributed surplus	105	
Any other surpluses	106	
Deferred unrealized foreign exchange gains	107	
All loans and advances to the corporation	108	2,705,168
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	58,609
Any dividends declared but not paid by the corporation before the end of the year	110	
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111	
The total of all amounts, each of which is 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	
Subtotal (add lines 101 to 112)		6,436,580 ▶
		6,436,580 A

Note:

Line 112 is determined by the formula $(A - B) \times C/D$ (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
- those lines applied to partnerships in the same manner that they apply to corporations, and
 - those amounts were computed without reference to amounts owing by the partnership
 - to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
 - 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) 6,436,580 A**Deduct** the following amounts:Deferred tax debit balance at the end of the year **121**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) ▶ **190** 6,436,580 B**Capital for the year** (amount A minus amount B) (if negative, enter "0") **190** 6,436,580**Part 2 – Investment allowance****Add** the carrying value at the end of the year of the following assets of the corporation:A share of another corporation **401**A loan or advance to another corporation (other than a financial institution) **402**A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution) **403**Long-term debt of a financial institution **404**A dividend payable on a share of the capital stock of another corporation **405**A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1) **406**An interest in a partnership (see note 2 below) **407****Investment allowance for the year** (add lines 401 to 407) **490****Notes:**

1. 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).
2. 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.
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation. Refer to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capitalCapital for the year (line 190) 6,436,580 C**Deduct:** Investment allowance for the year (line 490) D**Taxable capital for the year** (amount C minus amount D) (if negative, enter "0") **500** 6,436,580

Part 4 – Taxable capital employed in Canada**To be completed by a corporation that was resident in Canada at any time in the year**

Taxable capital for the year (line 500)	6,436,580	x	Taxable income earned in Canada	610	61,529	=	Taxable capital employed in Canada	690	6,436,580
			Taxable income		61,529				

- Notes:**
1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
 2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of \$1,000.
 3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada **701**

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada **711**

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada **712**

Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below) **713**

Total deductions (add lines 711, 712, and 713) **▶** **E**

Taxable capital employed in Canada (line 701 minus amount E) (if negative, enter "0") **790**

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction**This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.**

Taxable capital employed in Canada (amount from line 690) **F**

Deduct: 10,000,000 **G**

Excess (amount F minus amount G) (if negative, enter "0") **H**

Calculation for purposes of the small business deduction (amount H x 0.225%) **I**

Enter this amount at line 415 of the T2 return.

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
RENFREW HYDRO INC.	86222 7923 RC0001	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.

		Provide only one number per shareholder				
Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)		Business Number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
100		200	300	350	400	500
1	TOWN OF RENFREW	10698 4826 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

Canada Revenue
AgencyAgence du revenu
du Canada

Schedule 53

General Rate Income Pool (GRIP) Calculation

Corporation's name	Business number	Tax year-end Year Month Day
RENFREW HYDRO INC.	86222 7923 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 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	158,063	A
Taxable income for the year (DICs enter "0") *	110	61,529	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	61,529	
After-tax income (line 150 multiplied by 0.72 (the general rate factor for the tax year))	190	44,301	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 (from 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)		202,364	G
Eligible dividends paid in the previous tax year	300		
Excessive eligible dividend designations made in the previous tax year	310		
(If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.)			
Subtotal (line 300 minus line 310)			H
GRIP before adjustment for specified future tax consequences (amount G minus amount H) (amount can be negative)	490	202,364	
Total GRIP adjustment for specified future tax consequences to previous tax years (amount W from Part 2)	560		
GRIP at the end of the tax year (line 490 minus line 560)	590	202,364	

Enter this amount on line 160 of Schedule 55.

* For lines 110, 120, 130, and 140, the income amount is the amount before considering specified future tax consequences. This phrase is defined in subsection 248(1). It includes the deduction of a loss carryback from subsequent tax years, a reduction of Canadian exploration expenses and Canadian development expenses that were renounced in subsequent tax years (e.g., flow-through share renunciations), reversals of income inclusions where an option is exercised in subsequent tax years, and the effect of certain foreign tax credit adjustments.

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	194,621	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")	194,621	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) . . . Q1Amount on line 400, 405, 410, or 425
of the T2 return, whichever is less . . . R1Aggregate 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 O1 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 2013-12-31Taxable income before specified future tax consequences from
the current tax year 191,745 J2Enter 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) . . . K2Amount on line 400, 405, 410, or 425
of the T2 return, whichever is less . . . 191,745 L2Aggregate investment income
(line 440 of the T2 return) M2

Subtotal (add amounts K2, L2, and M2) 191,745 191,745 N2

Subtotal (amount J2 minus amount N2) (if negative, enter "0") 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) . . . Q2Amount on line 400, 405, 410, or 425
of the T2 return, whichever is less . . . R2Aggregate 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 O2 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 2012-12-31Taxable income before specified future tax consequences from
the current tax year 196,652 J3Enter 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) . . . K3Amount on line 400, 405, 410, or 425
of the T2 return, whichever is less 196,652 L3Aggregate investment income
(line 440 of the T2 return) M3Subtotal (add amounts K3, L3, and M3) 196,652 ▶ 196,652 N3Subtotal (amount J3 minus amount N3) (if negative, enter "0") ▶ O3**Future tax consequences that occur for the current year**

Amount carried back from the current year to a prior year

Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences P3

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction
(amount E in Part 3 of Schedule 17) . . . Q3Amount on line 400, 405, 410, or 425
of the T2 return, whichever is less R3Aggregate investment income
(line 440 of the T2 return) S3Subtotal (add amounts Q3, R3, and S3) ▶ T3Subtotal (amount P3 minus amount T3) (if negative, enter "0") ▶ U3Subtotal (amount O3 minus amount U3) (if negative, enter "0") ▶ V3**GRIP adjustment for specified future tax consequences to the third previous tax year**(amount V3 multiplied by 0.72) 540**Total GRIP adjustment for specified future tax consequences to previous tax years:**(add lines 500, 520, and 540) (if negative, enter "0") W

Enter amount W on line 560 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 AAEligible dividends paid by the corporation in its last tax year BBExcessive eligible dividend designations made by the corporation in its last tax year CCSubtotal (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.

Canada Revenue
AgencyAgence du revenu
du Canada

Schedule 55

Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name	Business number	Tax year-end Year Month Day
RENFREW HYDRO INC.	86222 7923 RC0001	2015-12-31

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, *General Rate Income Pool (GRIP) Calculation*, or Schedule 54, *Low Rate Income Pool (LRIP) Calculation*, whichever is applicable.
- File the completed schedules with your *T2 Corporation Income Tax Return* no later than six months from the end of the tax year.
- All legislative references 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 (GRIP), and low rate income pool (LRIP).
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Do not use this area

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year not included in Schedule 3	.....	
Taxable dividends paid in the tax year included in Schedule 3	.....	22,268	
Total taxable dividends paid in the tax year	.....	100	22,268
Total eligible dividends paid in the tax year	.....	150	A
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")	.....	160	202,364 B
Excessive eligible dividend designation (line 150 minus line 160)	.....		C
Deduct:			
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	.....	180	D
Subtotal (amount C minus amount D)			E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E multiplied by 20 %)	.....	190	F

Enter the amount from line 190 on line 710 of the T2 return.

Part 2 – Other corporations

Taxable dividends paid in the tax year not included in Schedule 3	.....	
Taxable dividends paid in the tax year included in Schedule 3	.....	
Total taxable dividends paid in the tax year	.....	200	
Total excessive eligible dividend designations in the tax year (amount from line A of Schedule 54)	.....		G
Deduct:			
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	.....	280	H
Subtotal (amount G minus amount H)			I
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I multiplied by 20 %)	.....	290	J

Enter the amount from line 290 on line 710 of the T2 return.

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax. For more information on how to make this election, go to www.cra.gc.ca/eligibledividends.

Ontario Corporation Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
RENFREW HYDRO INC.	86222 7923 RC0001	2015-12-31

- Use this schedule if the corporation had a permanent establishment (as defined in section 400 of the federal *Income Tax Regulations*) in Ontario at any time in the tax year and had Ontario taxable income in the year.
- All legislative references are to the federal *Income Tax Act* and *Income Tax Regulations*.
- This schedule is a worksheet only. You do not have to file it with your *T2 Corporation Income Tax Return*.

Part 1 – Ontario basic rate of tax for the year

Ontario basic rate of tax for the year	11.5 %	A
--	--------	---

Part 2 – Calculation of Ontario basic income tax

Ontario taxable income *	61,529	B
Ontario basic income tax: amount B multiplied by Ontario basic rate of tax for the year (rate A from Part 1)	7,076	C

If the corporation has a permanent establishment in more than one jurisdiction, or is claiming an Ontario tax credit in addition to Ontario basic income tax, or has Ontario corporate minimum tax or Ontario special additional tax on life insurance corporations payable, enter amount C on line 270 of Schedule 5, *Tax Calculation Supplementary – Corporations*. Otherwise, enter it on line 760 of the T2 return.

* If the corporation has a permanent establishment only in Ontario, enter the amount from line 360 or line Z, whichever applies, of the T2 return. Otherwise, enter the taxable income allocated to Ontario from column F in Part 1 of Schedule 5.

Part 3 – Ontario small business deduction (OSBD)

Complete this part if the corporation claimed the federal small business deduction under subsection 125(1) or would have claimed it if subsection 125(5.1) had not been applicable in the tax year.

Income from active business carried on in Canada (amount from line 400 of the T2 return)	61,529	1
Federal taxable income, less adjustment for foreign tax credit (amount from line 405 of the T2 return)	61,529	2
Federal business limit before the application of subsection 125(5.1) (amount from line 410 of the T2 return)	500,000	3

Ontario business limit reduction:

Amount from line 3 500,000 a

Deduct:

Amount from line E of the T2 return	2,024,933	x	Number of days in the tax year after May 1, 2014	365	=	2,024,933	b
			Number of days in the tax year	365			

Reduced Ontario business limit (amount a **minus** amount b) (if negative, enter "0") 4

Enter the least of amounts 1, 2, 3, and 4 D

Ontario domestic factor (ODF):	Ontario taxable income *	61,529.00	=	1.00000	E
	Taxable income earned in all provinces and territories **	61,529			

Amount D x ODF (line E) c

Ontario taxable income (amount B from Part 2) 61,529 d

Ontario small business income (lesser of amount c and amount d) F

OSBD rate for the year 7 % G

Ontario small business deduction: amount F **multiplied** by rate G H

Enter amount H on line 402 of Schedule 5.

* Enter amount B from Part 2.

** Includes the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Part 4 – Ontario adjusted small business income

Complete this part if the corporation was a Canadian-controlled private corporation throughout the tax year and is claiming the Ontario tax credit for manufacturing and processing or the Ontario credit union tax reduction.

Ontario adjusted small business income (lesser of amount D and amount d from Part 3) I

Enter amount I on line K in Part 5 of this schedule or on line B in Part 2 of Schedule 502, *Ontario Tax Credit for Manufacturing and Processing*, whichever applies.

Part 5 – Calculation of credit union tax reduction

Complete this part and Schedule 17, *Credit Union Deductions*, if the corporation was a credit union throughout the tax year.

Amount D from Part 3 of Schedule 17 J

Deduct:

Ontario adjusted small business income (amount I from Part 4) K

Subtotal (amount J **minus** amount K) (if negative, enter "0") L

Amount L **multiplied** by rate G from Part 3 M

Ontario domestic factor (line E from Part 3) 1.00000 N

Ontario credit union tax reduction (amount M **multiplied** by ODF from line N) O

Enter amount O on line 410 of Schedule 5.

**CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
RENFREW HYDRO INC.	86222 7923 RC0001	2015-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit www.ServiceOntario.ca for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record) RENFREW HYDRO INC.			
Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent Ontario	110 Date of incorporation or amalgamation, whichever is the most recent Year Month Day 2000-07-06	120 Ontario Corporation No. 1414811	

Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)

200 Care of (if applicable)			
210 Street number 499	220 Street name/Rural route/Lot and Concession number O'BRIEN ROAD	230 Suite number UNIT B	
240 Additional address information if applicable (line 220 must be completed first)			
250 Municipality (e.g., city, town) RENFREW	260 Province/state ON	270 Country CA	280 Postal/zip code K7V 3Z3

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit www.ServiceOntario.ca.

300 ☐ 1 If there have been no changes, enter 1 in this box and then go to "Part 4 – Certification."
If there are changes, enter 2 in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 NIPPARD **451** WILLIAM
Last name First name
454 _____
Middle name(s)

460 ☐ 1 Please enter one of the following numbers in this box for the above-named person: 1 for director, 2 for officer, or 3 for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter 1 or 2.

Note: Sections 13 and 14 of the Ontario *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500	<input type="checkbox"/>	Please enter one of the following numbers in this box:	1 - Show no mailing address on the MGS public record. 2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule. 3 - The corporation's complete mailing address is as follows:
510	Care of (if applicable)		
520	Street number	530	Street name/Rural route/Lot and Concession number
		540	Suite number
550	Additional address information if applicable (line 530 must be completed first)		
560	Municipality (e.g., city, town)	570	Province/state
		580	Country
		590	Postal/zip code

Part 6 – Language of preference

600	<input type="checkbox"/>	Indicate your language of preference by entering 1 for English or 2 for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.
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Canada Revenue
AgencyAgence du revenu
du Canada**Schedule 552****Ontario Apprenticeship Training Tax Credit**

Corporation's name	Business number	Tax year-end Year Month Day
RENFREW HYDRO INC.	86222 7923 RC0001	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	120 Telephone number
WILLIAM NIPPARD	(613) 432-4884
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 percentageCorporation's salaries and wages paid in the previous tax year * **300** 757,384**For eligible expenditures incurred before March 27, 2009:**

- If line 300 is \$400,000 or less, enter 30% on line 310.
- If line 300 is \$600,000 or more, enter 25% on line 310.
- If line 300 is more than \$400,000 and less than \$600,000, enter the percentage on line 310 using the following formula:

$$\text{Specified percentage} = 30\% - \left[5\% \times \left(\frac{\text{amount on line 300} - 400,000}{200,000} \right) \right]$$

Specified percentage **310** 25.000 %**For eligible expenditures incurred after March 26, 2009 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:

$$\text{Specified percentage} = 35\% + \left[10\% \times \left[1 - \left(\frac{\text{amount on line 300} - 400,000}{200,000} \right) \right] \right]$$

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:

$$\text{Specified percentage} = 25\% + \left[5\% \times \left[1 - \left(\frac{\text{amount on line 300} - 400,000}{200,000} \right) \right] \right]$$

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	D Original contract or training agreement number	E Original registration date of apprenticeship contract or training agreement (year month day) (see note 1)	F Start date of employment as an apprentice in the tax year (year month day) (see note 2)	G End date of employment as an apprentice in the tax year (year month day) (see note 3)
400	405	410	420	425	430	435
1. 434a	Powerline Technician	Kirk Vincent Skebo	PE1764	2011-01-04	2015-01-01	2015-12-31

Note 1: Enter the original registration date of the apprenticeship contract or training agreement in all cases, even when multiple employers employed the apprentice.

Note 2: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the first day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the start date of employment as an apprentice for the tax year in which the government assistance was received.

Note 3: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the last day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the end date of employment as an apprentice for the tax year in which the government assistance was received.

Part 4 – Ontario apprenticeship training tax credit (continued)

H1 Number of days employed as an apprentice in the tax year before March 27, 2009 441	H2 Number of days employed as an apprentice in the tax year after March 26, 2009 (see note 1) 442	4H 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)	H3 Number of days employed as an apprentice in the tax year (column H1 plus column H2) 440	I Maximum credit amount for the tax year (see note 2) 445
1.	7		7	192

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 H2: The days employed as an apprentice must be within 48 months of the registration date provided in column E on page 2.

For 4H: The days employed as an apprentice must be within 36 months of the registration date provided in column E on page 2.

Note 2: Maximum credit = (\$10,000 × H2/365*) or (\$5,000 × 4H/365*), whichever applies.

* 366 days, if the tax year includes February 29

J1 Eligible expenditures before March 27, 2009 451	J2 Eligible expenditures incurred after March 26, 2009 (see note 3) 452	4J Eligible expenditures incurred for a qualifying apprenticeship program that began after April 23, 2015 (see note 3)	J3 Eligible expenditures for the tax year (column J1 plus column J2) 450	K Eligible expenditures multiplied by specified percentage (see note 4) 460
1.	1,680		1,680	588

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 J2: 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 4J: 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 = (J2 × line 312) or (4J × line 314), whichever applies.

L ATTC on eligible expenditures (lesser of columns I and K) 470	M ATTC on repayment of government assistance (see note 5) 480	N ATTC for each apprentice (column L or M, whichever applies) 490
1.	192	192

Ontario apprenticeship training tax credit (total of amounts in column N)

500**192 O**

Or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount O:

Amount O _____ × 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.

Corporate Taxpayer Summary

Corporate information

Corporation's name RENFREW HYDRO INC.																
Taxation Year 2015-01-01 to 2015-12-31																
Jurisdiction Ontario																
BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corporation is associated Y																
Corporation is related Y																
Number of associated corporations 1																
Type of corporation Canadian-Controlled Private Corporation																
Total amount due (refund) federal and provincial* 16,113																
* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensitive help.																

Summary of federal information

Net income	61,529
Taxable income	61,529
Donations	
Calculation of income from an active business carried on in Canada	61,529
Dividends paid	22,268
Dividends paid – Regular	22,268
Dividends paid – Eligible	
Balance of the low rate income pool at the end of the previous year	
Balance of the low rate income pool at the end of the year	
Balance of the general rate income pool at the end of the previous year	158,063
Balance of the general rate income pool at the end of the year	202,364
Part I tax (base amount)	23,381
Credits against part I tax	Summary of tax
Small business deduction	Part I 9,229
M&P deduction	Part IV
Foreign tax credit	Part III.1
Investment tax credits	Other*
Abatement/Other* 14,152	Provincial or territorial tax 6,884
	Balance due/refund (–) 16,113
* The amounts displayed on lines "Other" are all listed in the Help. Press F1 to consult the context-sensitive help.	

Summary of federal carryforward/carryback information

Carryforward balances	
Cumulative eligible capital	6,977

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	61,529		
Taxable income	61,529		
% Allocation	100.00		
Attributed taxable income	61,529		
Tax payable before deduction*	7,076		
Deductions and credits			
Net tax payable	7,076		
Attributed taxable capital	N/A		N/A
Capital tax payable**	N/A		N/A
Total tax payable***	7,076		
Instalments and refundable credits	192		
Balance due/Refund (-)	6,884		
Logging tax payable (COZ-1179)			
Tax payable	N/A		N/A

* For Québec, this includes special taxes.

** For Québec, this includes compensation tax and registration fee.

*** For Ontario, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations. The Balance due/Refund is included in the federal Balance due/refund.

Summary – taxable capital**Federal**

Corporate name	Taxable capital used to calculate the business limit reduction (T2, line 415)	Taxable capital used to calculate the SR&ED expenditure limit for a CCPC (Schedules 31 and 49)	Taxable capital used to calculate line 233 of the T2 return	Taxable capital used to calculate line 234 of the T2 return
RENFREW HYDRO INC.	6,446,935	6,446,935	6,436,580	6,436,580
RENFREW POWER GENERATION INC.	23,802,452	23,802,452	27,518,351	27,518,351
Total	30,249,387	30,249,387	33,954,931	33,954,931

Québec

Corporate name	Paid-up capital used to calculate the Québec business limit reduction (CO-771 and CO-771.1.3) and to calculate the additional deduction for transportation costs of remote manufacturing SMEs (CO-156.TR)	Paid-up capital used to calculate the tax credit for investment (CO-1029.8.36.IN)	Paid-up capital used to calculate the 1 million deduction (CO-1137.A and CO-1137.E)
Total			

Ontario

Corporate name	Specified capital used to calculate the expenditure limit – Ontario innovation tax credit (Schedule 566)
Total	

Other provinces

Corporate name	Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306)
Total	

Five-Year Comparative Summary

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Federal information (T2)					
Taxation year end	2015-12-31	2014-12-31	2013-12-31	2012-12-31	2011-12-31
Net income	61,529	194,621	191,745	196,652	275,059
Taxable income	61,529	194,621	191,745	196,652	275,059
Active business income	61,529	194,621	191,745	196,652	275,059
Dividends paid	22,268	28,230	28,460	44,842	9,594
Dividends paid – Regular	22,268	28,230	28,460	44,842	9,594
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year	158,063	17,936	17,936	17,936	17,936
GRIP – end of the year	202,364	158,063	17,936	17,936	17,936
Donations					
Balance due/refund (-)	16,113	41,574	19,911	27,994	32,633
Line 996 – Amended tax return	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Loss carrybacks requested in prior years to reduce taxable income					
Taxation year end	2015-12-31	2014-12-31	2013-12-31	2012-12-31	2011-12-31
Taxable income before loss carrybacks	N/A	N/A	191,745	196,652	275,059
Non-capital losses	N/A	N/A			
Net capital losses (50%)	N/A	N/A			
Restricted farm losses	N/A	N/A			
Farm losses	N/A	N/A			
Listed personal property losses (50%)	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			
Adjusted taxable income after loss carrybacks	N/A	N/A	191,745	196,652	275,059
Losses in the current year carried back to previous years to reduce taxable income (according to Schedule 4)					
Taxation year end	2015-12-31	2014-12-31	2013-12-31	2012-12-31	2011-12-31
Adjusted taxable income before current year loss carrybacks*	N/A	194,621	191,745	196,652	N/A
Non-capital losses	N/A				N/A
Net capital losses (50%)	N/A				N/A
Restricted farm losses	N/A				N/A
Farm losses	N/A				N/A
Listed personal property losses (50%)	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted taxable income after loss carrybacks	N/A	194,621	191,745	196,652	N/A

* The adjusted taxable income before current year loss carryback takes into account loss carrybacks that were made in prior taxation years.

Loss carrybacks requested in prior years to reduce taxable dividends subject to Part IV tax

Taxation year end	2015-12-31	2014-12-31	2013-12-31	2012-12-31	2011-12-31
Part IV tax multiplied by 3 before loss carrybacks	N/A	N/A			
Non-capital losses	N/A	N/A			
Farm losses	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			
Adjusted Part IV tax multiplied by 3 after loss carrybacks	N/A	N/A			

Losses in the current year carried back to previous years to reduce taxable dividends subject to Part IV tax (according to Schedule 4)

Taxation year end	2015-12-31	2014-12-31	2013-12-31	2012-12-31	2011-12-31
Part IV tax multiplied by 3 before current year loss carrybacks**	N/A				N/A
Non-capital losses	N/A				N/A
Farm losses	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted Part IV tax multiplied by 3 after loss carrybacks	N/A				N/A

** The adjusted Part IV tax multiplied by 3 before current year loss carrybacks takes into account loss carrybacks that were made in prior taxation years. This amount is multiplied by 3 to help you identify the amount of the loss that is needed to reduce Part IV tax payable to zero.

Federal taxes

Taxation year end	2015-12-31	2014-12-31	2013-12-31	2012-12-31	2011-12-31
Part I	9,229	29,193	21,091	21,632	30,256
Part IV					
Part III.1					
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

Credits against part I tax

Taxation year end	2015-12-31	2014-12-31	2013-12-31	2012-12-31	2011-12-31
Small business deduction			32,597	33,431	46,760
M&P deduction					
Foreign tax credit					
Political contribution					
Investment tax credit					
Abatement/other*	14,152	44,763	19,175	19,665	27,506

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

Refunds/credits

Taxation year end	2015-12-31	2014-12-31	2013-12-31	2012-12-31	2011-12-31
ITC refund					
Dividend refund					
Instalments					
Surtax credit					
Other*			1,180		

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

Ontario

Taxation year end	2015-12-31	2014-12-31	2013-12-31	2012-12-31	2011-12-31
Net income	61,529	194,621	191,745	196,652	275,059
Taxable income	61,529	194,621	191,745	196,652	275,059
% Allocation	100.00	100.00	100.00	100.00	100.00
Attributed taxable income	61,529	194,621	191,745	196,652	275,059
Surtax					
Income tax payable before deduction	7,076	22,381	22,051	22,615	32,314
Income tax deductions /credits			13,423	13,767	19,937
Net income tax payable	7,076	22,381	8,628	8,848	12,377
Taxable capital					
Capital tax payable					
Total tax payable*	7,076	22,381	8,628	8,848	12,377
Instalments and refundable credits	192	10,000	9,808	2,486	10,000
Balance due/refund**	6,884	12,381	-1,180	6,362	2,377

* For taxation years ending before January 1, 2009, this includes the corporate minimum tax and the premium tax. For taxation years ending after December 31, 2008, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations.

** For taxation years ending after December 31, 2008, the Balance due/Refund is included in the federal Balance due/refund.

Diagnostics : All

Type	Group	Jurisdiction	Diagnostic	Annotation
Filing	GIFI	Federal	F1 — Please attach a copy of the notes to the financial statements together with the printed federal bar codes.	
Missing information	CCH	Federal	M162 — Schedule 9 Workchart - The corporation is a CCPC and no taxable income from the prior year was specified. Verify and add this data, if applicable.	
Missing information	CCH	Federal	M286 — Schedule 9 Workchart - The association code indicated with respect to the corporation is 1, or 4, in the case of a cooperative or a credit union eligible for the SDB, but no amount is entered for this corporation on line "Reduced business limit of prior taxation year."	
Missing information	CCH	Federal	M286 — Schedule 9 Workchart - The association code indicated with respect to the corporation is 1, or 4, in the case of a cooperative or a credit union eligible for the SDB, but no amount is entered for this corporation on line "Reduced business limit of prior taxation year."	
Tax planning possibilities	CCH	Federal	P10 — Schedule 9 Workchart - Business limit allocated exceeds taxable income. Consider reallocation.	
Possible input error	CCH	Federal	E431 — Schedule 7 - Income from goods has been reported in Schedule 125 of the GIFI, but Schedule 7, Calculation of aggregate investment income and active business income, has not been completed.	
Review	CCH	Federal	O103 — Overridden data - You can see the list by using the "Overridden data" filter in Xpress.	
Possible input error	CCH	Federal	E1085 — Schedule 552 - According to the registration date of apprenticeship contract or training agreement, more than 48 months have elapsed since the apprentice began his apprenticeship. Ensure that this year's expenditures contain only the amount paid in the first 48	
Possible input error	CCH	Federal	E1201 — RSI-EFILE-Bar codes - This return must be electronically filed with the CRA in pursuance of section 150.1 ITA. You answered "No" to the question "Do you want to electronically file this tax return with the CRA?" The corporation may incur penalties for filing in an incorrect format.	
Possible input error	CCH	Federal	E1323 — Schedule 552 - Eligible expenditures after March 26, 2009, must be for services provided by the apprentice during the first 48 months of the	
Possible input error	CCH	Federal	E1600 — RSI-EFILE-Bar codes - You have indicated at line 920 of the T2 return, that the return is prepared for a fee and you are a tax preparer. As define under subsection 150.1(2.3) of the ITA, a tax preparer must file any return of income prepared by the tax preparer for consideration by way of electronic filing. Penalties will apply if you file the return other than by way of electronic filing for a fee and you have already filed 10 corporate tax returns or more other than by wav of	
Possible input error	CCH	Federal	E1690 — Schedule 31 - Eligible expenditures for the Ontario apprenticeship training tax credit have been entered in Schedule 552. Please verify if these expenditures also qualify for the investment tax credit from apprenticeship job creation expenditures in	
Possible input error	CCH	Federal	E1762 — Schedule 4N - A date prior to the date of incorporation has been entered in the history of taxation years. Verify this date.	

Diagnostics : All

Type	Group	Jurisdiction	Diagnostic	Annotation
Possible input error	CCH	Federal	E1769 — Schedule 6 - You indicated in Schedule 125 that the corporation realized a capital gain or loss, but Schedule 6 has not been completed. Verify if this schedule should be completed.	

Ex.4/Tab 9/Sch.3 - Calculation of Tax Credits

RHI is not claiming any tax credit in this application.

Ex.4/Tab 9/Sch.4 - Non-recoverable and Disallowed Expenses

RHI confirms that expenses that are deemed non-recoverable in the revenue requirement or disallowed for regulatory purposes have been excluded from the regulatory tax calculation.

Ex.4/Tab 9/Sch.5 – Property Taxes

RHI pays property taxes to The Corporation of the Town of Renfrew for its five municipal substations. It also paid property taxes for the office building.

In addition, RHI makes annual payments to Ontario Electricity Financial Corporation for “Payments in Lieu of Property Taxes”.

All property tax expenses have been included in OM&A expenses. The increase in 2016 and 2017 represent a 1.95% inflationary increase. Property taxes for Historical Actuals 2010 to 2015, the 2016 Bridge Year and the 2017 Test Year are provided in Table 4.24 below.

Table 4.24: Property Taxes

	2010	2011	2012	2013	2014	2015	2016	2017
Office Building	6,739.43	6,963.93	7,092.30	7,306.99	7,368.84	7,484.09	3,750.00	-
Substations	10,366.64	9,506.85	8,923.75	9,051.12	9,056.71	9,078.14	9,255.16	9,435.64
PILS	2,583.57	1,983.54	1,737.41	1,621.96	1,488.60	1,373.05	1,399.82	1,427.12
	19,689.64	18,454.32	17,753.46	17,980.07	17,914.15	17,935.28	14,404.99	10,862.76

Ex.4/Tab 9/Sch.6 - Integrity Checklist

RHI has had the PILS model reviewed by its external auditors. The utility affirms that the following integrity checks have been completed in its application:

- ✓ the depreciation and amortization added back in the application's PILs model agree with the numbers disclosed in the rate base section of the application;
- ✓ the capital additions and deductions in the UCC/ CCA Schedule 8 agree with the rate base section for historic, bridge and test years;
- ✓ Schedule 8 of the most recent federal T2 tax return filed with the application has a closing December 31st historic year UCC that agrees with the opening bridge year UCC at January 1st;
- ✓ The CCA deductions in the application's PILs tax model for historic, bridge and test years agree with the numbers in the UCC schedules for the same years filed in the application;
- ✓ Loss carry-forwards, if any, from the tax returns (Schedule 4) agree with those disclosed in the application;
- ✓ CCA is maximized even if there are tax loss carry-forwards; and
- ✓ As of 2015, RHI does not have any loss carry forwards.

Conservation and Demand Side Management

Ex.4/Tab 10/Sch.1 - Overview of CDM

RHI filed its CDM Strategy with the OEB in accordance with the CDM Code for Electricity Distributors in the fall of 2010. RHI, with the assistance of Hydro Ottawa, began delivering CDM programs in 2011 in order to meet the mandated targets. The emphasis has been on Ontario Power Authority (“OPA”) Contracted Province-Wide Programs to residential and general service customers. RHI has not sought approval for Board-approved CDM programs.

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

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

At this time, RHI does not contemplate employing any Board-Approved programs. The intent is to meet demand and energy reduction requirements by delivering OPA-Contracted Province-Wide programs. RHI will not be applying for any OM&A costs related to the administration and delivery of CDM programs to be recovered through the revenue requirement.

Ex.4/Tab 10/Sch.2 - LRAM

(Note that this information is also presented at Exhibit 9.)

Ex.4/Tab 3/Sch.1 - Lost Revenue Adjustment Mechanism ("LRAM") for 2011-2014

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

Table 4.25: Summary of Requested LRAM Amounts (2011-2014)

Particulars	2011 LRAMVA	2012 LRAMVA	2013 LRAMVA	2014 LRAMVA	Total
Total LRAMVA - Pre 2011 Programs Completed in 2011	1,957	1,939	1,912	1,921	7,729
Total LRAMVA - 2011 OPA Program Results	4,992	4,992	4,456	5,026	19,466
Total LRAMVA - 2012 OPA Program Results		6,117	6,124	6,152	18,393
Total LRAMVA - 2013 OPA Program Results			5,893	5,904	11,797
Total LRAMVA - 2014 OPA Program Results				5,277	5,277
Total LRAMVA	6,949	13,048	18,385	24,280	62,662

RHI has used the most recent input assumptions when calculating lost revenue and has relied on the most recent final evaluation report from the Ontario Power Authority in support of its LRAM calculation for its contracted province-wide CDM programs ("OPA Programs") for 2011-2013. Lost revenues are based on Board approved variable charges and carrying charges

- 1 through to December 31, 2016 are requested using the quarterly rates prescribed by the Board
2 provided in Exhibit 9.
- 3 For further details, please refer to the enclosed spreadsheet and OPA actuals.
- 4 The following table shows the per class allocation of amount used for CDM threshold for
5 LRAMVA (2017).

Table 4.26 - allocation of amount used for CDM threshold for LRAMVA

kWh		Year	2017	Share	Target
Residential		kWh	29,357,542	33.90%	471,167
General Service < 50 kW		kWh	11,923,319	13.77%	191,361
Unmetered Scattered Load		kWh	151,856	0.18%	2,437
General Service > 50 kW - 4999 kW		kWh	44,077,305	50.89%	707,408
Streetlighting		kWh	1,098,309	1.27%	17,627
0.00		kWh	-	0.00%	0
0.00		kWh	-	0.00%	0
Total			86,608,331	100.00%	1,390,000.00

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LRAMVA Calculations

	Incentive Name	2011 LRAMVA	2012 LRAMVA	2013 LRAMVA	2014 LRAMVA	
Residential	Electricity Retrofit Incentive Program	\$1,952.57	\$1,934.74	\$1,907.99	\$1,916.91	
	High Performance New Construction	\$4.23	\$4.20	\$4.14	\$4.16	
	SubTotal	1956.81	1938.94	1912.13	1921.07	
GS<50		\$0.00	\$0.00	\$0.00	\$0.00	
	SubTotal	0.00	0.00	0.00	0.00	
	Adjustments					
		\$0.00	\$0.00	\$0.00	\$0.00	
	SubTotal	0.00	0.00	0.00	0.00	
	Total	1956.81	1938.94	1912.13	1921.07	
		1956.81	1938.94	1912.13	1921.07	7728.94

	Incentive Name	2011 LRAMVA	2012 LRAMVA	2013 LRAMVA	2014 LRAMVA	
Residential	Appliance Retirement	\$244.51	\$242.28	\$238.93	\$240.05	
	Appliance Exchange	\$1.52	\$1.51	\$1.49	\$1.49	
	HVAC Incentives	\$1,053.54	\$1,043.91	\$1,029.48	\$1,034.29	
	Conservation Instant Coupon Booklet	\$218.74	\$216.74	\$213.74	\$214.74	
	Bi-Annual Retailer Event	\$332.59	\$329.55	\$325.00	\$326.52	
	Residential Demand Response	\$1.12	\$1.11	\$1.10	\$1.10	
		\$0.00	\$0.00	\$0.00	\$0.00	
	SubTotal	1852.02	1835.10	1809.73	1818.19	
GS<50	Retrofit	\$2,766.75	\$2,780.62	\$2,347.56	\$2,822.23	
	Direct Install Lighting	\$506.55	\$509.08	\$429.80	\$516.70	
	Energy Audit					
	Retrofit	\$0.00	\$0.00	\$0.00	\$0.00	
	SubTotal	3273.30	3289.71	2777.36	3338.93	
	Adjustments					
	Adjustments to 2011 Verified Results	-\$133.71	-\$132.48	-\$130.65	-\$131.26	
		\$0.00	\$0.00	\$0.00	\$0.00	
	SubTotal	-133.71	-132.48	-130.65	-131.26	
	Total	4991.61	4992.33	4456.44	5025.86	
		4991.61	4992.33	4456.44	5025.86	19466.24

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	Incentive Name	2011 LRAMVA	2012 LRAMVA	2013 LRAMVA	2014 LRAMVA
Residential	Appliance Retirement		\$222.73	\$219.16	\$219.68
	Appliance Exchange		\$20.25	\$19.92	\$19.97
	HVAC Incentives		\$621.47	\$611.48	\$612.95
	Conservation Instant Coupon Booklet		\$15.68	\$15.43	\$15.46
	Bi-Annual Retailer Event		\$300.33	\$295.51	\$296.22
	Residential Demand Response		\$2.76	\$2.71	\$2.72
			\$0.00	\$0.00	\$0.00
	SubTotal		1183.21	1164.21	1167.00
GS<50	Retrofit		\$4,637.56	\$4,661.66	\$4,685.63
	Direct Install Lighting		\$280.46	\$281.92	\$283.37
	Energy Audit				
	Retrofit		\$0.00	\$0.00	\$0.00
	SubTotal		4918.02	4943.58	4969.00
	Adjustments				
	Adjustments to 2012 Verified Results		\$16.06	\$15.80	\$15.84
			\$0.00	\$0.00	\$0.00
	SubTotal		16.06	15.80	15.84
	Total		6117.29	6123.59	6151.83
			6117.29	6123.59	6151.83
					18392.72

	Incentive Name	2011 LRAMVA	2012 LRAMVA	2013 LRAMVA	2014 LRAMVA
Residential	Appliance Retirement			\$196.94	\$197.07
	Appliance Exchange			\$31.62	\$31.65
	HVAC Incentives			\$561.49	\$561.87
	Conservation Instant Coupon Booklet			\$85.24	\$85.30
	Bi-Annual Retailer Event			\$189.99	\$190.12
	Residential Demand Response			\$2.02	\$2.03
				\$0.00	\$0.00
	SubTotal			1067.31	1068.04
GS<50	Retrofit			\$1,683.05	\$1,688.82
	Direct Install Lighting			\$526.88	\$528.69
	Energy Audit				
	Home Assistance Program			\$0.00	\$0.00
	SubTotal			2209.94	2217.51
	Adjustments				
	Adjustments to 2013 Verified Results			\$2,616.17	\$2,617.97
				\$0.00	\$0.00
	SubTotal			2616.17	2617.97
	Total	0.00	0.00	5893.42	5903.52
				5893.42	5903.52
					11796.94

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Incentive Name		2011 LRAMVA	2012 LRAMVA	2013 LRAMVA	2014 LRAMVA
Residential	Appliance Retirement				\$211.53
	Appliance Exchange				\$95.32
	HVAC Incentives				\$775.88
	Conservation Instant Coupon Booklet				\$371.04
	Bi-Annual Retailer Event				\$1,365.54
	Residential Demand Response				\$0.00
	Residential Demand Response				\$0.00
					\$0.00
	SubTotal				2819.31
GS<50	Retrofit				\$2,243.25
	Direct Install Lighting				\$214.24
	Energy Audit				
	Home Assistance Program				\$0.00
	SubTotal				2457.49
	Adjustments				
					\$0.00
					\$0.00
					\$0.00
	SubTotal				0.00
	Total	0.00	0.00	0.00	5276.79

5276.79

6,948	13,049	18,386	24,279	<u>62,662</u>
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1 Final OPA / IESO reports

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saveONenergy™

Message from the Vice President:

The IESO is pleased to provide the enclosed 2011-2014 Final Results Report. This report is designed to help populate LDC Annual Reports that will be submitted to the Ontario Energy Board (OEB) in September 2015.

2011-2014 Conservation Framework Highlights:

- LDCs have made significant achievements against dual energy and peak demand savings targets. Collectively, the LDCs have achieved 109% of the energy target and 70% of the peak demand target.
- Momentum has built as we transition to the Conservation First Framework. 2014 demonstrated an achievement of over 1 TWh of net incremental energy savings, positioning us well for average net incremental energy savings of 1.2 TWh required in the new framework to meet our 2020 CDM targets.
- Throughout the past framework, program results have become more predictable year over year as noted in the increasingly smaller variance between quarterly preliminary results and verified final results.
- Customer engagement continued to increase in both the Consumer and Business Programs. Between 2011 - 2014 consumers have purchased over 10 million energy efficient products through the saveONenergy COUPONS program. Customers in RETROFIT continue to declare a positive experience participating in the program with 86% likely to recommend.
- saveONenergy has seen a steady and significant increase in unaided brand awareness by 33% from 2011-2014
- Conservation is becoming even more cost-effective as programs become more efficient and effective. 2014 proved early investments in long lead time projects will pay off with the high savings now being realized in programs like PROCESS & SYSTEMS and RETROFIT. Within 4 cents per kWh, Conservation programs continue to be a valuable and cost effective resource for customers across the province.

The 2011-2014 Final Results within this report vary from the Draft 2011-2014 Final Results Report for the following reasons:

- Savings from Time of Use pricing are included in the Final Results Report. Overall the province saved 55 MWs from Time-of-Use pricing in 2014, or 0.73% of residential summer peak demand.
- Between August 4th and August 28th, the IESO and LDCs have worked collaboratively to reconcile projects from 2011-2014 Final Results Report to ensure every eligible project was captured and accurately reported.
- Verified savings from Innovation Fund pilots are also included for participating LDCs.

All results will be considered final for the 2011-2014 Conservation Framework. Any additional program activity not captured in the 2011-2014 Final Results Report will not be included as part of a future adjustment process.

Please continue to monitor saveONenergy E-blasts for future updates and should you have any other questions or comments please contact LDC.Support@ieso.ca.

We appreciate your collaboration and cooperation throughout the reporting and evaluation process and we look forward to the success ahead in the Conservation First Framework.

Sincerely,

Terry Young

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Summary		Provides a summary of the LDC specific IESO-Contracted Province-Wide Program performance to date: achievement against target using scenerio 1, sector breakdown and progress to target for the LDC community.	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
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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
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Appendix			
-	Methodology	Detailed descriptions of methods used for results.	12 to 21
-	Reference Tables	Consumer Program allocation methodology.	22 to 23
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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

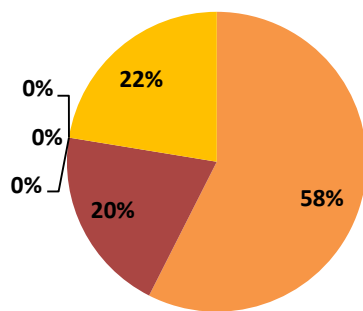
LDC: Renfrew Hydro Inc.

Final 2014 Achievement Against Targets	2014 Incremental	2011-2014	
		Achievement Against Target	% of Target Achieved
Net Annual Peak Demand Savings (MW)	0.2	0.5	52.3%
Net Energy Savings (GWh)	0.6	4.7	96.4%

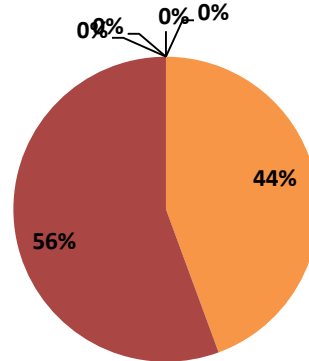
Unless otherwise noted, results are presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

Achievement by Sector

2014 Incremental Peak Demand Savings (MW)



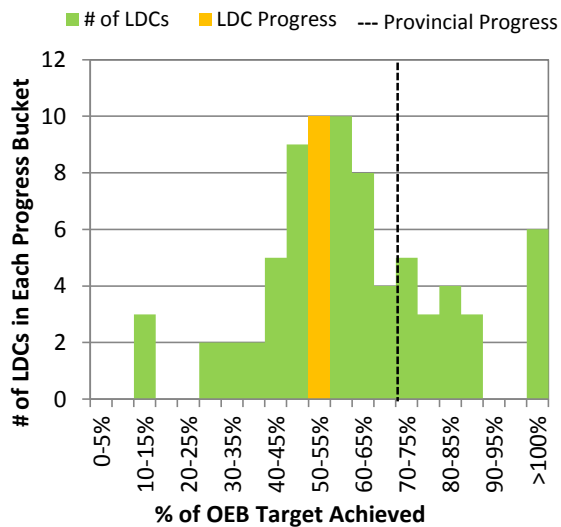
2014 Incremental Energy Savings (GWh)



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

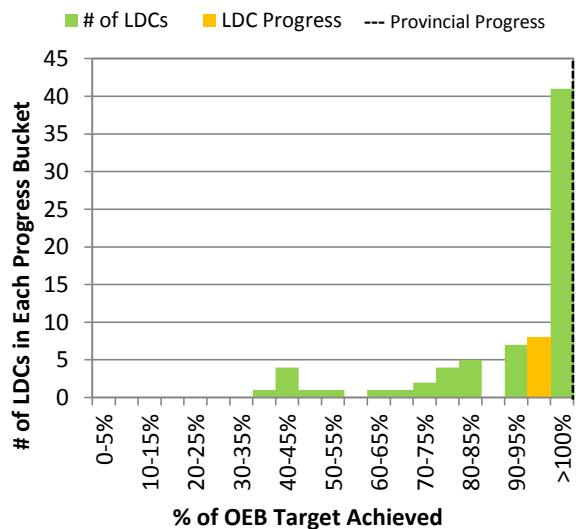


Table 1: Renfrew Hydro Inc. Initiative and Program Level Net Savings by Year

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)	
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
Consumer Program															
Appliance Retirement	Appliances	38	38	32	34	2	2	2	3	16,747	15,396	13,804	14,758	9	155,544
Appliance Exchange	Appliances	1	5	6	18	0	1	1	4	104	1,399	2,217	6,650	6	15,638
HVAC Incentives	Equipment	89	92	86	107	37	23	21	28	72,160	42,958	39,357	54,131	109	550,359
Conservation Instant Coupon Booklet	Items	411	24	270	942	1	0	0	2	14,982	1,084	5,975	25,887	3	101,016
Bi-Annual Retailer Event	Items	738	822	732	3,740	1	1	1	6	22,780	20,760	13,317	95,270	10	275,307
Retailer Co-op	Items	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential Demand Response	Devices	53	55	72	121	30	25	36	68	77	191	142	0	68	409
Residential Demand Response (IHD)	Devices	0	1	16	119	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						71	52	62	111	126,851	81,789	74,811	196,696	205	1,098,273
Business Program															
Retrofit	Projects	2	11	7	4	71	82	24	21	208,027	346,950	124,979	165,350	198	2,287,430
Direct Install Lighting	Projects	13	10	13	5	14	6	13	4	38,086	20,982	39,125	15,792	37	309,333
Building Commissioning	Buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Construction	Buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Energy Audit	Audits	0	0	2	1	0	0	0	13	0	0	0	65,274	13	65,274
Small Commercial Demand Response	Devices	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Business Program Total						85	89	37	39	246,113	367,932	164,104	246,415	249	2,662,036
Industrial Program															
Process & System Upgrades	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monitoring & Targeting	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Energy Manager	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retrofit	Projects	1	0	0	0	2	0	0	0	7,082	0	0	0	2	28,328
Demand Response 3	Facilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Industrial Program Total						2	0	0	0	7,082	0	0	0	2	28,328
Home Assistance Program															
Home Assistance Program	Homes	0	0	40	0	0	0	1	0	0	0	12,344	0	1	24,492
Home Assistance Program Total						0	0	1	0	0	0	12,344	0	1	24,492
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	5	0	0	0	22	0	0	0	133,738	0	0	0	22	534,951
High Performance New Construction	Projects	0	0	0	0	0	0	0	0	290	85	0	0	0	1,415
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						22	0	0	0	134,028	85	0	0	22	536,366
Other															
Program Enabled Savings	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Time-of-Use Savings	Homes	0	0	0	n/a	0	0	0	43	0	0	0	0	43	0
LDC Pilots	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Total						0	0	0	43	0	0	0	0	43	0
Adjustments to 2011 Verified Results						-6				-9,158				-6	
Adjustments to 2012 Verified Results						1				1,110				1	
Adjustments to 2013 Verified Results						33				183,377				33	
Energy Efficiency Total						150	116	63	125	513,996	449,615	251,117	443,111	453	4,349,086
Demand Response Total (Scenario 1)						30	25	36	68	77	191	142	0	68	409
Adjustments to Previous Years' Verified Results Total						0	-6	1	33	0	-9,158	1,110	183,377	27	333,516
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						179	135	100	226	514,073	440,648	252,369	626,488	549	4,683,012
Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).														Full OEB Target:	
*Includes adjustments after Final Reports were issued														1,050	
Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year.														4,860,000	
% of Full OEB Target Achieved to Date (Scenario 1):														52.3%	
														96.4%	

Table 2: Adjustments to Renfrew Hydro Inc. Net Verified Results due to Variances

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)	
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
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	-22	2	2		-7	1	1		-13,011	1,110	1,021		-6	-46,670
Conservation Instant Coupon Booklet	Items	6	0	1		0	0	0		214	0	18		0	891
Bi-Annual Retailer Event	Items	63	0	0		0	0	0		1,692	0	0		0	6,770
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						-7	1	1		-11,104	1,110	1,039		-6	-39,009
Business Program															
Retrofit	Projects	0	0	1		0	0	12		0	0	66,024		12	132,048
Direct Install Lighting	Projects	1	0	1		1	0	0		1,946	0	1,222		1	10,229
Building Commissioning	Buildings	0	0	0		0	0	0		0	0	0		0	0
New Construction	Buildings	0	0	0		0	0	0		0	0	0		0	0
Energy Audit	Audits	0	0	2		0	0	18		0	0	96,966		18	193,932
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						1	0	30		1,946	0	164,212		31	336,209
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	18		0	0	2		0	0	18,191		2	36,317
Home Assistance Program Total						0	0	2		0	0	18,191		2	36,317
Aboriginal Program															
Home Assistance Program	Homes	0	0	0		0	0	0		0	0	0		0	0
Direct Install Lighting	Projects	0	0	0		0	0	0		0	0	0		0	0
Aboriginal Program Total						0	0	0		0	0	0		0	0
Pre-2011 Programs completed in 2011															
Electricity Retrofit Incentive Program	Projects	0	0	0		0	0	0		0	0	0		0	0
High Performance New Construction	Projects	0	0	0		0	0	0		0	0	0		0	0
Toronto Comprehensive	Projects	0	0	0		0	0	0		0	0	0		0	0
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0		0	0	0		0	0
LDC Custom Programs	Projects	0	0	0		0	0	0		0	0	0		0	0
Pre-2011 Programs completed in 2011 Total						0	0	0		0	0	0		0	0
Other															
Program Enabled Savings	Projects	0	0	0		0	0	0		0	0	0		0	0
Time-of-Use Savings	Homes	0	0	0		0	0	0		0	0	0		0	0
LDC Pilots	Projects	0	0	0		0	0	0		0	0	0		0	0
Other Total						0	0	0		0	0	0		0	0
Adjustments to 2011 Verified Results						-6				-9,158				-6	-36,632
Adjustments to 2012 Verified Results							1				1,110			1	3,330
Adjustments to 2013 Verified Results								33				183,441		33	366,818
Total Adjustments to Previous Years' Verified Results						-6	1	33		-9,158	1,110	183,441		27	333,516

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).

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: Renfrew Hydro Inc. Realization Rate & NTG

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement	1.00	1.00	n/a	n/a	0.52	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	3.23	1.00	1.00	1.00	1.00	1.11	1.05	1.13	2.09
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	1.06	1.04	1.01	0.86	0.67	0.78	0.79	0.71	1.09	1.20	1.22	1.02	0.70	0.80	0.78	0.72
Direct Install Lighting	1.08	0.68	0.81	0.78	0.93	0.94	0.94	0.94	0.90	0.85	0.84	0.83	0.93	0.94	0.94	0.94
Building Commissioning	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
New Construction	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Energy Audit	n/a	n/a	n/a	0.96	n/a	n/a	n/a	0.68	n/a	n/a	n/a	1.00	n/a	n/a	n/a	0.67
Small Commercial Demand Response	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Small Commercial Demand Response (IHD)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Demand Response 3	0.76	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Industrial Program																
Process & System Upgrades	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Monitoring & Targeting	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Energy Manager	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Retrofit																
Demand Response 3	0.84	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Home Assistance Program																
Home Assistance Program	n/a	n/a	1.08	n/a	n/a	n/a	1.00	n/a	n/a	n/a	0.87	n/a	n/a	n/a	1.00	n/a
Aboriginal Program																
Home Assistance Program	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Direct Install Lighting	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program	0.81	n/a	n/a	n/a	0.54	n/a	n/a	n/a	0.82	n/a	n/a	n/a	0.54	n/a	n/a	n/a
High Performance New Construction	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50
Toronto Comprehensive	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Multifamily Energy Efficiency Rebates	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Custom Programs	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other																
Program Enabled Savings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Time-of-Use Savings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Pilots	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Summary Achievement Against CDM Targets

Results are recognized using current IESO reporting policies. Energy efficiency resources persist for the duration of the effective useful life. Any upcoming code changes are taken into account. Demand response resources persist for 1 year (Scenario 1). Please see methodology tab for more detailed information.

Table 4: Net Peak Demand Savings at the End User Level (MW) (Scenario 1)

Implementation Period	Annual			
	2011	2012	2013	2014
2011 - Verified	0.2	0.2	0.2	0.2
2012 - Verified†	0.0	0.1	0.1	0.1
2013 - Verified†	0.0	0.0	0.1	0.1
2014 - Verified†	0.0	0.0	0.0	0.2
Verified Net Annual Peak Demand Savings Persisting in 2014:				0.5
Renfrew Hydro Inc. 2014 Annual CDM Capacity Target:				1.1
Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):				52.3%

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

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011 - Verified	0.5	0.5	0.5	0.5	2.1
2012 - Verified†	0.0	0.4	0.4	0.4	1.3
2013 - Verified†	0.0	0.0	0.3	0.3	0.5
2014 - Verified†	0.0	0.0	0.18	0.6	0.8
Verified Net Cumulative Energy Savings 2011-2014:					4.7
Renfrew Hydro Inc. 2011-2014 Annual CDM Energy Target:					4.9
Verified Portion of Cumulative Energy Target Achieved in 2014 (%):					96.3%

†Includes adjustments to previous years' verified results

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

Table 6: Province-Wide Initiatives and Program Level Net Savings by Year (Scenario 1)

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)	
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh) 2014
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	
% 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	Gross Savings = Activity * Per Unit Assumption Net Savings = Gross Savings * Net-to-Gross Ratio All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)
Engineered and Custom Projects	Gross Savings = Reported Savings * Realization Rate Net Savings = Gross Savings * Net-to-Gross Ratio All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)
Demand Response	Peak Demand: Gross Savings = Net Savings = contracted MW at contributor level * Provincial contracted to ex ante ratio Energy: Gross Savings = Net Savings = provincial ex post energy savings * LDC proportion of total provincial contracted MW All savings are annualized (i.e. the savings are the same regardless of the time of year a participant began offering DR)
Adjustments to Previous Years' Verified Results	All variances from the Final Annual Results Reports from prior years will be adjusted within this report. Any variances with regards to projects counts, data lag, and calculations etc., will be made within this report. Considers the cumulative effect of energy savings.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Consumer Program			
Appliance Retirement	Includes both retail and home pickup stream. Retail stream allocated based on average of 2008 & 2009 residential throughput; Home pickup stream directly attributed by postal code or customer selection.	Savings are considered to begin in the year the appliance is picked up.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Appliance Exchange	When postal code information is provided by customer, results are directly attributed to the LDC. When postal code is not available, results allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year that the exchange event occurred.	
HVAC Incentives	Results directly attributed to LDC based on customer postal code.	Savings are considered to begin in the year that the installation occurred.	

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Conservation Instant Coupon Booklet	LDC-coded coupons directly attributed to LDC. Otherwise results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year in which the coupon was redeemed.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Bi-Annual Retailer Event	Results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year in which the event occurs.	
Retailer Co-op	When postal code information is provided by the customer, results are directly attributed. If postal code information is not available, results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year of the home visit and installation date.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Residential Demand Response	Results are directly attributed to LDC based on data provided to IESO through project completion reports and continuing participant lists.	Savings are considered to begin in the year the device was installed and/or when a customer signed a peaksaver PLUS™ participant agreement.	Peak demand savings are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. Energy savings are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year and accounts for any "snapback" in energy consumption experienced after the event. Savings are assumed to persist for only 1 year, reflecting that savings will only occur if the resource is activated.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Residential New Construction	Results are directly attributed to LDC based on LDC identified in application in the iCon system. Initiative was not evaluated in 2011, reported results are presented with forecast assumptions as per the business case.	Savings are considered to begin in the year of the project completion date.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Business Program			
Efficiency: Equipment Replacement	Results are directly attributed to LDC based on LDC identified at the facility level in the iCon system. Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see page for Building type to Sector mapping.	Savings are considered to begin in the year of the actual project completion date in the iCON system.	Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
	Additional Note: project counts were derived by filtering out invalid statuses (e.g. Post-Project Submission - Payment denied by LDC) and only including projects with an "Actual Project Completion Date" in 2014)		

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Direct Installed Lighting	Results are directly attributed to LDC based on the LDC specified on the work order.	Savings are considered to begin in the year of the actual project completion date.	Peak demand and energy savings are determined using the verified measure level per unit assumptions multiplied by the uptake of each measure accounting for the realization rate for both peak demand and energy to reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings take into account net-to-gross factors such as free-ridership and spillover for both peak demand and energy savings at the program level (net).
Existing Building Commissioning Incentive	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the actual project completion date.	Peak demand and energy savings are determined by the total savings for a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
New Construction and Major Renovation Incentive	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the actual project completion date.	
Energy Audit	Projects are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the audit date.	Peak demand and energy savings are determined by the total savings resulting from an audit as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Commercial Demand Response (part of the Residential program schedule)	Results are directly attributed to LDC based on data provided to IESO through project completion reports and continuing participant lists	Savings are considered to begin in the year the device was installed and/or when a customer signed a peaksaver PLUS™ participant agreement.	Peak demand savings are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. Energy savings are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year. Savings are assumed to persist for only 1 year, reflecting that savings will only occur if the resource is activated.
Demand Response 3 (part of the Industrial program schedule)	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	Peak demand savings are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. Energy savings are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.
Industrial Program			
Process & System Upgrades	Results are directly attributed to LDC based on LDC identified in application.	Savings are considered to begin in the year in which the incentive project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Monitoring & Targeting	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the incentive project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
Energy Manager	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the project was completed by the energy manager. If no date is specified the savings will begin the year of the Quarterly Report submitted by the energy manager.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Efficiency: Equipment Replacement Incentive (part of the C&I program schedule)	Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see "Reference Tables" tab for Building type to Sector mapping.	Savings are considered to begin in the year of the actual project completion date on the iCON CRM system.	Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
Demand Response 3	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	Peak demand savings are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. Energy savings are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Home Assistance Program			
Home Assistance Program	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the measures were installed.	Peak demand and energy savings are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross), taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Aboriginal Program			
Aboriginal Program	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the measures were installed.	Peak demand and energy savings are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross), taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Pre-2011 Programs completed in 2011			
Electricity Retrofit Incentive Program	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, 2012, 2013 or 2014 assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported. A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). If energy savings are not available, an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports).
High Performance New Construction	Results are directly attributed to LDC based on customer data provided to the OPA from Enbridge; Initiative was not evaluated in 2011, 2012, 2013 or 2014, assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	
Toronto Comprehensive	Program run exclusively in Toronto Hydro-Electric System Limited service territory; Initiative was not evaluated in 2011, 2012, 2013 or 2014, assumptions as per 2010 evaluation.		

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Multifamily Energy Efficiency Rebates	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, 2012, 2013 or 2014, assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). If energy savings are not available, an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results (http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports).
Data Centre Incentive Program	Program run exclusively in PowerStream Inc. service territory; Initiative was not evaluated in 2011, assumptions as per 2009 evaluation.		
EnWin Green Suites	Program run exclusively in ENWIN Utilities Ltd. service territory; Initiative was not evaluated in 2011 or 2012, assumptions as per 2010 evaluation.		

Consumer Program Allocation Methodology

Results can be allocated based on average of 2008 & 2009 residential throughput for each LDC (below) when additional information is not available. Source: OEB Yearbook Data 2008 & 2009

Local Distribution Company	Allocation
Algoma Power Inc.	0.2%
Atikokan Hydro Inc.	0.0%
Attawapiskat Power Corporation	0.0%
Bluewater Power Distribution Corporation	0.6%
Brant County Power Inc.	0.2%
Brantford Power Inc.	0.7%
Burlington Hydro Inc.	1.4%
Cambridge and North Dumfries Hydro Inc.	1.0%
Canadian Niagara Power Inc.	0.5%
Centre Wellington Hydro Ltd.	0.1%
Chapleau Public Utilities Corporation	0.0%
COLLUS Power Corporation	0.3%
Cooperative Hydro Embrun Inc.	0.0%
E.L.K. Energy Inc.	0.2%
Enersource Hydro Mississauga Inc.	3.9%
ENTEGRUS	0.6%
ENWIN Utilities Ltd.	1.6%
Erie Thames Powerlines Corporation	0.4%
Espanola Regional Hydro Distribution Corporation	0.1%
Essex Powerlines Corporation	0.7%
Festival Hydro Inc.	0.3%
Fort Albany Power Corporation	0.0%
Fort Frances Power Corporation	0.1%
Greater Sudbury Hydro Inc.	1.0%
Grimsby Power Inc.	0.2%
Guelph Hydro Electric Systems Inc.	0.9%
Haldimand County Hydro Inc.	0.4%
Halton Hills Hydro Inc.	0.5%
Hearst Power Distribution Company Limited	0.1%
Horizon Utilities Corporation	4.0%
Hydro 2000 Inc.	0.0%
Hydro Hawkesbury Inc.	0.1%
Hydro One Brampton Networks Inc.	2.8%
Hydro One Networks Inc.	30.0%
Hydro Ottawa Limited	5.6%
Innisfil Hydro Distribution Systems Limited	0.4%
Kashechewan Power Corporation	0.0%
Kenora Hydro Electric Corporation Ltd.	0.1%
Kingston Hydro Corporation	0.5%
Kitchener-Wilmot Hydro Inc.	1.6%
Lakefront Utilities Inc.	0.2%

Lakeland Power Distribution Ltd.	0.2%
London Hydro Inc.	2.7%
Middlesex Power Distribution Corporation	0.1%
Midland Power Utility Corporation	0.1%
Milton Hydro Distribution Inc.	0.6%
Newmarket - Tay Power Distribution Ltd.	0.7%
Niagara Peninsula Energy Inc.	1.0%
Niagara-on-the-Lake Hydro Inc.	0.2%
Norfolk Power Distribution Inc.	0.3%
North Bay Hydro Distribution Limited	0.5%
Northern Ontario Wires Inc.	0.1%
Oakville Hydro Electricity Distribution Inc.	1.5%
Orangeville Hydro Limited	0.2%
Orillia Power Distribution Corporation	0.3%
Oshawa PUC Networks Inc.	1.2%
Ottawa River Power Corporation	0.2%
Parry Sound Power Corporation	0.1%
Peterborough Distribution Incorporated	0.7%
PowerStream Inc.	6.6%
PUC Distribution Inc.	0.9%
Renfrew Hydro Inc.	0.1%
Rideau St. Lawrence Distribution Inc.	0.1%
Sioux Lookout Hydro Inc.	0.1%
St. Thomas Energy Inc.	0.3%
Thunder Bay Hydro Electricity Distribution Inc.	0.9%
Tillsonburg Hydro Inc.	0.1%
Toronto Hydro-Electric System Limited	12.8%
Veridian Connections Inc.	2.4%
Wasaga Distribution Inc.	0.2%
Waterloo North Hydro Inc.	1.0%
Welland Hydro-Electric System Corp.	0.4%
Wellington North Power Inc.	0.1%
West Coast Huron Energy Inc.	0.1%
Westario Power Inc.	0.5%
Whitby Hydro Electric Corporation	0.9%
Woodstock Hydro Services Inc.	0.3%

Reporting Glossary

Annual: the peak demand or energy savings that occur in a given year (includes resource savings from new program activity and resource savings persisting from previous years).

Cumulative Energy Savings: represents the sum of the annual energy savings that accrue over a defined period (in the context of this report the defined period is 2011 - 2014). This concept does not apply to peak demand savings.

End-User Level: resource savings in this report are measured at the customer level as opposed to the generator level (the difference being line losses).

Free-ridership: the percentage of participants who would have implemented the program measure or practice in the absence of the program.

Incremental: the new resource savings attributable to activity procured in a particular reporting period based on when the savings are considered to 'start'.

Initiative: a Conservation & Demand Management offering focusing on a particular opportunity or customer end-use (i.e. Retrofit, Fridge & Freezer Pickup).

Net-to-Gross Ratio: The ratio of net savings to gross savings, which takes into account factors such as free-ridership and spillover

Net Energy Savings (MWh): energy savings attributable to conservation and demand management activities net of free-riders, etc.

Net Peak Demand Savings (MW): peak demand savings attributable to conservation and demand management activities net of free-riders, etc.

Program: a group of initiatives that target a particular market sector (e.g. Consumer, Industrial).

Realization Rate: A comparison of observed or measured (evaluated) information to original reported savings which is used to adjust the gross savings estimates.

Settlement Account: the grouping of demand response facilities (contributors) into one contractual agreement

Spillover: Reductions in energy consumption and/or demand caused by the presence of the energy efficiency program, beyond the program-related gross savings of the participants. There can be participant and/or non-participant spillover.

Unit: for a specific initiative the relevant type of activity acquired in the market place (i.e. appliances picked up, projects completed, coupons redeemed).

Table 11: Renfrew Hydro Inc. Initiative and Program Level Gross Savings by Year

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement**	Appliances	4	2	5	6	32,076	15,396	29,396	31,634
Appliance Exchange**	Appliances	0	1	2	7	202	1,399	4,211	12,634
HVAC Incentives	Equipment	61	47	44	59	121,113	88,472	83,594	114,175
Conservation Instant Coupon Booklet	Items	1	0	0	1	13,614	1,028	5,304	15,036
Bi-Annual Retailer Event	Items	1	1	1	4	20,851	22,652	12,745	54,459
Retailer Co-op	Items	0	0	0	0	0	0	0	0
Residential Demand Response	Devices	30	25	36	68	77	191	142	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		97	76	89	145	187,933	129,138	135,392	227,939
Business Program									
Retrofit	Projects	106	91	30	29	300,136	351,072	160,696	221,332
Direct Install Lighting	Projects	13	9	14	4	41,017	25,217	41,452	16,731
Building Commissioning	Buildings	0	0	0	0	0	0	0	0
New Construction	Buildings	0	0	0	0	0	0	0	0
Energy Audit	Audits	0	0	0	20	0	0	0	97,278
Small Commercial Demand Response	Devices	0	0	0	0	0	0	0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	0	0	0	0	0	0	0	0
Business Program Total		119	99	44	53	341,153	376,289	202,148	335,341
Industrial Program									
Process & System Upgrades	Projects	0	0	0	0	0	0	0	0
Monitoring & Targeting	Projects	0	0	0	0	0	0	0	0
Energy Manager	Projects	0	0	0	0	0	0	0	0
Retrofit	Projects	2	0	0	0	9,268	0	0	0
Demand Response 3	Facilities	0	0	0	0	0	0	0	0
Industrial Program Total		2	0	0	0	9,268	0	0	0
Home Assistance Program									
Home Assistance Program	Homes	0	0	1	0	0	0	12,344	0
Home Assistance Program Total		0	0	1	0	0	0	12,344	0
Aboriginal Program									
Home Assistance Program	Homes	0	0	0	0	0	0	0	0
Direct Install Lighting	Projects	0	0	0	0	0	0	0	0
Aboriginal Program Total		0	0	0	0	0	0	0	0
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	41	0	0	0	248,153	0	0	0
High Performance New Construction	Projects	0	0	0	0	580	170	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		41	0	0	0	248,733	170	0	0
Other									
Program Enabled Savings	Projects	0	0	0	0	0	0	0	0
Time-of-Use Savings	Homes	0	0	0	43	0	0	0	0
LDC Pilots	Projects	0	0	0	0	0	0	0	0
Other Total		0	0	0	43	0	0	0	0
Adjustments to 2011 Verified Results			-10	0	0		-17,685	0	0
Adjustments to 2012 Verified Results				1	0			2,291	0
Adjustments to 2013 Verified Results					43				251,698
Energy Efficiency Total		230	151	97	173	787,010	505,406	349,742	563,280
Demand Response Total		30	25	36	68	77	191	142	0
Adjustments to Previous Years' Verified Results Total		0	-10	1	43	0	-17,685	2,291	251,698
OPA-Contracted LDC Portfolio Total (inc. Adjustments)		259	166	135	284	787,087	487,911	352,175	814,978

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 Renfrew Hydro Inc. Gross Verified Results due to Variances

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement	Appliances	0	0	0		0	0	0	
Appliance Exchange	Appliances	0	0	0		0	0	0	
HVAC Incentives	Equipment	-11	1	1		-21,819	2,291	2,179	
Conservation Instant Coupon Booklet	Items	0	0	0		198	0	16	
Bi-Annual Retailer Event	Items	0	0	0		1,840	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		-11	1	1		-19,781	2,291	2,195	
Business Program									
Retrofit	Projects	0	0	15		0	0	83,364	
Direct Install Lighting	Projects	1	0	0		2,096	0	1,294	
Building Commissioning	Buildings	0	0	0		0	0	0	
New Construction	Buildings	0	0	0		0	0	0	
Energy Audit	Audits	0	0	27		0	0	146,719	
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		1	0	42		2,096	0	231,377	
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	18,191	
Home Assistance Program Total		0	0	2		0	0	18,191	
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	0		0	0	0	
Time-of-Use Savings	Homes	0	0	0		0	0	0	
LDC Pilots	Projects	0	0	0		0	0	0	
Other Total		0	0	0		0	0	0	
Adjustments to 2011 Verified Results		-10				-17,685			
Adjustments to 2012 Verified Results			1				2,291		
Adjustments to 2013 Verified Results				45				251,762	
Total Adjustments to Previous Years' Verified Results		-10	1	45		-17,685	2,291	251,762	

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

Gross results are presented for informational purposes only and are not considered official 2014 Final Verified Results

Table 13: Province-Wide Initiatives and Program Level Gross Savings by Year

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement**	Appliances	6,750	2,011	3,151	3,579	45,971,627	13,424,518	18,616,239	20,315,770
Appliance Exchange**	Appliances	719	556	2,101	2,238	873,531	974,621	3,746,106	3,990,372
HVAC Incentives	Equipment	53,209	38,346	40,418	48,467	99,413,430	66,929,213	71,225,037	90,274,814
Conservation Instant Coupon Booklet	Items	1,184	231	464	1,442	19,192,453	1,325,898	6,842,244	19,000,254
Bi-Annual Retailer Event	Items	1,504	1,622	1,142	4,626	26,899,265	29,222,072	16,441,329	70,254,471
Retailer Co-op	Items	0	0	0	0	3,917	0	0	0
Residential Demand Response	Devices	10,390	49,038	93,076	117,513	23,597	359,408	390,303	8,379
Residential Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Residential New Construction	Homes	0	1	29	587	1,813	4,884	259,826	3,699,786
Consumer Program Total		73,757	91,805	140,380	178,452	192,379,633	112,240,615	117,521,084	207,543,846
Business Program									
Retrofit	Projects	34,201	78,965	82,896	98,849	184,070,265	387,817,248	478,410,896	642,515,421
Direct Install Lighting	Projects	22,155	20,469	19,807	24,794	65,777,197	68,896,046	68,140,249	89,528,509
Building Commissioning	Buildings	0	0	0	988	0	0	0	1,513,377
New Construction	Buildings	247	1,596	2,934	11,911	823,434	3,755,869	9,183,826	37,742,970
Energy Audit	Audits	0	1,450	4,283	9,367	0	7,049,351	23,386,108	46,012,517
Small Commercial Demand Response	Devices	55	187	773	2,116	131	1,068	373	319
Small Commercial Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	21,390	19,389	23,706	23,380	633,421	281,823	346,659	0
Business Program Total		78,048	122,056	134,399	171,405	251,304,448	467,801,406	579,468,111	817,313,113
Industrial Program									
Process & System Upgrades	Projects	0	0	313	12,287	0	0	2,799,746	90,463,617
Monitoring & Targeting	Projects	0	0	0	102	0	0	0	502,517
Energy Manager	Projects	0	1,034	3,953	5,767	0	7,067,535	24,438,070	44,929,364
Retrofit	Projects	6,372	0	0	0	38,412,408	0	0	0
Demand Response 3	Facilities	176,180	74,056	162,543	166,082	4,243,958	1,784,712	4,309,160	0
Industrial Program Total		182,552	75,090	166,809	184,238	42,656,366	8,852,247	31,546,976	135,895,498
Home Assistance Program									
Home Assistance Program	Homes	4	1,777	2,361	2,466	56,119	5,524,230	20,987,275	19,582,658
Home Assistance Program Total		4	1,777	2,361	2,466	56,119	5,524,230	20,987,275	19,582,658
Aboriginal Program									
Home Assistance Program	Homes	0	0	267	549	0	0	1,609,393	3,101,207
Direct Install Lighting	Projects	0	0	0	0	0	0	0	0
Aboriginal Program Total		0	0	267	549	0	0	1,609,393	3,101,207
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	40,418	0	0	0	223,956,390	0	0	0
High Performance New Construction	Projects	10,197	6,501	772	268	52,371,183	23,803,888	3,522,240	1,377,475
Toronto Comprehensive	Projects	33,467	0	0	802	174,070,574	0	0	7,085,257
Multifamily Energy Efficiency Rebates	Projects	2,553	0	0	0	9,774,792	0	0	0
LDC Custom Programs	Projects	534	0	0	0	649,140	0	0	0
Pre-2011 Programs completed in 2011 Total		87,169	6,501	772	1,070	460,822,079	23,803,888	3,522,240	8,462,733
Other									
Program Enabled Savings	Projects	0	2,177	3,692	5,500	0	525,011	4,075,382	19,035,337
Time-of-Use Savings	Homes	0	0	0	54,795	0	0	0	0
LDC Pilots	Projects	0	0	0	1,170	0	0	0	5,061,522
Other Total		0	2,177	3,692	60,296	0	525,011	4,075,382	19,035,337
Adjustments to 2011 Verified Results			13,266	645	1,601		48,705,294	20,581	6,028
Adjustments to 2012 Verified Results				8,632	13,449			54,301,893	59,098,939
Adjustments to 2013 Verified Results					34,727				206,413,158
Energy Efficiency Total		213,515	156,735	168,583	289,384	942,317,539	616,320,385	753,683,966	1,210,925,694
Demand Response Total		208,015	142,670	280,099	309,091	4,901,107	2,427,011	5,046,495	8,698
Adjustments to Previous Years' Verified Results Total		0	13,266	9,277	49,777	0	48,705,294	54,322,474	265,518,125
OPA-Contracted LDC Portfolio Total (inc. Adjustments)		421,530	312,671	457,958	648,252	947,218,646	667,452,690	813,052,934	1,476,452,516

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

Gross results are presented for informational purposes only and are not considered official 2014 Final Verified Results

**Net results substituted for gross results due to unavailability of data

Table 14: Adjustments to Province-Wide Gross Verified Results due to Variances

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program									
Appliance Retirement	Appliances	0	0	0		0	0	0	
Appliance Exchange	Appliances	0	0	0		0	0	0	
HVAC Incentives	Equipment	-8,759	1,091	2,157		-16,241,086	1,952,473	3,873,449	
Conservation Instant Coupon Booklet	Items	15	0	1		255,975	0	20,668	
Bi-Annual Retailer Event	Items	117	0	0		2,373,616	0	0	
Retailer Co-op	Items	0	0	0		0	0	0	
Residential Demand Response	Devices	0	0	0		0	0	0	
Residential Demand Response (IHD)	Devices	0	0	0		0	0	0	
Residential New Construction	Homes	1	1	115		330,093	2,009	701,488	
Consumer Program Total		-8,628	1,092	2,273		-13,281,402	1,954,483	4,595,605	
Business Program									
Retrofit	Projects	4,511	10,114	16,584		22,046,931	58,528,789	108,677,566	
Direct Install Lighting	Projects	541	217	49		1,346,618	781,858	174,460	
Building Commissioning	Buildings	0	0	0		0	0	0	
New Construction	Buildings	3,287	2,673	4,151		11,323,593	9,884,305	15,992,924	
Energy Audit	Audits	656	488	3,631		2,391,744	2,386,374	19,822,524	
Small Commercial Demand Response	Devices	0	0	0		0	0	0	
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0	
Demand Response 3	Facilities	0	0	0		0	0	0	
Business Program Total		8,996	13,491	24,414		37,108,886	71,581,326	144,667,473	
Industrial Program									
Process & System Upgrades	Projects	0	0	426		0	0	1,232,785	
Monitoring & Targeting	Projects	0	0	54		0	528,000	639,348	
Energy Manager	Projects	29	1,071	2,687		0	8,968,007	28,893,596	
Retrofit	Projects	0	0	0		0	0	0	
Demand Response 3	Facilities	0	0	0		0	0	0	
Industrial Program Total		29	1,071	3,168		0	9,496,007	30,765,729	
Home Assistance Program									
Home Assistance Program	Homes	0	222	791		0	1,316,749	4,321,794	
Home Assistance Program Total		0	222	791		0	1,316,749	4,321,794	
Aboriginal Program									
Home Assistance Program	Homes	0	0	134		0	0	563,715	
Direct Install Lighting	Projects	0	0	0		0	0	0	
Aboriginal Program Total		0	0	134		0	0	563,715	
Pre-2011 Programs completed in 2011									
Electricity Retrofit Incentive Program	Projects	266	0	0		1,049,108	0	0	
High Performance New Construction	Projects	13,072	727	405		23,905,663	5,665,066	1,535,048	
Toronto Comprehensive	Projects	0	1,920	529		0	12,924,335	3,783,965	
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0	
LDC Custom Programs	Projects	0	0	0		0	0	0	
Pre-2011 Programs completed in 2011 Total		13,337	2,647	934		24,954,771	18,589,400	5,319,013	
Other									
Program Enabled Savings	Projects	1,776	3,712	2,020		1,673,712	11,481,687	10,688,564	
Time-of-Use Savings	Homes	0	0	0		0	0	0	
LDC Pilots	Projects	0	0	0		0	0	0	
Other Total		1,776	3,712	2,020		1,673,712	11,481,687	10,688,564	
Adjustments to 2011 Verified Results		15,511				50,455,967			
Adjustments to 2012 Verified Results			22,235				114,419,652		
Adjustments to 2013 Verified Results				33,734				200,921,892	
Adjustments to Previous Years' Verified Results Total		15,511	22,235	33,734		50,455,967	114,419,652	200,921,892	

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

*Includes adjustments after Final Reports were issued

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

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