2.4 EXHIBIT 4: OPERATING EXPENSES

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APPENDICIES

2.4.1 OVERVIEW

In this Exhibit, the operating costs consist of the required expenditures necessary to maintain and operate WHESC'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 in compliance with the Distribution System Code and other regulatory bodies (IESO, Ministry of Energy, ESA etc.). Overall, these are on-going costs associated in providing distribution services in alignment with customer's expectations. WHESC's 2017 Test Year OM&A costs are $6,999,907 as summarized in Table 4-1 below.

Table 4-1

Summary of OM&A Increases – 2013 Board Approved to 2017 Test Year

Expenses	2013 Board Approved	2013 Actual	2014 Actual	2015 Actual	2016 Bridge	2017 Test
Distribution Expenses - Operation	1,392,257	1,232,459	1,275,287	1,320,244	1,401,297	1,508,493
Distribution Expenses - Maintenance	1,621,552	1,653,693	1,651,437	1,834,314	1,854,122	1,884,210
Total Operation & Maintenance	**3,013,809**	**2,886,152**	**2,926,724**	**3,154,558**	**3,255,419**	**3,392,703**
Billing and Collecting	1,407,275	1,379,546	1,591,426	1,382,233	1,475,391	1,539,473
Community Relations	134,249	116,716	89,463	128,286	137,204	144,123
Administrative and General Expenses	1,803,667	1,799,896	1,599,129	1,639,861	1,797,772	1,910,708
Total Administrative & Customer	**3,345,191**	**3,296,158**	**3,280,018**	**3,150,380**	**3,410,367**	**3,594,304**
Total OM&A Excluding Donations	**6,359,000**	**6,182,310**	**6,206,742**	**6,304,938**	**6,665,786**	**6,987,007**
Donations - Leap	11,000	11,150	11,250	11,500	11,750	12,900
Total Recoverable OM&A	**6,370,000**	**6,193,460**	**6,217,992**	**6,316,438**	**6,677,536**	**6,999,907**
Donations - Not In Rate Base	0	8,275	10,600	6,831	0	0
Total OM&A	**6,370,000**	**6,201,735**	**6,228,592**	**6,323,269**	**6,677,536**	**6,999,907**

WHESC adopted the accounting changes for depreciation and capitalization polices in accordance with the Board's letter dated July 17, 2012 effective January 1, 2012. As a result, both depreciation (useful lives) and capitalization (overheads) changes were reflected in the 2013 Board Approved OM&A recoverable expenses total of $6,370,000. No changes have been made to either the depreciation or capitalization policies since the 2013 Cost of Service Rate Application.

WHESC followed Canadian Generally Accepted Accounting Principles (CGAAP) in 2013 and 2014, but with the inclusion of additional accounting changes in accordance with the Board's letter dated July 17, 2012 specifically relating to depreciation rates and capitalization policies. For 2015 Actual, 2016 Bridge Year and the 2017 Test Year WHESC is reporting under Modified International Financial Reporting Standards. WHESC adopted IFRS for financial statement reporting purposes effective January 1, 2015 with retroactive adjustments to January 1, 2014.

Please refer to Table 4-2 for details on changes to OM&A costs since WHESC's last Board approved Cost of Service Application in 2013 and the 2017 Test Year. Reference Appendix 2-JB column refers to Table 4-4 Cost Driver Table Appendix 2-JB. Table 4-2 is intended to present significant changes only with a detailed breakdown presented in Table 4-4.

Table 4-2

Overall Cost Trends

Item	$ Amount	Reference Appendix 2-JB
2013 Board Approved OM&A Expenses	**6,370,000**	
Wage & Benefit Inflation	526,588	A
Cost Efficiency improvement related to reduced manpower	-173,764	B
Cost Efficiency improvement additional charges to Capital/Billing	-165,637	C
Upgrade/Add Management Staff without increasing total manpower levels	59,428	D
Reduction in Post Retirement Benefit Expense	-51,892	E
Total Wage & Benefit Cost Drivers	**194,723**	
Non Wage & Benefits Inflation & Other	81,662	F
Smart Meter AMI Maintenance (Exchange)/Settlement Service (Generation Accounts)	28,514	G
Commitment to continuing Education & Training	24,706	H
Maintaining Three Year Cycle Vegatation Control - Contracted Tree Triming	16,191	I
IT Outsourcing - Improved Reliability, Security, & Backup procedures	19,500	J
Commitment to enhancing current CIS, Fiancial, & Operations software systems	126,965	K
Locates/Ontario One Call & Regulatory Expenses (beyond LDC Control)	104,681	L
Bad Debt Expense - increased time of use rates	32,965	M
Total Expense Cost Drivers	**435,184**	
2017 Test Year OM&A	**6,999,907**	

The OM&A costs in the 2017 Test Year reflect the resourcing mix and investments required to meet customer and broader public policy requirements for the duration of the 4th Generation IRM plan term. Without this resourcing and investments, WHESC will struggle to meet 2017 and future workloads.

Salaries, Wages & Benefits

As can be seen from Table 4-2 above total Wages & Benefits account for $194,723 (3.1% over four years) of the increase in OM&A since the 2013 Cost of Service Application. This is the result of WHESC's commitment to identify sustainable cost savings while upgrading staffing skill levels and providing for succession planning.

New provincial policy initiatives introduced over the past five years (since 2011), have resulted in increased OM&A workloads. Some of these initiatives include new service rules for low income customers, LEAP, the new RRFE with its increased regulatory requirements, the introduction of smart meters and the supporting AMI system which must be managed on a daily basis, the conversion to time of use rates, renewable generator connection and settlement obligations, the introduction of mandatory conservation targets, increased customer engagement requirements, local and provincial industry issues, the introduction of regional planning and the ongoing facilitation of the smart grid. WHESC has willingly embraced these initiatives and worked hard to implement them at minimal cost, without adversely impacting customer service.

In order to meet the increasing requirements noted above, WHESC submitted a 2013 Cost of Service Rate Application which initially would have increased manpower from 42 to 44 Full Time Equivalent (FTEs) employees. The proposed additions at the time were an apprentice lineperson and a certified engineer. During the settlement process, WHESC revised the OM&A to only include the apprentice lineperson resulting in 43 FTEs approved in the 2013 COS.

The additional apprentice line position planned in the 2013 COS was added in the third quarter of 2013. During 2013 WHESC made a decision to outsource IT requirements eliminating one FTE and had a management accounting position vacant for part of the year. Effective FTE for the 2013 year was 41.8 as per Table 4-5 in section 2.4.2. The number of FTE's has stayed relatively stable (flat) since 2013 with no major new hires. Total FTE planned for the 2017 Test Year are 41 and include adjustments (i.e. replace Vehicle Mechanic with Engineer) to meet succession planning needs without adding additional manpower.

WHESC's unionized staff has received an average yearly base increase of 2.3% and non-unionized staff an average yearly base increase of 2.2% from 2013 COS to the 2017 Test Year period. The union staff base increases are within industry norms and those received by non-unionized staff are based on the Hay Group All Industrial indices. Unionized and Non Union manpower of 28 positions in the 2013 COS included 7 positions (25%) who were not at the maximum class level, but who over time have progressed from the lower to higher paid class levels throughout the 2013 to 2017 period. This has had a significant impact on wage and benefit increases since 2013 as employees progressed to the 1st Class pay scale. There were also 3 management positions included in the 2013 COS who were not at 100% full pay for their respective positions. The number of employees not at full pay scale for the 2013 COS was the result of a significant amount of retirements from 2011 to 2012 across both senior management and unionized positions who were replaced with less experienced resources who have progressed to higher pay classes.

WHESC's strategic initiatives to reduce manpower levels and increased use of existing employees to perform additional capital work have greatly reduced the impact of Wages & Benefits inflation. Wages & Benefits in OM&A have been limited to just over 1% per year increases ($4,049,432/$3,854,709 over 4 years) while still strengthening its work force skill levels and ability to service its customers.

Wages and Benefits is discussed in more detail in relation to Table 4-4 later in this Exhibit.

Non-Wage Related Expenses

Non-Wage related expenses account for $435,184 (6.8% over four years) of the increase in OM&A since the 2013 Cost of Service Application. Approximately one third of this increase relates to three expense items for which WHESC has little to no control over. The first item is Regulatory Expenses increasing by $55,218 ($146,402 vs $91,184) from 2013 to 2017. In 2016, the OEB changed the methodology in which it allocated its costs to regulated entities. The annual OEB assessment amount charged to WHESC increased by 84% and accounts for $46,608 of the total Regulatory expenses increase. Although there has been an increase in the amount of expenses related to completing a COS Rate Application since the 2013 COS they have been partially mitigated by amortizing them over 5 years versus the previous 4 year period. The second item with a significant increase is Locates/Ontario One expenses. WHESC outsources locates thru a third party provider. Expenses relating to locates have increased by $49,463 ($116,816 vs $67,353) or 73%. For the most part this is a result of the number of locates being performed. The third item relates to bad debts expense which is forecast to increase by $32,965 or 39% ($117,300 vs $84,335). For the most part this is the result of increases in Cost of Power (Time of Use Rates, Global Adjustment, and Transmission Rates) since the 2013 COS.

WHESC is committed to maintaining and upgrading its Customer Information System (CIS) including Customer Home Connect, Financial Reporting Software, Document Storage Software, and its Scada/Outage Management system. All of these systems are key to WHESC's ability to meet customer expectations, billing accuracy requirements, ongoing and proposed changes to current billing structures, regulatory & statutory reporting, and financial reporting including IFRS. Upgrading and maintaining all of the above noted systems are key to meeting customer expectations of timely and accurate bills, and first contact resolution to telephone or face to face inquiries or concerns. Increased expenses to reporting systems account for approximately one third of the total increase in non-wage related expenses with the balance of increases related to inflation and other miscellaneous items.

Non-wage related expenses is discussed in more detail in relation to Table 4-4 later in this Exhibit.

OM&A per Customer

OM&A costs have increased from $285.68/customer in the 2013 COS to $304.69/customer in the 2017 Test Year as shown in Table 4-5 in section 2.4.2. The percentage increase over the four year period from the 2013 COS is 6.7% (1.7%/year). Table 4-5 also breaks down increases in OM&A per customer from the 2013 COS between O&M per customer which has increased by 9.3% (2.3%/year) over a four year period and Admin per customer which has increased by 4.3% (1.1%/year) over a four year period. The main drivers related to O&M are detailed in Table 4-7 (Appendix 2-JC) in section 2.4.3 and include wage & benefits inflation and increased locate costs. Admin costs are composed of Billing and Administration related expenses which are also detailed in Table 4-7 in section 2.4.3. The main cost drivers are increases in Bad Debts expense, Regulatory Expenses which include OEB assessment charges, and additions/improvements to software systems such as an electronic document storage system. WHESC has reduced FTEs in order to manage OM&A cost per customer and continues to evaluate existing staffing requirements, reviewing processes, and partnering with other LDCs where possible.

Inflation Rate Used

WHESC used an inflation rate of 2% where the expense increase could not be specifically identified for non-wage related expenses. Actual 2015 expenses were increased by 2% in 2016 and then by 2% again in 2017. The 2% inflation rate used is slightly below the GDPIPI price escalator of 2.1% included in the 2016 IRM.

Business Environment Changes

WHESC has experienced significant changes in its business environment since the last cost of service application in 2013. Customers, or at least their expectations, have changed. Also WHESC has had to adapt to and implement multiple provincial policies. Customer expectations are discussed in detail in Exhibit 1. WHESC had fully implemented Smart Meters, Time of Use Pricing, Monthly Billing, Stranded Meters, and Overhead Capitalization and Asset Useful Lives policies prior to its 2013 COS Rate Application.

2.4.2 SUMMARY AND COST DRIVER TABLES

OM&A Budgeting Process

WHESC typically begins to prepare its annual budget plan in the fourth quarter for the following year and receives final approval from its Board of Directors in December. Developing the budget is a key process as it identifies past successes as well as future initiatives and projections for capital and operating costs. Care is taken to ensure that the capital and operating budgets support WHESC's core business objectives as well as being prudent and financially sustainable and considering rate impacts to its customers.

WHESC follows the following process:

1. The Management Team works collectively to look at higher level issues including changes in revenue (such as loss of a large use customer), strategic initiatives either from within WHESC or the industry, cost pressure from specific areas or performance concerns that must be considered by each Department. This step sets high level expectations for each department on cost control and efficiency improvements. Senior Management is always mindful of the costs of supplying services versus the rate impact to its customers.

2. Each department Manager then develops capital and operating plans with these issues or objectives in mind. The following directives are provided to each manager and director to assist them with preparation:

- External expenses (non-wage related) for all department budgets are built using two to three previous year actuals and current year forecast/budget as the base and any new items which may arise;
- Significant variances in spending from prior years must be explained and documented;
- Review of department headcount based on requirement for staff and need for change;
- Finance prepares a labor budget using projected wage and benefit costs. Overtime is based on projected need and historical comparisons with an expectation that it is closely managed to reduce costs where possible. Labor amounts charged to capital, third party, and CDM are set based on comparisons to previous years actuals with any significant changes being explained and documented;

3. Once WHESC has finalized all budgeted costs, the Stores, Engineering, Vehicle, and Service Centre departments along with Payroll Burdens are reviewed and an overhead rate determined in order to ensure costs are properly allocated within OM&A, capital and other recoverable accounts. The Stores department costs are allocated out based on expected material issues to operations & maintenance related accounts and third party billings (no charges to capital expenditures). Vehicle related costs are allocated out based on expected truck time (no charges to capital expenditures) to all departments and third party billings. Engineering related costs are allocated based on labor charges to operations & maintenance and third party billings (no charge to capital expenditures). Service Centre expenses are allocated to Operations & Maintenance, Billing and Customer Relations, and Administrative accounts based estimated percentages such as square footage. Payroll burdens are allocated out based on wages and are allocated to all expense accounts, capital expenditures, CDM accounts, and all third party & associate company billings.

4. The Finance department then completes an initial consolidation of all departments to develop an initial budget. Finance works with each department to identify variances and issues for consideration.

5. The Management Team will review the initial budget and make changes to balance cost control with achieving core objectives. In an effort to contain costs and explore efficiencies and still provide an acceptable level of reliability and customer service, the team looks in detail for discretionary costs and identifies cost areas that can be delayed or for alternative approaches. This process

results in OM&A costs with an adequate degree of assurance that WHESC will be able to continue to serve its customers in a safe and reliable way.

6. Members of the Senior Management Team make a detailed submission to the Audit Committee of the Board on the proposed budget and formal approval is requested of WHESC's full board of directors at the next scheduled meeting.

The 2016 Bridge Year forecast is based on the 2016 plan with a review of 2015 full year's actuals. No actual data for 2016 is used for the 2016 Bridge Year forecast. A full review of the 2017 Test Year Revenues, OM&A, and Capital Expenditures along with bill impacts by rate class are presented to WHESC's Board prior to submission of the rate application to the OEB.

Summary of Recoverable OM&A Expenses

WHESC follows the OEB's Accounting Procedures Handbook (the "APH") in distinguishing work performed between operations & maintenance. A summary of WHESC's recoverable OM&A expenses for the 2013 Board Approved, 2013 Actual, 2014 Actual, 2015 Actual, 2016 Bridge Year and the 2017 Test Year, is provided in Table 4-3, Board Appendix 2-JA. WHESC is proposing to recover $6,999,907 in OM&A related expenses in its 2017 distribution rates.

Table 4-3

Board Appendix 2-JA

Summary of Recoverable OM&A Expenses

	Last Rebasing Year (2013 Board-Approved)	Last Rebasing Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year
	Revised	Revised				
Reporting Basis	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS
Operations	$ 1,392,257	$ 1,232,459	$ 1,275,287	$ 1,320,244	$ 1,401,297	$ 1,508,493
Maintenance	$ 1,621,552	$ 1,653,693	$ 1,651,437	$ 1,834,314	$ 1,854,122	$ 1,884,210
SubTotal	**$ 3,013,809**	**$ 2,886,152**	**$ 2,926,724**	**$ 3,154,558**	**$ 3,255,419**	**$ 3,392,703**
%Change (year over year)			1.4%	7.8%	3.2%	4.2%
%Change (Test Year vs Last Rebasing Year - Actual)						17.6%
Billing and Collecting	$ 1,407,275	$ 1,379,546	$ 1,591,426	$ 1,382,233	$ 1,475,391	$ 1,539,473
Community Relations	$ 134,249	$ 116,716	$ 89,463	$ 128,286	$ 137,204	$ 144,123
Administrative and General	$ 1,814,667	$ 1,811,046	$ 1,610,379	$ 1,651,361	$ 1,809,522	$ 1,923,608
SubTotal	**$ 3,356,191**	**$ 3,307,308**	**$ 3,291,268**	**$ 3,161,880**	**$ 3,422,117**	**$ 3,607,204**
%Change (year over year)			-0.5%	-3.9%	8.2%	5.4%
%Change (Test Year vs Last Rebasing Year - Actual)						9.1%
Total	**$ 6,370,000**	**$ 6,193,460**	**$ 6,217,992**	**$ 6,316,438**	**$ 6,677,536**	**$ 6,999,907**
%Change (year over year)			0.4%	1.6%	5.7%	4.8%

	Last Rebasing Year (2013 Board-Approved)	Last Rebasing Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year
Operations	$ 1,392,257	$ 1,232,459	$ 1,275,287	$ 1,320,244	$ 1,401,297	$ 1,508,493
Maintenance	$ 1,621,552	$ 1,653,693	$ 1,651,437	$ 1,834,314	$ 1,854,122	$ 1,884,210
Billing and Collecting	$ 1,407,275	$ 1,379,546	$ 1,591,426	$ 1,382,233	$ 1,475,391	$ 1,539,473
Community Relations	$ 134,249	$ 116,716	$ 89,463	$ 128,286	$ 137,204	$ 144,123
Administrative and General	$ 1,814,667	$ 1,811,046	$ 1,610,379	$ 1,651,361	$ 1,809,522	$ 1,923,608
Total	**$ 6,370,000**	**$ 6,193,460**	**$ 6,217,992**	**$ 6,316,438**	**$ 6,677,536**	**$ 6,999,907**
%Change (year over year)			0.4%	1.6%	5.7%	4.8%

	Last Rebasing Year (2013 Board-Approved)	Last Rebasing Year (2013 Actuals)	Variance 2013 BA – 2013 Actuals	2014 Actuals	Variance 2014 Actuals vs. 2013 Actuals	2015 Actuals	Variance 2015 Actuals vs. 2014 Actuals	2016 Bridge Year	Variance 2016 Bridge vs. 2015 Actuals	2017 Test Year	Variance 2017 Test vs. 2016 Bridge
Operations	$ 1,392,257	$ 1,232,459	$ 159,798	$ 1,275,287	$ 42,828	$ 1,320,244	$ 44,957	$ 1,401,297	$ 81,053	$ 1,508,493	$ 107,196
Maintenance	$ 1,621,552	$ 1,653,693	-$ 32,141	$ 1,651,437	-$ 2,256	$ 1,834,314	$ 182,877	$ 1,854,122	$ 19,808	$ 1,884,210	$ 30,088
Billing and Collecting	$ 1,407,275	$ 1,379,546	$ 27,729	$ 1,591,426	$ 211,880	$ 1,382,233	-$ 209,193	$ 1,475,391	$ 93,158	$ 1,539,473	$ 64,082
Community Relations	$ 134,249	$ 116,716	$ 17,533	$ 89,463	-$ 27,253	$ 128,286	$ 38,823	$ 137,204	$ 8,918	$ 144,123	$ 6,919
Administrative and General	$ 1,814,667	$ 1,811,046	$ 3,621	$ 1,610,379	-$ 200,667	$ 1,651,361	$ 40,982	$ 1,809,522	$ 158,161	$ 1,923,608	$ 114,086
Total OM&A Expenses	$ 6,370,000	$ 6,193,460	$ 176,540	$ 6,217,992	$ 24,532	$ 6,316,438	$ 98,446	$ 6,677,536	$ 361,098	$ 6,999,907	$ 322,371
Adjustments for Total non-recoverable items (from Appendices 2-JA and 2-JB)											
Total Recoverable OM&A Expenses	$ 6,370,000	$ 6,193,460	$ 176,540	$ 6,217,992	$ 24,532	$ 6,316,438	$ 98,446	$ 6,677,536	$ 361,098	$ 6,999,907	$ 322,371
Variance from previous year				$ 24,532		$ 98,446		$ 361,098		$ 322,371	
Percent change (year over year)				0%		2%		6%		5%	
Percent Change: Test year vs. Most Current Actual						10.82%					
Simple average of %variance for all years						13.02%					3%
Compound Annual Growth Rate for all years											2.5%
Compound Growth Rate (2015 Actuals vs. 2013 Actuals)						0.66%					

Cost Driver Tables

The following is a description of the primary drivers that have influenced the increase in WHESC's OM&A expenditures since the 2013 COS up to and including the 2017 Test Year. Each driver is summarized by its net change year over year. WHESC has provided comments on those variances greater than its materiality level of $53,000 or for items less than the materiality threshold if deemed relevant.

Table 4-4, Board Appendix 2-JB provides a list of the cost drivers that affected OM&A year over year spending based on a materiality threshold or where the cost driver is common or recurring expenditures that has impacted multiple years. The OM&A opening balance for the last Rebasing Year of $6,370,000 is equal to the 2013 Board Approved amount. Reference numbers refer back to Table 4-2 Overall Cost Trends.

<u>Table 4-4</u>

Board Appendix 2-JB

Recoverable OM&A Cost Driver Table

	Last Rebasing Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year	Total Change	Ref #
	Revised						
Reporting Basis	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS		
OM&A Wages & Benefits	$ 3,854,709	$ 3,599,390	$ 3,520,394	$ 3,598,444	$ 3,879,104		
OM&A Expenses	$ 2,515,291	$ 2,594,070	$ 2,697,598	$ 2,717,994	$ 2,798,432		
OM&A Opening Balance	$ 6,370,000	$ 6,193,460	$ 6,217,992	$ 6,316,438	$ 6,677,536		
Inflation/Class Changes & Other	-$ 24,038	$ 120,397	$ 148,182	$ 129,084	$ 152,963	$ 526,588	A
2013 Additional Lineman - Part Year	-$ 46,907	$ 46,907	$ -			$ -	
Vacant Lineman Partial Year	$ -	-$ 70,685	$ 70,685	$ -	$ -	$ -	
Vacant CSR Partial Year	$ -	$ -	-$ 35,955	$ 35,955	$ -	$ -	
Maternity Leave Meter Shop	$ -	-$ 30,068	-$ 20,126	$ 50,194	$ -	$ -	
Outsourcing IT Labour to Expense	-$ 30,861	-$ 54,517	$ -	$ -	$ -	-$ 85,378	B
Customer Service Manpower Reduction	$ -	$ -	-$ 88,386	$ -	$ -	-$ 88,386	B
Capitalized Labour to Fixed Assets	-$ 20,411	$ 7,913	-$ 36,633	-$ 20,658	-$ 20,274	-$ 90,063	C
3rd Party Labour Billings Work Orders	-$ 8,414	-$ 52,885	$ 19,625	$ 11,305	-$ 4,102	-$ 34,471	C
Overtime Charged to LDC Ice Storm	$ -	$ 18,427	-$ 18,427	$ -	$ -	$ -	
CDM Labour Billings	-$ 36,912	-$ 67,808	$ 81,836	$ 1,105	-$ 1,583	-$ 23,362	C
Streetlight Maintenance Billings Labour	-$ 30,857	-$ 7,077	-$ 4,999	$ 26,692	$ 578	-$ 15,663	C
Sentinel Maintenance Billings Labour	-$ 7,544	-$ 2,216	$ 6,820	$ 3,014	$ 151	$ 225	C
Corporate Cost Allocation	-$ 3	-$ 606	-$ 2,389	$ 2,947	-$ 2,252	-$ 2,303	C
Accounting Assistant to Certified CA	-$ 14,321	-$ 65,683	$ 2,767	$ 97,421	$ 6,736	$ 26,920	D
Garage Manpower Reduction	$ -	$ -	$ -	$ -	-$ 89,289	-$ 89,289	D
Electrical Engineer Reg Compliance	$ -	$ -	$ -	$ -	$ 121,797	$ 121,797	D
Post Retirmenet Benefit Costs	-$ 35,051	-$ 12,885	-$ 23,380	$ 13,821	$ 5,603	-$ 51,892	E
Severance/Vacation Accrual	$ -	$ 91,790	-$ 21,570	-$ 70,220	$ -	$ -	
Total Wages & Benefits Cost Drivers	**-$ 255,319**	**-$ 78,996**	**$ 78,050**	**$ 280,660**	**$ 170,328**	**$ 194,723**	
General Inflation/Exchange & Other	-$ 4,254	$ 15,620	$ 16,454	$ 9,789	$ 44,053	$ 81,662	F
Smart Meter AMI - Exchange Rate	$ 2,399	$ 422	$ 7,280	$ 3,168	$ 1,777	$ 15,046	G
Settlement Service Interval/Generation	-$ 314	$ 5,003	-$ 3,981	$ 1,480	$ 11,280	$ 13,468	G
Education & Training - Operations Staff	-$ 335	$ 9,486	$ 17,372	-$ 2,597	$ 780	$ 24,706	H
Contracted Tree Trimming Expense	$ 1,490	$ 48,670	-$ 47,649	$ 9,590	$ 4,090	$ 16,191	I
Outsourcing IT Labour to Expense	$ 15,274	$ 4,901	-$ 781	-$ 394	$ 500	$ 19,500	J
Document Storage Software	$ 13,800	$ 23,633	$ 6,730	-$ 6,954	$ 700	$ 37,909	K
ODS Annual Maintenance	$ 2,463	$ 239	$ 543	$ 833	$ 1,456	$ 5,534	K
CIS/Home Connect/Financials Maintenar	-$ 8,016	-$ 30,306	$ 54,383	$ 20,162	$ 12,499	$ 48,722	K
Financials - Annual Upgrade Support	$ -	$ 19,200	$ -	$ -	$ -	$ 19,200	K
Billing System Automation Platform	$ -	$ -	$ 10,250	$ 4,750	$ 600	$ 15,600	K
Locates/Ontario One	$ 10,956	$ 15,983	$ 22,523	-$ 17,578	$ 17,579	$ 49,463	L
Regulatory Expenses	$ 43,345	-$ 73,611	$ 2,834	$ 28,221	$ 54,429	$ 55,218	L
Bad Debt Expense	$ 1,971	$ 64,288	-$ 88,785	$ 53,191	$ 2,300	$ 32,965	M
Obsolete Inventory Adjustment	$ -	$ -	$ 23,223	-$ 23,223	$ -	$ -	
Total Expense Cost Drivers	**$ 78,779**	**$ 103,528**	**$ 20,396**	**$ 80,438**	**$ 152,043**	**$ 435,184**	
OM&A Wages & Benefits	$ 3,599,390	$ 3,520,394	$ 3,598,444	$ 3,879,104	$ 4,049,432		
OM&A Expenses	$ 2,594,070	$ 2,697,598	$ 2,717,994	$ 2,798,432	$ 2,950,475		
Closing Balance	$ 6,193,460	$ 6,217,992	$ 6,316,438	$ 6,677,536	$ 6,999,907		

Wages & Benefit Cost Drivers

Wages and Benefits charged to OM&A increased by $194,723 (5.1% over 4 years) from the 2013 COS to the 2017 Test Year. Total Wages and Benefits from the 2013 COS to 2017 Test Year have risen by 8.0% ($360,360/$4,486,435) as can be seen in Table 4-9 Appendix 2-K. As stated above WHESC experienced significant staff turnover from 2011 to 2012 including two senior management positions. This resulted in the 2013 COS pay scales for 7 union and 3 management positions being well below full pay levels. WHESC has estimated that out of the total wages & benefits increase, $138,000 (25%) relates to class changes. Wages represent $119,000 of the class related changes with the balance of $19,000 related to benefits (OMERS/EHT).

WHESC's approach to limiting the impact of Wages & Benefits can be broken down as follows:

i) Reduction in FTEs

WHESC reduced its overall FTEs from 43 to 41 from 2013 COS to the 2017 Test Year. The total reduction in annual payroll was $173,764 (Ref #B Table 4-4). Both were management positions, one in customer service and the other from outsourcing IT. WHESC believes that these manpower reductions were both prudent and sustainable.

ii) Increased efficiency in utilization of Line Staff

Table 4-9 Appendix 2-K shows that wages & benefits charged to Capital, CDM, Third Party, and Associate Companies have risen by 26% from $631,726 in the 2013 COS to $797,363 in the 2017 Test Year. Increases in amounts billed to third parties which were previously in OM&A produce cost efficiencies. These items are identified as Ref #C in Table 4-4. Assuming inflation at 12.2% (high end as majority of these charges are lineman who were at full pay scale) approximately $77,200 is inflation related and the balance of $87,437 is efficiency. The majority of the efficiencies relate to the increased use of line staff on capital projects without impacting maintenance programs.

iii) Succession Planning

WHESC's Board of Directors and Senior Management recognizes the importance of succession planning to the long term viability of the company. As a result, senior management continually reviews opportunities and works with the union to identify changes to the existing manpower structure. These are identified as Ref #D in Table 4-4. The need for a certified accountant and certified engineer were identified in the 2013 COS. A CPA-CA was added to staff in late 2015 to replace a non-designated accounting assistant. Upon retirement of one of two vehicle mechanics, WHESC plans on maintaining this reduction and adding a certified engineer to staff. The cost of making these two changes are significantly lower than adding additional manpower and increase WHESC's skill level and flexibility going forward.

iv) Post-Retirement Benefits

New WHESC employees are not covered for early retiree health benefits. However, during contract negotiations with the union, it had been past practice to move forward the date thereby making additional employees eligible for this benefit. Health Care coverage was provided to early retirees to age 65 provided they had the necessary years of service. All employees with ten years of service were also eligible for life insurance coverage in retirement. During the 2015 contract negotiations, WHESC successfully negotiated an end to moving the eligibility date forward for early retiree health benefit coverage. As a result no employees hired after January 1, 2009 are eligible for health care coverage from retirement to age 65. In addition, significant reductions were made to life insurance coverage for new hires after April 1, 2015. The combination of these two changes will result in less volatility in the post-retirement benefits liability amount and reduced costs in the future. As can be seen in Table 4-4 Ref #E post-retirement benefit costs have been reduced by 50% since the 2013 COS.

Expense Cost Drivers

Non-wage related expenses charged to OM&A increased by $435,184 (17.3% over 4 years) from the 2013 COS to the 2017 Test Year. Non-specific inflation accounts for $81,662 (3.2% over 4 years) of the total increase as per Table 4-4 Ref #F. WHESC has identified specific inflationary items such as Ref #G in Table 4-4 in which Smart Meter AMI costs have increased due to the US/CDN exchange rate and Settlement Services which have increased due to the number of generation accounts which require settlement with the IESO. For the most part, the balance of the increase in non-wage related expenses can be separated into two categories. The first is WHESC's commitment to maintaining its computer software reporting systems to meet regulatory and statutory requirements identified as Ref #K in Table 4-4 which total $126,965. The second are expenses for which WHESC has little to no control over identified as Ref #L-M in Table 4-4 and total $137,646. A detailed discussion of these items follows below.

i) Commitment to Reporting Systems Ref #K

In 2014, WHESC implemented an electronic document storage system. WHECS receives thousands of customer documents a year such as customer contracts, customer identification, legal letters relating to the sale of properties, and ESA inspection approvals. In the past these documents had to be manually filed in cabinets which was time consuming. Upon implementation of the new software, WHESC reviewed all existing customer documents stored in filing cabinets and then electronically archived all documents for active accounts. Current customer documents received are archived on a daily basis. As a result, Customer Service Reps have instant access to address customer inquiries either in person or by telephone without leaving their respective work stations. These documents are fully text searchable and can be found using numerous search criteria. In addition, customers who have signed up for Customer Home Connect have the ability to access original copies of all their bills on line. All journals in both the CIS and Financial Reporting software system are no longer printed but stored electronically and are fully text searchable. Use of the software has been expanded to include such items as engineering work orders, subdivision agreements, employee pay stubs, supplier invoices, purchase orders, and payments to suppliers. The software will assist WHESC in meeting the requirement of the recently announced Mandatory Record Retention Period for Regulated Entities EB-2015-0247.

The annual maintenance costs related to the CIS/Home Connect/Financials are increasing at 5% per year. The majority of maintenance costs are related to the CIS. Smart Meters, Time of Use Pricing, integration to the MDMR, ODS, AMI and the increased complexity of billing and regulatory requirements/reporting are reasons given for the annual increases by the service provider. CIS providers are limited in the regulated Ontario market place. Any changes in service providers would be both time consuming and expensive.

WHESC implemented a Billing System Automation Platform in 2015. This process runs certain procedures overnight and at certain points in the day. This allows billing personnel to focus on accuracy as opposed to waiting on processes to run before reviews can take place. WHESC takes great pride in its billing accuracy which it believes is of great importance to its customers besides being a regulatory compliance matter. In 2014, WHESC contracted its Financial Software Service provider to manage the installation of patches and upgrades to the software. As a result, WHESC stays current in its releases in both the CIS and Financial reporting systems. WHESC believes that it has a strong core of reporting systems in place and as a result the capital budgets for the 2016 Bridge Year and 2017 Test Year contain limited amounts of capital spending relating to computer software.

ii) Locates/Regulatory/Bad Debt Expenses Ref #L-M

These three items account for 31.6% of the increase in non-wage related since the 2013 COS. As indicated earlier the majority of the regulatory expenses increase is the result of the change in methodology by the OEB in allocating out its expenses. Bad Debt expense will continue to be impacted by significant increases in TOU pricing which occurs on May 1st and November 1st of each year. Locates are performed by an outside contractor and are subject to demands dictated by residential and business customers in the City of Welland.

The wage & benefits and expense cost drivers noted above are detailed in Table 4-7 (Appendix 2-JC) in section 2.4.3.

Recoverable OM&A Cost per Customer and per FTE

The impact of the Cost Drivers on Cost per Customer and Cost per FTE are shown below in Table 4-5.

OM&A Cost per Customer are discussed in Section 2.4.1 above.

OM&A cost per FTE have increased by 15.2% from the 2013 COS to the 2017 Test Year. The portion related to O&M per FTE has increased by 18.1% over the same period with the majority related to Wages & Benefits. Wage & Benefits increases include inflation and employees progressing to higher job classification from those included in the 2013 COS. Differences in total wage & benefit costs between the vehicle mechanic and engineer account for $33,000 of the increase. Non-wage & benefits costs have been impacted by increased locate costs. Admin per FTE have increased by 12.7% over the four year period from the 2013 COS to the 2017 Test Year. Key cost contributors beyond inflation include increased regulatory cost (OEB assessment), bad debt expense, and document storage software maintenance costs (not in 2013 COS) and CIS/Financial software maintenance costs.

Non-wage & benefits costs are also spread over less FTE's in the 2017 Test Year.

The efficiencies related to reductions in manpower has resulted in WHESC increasing its number of Customers per FTE from 519 in the 2013 COS to 560 in the 2017 Test Year.

Table 4-5

Board Appendix 2-L

Recoverable OM&A Cost per Customer and per FTE

	Last Rebasing Year - 2013- Board Approved	Last Rebasing Year - 2013- Actual	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year
	Revised	Revised				
Reporting Basis	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS
OM&A Costs						
O&M	$ 3,013,809	$ 2,886,152	$ 2,926,724	$ 3,154,558	$ 3,255,419	$ 3,392,703
Admin Expenses	$ 3,356,191	$ 3,307,308	$ 3,291,268	$ 3,161,880	$ 3,422,117	$ 3,607,204
Total Recoverable OM&A from Appendix 2-JB [5]	$ 6,370,000	$ 6,193,460	$ 6,217,992	$ 6,316,438	$ 6,677,536	$ 6,999,907
Number of Customers [2,4]	22,298	22,139	22,381	22,564	22,768	22,974
Number of FTEs [3,4]	43.0	41.8	40.0	39.9	41.0	41.0
Customers/FTEs	518.56	529.64	559.53	565.51	555.32	560.34
OM&A cost per customer						
O&M per customer	135.16	130.37	130.77	139.80	142.98	147.68
Admin per customer	150.52	149.39	147.06	140.13	150.30	157.01
Total OM&A per customer	285.68	279.75	277.82	279.93	293.29	304.69
OM&A cost per FTE						
O&M per FTE	70,088.58	69,046.70	73,168.10	79,061.60	79,400.46	82,748.85
Admin per FTE	78,050.95	79,122.20	82,281.70	79,245.11	83,466.27	87,980.59
Total OM&A per FTE	148,139.53	148,168.90	155,449.80	158,306.72	162,866.73	170,729.44

Section 2.4.2 states that the applicant must complete Appendix 2-D. WHESC has filed and discussed Appendix 2-D in Exhibit 2 Section 2.2.2.4.

2.4.3 PROGRAM DELIVERY COSTS WITH VARIANCE ANALYSIS

Materiality Threshold

In accordance with Chapter 2 Filing Requirements, an applicant must provide justification for changes from year to year to its rate base, capital expenditures and OM&A spending above a materiality threshold. WHESC's materiality threshold is calculated as .5% of proposed distribution revenue requirements for distributors with a revenue requirement of greater than $10 million and less than or equal to $200 million. The materiality threshold as per Table 4-6 is calculated at $53,182 and WHESC has adopted a threshold of $53,000 for variance analysis. However, in order to be conservative as it relates to OM&A variance analysis WHESC will use a material threshold of $48,000.

Table 4-6 Materiality Threshold

Description	2017 Test Year
Distribution Revenue Requirement	10,636,334
Materiality Threshold	0.5%
Materiality Calculated	53,182
Materiality Used	53,000

OM&A Programs

Table 4-7 OM&A Programs Table Board Appendix 2-JC and is presented below.

<u>Table 4-7</u>

Board Appendix 2-JC

OM&A Programs Table

Programs	Last Rebasing Year (2013 Board-Approved)	Last Rebasing Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year	Variance (Test Year vs. 2015 Actuals)	Variance (Test Year vs. Last Rebasing Year (2013 Board-Approved)	
	Revised	Revised							
Reporting Basis	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	Ref #
Operations & Maintenance									
Wages & Benefits	1,895,719	1,779,030	1,737,223	1,924,366	2,049,029	2,142,504	218,138	246,785	A-E
Smart Meter AMI Expense	75,493	77,892	78,314	85,594	88,762	90,539	4,945	15,046	G
Vegetation Contracted Tree Trimming	134,186	135,676	183,346	136,697	146,287	150,377	13,680	16,191	I
Locates & Ontario One	67,353	78,309	94,292	116,815	99,237	116,816	1	49,463	L
General Supplies & Subcontracting	256,802	229,508	220,675	245,529	229,732	234,327	-11,202	-22,475	F
Education & Training	15,074	14,739	24,225	41,597	39,000	39,780	-1,817	24,706	H
Insurance	58,330	72,712	78,307	61,560	77,280	78,825	17,265	20,495	F
Property Taxes	62,699	62,586	62,658	62,239	63,484	65,389	3,150	2,690	F
Telephone Charges	48,114	61,340	62,141	63,631	65,200	66,504	2,873	18,390	F
Stores Materials & Vehicle Maintenance	304,513	312,276	306,548	337,426	314,954	323,493	-13,933	18,980	F
Other Expenses	95,526	62,084	78,995	79,104	82,454	84,149	5,045	-11,377	F
Sub-Total Operations & Maintenance	**3,013,809**	**2,886,152**	**2,926,724**	**3,154,558**	**3,255,419**	**3,392,703**	**238,145**	**378,894**	
Billing & Community Relations									
Wages & Benefits	889,036	861,117	939,334	847,440	879,208	922,909	75,469	33,873	A-E
Settlement Service Interval/Generation	61,812	61,498	66,501	62,520	64,000	75,280	12,760	13,468	G
Bad Debt Expense	84,335	86,306	150,594	61,809	115,000	117,300	55,491	32,965	M
Billing & Office Supplies	67,632	72,248	73,787	79,754	81,000	82,620	2,866	14,988	F
ODS Annual Maintenance	32,322	34,785	35,024	35,567	36,400	37,856	2,289	5,534	K
Sync Operator/UCS Billing Analyst	50,493	50,498	53,571	54,136	56,100	58,344	4,208	7,851	F
Mobile Service Software (Mcare)	12,583	13,505	14,118	14,478	14,490	15,070	592	2,487	F
Billing System Automation Platform	0	0	0	10,250	15,000	15,600	5,350	15,600	K
Receivables Insurance	45,900	48,136	43,721	46,215	47,477	48,427	2,212	2,527	F
Postage	134,466	122,473	139,881	134,725	139,900	142,698	7,973	8,232	F
Other Expenses	162,945	145,696	164,358	163,625	164,020	167,492	3,867	4,547	F
Sub-Total Billing & Community Relations	**1,541,524**	**1,496,262**	**1,680,889**	**1,510,519**	**1,612,595**	**1,683,596**	**173,077**	**142,072**	
Administration									
Wages & Benefits	1,069,954	959,243	843,837	826,638	950,867	984,019	157,381	-85,935	A-E
Outsourcing IT Labour to Expense	0	15,274	20,175	19,394	19,000	19,500	106	19,500	J
Document Storage Software	0	13,800	54,683	44,163	37,209	37,909	-6,254	37,909	K
CIS/Home Connect/Financials Maintenance	207,753	199,737	169,431	223,814	243,976	256,475	32,661	48,722	K
Financials Annual Upgrade Support	0	0	19,200	19,200	19,200	19,200	0	19,200	K
Regulatory Expenses	91,184	134,529	60,918	63,752	91,973	146,402	82,650	55,218	L
Auditing & Legal	49,890	40,635	68,741	48,768	54,196	55,090	6,322	5,200	F
Outside Consulting Services	109,100	109,180	87,790	98,186	94,350	96,117	-2,069	-12,983	F
Conferences & Education	41,310	43,129	35,722	38,735	40,250	41,055	2,320	-255	F
Board Director Fees Systems Corp.	45,669	50,096	46,502	61,767	60,956	65,890	4,123	20,221	F
Other Expenses	199,807	245,423	203,380	206,944	197,545	201,951	-4,993	2,144	F
Sub-Total Administration	**1,814,667**	**1,811,046**	**1,610,379**	**1,651,361**	**1,809,522**	**1,923,608**	**272,247**	**108,941**	
Total	**6,370,000**	**6,193,460**	**6,217,992**	**6,316,438**	**6,677,536**	**6,999,907**	**683,469**	**629,907**	

WHESC monitors its OM&A costs under three categories; Operations & Maintenance, Customer Billing & Community Relations, and Administrative. The majority of OM&A in each classification is related to Wages & Benefits. Non-wage expenses have been separated out into major categories by type of expenditure. A reference column has been added which ties back to specific cost drivers identified in Tables 4-1 and 4-2. Tables 4-1 and 4-2 are incremental changes from year over year whereas Table 4-7 puts an annual cost number to the different expense types. Although the majority of cost drivers have already been discussed, WHESC offers the following comments for the three cost categories.

Variance Analysis

Table 4-7 above identifies variances between the 2017 Test Year and the 2015 Actuals (most recent actuals) and the 2017 Test Year and the 2013 Board Approved COS. Below is a variance analysis for the amounts exceeding WHESC's materiality threshold for OM&A of $48,000.

Operations & Maintenance Variance Analysis

Operations & Maintenance - Wages & Benefits

2013 Board Approved	2015 Actual	2017 Test Year	Variance 2017 Test - 2015 Actual	Variance 2017 Test - 2013 COS
$1,895,719	$1,924,366	$2,142,504	$218,138	$246,785

Wages & Benefits account for 63% of total operations and maintenance costs. These costs include supervisory, lineman, metering & control room, engineering, stores, and vehicle maintenance employees. Wages & Benefits expense variances exceed the materiality threshold and are discussed below.

2017 Test Year versus 2015 Actuals

The variance between the 2017 Test Year and 2015 Actual is $218,138. As per Table 4-4 there was a maternity leave in the meter department in 2015. The impact between 2015 Actuals and 2017 Test Year is $50,194. WHESC made a decision not to replace this short term vacancy and instead would make use of existing line staff to backfill any requirements. Table 4-4 also outlines the additional costs related to replacing a vehicle mechanic position with an engineer at $32,508 ($121,797-$89,289). The decision was under the control of WHESC and was made to strengthen the operations and engineering department, provide succession planning options while keeping increased costs at a minimum. The balance of the variance of $135,436 for the most part represents wage & benefits increases (inflation/class progression) and adjustments to billings for streetlight maintenance (conversion to LED lights). These increases are not under WHESC's control as they represent union contractual commitments and increases in statutory payroll expenses. WHESC's business decisions to manage overall increases in Operations Wages & Benefits expense is provided below.

2017 COS versus 2013 COS

The variance between the 2017 Test Year and 2013 COS is $246,785. This variance is also shown in the second column of Table 4-8 Operations & Maintenance Wages & Benefits. Operations Wages & Benefits have increased by 13% (3.3%/year) from the 2013 COS to the 2017 Test Year. Included in the increase are approximately $92,000 of the wage & benefits increases related to class changes for employees included in the 2013 COS below 100% classification levels. These increases are not under WHESC's control as they form part of the collective agreement with the union. As discussed above the increase also includes $32,508 related to the engineering versus vehicle mechanic position. The balance of the variance of $122,277 for the most part represents wage & benefits increases (inflation/class progression) and adjustments to amounts capitalized and billed to third parties. These increases are not under WHESC's control as they represent union contractual commitments and increases in statutory payroll expenses. WHESC's business decisions to manage these increases is provided below.

Variance within or Outside LDC Control/Business Decision to Manage Variance

The variance between the 2017 Test Year and 2013 COS for Operations Wages & Benefits is $246,785. They are summarized in the second column of Table 4-8 below as follows:

Inflation/Class Changes	$354,249	Not Within WHESC Control
Capitalized Labour	($ 90,063)	Within WHESC Control
Labour Billed to Others	($ 49,909)	Not Within WHESC Control
Garage Manpower Reduction	($ 89,289)	Within WHESC Control
Electrical Engineer Addition	$121,797	Within WHESC Control
Total Variance	$246,785	

In order to limit inflation related to Operations Wages & Benefits, WHESC made a business decision to reduce FTE's by two. One reduction in Customer Service ($88,386 savings) and one reduction in the IT department which was outsourced ($85,378 less $19,500 equal $65,878 savings). These business decisions resulted in annual sustainable savings of $154,264. WHESC believes that this business decision has provided better value to its customers.

Operations & Maintenance – Locates & Ontario One Expenses

2013 Board Approved	2015 Actual	2017 Test Year	Variance 2017 Test - 2015 Actual	Variance 2017 Test - 2013 COS
$67,353	$116,815	$116,816	$1	$49,463

Locates expenses consist of charges from Ontario One Call and WHESC's locate contractor. Locates expenses exceed materiality when comparing 2017 Test to 2013 COS and are discussed below.

2017 COS versus 2013 COS

Locates/Ontario One costs have increased by $49,463 from the 2013 COS to the 2017 Test Year as reflected in 2015 Actual expenses. This item is the result of increased locates activity and is not under WHESC's control.

Customer Billing & Community Relations Variance Analysis

Billing & Community Relations - Wages & Benefits

2013 Board Approved	2015 Actual	2017 Test Year	Variance 2017 Test - 2015 Actual	Variance 2017 Test - 2013 COS
$889,036	$847,440	$922,909	$75,469	$33,873

Wages & Benefits account for 55% of total billing and community relations costs. These costs include supervisory, billing, and customer service employees. Wages & Benefits expense variances have exceeded materiality when comparing the 2017 Test Year to the 2015 Actuals.

2017 Test Year versus 2015 Actuals

The variance between the 2017 Test Year and the 2015 Actuals is $75,469. Table 4-4 identified a temporary vacancy in a Customer Service Representative position in 2015 Actuals. This accounts for $35,955 of the total wages & benefits variance between 2015 Actuals and 2017 Test Year. The decision to leave this position vacant for a period of time was within WHESC's control while a search was conducted for the right candidate. The balance of the variance of $39,514 represents wage & benefits increases over a two year period. These increases are not under WHESC's control as they represent union contractual commitments and increases in statutory payroll expenses. WHESC's business decisions to manage these increases is provided below.

2017 Test Year versus 2013 COS

The variance between the 2017 Test Year and the 2013 COS is $33,873. The variance is also shown in the fourth column of Table 4-8 Billing & Employee Relations Wages & Benefits which shows a 3.8% (0.95%/year) increase over the four year period between the 2013 COS and the 2017 Test Year. Wage & Benefits increases total $139,003 which includes $46,000 related to class changes for employees included in the 2013 COS below 100% classification levels. These increases are not under WHESC's control as they form part of the collective agreement with the union. The balance of the variance ($105,130) represents the elimination of a full time position within the Customer Service Department ($88,386) and additional labour charged to CDM costs which were both within WHESC's control.

Variance within or Outside LDC Control/Business Decision to Manage Variance

The total variance between the 2017 Test Year versus the 2013 COS for Billing & Community Wage/Benefits is $33,873. They are summarized in the fourth column of Table 4-8 below as follows:

Inflation/Class Changes	$139,003	Not Within WHESC Control
Manpower Reduction	($ 88,386)	Within WHESC Control
Amounts charged to CDM	($ 16,744)	Within WHESC Control
Total Variance	$ 33,873	

Billing & Community Relations – Bad Debt Expense

2013 Board Approved	2015 Actual	2017 Test Year	Variance 2017 Test - 2015 Actual	Variance 2017 Test - 2013 COS
$84,335	$61,809	$117,300	$55,491	$32,965

2017 Test Year versus 2015 Actuals

The variance between the 2017 Test Year and the 2015 Actuals is $55,491. This is the result of a timing difference from a commercial bad debt expensed in 2014 and a partial receivable insurance recovery in 2015. The increase in bad debt expense in 2014 and subsequent reduction in 2015 is the result of a timing difference which was not within WHESC's control.

2017 Test Year versus 2013 COS

Although not above materiality levels, Bad Debt expenses have increased by $32,965 from the 2013 COS to the 2017 Test Year mainly as a result of increases in electricity costs. Increases to Cost of Power related to bad debt expense is not under WHESC's control.

Administration Variance Analysis

Administrative - Wages & Benefits

2013 Board Approved	2015 Actual	2017 Test Year	Variance 2017 Test - 2015 Actual	Variance 2017 Test - 2013 COS
$1,069,954	$826,638	$984,019	$157,381	-$85,935

Wages & Benefits account for 51% of total administrative costs. These cost include executive, accounting, and administrative employees. Wages & Benefits expense variance exceed materiality and will be discussed below.

2017 Test Year versus 2015 Actuals

The variance between the 2017 Test Year and the 2015 Actuals for Wages & Benefits expense is $157,381. Table 4-4 shows WHESC hired a CPA-CA in late 2015. This positon was vacant for most of 2015 and the position was upgraded from the previous accounting assistant position in the 2013 COS. The impact on the Wages & Benefits variance between the 2015 Actuals and 2017 Test Year is $104,157. The timing of replacing this position was within WHESC's control. The upgrade in the position was required for succession planning and increased reporting requirements with financial (IFRS) and OEB reporting. The balance of the variance of $53,224 represents wage & benefits increases over a two year period. As can be seen below, actual Administrative Wages & Benefits Expense from the 2017 Test Year to 2013 COS actually decrease. As a result, WHESC will discuss business decisions to manage these expenses in the sections to follow.

2017 Test Year versus 2013 COS

The variance between the 2017 Test Year and the 2013 COS for Administrative Wages & Benefits expenses is ($85,935). This represents an 8.0% reduction since the 2013 COS. Table 4-4 shows that in 2013, WHESC decided to outsource IT functions resulting in a labor decrease of ($85,378). This decision was within WHESC's control. These savings are partially offset by non-wage & benefit outsourcing expenses. Post-Retirement Benefits Expense accounts for ($51,892) of the reduction as can be seen in Table 4-4. The steps taken to control these expenses include a no additional employees being covered for early retirement benefits and post-retirement life insurance being reduced for new hires. Both steps taken were within WHESC's control. The balance of the variance is $51,335 as is related to increases in salaries & payroll taxes and the increase in base pay to a certified accountant from a more clerical position. These increases are for the most part not within WHESC's control and are more market driven to attract qualified staff.

Variance within or Outside LDC Control/Business Decision to Manage Variance

The variance between the 2017 Test Year and the 2013 COS for Administration Wages & Benefits expenses is ($85,935). They are summarized in the sixth column of Table 4-8 below as follows:

Inflation/Class Changes	$ 33,336	Not Within WHESC Control
Outsource IT Labour	($ 85,378)	Within WHESC Control
Increased Charges to Others	($ 8,921)	Within WHESC Control
Upgrade to CPA-CA	$ 26,920	Within WHESC Control
Post-Retirement Expenses	($ 51,892)	Within WHESC Control
Total Variance	($ 85,935)	

WHESC believes that it is has made prudent business decisions to control Administrative Wage & Benefits expenses which provide value to its customers.

Administration – CIS/Home Connect/Financial Maintenance

2013 Board Approved	2015 Actual	2017 Test Year	Variance 2017 Test - 2015 Actual	Variance 2017 Test - 2013 COS
$207,753	$223,814	$256,475	$32,661	$48,722

Administration – CIS/Home Connect/Financial Maintenance costs represents software maintenance costs related to WHESC's Customer Information System (CIS) and Financial Reporting Software. The variance for 2017 Test to 2013 COS exceeds materiality and is discussed below.

2017 Test Year versus 2013 COS

WHESC's CIS is an integral part in maintaining customer information, servicing customer with energy consumption with time of use billing statistics, and producing timely and accurate billings. As a result of the complexity of the Ontario Electricity Market vendors options are limited. WHESC's current vendor increases maintenance costs by approximately 5% per year. Any attempt to find reductions in these costs would require significant capital expenditures in new software packages. As a result, WHESC submits that increases for this category of expenses is not within WHESC's control.

Administration - Regulatory Expenses

2013 Board Approved	2015 Actual	2017 Test Year	Variance 2017 Test - 2015 Actual	Variance 2017 Test - 2013 COS
$91,184	$63,752	$146,402	$82,650	$55,218

Regulatory Expenses for the most part include OEB Assessment Fees and expenses related to the preparation of rate applications. Regulatory Expense variances exceed the materiality threshold and are also discussed below.

2017 Test Year versus 2015 Actuals

The variance between the 2017 Test Year and the 2015 Actuals for Regulatory Expense is $82,650. OEB Assessment charges account for $47,930 as a result of a change in the methodology by the OEB. This increase is not within WHESC's control. A deferral account is being used in the 2016 Bridge Year to capture the increases in OEB assessment costs. The balance of the variance $34,720 is related to COS rate application expenses. Expenses for COS rate applications normally occur over a two year period (2016/2017) but are amortized over the length of the COS period. There were no costs associated with the 2017 COS rate application in 2015 Actuals. The timing of rate application expenses is within the control of WHESC but as stated previously typically take place the year before and the year of a Cost of Service Rate Application.

2017 Test Year versus 2013 COS

The variance between the 2017 Test Year and the 2013 COS for Regulatory expenses is $55,218. As discussed above $46,608 is related to increased OEB costs. The balance of the variance $8,610 is related to COS rate application expenses. Although these expenses will increase significantly for the 2017 COS compared to the 2013 COS they are amortized over a five year period versus a four year period. These increases are not within WHESC's control but related to the increased complexity and filing requirements for COS rate applications.

Variance within or Outside LDC Control/Business Decision to Manage Variance

The variance between the 2017 Test Year and the 2013 COS for Regulatory Expenses is $55,218. This is the result of increased assessment fees from the OEB and increased costs related to filing a Cost of Service Rate Application. Both of these items are not within the control of WHESC.

Table 4-8 below integrates the Cost Drivers of Table 4-4 into the Operations & Maintenance, Billing & Community Relations, and Administrative cost categories.

Table 4-8

Cost Drivers - OM&A Cost Category

Cost Drivers/Programs	Operations & Maintenance Wages & Benefits	Operations & Maintenance Expenses	Billing & Employee Relations Wages & Benefits	Billing & Employee Relations Expenses	Administrative Wages & Benefits	Administrative Expenses	Total OM&A	Ref #
2013 Cost of Service Recoverable OM&A	**1,895,719**	**1,118,090**	**889,036**	**652,488**	**1,069,954**	**744,713**	**6,370,000**	
Inflation/Class Changes Wages &Other	354,249		139,003		33,336		526,588	A
Outsourcing IT Labour to Expense					-85,378		-85,378	B
Customer Service Manpower Reduction			-88,386				-88,386	B
Capitalized Labour to Fixed Assets	-90,063						-90,063	C
3rd Party Labour Billing Work Orders	-34,471						-34,471	C
CDM Labour Billings			-16,744		-6,618		-23,362	C
Streetlight Maintenance Billings	-15,663						-15,663	C
Sentinel Maintenance Billings	225						225	C
Corporate Cost Allocation					-2,303		-2,303	C
Accounting Assistant to Certified CA					26,920		26,920	D
Garage Manpower Reduction	-89,289						-89,289	D
Electrical Engineer Reg Compliance	121,797						121,797	D
Post Retirement Benefit Costs					-51,892		-51,892	E
Total Wage & Benefit Adjustment	**246,785**		**33,873**		**-85,935**		**194,723**	
Inflation/Exchange/Other Expenses		26,703		40,632		14,327	81,662	F
Smart Meter AMI-Exchange Rate		15,046					15,046	G
Settlement Service Interval/Generation				13,468			13,468	G
Education & Training Operations Staff		24,706					24,706	H
Contracted Tree Trimming Expense		16,191					16,191	I
Outsourcing IT Labour to Expense						19,500	19,500	J
Document Storage Software						37,909	37,909	K
ODS Annual Maintenance (#customers)				5,534			5,534	K
CIS/Home Connect/Financials Maintenance						48,722	48,722	K
Cayenta Financial System Support						19,200	19,200	K
Billing System Automation Platform				15,600			15,600	K
Locates/Ontario One		49,463					49,463	L
Regulatory Expenses						55,218	55,218	L
Bad Debt Expenses				32,965			32,965	M
Total Expenses Adjustments		**132,109**		**108,199**		**194,876**	**435,184**	
Total Adjustments	**246,785**	**132,109**	**33,873**	**108,199**	**-85,935**	**194,876**	**629,907**	
2017 Cost of Service Recoverable OM&A	**2,142,504**	**1,250,199**	**922,909**	**760,687**	**984,019**	**939,589**	**6,999,907**	
Percentage Increase to 2013 COS	13.02%	11.82%	3.81%	16.58%	-8.03%	26.17%	9.89%	

This table has been provided to add more detail to Wages & Benefits costs for Operations & Maintenance, Billing & Community Relations, and Administrative cost categories included in Table 4-7. An example of how Table 4-4, Table 4-7, and Table 4-8 are connected is provided as follows. Table 4-4 (Ref #A) shows total Inflation/Class Changes & Other related to Wages & Benefits of $526,588. Table 4-8 (Ref #A) provides a break-down of the $526,588 between Operations & Maintenance ($354,429), Billing & Employee Relations ($139,003) and Administrative ($33,336) categories. Table 4-7 shows an increase in Operational & Maintenance-Wages & Benefits of $246,785 from the 2013 COS to the 2017 Test Year (Ref #A-E). The $246,785 related to the increase in Operational & Maintenance-Wages & Benefits is found in Table 4-8 column Operations & Maintenance Wages & Benefits line Total Wage & Benefit adjustment.

2.4.3.1 WORKFORCE PLANNING AND EMPLOYEE COMPENSATION

Table 4-9 Employee Costs Appendix 2-K is presented below. Wages & Benefit cost are total costs before allocation to either OM&A, Capital, or Billable categories. WHESC has added these amounts for presentation purposes to identify total Wages & Benefits in OM&A.

Table 4-9

Board Appendix 2-K

Employee Costs

	Last Rebasing Year - 2013- Board Approved	Last Rebasing Year - 2013- Actual	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year
Number of Employees (FTEs including Part-Time)[1]						
Management (including executive)	14.0	13.4	12.0	11.0	12.0	13.0
Non-Management (union and non-union)	29.0	28.4	28.0	28.9	29.0	28.0
Total	43.0	41.8	40.0	39.9	41.0	41.0
Total Salary and Wages including ovetime and incentive pay						
Management (including executive)	$ 1,385,904	$ 1,319,960	$ 1,274,628	$ 1,271,074	$ 1,394,578	$ 1,528,126
Non-Management (union and non-union)	$ 2,041,774	$ 2,012,339	$ 2,046,728	$ 2,103,125	$ 2,228,264	$ 2,244,008
Total	$ 3,427,678	$ 3,332,299	$ 3,321,356	$ 3,374,199	$ 3,622,842	$ 3,772,134
Total Benefits (Current + Accrued)						
Management (including executive)	$ 336,525	$ 318,488	$ 297,639	$ 294,981	$ 325,997	$ 360,666
Non-Management (union and non-union)	$ 566,574	$ 563,863	$ 560,433	$ 568,986	$ 601,983	$ 610,229
Total	$ 903,099	$ 882,351	$ 858,072	$ 863,967	$ 927,980	$ 970,895
Total Compensation (Salary, Wages, & Benefits)						
Management (including executive)	$ 1,722,429	$ 1,638,448	$ 1,572,267	$ 1,566,055	$ 1,720,575	$ 1,888,792
Non-Management (union and non-union)	$ 2,608,348	$ 2,576,202	$ 2,607,161	$ 2,672,111	$ 2,830,247	$ 2,854,237
Total Compensation Before OPEB & Unusual Items	$ 4,330,777	$ 4,214,650	$ 4,179,428	$ 4,238,166	$ 4,550,822	$ 4,743,029
Retiree Benefits Premiums	$ 135,842	$ 100,791	$ 105,332	$ 102,368	$ 108,730	$ 103,766
Retiree Benefits Accrual	$ 19,816	$ 19,816	$ 2,390	-$ 18,026	-$ 10,567	$ -
Unusal Items (Severance/Vacation Accrual)	$ -	$ -	$ 91,790	$ 70,222	$ -	$ -
Total Compensation	$ 4,486,435	$ 4,335,257	$ 4,378,940	$ 4,392,730	$ 4,648,985	$ 4,846,795
Capitalized Labour	-$ 428,587	-$ 448,998	-$ 441,085	-$ 477,718	-$ 498,376	-$ 518,650
CDM Billings	-$ 41,302	-$ 78,214	-$ 146,022	-$ 64,186	-$ 63,081	-$ 64,664
Third Party Billings	-$ 124,661	-$ 133,075	-$ 185,960	-$ 166,335	-$ 155,030	-$ 159,132
Associate Billings	-$ 37,176	-$ 75,580	-$ 85,479	-$ 86,047	-$ 53,394	-$ 54,917
Total Compensation OM&A	$ 3,854,709	$ 3,599,390	$ 3,520,394	$ 3,598,444	$ 3,879,104	$ 4,049,432

Workforce Planning Previous Plans and Outcomes on Proposed Plans

WHESC has taken a long term approach to workforce planning including succession planning. As part of the 2013 COS Rate Application WHESC presented a workforce plan that included the addition of a lineman and an engineer. In the settlement agreement reached with intervenors and approved by the Board WHESC deferred the engineering position and committed to increase its number of lineman by one additional position. Additional wages for an upgrade in the accounting position from clerical to a certified accountant were also deferred as part of the settlement agreement process.

As planned in the 2013 COS, WHESC added a new apprentice lineman in 2013. A certified accountant was hired in 2015 to replace a non-designated person who had retired. This position was upgraded to assist in the conversion to IFRS and increased regulatory reporting requirements as well as provide succession planning options within the accounting department. WHESC reviews its staffing requirements on an ongoing basis. As a result of the planning process, two reductions have been made to FTE's since the 2013 COS. The first was to outsource an IT position which has resulted in annual cost savings. The second was the elimination of a management position in the customer service department. WHESC believes that both these reductions are sustainable over the long term and have been reflected in this rate application.

During the planning process for this application, WHESC once again reviewed its staffing requirements within the operations and engineering departments. WHESC has submitted its initial Distribution System Plan as part of this application. This document forms an important part in WHESC's long term distribution asset management process and will require continuous review and updating. As well, the need identified in the 2013 COS for succession planning in the operations and engineering still exists. As a result, WHESC has adjusted its workforce plan to include an engineering position in this rate application. However, as part of its continuous review of staffing requirements, WHESC has identified a reduction in a position within its vehicle maintenance department as a result of a retirement. As a result of vehicle replacement planning, WHESC believes that its current vehicle fleet has been upgraded to a point where a permanent reduction of a vehicle maintenance mechanic is sustainable. This change in the workforce structure will position WHESC to meet both short term and long term goals and provide value to its customers.

In summary, outcomes of previous plans and ongoing reviews have resulted in a current plan which not only reduces FTE's by two since the 2013 COS but also addresses needs in the accounting, operations, and engineering departments while providing additional succession planning options.

Wages – Unionized Positions

WHESC's collective agreement with unionized staff provides for annual payroll increases and employee class progressions. Labor rates and benefits are adjusted annually based on negotiated percentages as per the collective agreement. WHESC's current collective agreement covers a three year period and expires on March 31, 2018. Wages and benefits are the result of a collaborative and negotiated process, based on factors such as recent settlements in the LDC sector including neighboring LDC's.

Compensation Benchmarking – Unionized Positions

As part of its 2015 contract negotiations with the union WHESC with an objective to remain competitive with wages paid by local LDC's while keeping increases reasonable. The following is a brief summary of major objectives and outcomes.

1) Objective - Wage Increases limited to 2% or less per year.

   Outcome - Negotiated wage increases of 2015-2.0%, 2016 1.9%, 2017 1.9%.

2) Objective - Maintain current lineman compensation to surrounding LDC's.

   Outcome - WHESC addressed this by adding a rate adder to Lineman and Lead Lineman positions in addition to the base wage increases above. As a result, WHESC remains above the lowest lineman rate paid by local LDC's but is still competitive with other local LDC's where existing lineman pay rates are higher.

3) Objective - Control Early and Post Retirement Benefit Expenses.

Outcome – WHESC successfully negotiated that the hiring date for employees covered by early retirement benefits not be move forward. As a result, current employees not eligible for this benefit remain ineligible and no new employees are eligible for early retirement benefits. In addition, post-retirement life insurance benefits for new employees hired after March 31, 2015 have been significantly reduced.

No unionized positions are eligible for performance pay plans.

Wages – Management Positions

For management employees, WHESC utilizes the industry standard Hay Group system to evaluate positions and the Hay Group All Industrial Line Formula to develop pay structures. An external consultant is used to develop and maintain the system. The system establishes pay differentials between jobs, establishes fair and equitable compensation programs, identifies and eliminates wage inequities and establishes a sound foundation for consistent pay administration. Each position includes a minimum, midpoint and maximum pay level, benchmarked by the external consultant. Annual progression through the structure is based on performance, merit and contribution to goals/objectives. WHESC is currently reviewing the management employee compensation evaluation process for the 2017 Test Year to better align with "RRFE" performance metrics. The structure is updated annually with salary increases based upon market Hay All Industrial with one year lagging for management staff using the P50 line, and ability to pay.

Compensation Benchmarking – Management Positions

WHESC benchmarks the salaried compensation outcomes of the above process with LDC's of similar size in Ontario. WHESC participates in the annual compensation survey performed by MEARIE. A condition of participating in the survey is WHESC is obligated to keep the results confidential and is required to not release information to the general public.

WHESC has a limited number of management positions of 12 in 2016 and 13 in 2017. Any analysis of comparisons of WHESC compensation rates to the MEARIE at a detailed level would lead to individual salaries becoming known. However, WHESC believes that it can provide a summary of total management compensation compared to other comparable LDC's who participated in the survey as benchmarking.

The 2016 MEARIE compensation includes a spreadsheet which details management compensation by position broken out by LDC customer count. WHESC compares its compensation levels with those with customer counts in the 20,000 to 40,000 range. The survey provides salary ranges for each position including an average cash compensation paid. WHESC targets management compensation levels with the average cash compensation paid by position for LDC's with customer counts as note above. For 2016, the comparison shows the following results for the 12 management positions included in WHESC's 2016 Bridge Year:

- WHESC total forecasted cash compensation included in the 2016 Bridge Year for its 12 management employees is 2.23% below the total average amount paid for similar positions within LDC's within the 20,000 to 40,000 in total customer counts. Actual 2016 total cash compensation is now known to be 1.56% below the total average for comparable positions with similar sized LDC's. No adjustments have been made to any figures in this rate application for the difference between 2016 Bridge Year forecast and 2016 Actuals.

- Ranges of compensation vary from 11.6% above to 10.34% below average cash compensation by position. In some cases this is the result of WHESC having management positions performing duplicate functions such as Customer Service & HR, Engineering & Operations and Accounting & Regulatory. However, the majority of comparisons are within +/- 2%.

As indicated above, WHESC does not currently pay bonuses or performance pay to its management employees. 2017 Test Year Management compensation has been increased by 2% over 2016 Bridge Year amounts.

Table 4-10 provides a Summary of Base Wage Increases by Year for both union and management employees. The average base increase for unionized employees is 2.26% (9.05%/4) per year while management staff has been 2.2% (8.8%/4). The 2014 wage increase was the last year of a previously negotiated four year contract. Increases in the three years of the new collective agreement are more reflective of current inflation indicators. Wage class progression for 7 union and 3 management staff have been excluded from this table and were discussed previously. Total union and management wage increases related to class changes is $119,000 annually compared to the 2013 COS. The 2015 Collective Agreement with the union also included two adjustment adders specific for lineman to allow WHESC to attract and maintain these highly skilled positions. Lineman (9) were given a one-time $.14/hour adder while Lead Lineman (3) were given a one-time $.30/hour adder. These adjustment adders are independent of wage increase percentages and are not compounded annually. The annual cost of the lineman adders is $4,200.

Table 4-10

Summary of Base Wage Increases by Year

Year	Union%	Cumulative	Compounded	Management%	Cummulative	Compounded
2013	3.25%			3.00%		
2014	3.25%	3.25%	3.25%	2.50%	2.50%	2.62%
2015	2.00%	5.25%	5.63%	2.30%	4.80%	5.03%
2016	1.90%	7.15%	7.66%	2.00%	6.80%	7.21%
2017	1.90%	9.05%	9.71%	2.00%	8.80%	9.36%

Benefits Costs

Employee Benefits cost are presented in Table 4-11 below. As per Table 4-9 above these costs are before allocation to OM&A, Capital, and Billable categories. Employee Benefits are allocated to OM&A, Capital, and Billable categories as a percentage of wages. Employee Benefits overheads are typically 50 percent of wage costs for each category. As a result of WHESC increasing the direct hours charged to the Capital and Billable categories, Employee Benefits charged would increase proportionately to the increase in labor charged.

Table 4-11

Employee Benefit Costs

Expense	2013 Board Approved	2013 Actual	2014 Actual	2015 Actual	2016 Bridge	2017 Test
Statuatory						
EI Insurance Premiums	53,352	53,732	50,503	50,669	53,769	55,410
CPP Premiums	100,459	100,129	94,942	93,833	102,313	105,375
Employer Health Tax Premiums	67,231	65,859	63,769	64,432	70,745	73,557
WSIB Premiums	32,622	30,508	30,615	33,719	34,148	35,534
Total Statutory	**253,664**	**250,228**	**239,829**	**242,653**	**260,975**	**269,876**
Company						
OMERS Pension Premiums	338,549	327,164	327,132	334,521	360,555	377,784
Life Insurance Premiums	15,739	18,150	16,797	17,194	18,382	19,514
Group Benefit Premiums	295,147	284,457	272,650	267,650	286,068	301,681
Meal Allowance	0	2,352	1,664	1,949	2,000	2,040
Total Company	**649,435**	**632,123**	**618,243**	**621,314**	**667,005**	**701,019**
Total Benefits prior to Employee Future Benefits	**903,099**	**882,351**	**858,072**	**863,967**	**927,980**	**970,895**
Employee Future Benefits						
Retiree Benefit Premiums	135,842	100,791	105,332	102,368	108,730	103,766
Retiree Benefits Accrual Liability	19,816	19,816	2,390	-18,026	-10,567	0
Total Employee Future Benefits	**155,658**	**120,607**	**107,722**	**84,342**	**98,163**	**103,766**

Statutory employee benefit costs have increased by 6.4% over four years. The reduction in 2 FTEs has contributed to limiting this increase to less than 2% per year.

Company employee benefit costs have increased by 7.9% over four years. The majority of the increase is in OMERS pension premiums. Table 4-12 shows the OMERS rate increases since 2013.

Table 4-12 OMERS Rate Increases by Year

Year	YMPE	NRA 65 Up to YMPE	over YMPE
2013	51,100	9.00%	14.60%
2014	52,500	9.00%	14.60%
2015	53,600	9.00%	14.60%
2016	54,900	9.00%	14.60%
2017	56,200	9.00%	14.60%

Although there has been no change to the percentage of OMERS premiums, actual expenses since the 2013 COS have been impacted by the 10 employees which have progressed to higher pay scales during this period. For the most part, pay class wage increases attract the higher 14.6% OMERS premium.

Employee Future Benefits

Employee Future Benefits have decreased by 33% since the 2013 COS. WHESC believes that it has taken important steps at controlling these costs in the future in two ways as previously discussed. The first is that no employees hired after January 1, 2009 are covered for early retirement health benefits to age 65. The second is that retirement life insurance benefits have been reduced from 25% of base pay to $10,000 which reflects norms outside of the LDC environment.

Unusual Items

For comparison purposes WHESC has reflected two items separately in Table 4-9. The first are severance related costs in 2014 and a one-time accrual for vacations earned but not taken by year end in 2015. Adjustments to the vacations liability account are expected to be minimal going forward and no expense for this item is included in either the 2016 Bridge Year or 2017 Test Year.

Full Time Employees by Department

Table 4-13 summarizes the number of full time employees by department from the 2013 COS to the 2017 Test year. The number of employees in Table 4-13 will not equal the number of employees in Table 4-9 Board Appendix 2-K since that table calculates partial FTE's based on the start date/end date of the position not the year end number. The number of FTEs in the 2017 Test Year (41) have decreased by 2 since the 2013 COS (43). The actual equivalent FTE's for 2013 Actual is 41.8 (Table 4-9) as a result of the additional line person being hired in the second half of the year, outsourcing IT late in the first half, and the retirement of an accounting position late in 2013 and not replaced for the balance of the year. As previously discussed, WHESC has identified and acted on sustainable Wages & Benefits Costs savings by reducing one person in the Customer Service Department and outsourcing one IT position for significantly less with a service provider. An additional labor efficiency is expected upon the retirement of one of the two vehicle mechanics. WHESC plans to replace this position with a certified engineer in the 2017 Test Year. This not only adds to company skills level but provides for possible succession planning with far less cost than adding an additional position. WHESC believes that given the recent capital replacements to its fleet of vehicles that the reduction from 2 to 1 mechanic is sustainable with limited increases to outside maintenance costs.

Table 4-13

Full Time Employees by Department at Year End

Department	2013 Board Approved	2013 Actual	2014 Actual	2015 Actual	2016 Bridge	2017 Test	Change to 2013 COS
Operations & Maintenance							
Senior Management	1	1	1	1	1	1	0
Supervisory	2	2	2	2	2	2	0
Line Department	11	11	11	11	11	11	0
Engineer	0	0	0	0	0	1	1
Engineering	4	4	4	4	4	4	0
Engineering Summer Students	0.7	0.7	0.7	0.7	0.7	0.7	0
Metering/Control Room	4	4	4	4	4	4	0
Vehicle Mechanics	2	2	2	2	2	1	-1
Store Keeper	1	1	1	1	1	1	0
Total Operations	25.7	25.7	25.7	25.7	25.7	25.7	0
Billing & Customer Service							
Senior Management	1	1	1	1	1	1	0
Supervisory	2	2	2	2	2	2	0
CDM/Billing Analyst	2	2	1	1	1	1	-1
Customer Service Representatives	4	4	4	4	4	4	0
Customer Service Summer Student	0.3	0.3	0.3	0.3	0.3	0.3	0
Billing Clerk	1	1	1	1	1	1	0
Total Billing & Customer Service	10.3	10.3	9.3	9.3	9.3	9.3	-1
Administrative							
Senior Management	2	2	2	2	2	2	0
Administrative	1	1	1	1	1	1	0
Accounting	2	1	1	2	2	2	0
IT	1	0	0	0	0	0	-1
Accounts Payable	1	1	1	1	1	1	0
Total Administrative	7	5	5	6	6	6	-1
Total FTEs	43	41	40	41	41	41	-2

Employee Demographics

Table 4-14 below shows WHESC's unionized and management age demographics during 2016. The union has been separated into line and non-line positions. Management has been separated into senior management and other.

Table 4-14

Employee Demographics

Management & Union Staff	20-30 Years of Age	30-40 Years of Age	40-50 Years of Age	50-60 Years of Age	Over 60 Years of Age	Average Years of Age
Non Management - Union & Non Union						
Line Staff	0	6	1	4	0	41.9
Other	3	4	3	6	2	45.4
Total Non-Management - 29	**3**	**10**	**4**	**10**	**2**	
Management						
Senior Management	0	0	0	3	1	57.3
Other	0	4	1	2	1	44.1
Total Management - 12	**0**	**4**	**1**	**5**	**2**	
Total WHESC - 41	**3**	**14**	**5**	**15**	**4**	

Union - Line Staff

The average age of the current line staff is just under 42 years of age. There are 4 line staff between 50 and 59 years of age. WHESC believes that it will be able to manage its line staff without adding additional manpower in this rate application.

Union – Non Line Staff

The average age of the current non line staff is just over 45 years of age. There are currently two employees aged 60 or above. WHESC has determined that neither of these two positions require long term training for succession planning, consequently no new resources are forecasted in this application.

Of the employees age 50 to 59 for this category, WHESC has identified one position as being critical (Control Room Operator). Although there are meter technicians who have been trained to perform the functions of the control room operator, WHESC is currently taking additional steps of training additional engineering staff on the duties and requirements of this position.

WHESC replaced a clerical position (retirement) in the engineering department in 2012 with an Engineering Technologist to assist with the implementation and completion of the GIS and other engineering functions. WHESC believes that this was a prudent step at increasing the skill level of its engineering department without adding additional personnel thereby creating a labor efficiency.

All other positions in this category would be considered as not requiring long term training and of lower risks.

Management - Senior

The current average age of senior management is just over 57 years of age. Succession planning is reviewed by WHESC's Board of Directors on an ongoing basis with emphasis on the senior management positions. The hiring of both the professional accountant and engineer will allow time for both these positions to acquire the needed training/knowledge/expertise to provide WHESC with succession planning options internally. There are other current management employees at the supervisory level with skill levels and experience to be considered for promotion to a senior management position.

Management - Other

The average age of non-senior management is 44 years of age. This group contains both supervisory and analytical positons. WHESC believes that it has a highly talented/educated group of employees in this category which provide a good base for succession planning at the senior and middle management levels. WHESC has successfully promoted both management and unionized employees from lower levels to supervisory and analytical positions over the past five years and believes that it will be able to continue to do this as retirements occur during the period covered by this Cost of Service Rate Application (2017-2021). Succession planning for this level of management will continue to be monitored and reviewed on an ongoing basis.

Actuarial Evaluation - Post-Retirement Benefits

Health care benefits are provided to all active full-time employees under the age of 65 through a group defined benefit plan. WHESC recognized the need to reduce future early-retirement benefits (to age 65 only) expense in the 2015 union negotiations. As a result of those negotiations, no change was made to the start date for employees eligible for early retirement health care coverage. Current employees hired prior to January 1, 2009 who retire earlier than age 65 with 30 years of service will continue to be entitled to health care benefits from the date of retirement until the age of 65. Employees hired after January 1, 2009 will not be eligible for the early retirement health care benefits. No retired or active employees of WHESC are covered with health care benefits past the age of 65.

WHESC provides a post-employment benefit life insurance to employees retiring with 10 or more years of service. Previously, benefits started out at 50% of base wages and were reduced 5% per year until they reached 25% of base wages. During the 2015 contract negotiations new hires after April 1, 2015 will be subject to $10,000 of post-retirement life insurance coverage provided they retire with 10 years of service.

Both of the changes to retirement benefits were made to reflect that these benefits are no longer the norm in the private sector.

Table 4-9 shows total Post-Employment Benefits costs of $155,658 for the 2013 COS. This amount was actuarially determined by Dion Durrell (name changed to Collins Barrow) in a letter dated December 13, 2012 using CICA 3461. Before converting to IFRS on January 1, 2015 (retroactive restatement to January 1, 2014) WHESC requested Collins Barrow to perform an actuarial evaluation of the Post-Employment Benefits expense and liability using IAS 19 for 2014 to 2016. In addition, Collins Barrow would provide the opening adjustment to the January 1, 2014 Post-Employment Liability upon conversion from CICA 3461 to IAS 19. The evaluations were received from Collins Barrow in reports dated September 16, 2014. On March 11, 2016 Collins Barrow provided WHESC with Estimated Benefits Expenses for 2017 & 2018 under IAS 19. The summary of adjustments to the Post-Employment Benefits expenses liability is summarized in Table 4-15 below.

Table 4-15

Post-Retirement Liability

Accured Benefit Obligation December 31, 2013	**-1,654,941**
IFRS 1 - IAS 19 (retained earnings)	157,516
Accrued Benefit Obligation as at January 1, 2014	-1,497,425
Other Comprehensive Loss 2014 IFRS	-113,167
Change in Liability Charged in 2014 CICA 3461	-2,390
Adjustment to Expense 2014 IFRS	11,659
Ending Balance December 31, 2014 IFRS	**-1,601,323**
Change in Liability Account 2015	18,026
Ending Balance December 31, 2015 IFRS	**-1,583,297**
Change in Liability Account 2016	10,567
Ending Balance December 31, 2016 IFRS	**-1,572,730**
Change in Liability Account 2017	**3,075**
Ending Balance December 31, 2017 IFRS	**-1,569,655**

The difference between the Post-Retirement Benefit Liability accounts as at December 31, 2014 under CICA 3461 versus IAS 19 was negligible. The liability at December 31, 2014 under CICA 3461 was $1,604,364 and $1,601,023 under IAS 19. Adjustments and entries were required to opening retained earnings in 2014 and post- retirement benefits expense in 2014 as these entries were originally made under CICA 3461. All of the entries for conversion to IFRS were approved by WHESC's financial auditors.

Post-Retirement Benefits expense from 2013 COS to 2017 Test Year are detailed in Table 4-16 below.

Table 4-16

Post-Retirement Benefits Expense

Post-Retirment Benefits Expense	2013 COS	2013 Actual	2014 Actual	2015 Actual	2016 Bridge	2017 Test
Retiree Benefits Premium	135,842	100,791	105,332	102,368	108,730	103,766
Retiree Benefits Accrual	19,816	19,816	2,390	-18,026	-10,567	0
Total Post-Retirement Benefits Expense	**155,658**	**120,607**	**107,722**	**84,342**	**98,163**	**103,766**

All documents related to Post-Retirement Benefits expense are provided in Appendix 4-A to Appendix 4-C. The 2017 Test Year expenses includes only the estimated Retiree Benefits Premiums based on current premium rates (cash methodology). Should Post-Retirement expenses for the 2017 Test Year be based on the accrual methodology it would be $99,402 as can be seen in Appendix 4C. Although WHESC has used the cash methodology in this application for Post-Retirement Benefits Expense, it will adopt the methodology that the Board determines appropriate when a decision is reached on the proceedings currently taking place on this subject. However, there are no material differences between the cash and accrual methodologies as it relates to WHESC. WHESC has completed Appendix 2-KA and included a copy in Table 4-16 A below.

Table 4-16A

Appendix 2-KA
OPEBs (Other Post-Employment Benefits) Costs

A Please indicate if OPEBs were recovered on a cash or accrual accounting basis for each year since the distributor started to recover OPEBs in distribution rates from customers: Accrual

Notes:
(Please add any information to explain the accounting basis used for OPEBs cost recovery in rate setting. If basis is other than Cash or Accrual, an explanation is required.)

WHESC has requested OPEBs on a cash basis for the 2017 COS Rate Application.

B Please complete the following table:

OPEBS	First Year of recovery to 2011	2012	2013	2014	2015	2016	2017	Total
Amounts included in Rates								
OM&A			$ 155,658.00	$ 155,658.00	$ 155,658.00	$ 155,658.00	$ 103,766.00	$ 726,398.00
Capital								$ -
Total	$ -	$ -	$ 155,658.00	$ 155,658.00	$ 155,658.00	$ 155,658.00	$ 103,766.00	$ 726,398.00
Paid benefit amounts			$ 100,791.00	$ 105,332.00	$ 102,368.00	$ 108,730.00	$ 103,766.00	$ 520,987.00
Net excess amount included in rates relative to amounts actually paid.	$ -	$ -	$ 54,867.00	$ 50,326.00	$ 53,290.00	$ 46,928.00	$ -	$ 205,411.00

C Please describe what the distributor has done with the recoveries in excess of cash payments:

Reinvested in Capital Asset Program.

2.4.3.2 SHARED SERVICES CORPORATE COST ALLOCATION

Welland Hydro-Electric Systems Corp. (LDC) currently has relationships with Welland Hydro-Electric Holding Corp. (parent company), Welland Hydro Energy Services Corp. (affiliate company), and the City of Welland (shareholder). These relationships are for either the purchase of or provision of products and services and are in place to benefit from cost savings due to increased efficiencies and economies of scale. A summary of the transactions and pricing methodology used to assign costs for 2013 COS, 2013 Actual, 2014 Actual, 2015 Actual and projections for the 2016 Bridge Year and 2017 Test Year, are shown in the following Table 4-17 Board Appendices 2-N as per the "Filing Guidelines".

Table 4-17

Board Appendix 2-N

Shared Services with Affiliates

Year: 2013 COS

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
Systems Corp.	Energy Services	Street Lights Labor	Time Card	5,957	5,567
Systems Corp.	Energy Services	Street Lights Burden	% Labor	2,857	2,670
Systems Corp.	Energy Services	Stores Materials	Average Costing	0	0
Systems Corp.	Energy Services	Material Burden	% Material Issue	0	0
Systems Corp.	Energy Services	Truck Charges	Time Card	0	0
		Total Street Light		8,814	8,237
Systems Corp.	Energy Services	Sentinel Lights Labor	Time Card	3,397	3,175
Systems Corp.	Energy Services	Sentinel Lights Burden	% Labor	1,630	1,523
Systems Corp.	Energy Services	Stores Materials	Average Costing	2,183	2,040
Systems Corp.	Energy Services	Material Burden	% Material Issue	546	510
Systems Corp.	Energy Services	Truck Charges	Time Card	1,501	1,403
		Total Sentinel Lights		9,257	8,651
		Total Energy Services		18,070	16,888
Systems Corp.	City of Welland	Rental of Space	Contractual	22,679	22,679

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	$
Systems Corp.	*Holding Corp.*	Administrative	%Wages & Benefits	17,170	17,170
Systems Corp.	Energy Services	Administrative	%Wages & Benefits	7,071	7,071
			Totals	24,241	24,241

Year: 2013 Actual

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
Systems Corp.	Energy Services	Street Lights Labor	Time Card	27,886	26,062
Systems Corp.	Energy Services	Street Lights Burden	% Labor	13,944	13,032
Systems Corp.	Energy Services	Stores Materials	Average Costing	17,866	16,696
Systems Corp.	Energy Services	Material Burden	% Material Issue	4,466	4,174
Systems Corp.	Energy Services	Truck Charges	Time Card	12,027	11,240
		Total Street Light		76,189	71,204
Systems Corp.	Energy Services	Sentinel Lights Labor	Time Card	8,732	8,161
Systems Corp.	Energy Services	Sentinel Lights Burden	% Labor	4,366	4,081
Systems Corp.	Energy Services	Stores Materials	Average Costing	4,186	3,912
Systems Corp.	Energy Services	Material Burden	% Material Issue	1,046	978
Systems Corp.	Energy Services	Truck Charges	Time Card	3,876	3,622
		Total Sentinel Lights		22,206	20,754
		Total Energy Services		98,396	91,958
Systems Corp.	City of Welland	Rental of Space	Contractual	22,617	22,617
Holding Corp.	System Corp.	Interest on S/T Loan	Prime Less 0.75%	6,750	6,750

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	$
Systems Corp.	*Holding Corp.*	Administrative	%Wages & Benefits	21,851	21,851
Systems Corp.	Energy Services	Administrative	%Wages & Benefits	2,393	2,393
			Totals	24,244	24,244

1

Year: 2014 Actual

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
Systems Corp.	Energy Services	Street Lights Labor	Time Card	32,935	30,780
Systems Corp.	Energy Services	Street Lights Burden	% Labor	16,468	15,391
Systems Corp.	Energy Services	Stores Materials	Average Costing	12,353	11,540
Systems Corp.	Energy Services	Material Burden	% Material Issue	3,087	2,885
Systems Corp.	Energy Services	Truck Charges	Time Card	13,507	12,623
		Total Street Light		78,349	73,219
Systems Corp.	Energy Services	Sentinel Lights Labor	Time Card	10,314	9,639
Systems Corp.	Energy Services	Sentinel Lights Burden	% Labor	5,156	4,819
Systems Corp.	Energy Services	Stores Materials	Average Costing	1,361	1,272
Systems Corp.	Energy Services	Material Burden	% Material Issue	340	318
Systems Corp.	Energy Services	Truck Charges	Time Card	3,284	3,069
		Total Sentinel Lights		20,455	19,117
		Total Energy Services		98,805	92,336
Systems Corp.	City of Welland	Rental of Space	Contractual	23,180	23,180
Holding Corp.	System Corp.	Interest on S/T Loan	Prime Less 0.75%	8,569	8,569

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	$
Systems Corp.	*Holding Corp.*	Administrative	%Wages & Benefits	221,612	221,612
Holding Corp.	Systems	Administrative	%Wages & Benefits	-199,214	-199,214
			Net	22,398	22,398
Systems Corp.	Energy Services	Administrative	%Wages & Benefits	2,452	2,452
			Totals	24,850	24,850

Year: 2015 Actual

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
Systems Corp.	Energy Services	Street Lights Labor	Time Card	36,501	34,113
Systems Corp.	Energy Services	Street Lights Burden	% Labor	18,250	17,057
Systems Corp.	Energy Services	Stores Materials	Average Costing	19,525	19,087
Systems Corp.	Energy Services	Material Burden	% Material Issue	1,670	1,561
Systems Corp.	Energy Services	Truck Charges	Time Card	8,351	7,805
		Total Street Light		84,298	79,623
Systems Corp.	Energy Services	Sentinel Lights Labor	Time Card	5,448	5,092
Systems Corp.	Energy Services	Sentinel Lights Burden	% Labor	2,724	2,546
Systems Corp.	Energy Services	Stores Materials	Average Costing	972	908
Systems Corp.	Energy Services	Material Burden	% Material Issue	243	227
Systems Corp.	Energy Services	Truck Charges	Time Card	1,213	1,134
		Total Sentinel Lights		10,600	9,907
		Total Energy Services		94,899	89,530
Systems Corp.	City of Welland	Rental of Space	Contractual	23,644	23,644
Holding Corp.	System Corp.	Interest on S/T Loan	Prime Less 0.75%	15,468	15,468

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	$
Systems Corp.	*Holding Corp.*	Administrative	%Wages & Benefits	229,911	229,911
Holding Corp.	Systems Corp.	Administrative	%Wages & Benefits	-205,219	-205,219
			Net	24,692	24,692
Systems Corp.	Energy Services	Administrative	%Wages & Benefits	2,547	2,547
			Totals	27,239	27,239

Year: 2016 Bridge

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
Systems Corp.	Energy Services	Street Lights Labor	Time Card	17,652	16,497
Systems Corp.	Energy Services	Street Lights Burden	% Labor	8,540	7,981
Systems Corp.	Energy Services	Stores Materials	Average Costing	2,140	2,000
Systems Corp.	Energy Services	Material Burden	% Material Issue	535	500
Systems Corp.	Energy Services	Truck Charges	Time Card	3,424	3,200
		Total Street Light		32,290	30,178
Systems Corp.	Energy Services	Sentinel Lights Labor	Time Card	3,334	3,116
Systems Corp.	Energy Services	Sentinel Lights Burden	% Labor	1,614	1,508
Systems Corp.	Energy Services	Stores Materials	Average Costing	2,140	2,000
Systems Corp.	Energy Services	Material Burden	% Material Issue	535	500
Systems Corp.	Energy Services	Truck Charges	Time Card	1,284	1,200
		Total Sentinel Lights		8,907	8,324
		Total Energy Services		41,197	38,502
Systems Corp.	City of Welland	Rental of Space	Contractual	24,117	24,117

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	$
Systems Corp.	*Holding Corp.*	Administrative	%Wages & Benefits	21,894	21,894
Systems Corp.	Energy Services	Administrative	%Wages & Benefits	2,398	2,398
			Totals	24,292	24,292

Year: 2017 Test

Shared Services

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			$	$
Systems Corp.	Energy Services	Street Lights Labor	Time Card	17,048	15,933
Systems Corp.	Energy Services	Street Lights Burden	% Labor	8,525	7,967
Systems Corp.	Energy Services	Stores Materials	Average Costing	2,183	2,040
Systems Corp.	Energy Services	Material Burden	% Material Issue	546	510
Systems Corp.	Energy Services	Truck Charges	Time Card	3,424	3,200
		Total Street Light		31,726	29,650
Systems Corp.	Energy Services	Sentinel Lights Labor	Time Card	3,191	2,982
Systems Corp.	Energy Services	Sentinel Lights Burden	% Labor	1,595	1,491
Systems Corp.	Energy Services	Stores Materials	Average Costing	2,183	2,040
Systems Corp.	Energy Services	Material Burden	% Material Issue	546	510
Systems Corp.	Energy Services	Truck Charges	Time Card	1,284	1,200
		Total Sentinel Lights		8,799	8,223
		Total Energy Services		40,524	37,873
Systems Corp.	City of Welland	Rental of Space	Contractual	24,599	24,599

Corporate Cost Allocation

Name of Company		Service Offered	Pricing Methodology	% of Corporate Costs Allocated	Amount Allocated
From	To			%	$
Systems Corp.	*Holding Corp.*	Administrative	%Wages & Benefits	23,924	23,924
Systems Corp.	Energy Services	Administrative	%Wages & Benefits	2,620	2,620
			Totals	26,544	26,544

Shared Services to/from Affiliates

Welland Hydro-Electric Systems Corp. to Welland Hydro Energy Services Corp.

Welland Hydro-Electric Systems Corp. provides street and sentinel light maintenance services on behalf of Welland Hydro Energy Services Corp. Direct labor is charged and a benefits burden of 50% of direct wages is added. Stores materials are charged out when required and a 25% burden rate is added. The actual stores expenses are reduced by billed amounts before total stores expenses are allocated to OM&A. Trucks are billed out at pre-determined hourly rates. Vehicle Department expenses are reduced by these billings before total vehicle expenses are allocated to OM&A. A 10% markup on total Streetlight maintenance costs is added prior to billing the City of Welland. The markup is split at 7% to Systems Corp. (LDC) and 3% to Energy Services (Affiliate). A 7% markup is added to total Sentinel lights maintenance costs. The difference between the price charged to the affiliate (Energy Services) for the service and the actual cost for the service is credited to account 4235 Miscellaneous Services Revenue – Sub Account Markup on Work Orders in Systems Corp (LCD).

Welland Hydro-Electric System Corp. to the City of Welland

Welland Hydro-Electric System Corp. (LDC) leases space to the City of Welland Fire Department (consistent with Revenue Offsets in 2013 COS). The lease contains an annual inflation index. Revenues are included in account 4210 Revenue from Rent of Electric Property in Systems Corp (LDC).

Welland Hydro-Electric Holding Corp. to Welland Hydro-Electric System Corp.

From time to time, Welland Hydro-Electric Holding Corp. (Parent) will lend monies to the Systems Corp. (LDC) in order to avoid having Systems Corp. (LDC) from going into its short term line of credit financing. Interest is charged to Systems Corp. (LDC) at prime interest rates less 0.75%. This represents a savings from the interest rate on WHESC's current line of credit financing which is at prime interest rate. Loans are fully paid back before year end each year.

Corporate Cost Allocations

Welland Hydro-Electric Systems Corp. to Holding Corp. & Energy Services

Welland Hydro-Electric Systems Corp. (LDC) personnel provide various clerical and administrative functions for Welland Hydro-Electric Holding Corp. (Parent) and Welland Hydro Energy Services Corp. (Affiliate) such as preparation of annual statements and bill payments. For the most part there are a limited amount of monthly transactions in these two companies. In 2014, the President & CEO became an employee of the Holding Corp. for payroll taxes and pension purposes only. The position remains an FTE of the Systems Corp. (LDC) and wages and benefits related to this position are included in Table 4-9 Employee Costs. As in the past, including the 2013 COS, a portion of wages and benefits relating to the President & CEO, Administrative Assistant, Accounting Supervisor, and Director of Finance are allocated to Holding Corp (Parent) and Energy Services (Affiliate).

Table 4-18 below summarizes variances between the 2013 COS and the 2017 Test Year for both Shared Services and Corporate Allocations. There are no net costs which are allocated from associated companies (Shareholder/Parent/Affiliate) to the Welland Hydro-Electric Systems Corp (LDC).

Welland Hydro-Electric System Corp. does not have any Board of Director-related costs for affiliates included in its OM&A costs.

Table 4-18

Summary of Affiliate Products and Services

Shared Services & Allocations	2013 COS	2013 Actual	2014 Actual	2015 Actual	2016 Bridge	2017 Test	2013 COS vs 2017 Test
Shared Services							
Systems Corp. to Energy Services							
Street Light Maintenace	8,814	76,189	78,349	84,298	32,290	31,726	22,912
Sentinel Light Maintenance	9,257	22,206	20,455	10,600	8,907	8,799	-458
Total Systems Corp. to Energy Services	18,071	98,395	98,804	94,898	41,197	40,525	22,454
Systems Corp. to City of Welland							
Rental of Electical Property	22,679	22,617	23,180	23,644	24,117	24,599	1,920
Holding Corp. to Systems Corp.							
Interest on Short Term Loans	0	6,750	8,569	15,468	0	0	0
Corporate Cost Allocation							
Systems Corp. to Holding Corp.	17,170	21,851	22,398	24,692	21,894	23,924	6,754
Systems Corp. to Energy Services	7,071	2,393	2,452	2,547	2,398	2,620	-4,451
Total Corporate Cost Allocation	24,241	24,244	24,850	27,239	24,292	26,544	2,303

2017 Test Year versus 2013 Board Approved

In the 2013 COS the City of Welland was undergoing a replacement program for all streetlights to LED technology. The maintenance contract for the LED streetlights was to be covered by the manufacturer and its service provider. As a result, both Streetlight electrical usage and billings for maintenance were based on complete replacement of both cobra head and post-top lights for the 2013 COS. The City of Welland deferred the post-top replacement program until the last half of 2015 with full replacement expected by the end of July, 2016. Although streetlight maintenance billings exceeded 2013 COS amounts for 2013 to 2015 Actuals, these billings will once again be reduced after the completion of the post-top streetlight replacement program in 2016. The only material year over year variances from the 2013 COS to the 2017 Test Year occurs when comparing the 2013 COS to the 2013 Actual ($67,375) and the 2015 Actual to the 2016 Bridge Year ($52,008). This reflects the delay in the second phase of the LED streetlight program. All LED streetlight maintenance is contracted to a third party by the City of Welland.

2017 Test Year Sentinel Light Maintenance charges are also forecast near 2013 COS levels. WHESC has had a policy of not installing new sentinel lights for many years. As customers remove lights from service the number of sentinel light connections has been decreasing with further reductions expected. There are no material year over year changes between 2013 COS and the 2017 Test Year.

The Corporate Cost Allocation charges to Holding Corp. and Energy Services have increased by inflation from the 2013 COS to the 2017 Test Year. The allocation between Holding Corp. and Energy Services was adjusted to reflect the expected decrease in streetlight and sentinel light maintenance transactions. There are no material year over year changes between the 2013 COS and the 2017 Test Year.

2.4.3.3 PURCHASES OF NON-AFFLIATE SERVICES

WHESC's Purchasing Policy establishes the principles, requirements, accountabilities and guidelines for the purchase of goods and services. The Purchasing Policy establishes amounts, requirements and approvals necessary to maintain full and open competition between suppliers, vendors and contractors through the use of competitive bids, quotations and awards.

This policy ensures that all procurement activities within WHESC maintain high legal, ethical, managerial, and professional standards. WHESC's purchasing policy does identify certain situations where a competitive bid process may not be followed. WHESC confirms that there are no material transactions that were not in compliance with its Purchasing Policy. In accordance with the Board's Filing Requirements issued on July 14, 2016, WHESC has provided a copy of its Purchasing Policy in Appendix 4-D.

Table 4-19 below illustrates WHESC's payments by vendor for 2015, where actual payments exceeded the $53,000 materiality threshold calculated used in this application. The table also identifies the method of selecting the vendor. WHESC anticipates using the same vendors for 2016 and 2017; however WHESC continually searches for new suppliers.

WHESC is currently in a strategic alliance with nine other LDCs in the province known as UCS-Utility Collaborative Services. The group negotiates collectively software systems such as the CIS and Electronic Document Storage. IT hosting is also negotiated collectively. All nine LDCs operate the same CIS system and share the cost of a senior billing analyst. Given the complexity of time of use pricing and the continuous evolvement of billing charges and structures, this type of format offers WHESC access to economies of scale for training costs, software modifications costs, and software maintenance/hosting costs, in addition to access to billing/regulatory expertise.

WHESC is also currently in a supply contract with HD Supply Power Solutions which was purchased by Anixter Power Solutions in 2015. The supply contract includes line hardware, wire & cable and both pad-mount and pole-mount transformers. As part of the agreement, Anixter Power Solutions have agreed to stock items reducing WHESC's materials and transformer inventories. This reduces the risk for obsolete inventory and provides emergency access to materials on short notice should a need arise during a significant power outage. Deliveries occur on a weekly scheduled basis and this system has been very effective over the past few years. Anixter's purchase of HD Supply could signal a consolidation of suppliers within the industry, many of which service the large U.S. market thereby providing competitive pricing to the Ontario market place.

Table 4-19

Products and Services of Non Affiliates

Supplier	Service Product	Procurement Method	2013 Transaction Amount	2014 Transaction Amount	2015 Transaction Amount
H.D./Anixeter Power Solutions	Line Hardware/Wire & Cable/Transformers	Supply Agreement	415,621	598,059	734,054
Great West Life Insurance	Health & Wellness Benefit Provider	Annual Renewal	348,094	336,459	317,564
Dundas Power	Construction Services	Quotation	561,147	627,332	309,467
Utility Collaborative Services (UCS)	Group Software, Billing, IT Hosting Systems	Contractual	245,915	124,375	301,757
Harris Computer Systems	CIS, Financials, ODS Software - Direct	Quotation	52,015	87,845	168,870
Canada Post Corporation	Postage	Sole Provider	133,025	152,470	145,989
E.S. Fox LTD	Construction Services	Quotation	0	0	139,273
Posi-Plus Techologies	New Line Truck - Chasis	Quotation	0	999	133,114
PVS Contractors	Locates	Quotation	80,315	97,605	125,036
Mearie Management Inc.	Insurance/Life Insurance Benefit Provider	Annual Renewal	66,693	177,278	123,773
ITM Group Inc.	Computer Hardware & IT Support	Quotation	41,826	146,657	116,605
Dyanmic Industrial Serivces	Construction Services	Quotation	58,977	48,408	110,310
Weins Underground	Construction Services	Quotation	105,340	211,751	100,810
Senus Metering Services	AMI Services Provider	Contractual	85,815	95,744	96,722
Davey Tree Expert Company	Tree Trimming	Tender	153,314	146,751	92,789
S & C Electric Company	Switchgear Substation	Quotation	0	0	82,732
Utilismart Corporation	Setttlement Services Provider	Annual Renewal	68,751	75,146	78,381
Guelph Utility Pole Company	Poles	Quotation	55,676	92,026	62,156
Asplundh Canada	Tree Trimming	Tender	0	61,560	61,680
Ontario Energy Board	Fees	Sole Provider	62,479	60,418	59,908
Hydro One Networks	Joint Pole/Generation Feasability	Sole Provider	2,037	2,037	57,242
Frank Cowan Insurance	Insurance	Annual Renewal	54,989	56,528	57,116
Moloney Electric Inc.	Sub-Station Transformers	Quotation	0	0	56,443
Bell Canada	Communications	Quotation	153,333	59,567	55,204
Electricity Distributors Association	Fees	Sole Provider	54,539	106,220	54,579
Noramco Electrical	Wire & Cable	Quotation	21,282	89,110	54,351
KTI Limited	Smart Meters	Quotation	58,664	53,710	50,798
Lippert & Wright Fuels	Gasoline & Diesel	Tender	48,730	54,882	40,645
Loris Technologies	Electronic Document Storage Software	Quotation	15,594	92,792	31,911
Wajax Equipment	New Line Truck	Quotation	368,486	0	518
Survalent Technologies	Scada Maintenance 3 Yr/ICCP Protocol	Quotation	0	103,263	0

2.4.3.4 ONE-TIME/NORMALIZED COSTS

WHESC has no one-time cost or non-annual costs in its 2017 Test Year revenue requirement. Tree trimming costs have been normalized (consistent with the 2013 COS) based on the average annual cost for a three year tree trimming cycle. Table 4-20 below outlines tree trimming contractor costs from the 2013 COS to the 2017 Test Year. WHESC tenders contracted tree trimming expenditures on an annual basis. Initially, the 2016 Bridge Year contained significant cost increases with only two suppliers submitting bids. In order to mitigate the increase, WHESC entered into discussions with the low bid supplier to determine if there were ways to work together to reduce costs such as timing of the trimming or guaranteeing an additional year of work. WHESC was successful in reducing 2016 quotations by over 15% and has firm pricing in place for the 2017 Test Year. The amount included in the 2017 Test year is the three year average from 2015 to 2017 plus 2% to cover inflation over the next three year cycle. In 2015, WHESC also adjusted the cycles to average out the annual costs so there would be less swings in actual costs each year.

Table 4-20

Normalized Costs - Tree Trimming

2013 Cost of Service (2012 to 2014)				2012 to 2014 Actual				2017 Cost of Service (2015-2017)			
Year	Area	Cost		Year	Area	Cost		Year	Area	Cost	
2012	7	$32,258	PO	2012	7	$32,258	Actual	2015	7	$29,970	Actual
2012	1	$38,917	PO	2012	1	$38,917	Actual	2015	1	$38,862	Actual
2012	2	$24,194	PO	2012	2	$24,195	Actual	2015	2	$24,614	Actual
		$95,369				$95,370		2015	8	$43,251	Actual
										$136,697	
					Misc	$978	Actual				
2013	9	$55,891	PO	2013	9	$55,891	Actual	2016	9	$75,053	PO
2013	8	$31,861	PO	2013	8	$31,861	Actual	2016	3	$71,234	PO
2013	3	$46,946	PO	2013	3	$46,946	Actual			$146,287	
		$134,698				$135,676					
					Misc	-$525	Actual				
2014	4	$50,522	Estimate	2014	4	$52,288	Actual	2017	4	$52,774	PO
2014	5	$45,879	Estimate	2014	5	$54,478	Actual	2017	5	$26,440	PO
2014	6	$76,091	Estimate	2014	6	$78,105	Actual	2017	6	$79,969	PO
		$172,492				$184,346				$159,183	
	3Yr Avg	$134,186	COS		3Yr Avg	$138,464	Actual		3Yr Avg	$147,389	
									2% Inc	150,337	COS

2.4.3.5 REGULATORY COSTS

Regulatory Costs are detailed in Table 4-21 Board Appendices 2-M below. Regulatory Costs consist of on-going cost and one-time costs related to this Cost of Service Application.

Table 4-21

Board Appendix 2-M

One-time Costs

	Regulatory Cost Category	USoA Account	USoA Account Balance	Ongoing or One-time Cost? [2]	Last Rebasing Year (2013 Board Approved)	Most Current Actuals Year 2015	2016 Bridge Year	Annual % Change	2017 Test Year	Annual % Change
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H) = [(G)-(F)]/(F)	(I)	(J) = [(I)-(G)]/(G)
1	OEB Annual Assessment	5655		On-Going	$ 55,284	$ 53,962	$ 56,700	5.07%	$ 101,892	79.70%
2	OEB Section 30 Costs (Applicant-originated)									
3	OEB Section 30 Costs (OEB-initiated)	5655		On-Going	$ 2,550	$ 5,146	$ 5,000	-2.84%	$ 3,000	-40.00%
4	Expert Witness costs for regulatory matters									
5	Rate Application Publication Notices	5655		On-Going	$ 2,550	$ 1,894	$ 2,000	5.60%	$ 1,900	-5.00%
6	Other regulatory agency fees or assessments	5655		On-Going	$ 800	$ 800	$ 800	0.00%	$ 800	0.00%
7	ESA Public Safety Surveys	5655		On-Going	$ -	$ -	$ -		$ 4,750	100.00%
8	OEB Scorecard Survey Comparison	5655		On-Going	$ -	$ 500	$ 500	0.00%	$ 500	100.00%
9	Consultands/Legal costs for regulatory matters IRM	5655		On-Going	$ -	$ 1,450	$ -	-100.00%	$ -	0.00%
	Subtotal Ongoing Costs				$ 61,184	$ 63,752	$ 65,000		$ 112,842	73.60%
10	Consultands/Legal costs for regulatory matters COS	5655		One-Time	$ 69,275	$ -	$ -		$ 100,000	44.35%
11	Customer Engagement COS	5655		One-Time	$ -	$ -	$ -		$ 12,900	100.00%
12	Operating expenses associated with staff resources allocated to regulatory matters									
13	Operating expenses associated with other resources allocated to regulatory matters [1]									
14	Any other costs for regulatory matters (please define) - Hearing Costs COS Application	5655		One-Time	$ 7,425	$ -			$ 8,000	7.74%
15	Intervenor costs COS Application	5655		One-Time	$ 43,300	$ -			$ 46,900	8.31%
	Sub-Total One Time Costs				$ 120,000	$ -	$ -		$ 167,800	39.83%
	2013 COS Amortized over a four year IRM				$ 30,000					
	2017 COS Amortized over a five year IRM								$ 33,560	
	Sub-total - Ongoing Costs [3]		$ -		$ 61,184	$ 63,752	$ 65,000	1.96%	$ 112,842	73.60%
	Sub-total - One-time Costs [4]		$ -		$ 30,000	$ -	$ -		$ 33,560	
16	Total		$ -		$ 91,184	$ 63,752	$ 65,000	1.96%	$ 146,402	125.23%

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

		Historical Year(s)	2016 Bridge Year	2017 Test Year
10	Legal/Consultants' costs		26,973	73,027
11	Customer Engagement costs		0	12,900
12	Incremental operating expenses associated with staff resources allocated to this application.		0	0
13	Incremental operating expenses associated with other resources allocated to this application. [1]		0	0
14	Cost of Service Hearing Costs		0	8,000
14	Intervenor costs		0	46,900

On-Going Costs

The largest component of on-going regulatory expenses are OEB Annual Assessment costs. In 2016, the OEB adjusted their methodology for allocating its cost to the various organizations it regulates. As a result, WHESC was hit with a significant OM&A cost increase. The increase in OEB Annual Assessment costs are not reflected until the 2017 Test Year. WHESC will use the deferred account approved by the OEB to capture increases in the 2016 Bridge Year. In addition to the assessment costs increases there are on-going costs associated with the OEB annual score card. The most significant increase is the ESA public safety survey. Actual expenditures in the 2016 Bridge Year to complete this survey were $9,500. As the survey is required to be conducted on a bi-annual basis, $4,750 has been included in on-going regulatory costs. WHESC does not have a dedicated regulatory position and as a result does not charge any internal labor costs to the regulatory account.

Cost of Service Application

WHESC estimates that the total incremental costs associated with the Cost of Service Application will be $167,800, which can be seen in Table 4-21 above. One fifth of this amount has been included in the 2017 Test Year. Although this represents 40% increase over the 2013 COS due to the increased complexity of the filing requirements, the annual impact has been mitigated by an increase in the amortization period from 4 to 5 years. A review of actual costs to date in 2016 would indicate that the total costs related to preparing this cost of service rate application will be above $167,800. Customer engagement costs have exceeded initial estimates as a result of the increased engagement requirements. WHESC will have a better understanding of these costs during the later processes of this application. As additional costs are amortized over five years the impact in increased costs is not expected to be material in nature.

2.4.3.6 LOW-INCOME ENERGY ASSISTANCE PROGRAMS (LEAP)

The 2013 COS included a contribution to Low-Income Energy Assistance Programs (“LEAP”) in the amount of $11,000. WHESC has contributed slightly above that amount from 2013 to 2016.

WHESC will continue to provide low-income customers with emergency financial assistance in the future. WHESC has included $12,900 in the 2017 Test Year, which is 0.12% of the 2017 Test Year service revenue requirement of $10,636,334. WHESC understands that this amount will be adjusted based on the final service revenue requirement. For purposes of this rate application, this amount has been included in account 6205 sub-account leap payments. Although WHESC will continue to make other charitable donations in the 2016 Bridge Year and 2017 Test Year, no amounts have been included in the forecast to ensure non-eligible charitable donations are excluded from the distribution revenue requirement.

There are no other legacy programs included in this rate application.

2.4.3.7 CHARATIBLE DONATIONS AND POLITICAL DONATIONS

WHESC’s actual contributions to the community from the 2013 to 2015 is provided in Table 4-22 below. WHESC is not requesting recovery of non-eligible donations and has excluded them from the 2016 Bridge Year and 2017 Test Year forecasts. There will be no material changes to donations going forward.

Table 4-22

Charitable Donations

Charitable Organization	2013 Actuals	2014 Actuals	2015 Actuals
St. Vincent Depaul/Share Advent	0	2,500	2,500
Niagara College	0	1,000	0
Mayor's Charity Ball & Galla	1,500	0	1,100
Open Arms Mission	0	2,500	0
Canoe Niagara	2,500	0	0
City of Welland Kids Camp	475	475	475
Welland Historical Foundation	0	250	0
Big Brother's	0	0	600
Micellaneous Donations	3,800	3,875	2,156
Total Non Eligible Donations	**8,275**	**10,600**	**6,831**

Political Donations

WHESC confirms that it does not make political contributions; therefore no political contributions have been included for recovery.

2.4.4 DEPRECIATION, AMORTIZATION AND DEPLETION

Overview

On July 17, 2012 the Board issued a statement that changes to depreciation rates and capitalization policies that would have been implemented under IFRS could be made in 2012 under CGAAP (i.e. effective January 1, 2012), and must be made no later than 2013 (i.e. effective January 1, 2013), regardless of whether the Canadian Accounting Standards Board (AcSB) permitted further deferrals beyond for the changeover to IFRS (Board Letter, July 17, 2012 *"Regulatory accounting policy direction regarding changes to depreciation expense and capitalization policies in 2012 and 2013"*). In 2012, WHESC implemented the change to depreciation rates and the componentization of PP&E. Useful lives were aligned with the Kinectrics report and an assessment was made of remaining service lives for the purposes of determining the computation of depreciation expense on a go-forward basis. WHESC confirms that significant parts or components of each item of PP&E are being depreciated separately. These changes were reflected in all aspects (useful lives, capitalization of overheads) in the 2013 Cost of Service Rate Application with the exception of early retirement of assets where the pooled assets methodology was previously used. With the adoption of IFRS effective January, 1 2015 (restatement to January 1, 2014) WHESC now recognizes early retirement of assets which is discussed further in Exhibits 2, 3, & 9.

WHESC's capital assets related to the distribution system and capital contributions are amortized on a straight line basis, applying the "half-year" rule in the year of addition, over the deemed life of the assets. This is in accordance with Section 2.7.4 of Chapter 2 of the Filing Requirements for Electricity Distribution Rate Applications. Construction in progress assets are not amortized until the project is complete. WHESC does not capitalize any interest to the cost of assets constructed. WHESC began applying the "half-year" rule to all capital additions in 2010 and has followed this practice since. For the purposes of calculating depreciation for this Application the "half-year" rule has been applied for all in-service 2016 Bridge Year and 2017 Test Year capital additions for distribution system assets and capital contributions. Contributed capital changes in relation to the transition to IFRS are explained below.

A summary of WHESC's depreciation by year is provided in Table 4-23. Actual depreciation rates will be discussed in detail later in this section.

Table 4-23

Summary of Depreciation / Amortization by Year

USoA / Description	2013 COS	2013 Actuals	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year	Change 2013 COS-2017 Test
Reporting Basis	R-CGAAP	R-CGAAP	R-CGAAP	MIFRS	MIFRS	MIFRS	MIFRS
1805 Land	0	0	0	0	0	0	0
1806/1612 Land Rights	640	640	640	640	640	640	0
1808 Buildings	1,236	1,236	1,236	1,236	1,236	1,236	0
1815 Transformer Station Equip > 50kV	14,857	14,857	14,857	14,857	14,857	14,857	0
1820 Distribution Station Equip < 50kV	71,683	86,093	76,134	89,148	82,986	88,934	17,251
1830 Poles, Towers & Fixtures	134,831	140,076	157,676	167,017	181,838	196,258	61,427
1835 Overhead Conductors & Devices	125,253	122,746	126,520	131,460	135,576	137,926	12,673
1840 Underground Conduit	18,006	18,603	20,866	23,341	26,743	30,643	12,637
1845 Underground Conductors & Devices	211,532	232,479	227,357	167,769	180,921	190,937	-20,595
1850 Line Transformers	119,507	113,827	121,999	112,667	119,921	128,596	9,089
1855 Services	16,290	16,631	18,005	19,677	20,815	21,815	5,525
1860 Meters	0	0	0	0	0	0	0
1860 Smart Meters	194,634	195,498	199,799	203,390	203,125	204,635	10,001
1865 Installations on Customer's Premises	2,564	0	0	0	0	0	-2,564
1908 Buildings and Fixtures	65,006	69,916	70,862	72,466	76,902	68,738	3,732
1915 Office Furniture & Equipment	9,591	9,014	8,924	8,540	5,675	3,896	-5,695
1920 Computer Hardware	27,988	18,704	32,764	46,697	52,839	55,555	27,567
1925/1611 Computer Software	144,712	140,667	137,287	107,665	105,364	92,996	-51,716
1930 Transportation Equipment	40,657	40,672	57,223	63,281	86,155	114,183	73,526
1935 Stores Equipment	759	760	707	704	0	0	-759
1940 Tools, Shop & Garage Equipment	8,298	6,748	8,786	5,878	5,381	5,401	-2,897
1945 Measurement & Testing Equipment	1,168	1,699	1,146	771	771	771	-397
1955 Communications Equipment	21,373	22,100	22,394	28,678	28,678	28,678	7,305
1960 Miscellaneous Equipment	11,128	11,128	11,128	11,128	11,128	11,128	0
1980 System Supervisor Equipment	50,852	35,701	35,802	36,802	42,184	50,560	-292
1995 Contributions & Grants	-64,000	-86,571	-98,797	-9,603	-17,086	-18,783	45,217
Total Depreciation Expense	**1,228,565**	**1,213,224**	**1,253,315**	**1,304,209**	**1,366,650**	**1,429,600**	**201,035**

As stated earlier, WHESC adopted changes to asset useful lives and capitalization of overheads effective January 1, 2012 and was thus reporting under a Revised CGAAP (R-CGAAP). When converting to IFRS for reporting purposes, WHESC elected to transfer January 1, 2014 Contributed Capital Contributions balances to the appropriate fixed asset classifications. For the most part, the capital contributions were transferred to 1845 Underground Conductors & Devices and 1850 Line Transformers. These asset classifications had the same depreciation rates as the capital contributions they were previously under and the change would produce no impact to actual depreciation expense. Under IFRS the contributed capital net book value was transferred effective January 1, 2014 resulting in a nil opening balance for Deferred Revenue for financial statement reporting (retroactive restatement). For OEB reporting purposes the January 1, 2014 balances for Gross Assets and Accumulated Depreciation were transferred to the appropriate accounts in 2015 (no retroactive reporting). Again, the transfer would result in no impact to actual depreciation expense under either IFRS or OEB reporting. However, the 2015 depreciation expense for account 1995 capital contributions represents expenses relating to 2014 and 2015 additions only.

Previous years depreciation expenses are now reflected mainly in accounts 1845 and 1850. As a result, comparisons from 2013 COS to 2017 Test Year should be made on a total of all three asset classifications (1845/1850/1995) from year to year.

The main cost driver related to depreciation expense is related to capital additions exceeding depreciation amounts as a result of the change to asset useful lives made effective January 1, 2012. Table 4-24 summarizes the changes for the 2013 COS to the 2017 Test Year.

Table 4-24

2013 COS to 2017 Test Year Depreciation

USoA / Description	2013 COS	2017 Test Year	Change 2013 COS-2017 Test	% of Total Increase
Reporting Basis	R-CGAAP	MIFRS	MIFRS	
1830 Poles, Towers & Fixtures	**134,831**	**196,258**	**61,427**	30.56%
1845 Underground Conductors & Devices	211,532	190,937	-20,595	
1850 Line Transformers	119,507	128,596	9,089	
1995 Contributions & Grants	-64,000	-18,783	45,217	
Sub-Total 1845/1850/1995	**267,039**	**300,750**	**33,711**	16.77%
1930 Transportation Equipment	**40,657**	**114,183**	**73,526**	36.57%
All Other Asset Classifications	**786,038**	**818,409**	**32,371**	16.10%
Total Depreciation Expense	**1,228,565**	**1,429,600**	**201,035**	100.00%

WHESC is committed to maintaining the distribution system thru prudent planning and prioritizing of capital expenditures as discussed in Exhibit 2 of this rate application. This has resulted in increases to overhead, underground and transformation depreciation expenses. WHESC began addressing its aging vehicle fleet in 2009. These replacements were necessary for WHESC to perform its maintenance and capital spending programs in a safe and reliable manner. As a result of updates to the vehicle fleet, WHESC planned for a reduction from 2 to 1 vehicle mechanic and believes this reduction is sustainable.

Asset and Retirement Obligations

At this time, WHESC does not have any Asset Retirement Obligations (“AROs”), associated depreciation or accretion expenses in relation to the AROs to report as part of this Application.

Depreciation Practices - Useful Lives and Componentization

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

In preparation for the conversion to IFRS, WHESC retained the services of KPMG to assist with determining the level of property, plant and equipment (PP&E) componentization required under IFRS and establishing updated useful lives referencing the Kinetrics report. KPMG and WHESC worked together to determine an appropriate level of componentization on historical assets and an assessment of remaining useful lives that incorporated all material components of historical costs. KPMG facilitated discussions with WHESC’s Engineering, Operations, and Finance departments in order to determine a reasonable estimate of the useful lives of the assets of WHESC. WHESC adjusted the service lives to reflect the assets’ useful life for which to calculate depreciation expense for 2012 forward. The adjustments made to WHESC’s service lives resulted in a significant reduction to annual depreciation expenses. The impact for 2012 was recorded in account 1576 which was disposed of in the 2013 Cost of Service Rate Application. The impact to current distribution rates as a result of the methodology used to dispose of account 1576 in the 2013 COS was previously discussed in Exhibit 1.

With the exception of Station DC System Battery/Charger included in USoA 1820 and Primary TR XLPE Cables in Duct included in USoA 1845, WHESC confirms that the useful lives for all other asset groups’ fall within the range allowed in the Board sponsored Kinectrics study and those significant parts or components of each item of PP&E are being depreciated separately.

Under CGAAP, WHESC recorded Customer Contributions as an offset to the cost of capital assets and amortized accordingly. Under MIFRS, WHESC cannot capitalize these customer contributions as part of its net capital assets, but instead classifies the contributions as a deferred revenue liability and amortizes the costs to revenue over the life of the asset the contribution relates to. For financial reporting purposes, WHESC has classified Customer Contributions for 2014 Actual and 2015 Actual as Deferred Revenue and amortized the contribution to revenue over the life of the related asset. For rate setting purposes, these costs are included as an offset to rate base and the related amortized revenue as an offset to depreciation expense. The same methodology will apply to both the 2016 Bridge Year and the 2017 Test Year. As previously discussed, Customer Contributions prior to January 1, 2014 were transferred to the appropriate asset classifications for both Financial Reporting and OEB Reporting. OEB transfers included both Gross and Accumulated Depreciation amounts and resulted in no changes to the annual depreciation expense in any year.

WHESC confirms that no further depreciation expense policy changes or changes in asset service lives have been made subsequent to those made January 1, 2012.

More details on this process and on the conversion to IFRS are provided in Exhibit 2 – Rate Base, within the “Capitalization Policy” section.

Table 4-25 below, consistent with Board Appendix 2-BB, provides a summary of the life comparison between WHESC’s selected useful lives and those provided in Table F-1 of the Kinectrics Report.

Table 4-25

Board Appendix 2-BB

Service Life Comparison – Table F1 Kinetics Report

Parent*	#	Asset Details: Category	Component	Type	Useful Life: MIN UL	TUL	MAX UL	USoA Account Number	USoA Account Description	Current: Years	Current: Rate	Proposed: Years	Proposed: Rate	Outside Range of Min, Max TUL?: Below Min TUL	Above Max TUL
OH	1	Fully Dressed Wood Poles	Overall		35	45	75	1830	Poles, Towers & Fixtures	50	2%	50	2%	No	No
			Cross Arm	Wood	20	40	55								
				Steel	30	70	95								
	2	Fully Dressed Concrete Poles	Overall		50	60	80								
			Cross Arm	Wood	20	40	55								
				Steel	30	70	95								
	3	Fully Dressed Steel Poles	Overall		60	60	80								
			Cross Arm	Wood	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	1980	System Supervisory Equipment	20	5%	20	5%	No	No
	7	OH Integral Switches			35	45	60								
	8	OH Conductors			50	60	75	1835	Overhead Conductors & Devices	50	2%	50	2%	No	No
	9	OH Transformers & Voltage Regulators			30	40	60	1850	Overhead Line Transformers	40	3%	40	3%	No	No
	10	OH Shunt Capacitor Banks			25	30	40								
	11	Reclosers			25	40	55								
TS & MS	12	Power Transformers	Overall		30	45	60	1820	Distribution Station Equipment < 50kV	45	2%	45	2%	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	1820	Distribution Station Equipment < 50kV	5	20%	5	20%	Yes	No
			Charger		20	20	30	1820	Distribution Station Equipment < 50kV	5	20%	5	20%	Yes	No
	16	Station Metal Clad Switchgear	Overall		30	40	60	1820	Distribution Station Equipment < 50kV	35	3%	35	3%	No	No
			Removable Breaker		25	40	60								
	17	Station Independent Breakers			35	45	65								
	18	Station Switch			30	50	60	1820	Distribution Station Equipment < 50kV	30	3%	30	3%	No	No
	19	Electromechanical Relays			25	35	50								
	20	Solid State Relays			10	30	45	1820	Distribution Station Equipment < 50kV	20	5%	20	5%	No	No
	21	Digital & Numeric Relays			15	20	20								
	22	Rigid Busbars			30	55	60								
	23	Steel Structure			35	50	90								
UG	24	Primary Paper Insulated Lead Covered (PILC) Cables			60	65	75								
	25	Primary Ethylene-Propylene Rubber (EPR) Cables			20	25	25								
	26	Primary Non-Tree Retardant (TR) Cross Linked Polyethylene (XLPE) Cables Direct Buried			20	25	30								
	27	Primary Non-TR XLPE Cables in Duct			20	25	30	1845	UG Conductors & Devices	25	4%	25	4%	No	No
	29	Primary TR XLPE Cables in Duct			35	40	55	1845	UG Conductors & Devices	30	3%	30	3%	Yes	No
	30	Secondary PILC Cables			70	75	80								
	31	Secondary Cables Direct Buried			25	35	40	1855	Services	40	3%	40	3%	No	No
	32	Secondary Cables in Duct			35	40	60								
	33	Network Transformers	Overall		20	35	50								
			Protector		20	35	40								
	34	Pad-Mounted Transformers			25	40	45	1850	Pad-Mount Line Transformers	40	3%	40	3%	No	No
	35	Submersible/Vault Transformers			25	35	45								
	36	UG Foundation			35	55	70								
	37	UG Vaults	Overall		40	60	80								
			Roof		20	30	45								
	38	UG Vault Switches			20	35	50								
	39	Pad-Mounted Switchgear			20	30	45								
	40	Ducts			30	50	85	1840	Underground Conduit	50	2%	50	2%	No	No
	41	Concrete Encased Duct Banks			35	55	80								
	42	Cable Chambers			50	60	80								
S	43	Remote SCADA			15	20	30								

Table F-2 from Kinetics Report[1]

#	Asset Details: Category	Component	Type	Useful Life Range		USoA Account Number	USoA Account Description	Current: Years	Current: Rate	Proposed: Years	Proposed: Rate	Outside Range of Min, Max TUL?: Below Min Range	Above Max Range
1	Office Equipment		5	15	1915	Office Furniture & Equipment	10	10%	10	10%	No	No
2	Vehicles	Trucks & Buckets	5	15	1930	Transportation Equipment	15	7%	15	7%	No	No
		Trailers	5	20	1930	Transportation Equipment	20	5%	20	5%	No	No
		Vans	5	10	1930	Transportation Equipment	10	10%	10	10%	No	No
3A	Administrative Buildings		50	75	1908	Buildings & Fixtures	60	2%	60	2%	No	No
3B	Administrative Buildings - Fencings		25	60	1908	Buildings & Fixtures	30	3%	30	3%	No	No
3C	Administrative Buildings - Back up Generator				1960	Miscellaneous Equipment	25	4%	25	4%		
4	Leasehold Improvements		Lease dependent									
5	Station Buildings	Station Buildings	50	75	1808	Station Buildings & Fixtures	60	2%	60	2%	No	No
		Parking	25	30								
		Fence	25	60								
		Roof	20	30								
6	Computer Equipment	Hardware	3	5	1920	Computer Equipment - Hardware	4	25%	4	25%	No	No
		Software	2	5	1925/1611	Computer Equipment - 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 and Garage Equipment	10	10%	10	10%	No	No
		Measurement & Testing Equipment	5	10	1945	Measurement and Testing Equipment	10	10%	10	10%	No	No
8	Communication	Towers	60	70	1955	Communication Equipment	60	2%	60	2%	No	No
		Wireless	2	10	1955	Communication Equipment	10	10%	10	10%	No	No
9	Residential Energy Meters		25	35								
10	Industrial/Commercial Energy Meters		25	35	1860	Non Smart Meters	25	4%	25	4%	No	No
11A	Wholesale Energy Meters at TS (Hydro One)		15	30	1815	Distribution Station Equipment > 50kV	15	7%	15	7%	No	No
11B	Wholesale Current & Potential Transformers at TS (Hydro One)		35	50	1815	Distribution Station Equipment > 50kV	35	3%	35	3%	No	No
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								

Asset Groups Outside Kinetrics Range

WHESC is below the minimum range for two asset categories.

The first being Station DC System Battery Bank/Chargers. In the initial categorization of assets for USoA account 1820 it was determined that amounts related to the Battery Bank/Chargers were immaterial when separating sub-stations book values into the various amortization classes. Expenditures going forward would be subject to this classification. Since 2012, WHESC has capitalized $8,227 related to Station DC System Battery Bank/Chargers with a useful life of five years. No expenditures are forecast for the 2016 Bridge Year or 2017 Test Year for this asset classification. A change to the useful life of the asset classification would have minimal impact.

The second is Primary TR XLPE Cables in Duct included in USoA account 1845. Useful life for this cable has been set at 30 years versus the minimum of 35 contained in the Kinectrics report. Installation of this cable began in 2006 at WHESC. WHESC used its experience related to certain categories such as 1830 Poles to set lives higher than the minimum life per the Kinectrics report. Based on experience relating to underground cables, WHESC took a conservative approach and set the useful lives for this type of primary cabling to just under the Kinectrics report. WHESC used 30 years in determining depreciation expense in the Board Approved 2013 Cost of Service Rate Application for this asset classification. A change to the minimum useful life for this asset classification would result in a reduction in depreciation expense of approximately $12,200 in the 2017 Test Year (adjustments to 2006 to 2017 depreciation rates).

Depreciation Expense

In accordance with the filing requirements, WHESC has completed depreciation and amortization expense tables for the following:

- 2013 Actuals under Revised CGAAP (Table 4-26), Board Appendix 2-CH;
- 2014 Actuals under MIFRS (Table 4-28), Board Appendix 2-CH;
- 2015 Actuals under MIFRS (Table 4-29), Board Appendix 2-CH;
- 2016 Bridge Year under MIFRS (Table 4-30), Board Appendix 2-CH; and
- 2017 Test Year under MFIRS, (Table 4-31), Board Appendix 2-CH.

Where deemed material, WHESC will provide and explanation by table along with other adjustments made to the spreadsheets.

Table 4-26

Appendix 2-CH[1]
Depreciation and Amortization Expense
Revised CGAAP or MIFRS

Assumes the applicant changed capitalization and depreciation policies and reflected these changes in a prior rebasing application

Accounting Standard	Revised CGAAP
Year	**2013**

Account	Description	Opening Regulatory Gross PP&E as at Jan. 1 Before Adj	Correction Accounting Adjustment	Opening Regulatory Gross PP&E as at Jan. 1 (a)	Less Fully Depreciated (b)	Net for Depreciation (c)	Additions (d)	Total for Depreciation [2] (e) = (c) + ½ x (d)	Years (f)	Depreciation Rate (g) = 1 / (f)	Early Write Off of Assets Z	Current Year Depreciation Expense (h) = (e)/(f)+Z	Depreciation Expense per Appendix 2-BA Fixed Assets,	Variance [3] (m) = (h) - (l)
1611	Computer Software (Formally known as Account 1925)	$ 1,089,119		$ 1,089,119	$ 394,095	**$ 695,024**	$ 16,621	**$ 703,335**	5.00	20.00%		**$ 140,667**	$ 140,667	**-$ 0**
1612	Land Rights (Formally known as Account 1806)	$ 70,296		$ 70,296	$ 54,284	**$ 16,012**		**$ 16,012**	25.00	4.00%		**$ 640**	$ 640	**$ 0**
1805	Land	$ 158,686		$ 158,686		**$ 158,686**		**$ 158,686**		0.00%		**$ -**		**$ -**
1808	Buildings	$ 96,568		$ 96,568	$ 22,401	**$ 74,167**		**$ 74,167**	60.00	1.67%		**$ 1,236**	$ 1,236	**$ 0**
1810	Leasehold Improvements					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1815	Transformer Station Equipment >50 kV	$ 467,359		$ 467,359		**$ 467,359**		**$ 467,359**	31.46	3.18%		**$ 14,857**	$ 14,857	**$ 0**
1820	Distribution Station Equipment <50 kV	$ 4,223,152		$ 4,223,152	$ 1,211,649	**$ 3,011,503**	$ 3,532	**$ 3,013,269**	35.00	2.86%		**$ 86,093**	$ 86,093	**$ 0**
1825	Storage Battery Equipment					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1830	Poles, Towers & Fixtures	$ 7,201,902		$ 7,201,902	$ 591,498	**$ 6,610,404**	$ 786,758	**$ 7,003,783**	50.00	2.00%		**$ 140,076**	$ 140,076	**-$ 0**
1835	Overhead Conductors & Devices	$12,748,640		$ 12,748,640	$ 6,698,811	**$ 6,049,829**	$ 174,979	**$ 6,137,319**	50.00	2.00%		**$ 122,746**	$ 122,746	**$ 0**
1840	Underground Conduit	$ 916,576		$ 916,576	$ 63,454	**$ 853,122**	$ 154,014	**$ 930,129**	50.00	2.00%		**$ 18,603**	$ 18,603	**-$ 0**
1845	Underground Conductors & Devices	$11,873,205		$ 11,873,205	$ 5,231,952	**$ 6,641,253**	$ 666,205	**$ 6,974,356**	30.00	3.33%		**$ 232,479**	$ 232,479	**-$ 0**
1850	Line Transformers	$ 6,781,896		$ 6,781,896	$ 2,397,649	**$ 4,384,247**	$ 337,635	**$ 4,553,065**	40.00	2.50%		**$ 113,827**	$ 113,827	**-$ 0**
1855	Services (Overhead & Underground)	$ 699,038		$ 699,038	$ 47,390	**$ 651,648**	$ 27,157	**$ 665,227**	40.00	2.50%		**$ 16,631**	$ 16,631	**-$ 0**
1860	Meters	$ 97,019		$ 97,019	$ 97,019	**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1860	Meters (Smart Meters)	$ 2,899,712		$ 2,899,712		**$ 2,899,712**	$ 65,532	**$ 2,932,478**	15.00	6.67%		**$ 195,498**	$ 195,498	**-$ 0**
1865	Other Installations on Customer Premises	$ 8,010		$ 8,010	$ 8,010	**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1905	Land					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1908	Buildings & Fixtures	$ 2,485,177		$ 2,485,177		**$ 2,485,177**	$ 22,165	**$ 2,496,260**	35.70	2.80%		**$ 69,916**	$ 69,916	**$ 0**
1910	Leasehold Improvements					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1915	Office Furniture & Equipment (10 years)	$ 101,345		$ 101,345	$ 11,910	**$ 89,435**	$ 1,403	**$ 90,137**	10.00	10.00%		**$ 9,014**	$ 9,014	**-$ 0**
1915	Office Furniture & Equipment (5 years)					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1920	Computer Equipment - Hardware	$ 301,070		$ 301,070	$ 233,660	**$ 67,410**	$ 14,809	**$ 74,815**	4.00	25.00%		**$ 18,704**	$ 18,704	**-$ 0**
1920	Computer Equip.-Hardware(Post Mar. 22/04)					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1920	Computer Equip.-Hardware(Post Mar. 19/07)					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1930	Transportation Equipment	$ 1,391,448		$ 1,391,448	$ 944,180	**$ 447,268**	$ 325,615	**$ 610,076**	15.00	6.67%		**$ 40,672**	$ 40,672	**-$ 0**
1935	Stores Equipment	$ 30,023		$ 30,023	$ 22,421	**$ 7,602**		**$ 7,602**	10.00	10.00%		**$ 760**	$ 760	**$ 0**
1940	Tools, Shop & Garage Equipment	$ 114,950		$ 114,950	$ 47,475	**$ 67,475**		**$ 67,475**	10.00	10.00%		**$ 6,748**	$ 6,748	**-$ 1**
1945	Measurement & Testing Equipment	$ 26,058		$ 26,058	$ 8,710	**$ 17,348**	-$ 711	**$ 16,993**	10.00	10.00%		**$ 1,699**	$ 1,699	**$ 0**
1950	Power Operated Equipment					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1955	Communications Equipment	$ 282,461		$ 282,461	$ 57,315	**$ 225,146**		**$ 225,146**	10.19	9.82%		**$ 22,100**	$ 22,100	**$ 0**
1955	Communication Equipment (Smart Meters)					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1960	Miscellaneous Equipment	$ 315,235		$ 315,235	$ 37,040	**$ 278,195**		**$ 278,195**	25.00	4.00%		**$ 11,128**	$ 11,128	**-$ 0**
1970	Load Management Controls - Customer Premises					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1975	Load Management Controls Utility Premises					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1980	System Supervisor Equipment	$ 1,143,045		$ 1,143,045	$ 609,552	**$ 533,493**	$ 4,047	**$ 535,517**	15.00	6.67%		**$ 35,701**	$ 35,701	**$ 0**
1985	Miscellaneous Fixed Assets					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1990	Other Tangible Property					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1995/2440	Contributions & Grants/Deferred Credits	-$ 2,563,013		-$ 2,563,013		**-$ 2,563,013**	-$ 625,629	**-$ 2,875,828**	33.22	3.01%		**-$ 86,571**	-$ 86,571	**$ 0**
	Total	**$52,958,978**		**$ 52,958,978**	**$18,790,475**	**$ 34,168,502**	**$1,974,133**	**$ 35,155,568**				**$ 1,213,224**	**$ 1,213,224**	**-$ 2**
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets) (under MIFRS)													
	Total Depreciation Expense											**$ 1,213,224**		

Table 4-27

Accounting Standard	Revised CGAAP
Year	**2014**

Account	Description	Opening Regulatory Gross PP&E as at Jan. 1 Before Adj	Correction Accounting Adjustment	Opening Regulatory Gross PP&E as at Jan. 1 (a)	Less Fully Depreciated (b)	Net for Depreciation (c)	Additions (d)	Total for Depreciation [2] (e) = (c) + ½ x (d)	Years (f)	Depreciation Rate (g) = 1 / (f)	Early Write Off of Assets Z	Current Year Depreciation Expense (h) = (e)/(f)+Z	Depreciation Expense per Appendix 2-BA Fixed Assets,	Variance [3] (m) = (h) - (l)
1611	Computer Software (Formally known as Account 1925)	$ 740,843		$ 740,843	$ 127,650	**$ 613,193**	$ 146,486	**$ 686,436**	5.00	20.00%		**$ 137,287**	$ 137,287	**$ 0**
1612	Land Rights (Formally known as Account 1806)	$ 70,296		$ 70,296	$ 54,284	**$ 16,012**		**$ 16,012**	25.00	4.00%		**$ 640**	$ 640	**$ 0**
1805	Land	$ 158,686		$ 158,686		**$ 158,686**		**$ 158,686**		0.00%		**$ -**		**$ -**
1808	Buildings	$ 96,568		$ 96,568	$ 22,401	**$ 74,167**		**$ 74,167**	60.00	1.67%		**$ 1,236**	$ 1,236	**$ 0**
1810	Leasehold Improvements					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1815	Transformer Station Equipment >50 kV	$ 467,359		$ 467,359		**$ 467,359**		**$ 467,359**	31.46	3.18%		**$ 14,857**	$ 14,857	**$ 0**
1820	Distribution Station Equipment <50 kV	$ 4,026,866		$ 4,026,866	$ 1,362,161	**$ 2,664,705**		**$ 2,664,705**	35.00	2.86%		**$ 76,134**	$ 76,134	**$ 0**
1825	Storage Battery Equipment					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1830	Poles, Towers & Fixtures	$ 7,988,660		$ 7,988,660	$ 591,498	**$ 7,397,162**	$ 973,203	**$ 7,883,764**	50.00	2.00%		**$ 157,675**	$ 157,676	**-$ 1**
1835	Overhead Conductors & Devices	$12,923,619		$ 12,923,619	$ 6,698,811	**$ 6,224,808**	$ 202,465	**$ 6,326,041**	50.00	2.00%		**$ 126,521**	$ 126,520	**$ 1**
1840	Underground Conduit	$ 1,070,590		$ 1,070,590	$ 63,454	**$ 1,007,136**	$ 72,305	**$ 1,043,289**	50.00	2.00%		**$ 20,866**	$ 20,866	**-$ 0**
1845	Underground Conductors & Devices	$12,539,410		$ 12,539,410	$ 5,858,700	**$ 6,680,710**	$ 280,038	**$ 6,820,729**	30.00	3.33%		**$ 227,358**	$ 227,357	**$ 1**
1850	Line Transformers	$ 7,079,513		$ 7,079,513	$ 2,359,500	**$ 4,720,013**	$ 319,776	**$ 4,879,901**	40.00	2.50%		**$ 121,998**	$ 121,999	**-$ 1**
1855	Services (Overhead & Underground)	$ 726,195		$ 726,195	$ 47,390	**$ 678,805**	$ 82,721	**$ 720,166**	40.00	2.50%		**$ 18,004**	$ 18,005	**-$ 1**
1860	Meters	$ 38,777		$ 38,777	$ 38,777	**$ -**		**$ -**		0.00%		**$ -**	$ -	**$ -**
1860	Meters (Smart Meters)	$ 2,965,244		$ 2,965,244		**$ 2,965,244**	$ 63,482	**$ 2,996,985**	15.00	6.67%		**$ 199,798**	$ 199,799	**-$ 1**
1865	Other Installations on Customer Premises					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1905	Land					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1908	Buildings & Fixtures	$ 2,503,254		$ 2,503,254		**$ 2,503,254**	$ 33,433	**$ 2,519,971**	35.56	2.81%		**$ 70,863**	$ 70,862	**$ 1**
1910	Leasehold Improvements					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1915	Office Furniture & Equipment (10 years)	$ 102,748		$ 102,748	$ 13,500	**$ 89,248**		**$ 89,248**	10.00	10.00%		**$ 8,925**	$ 8,924	**$ 1**
1915	Office Furniture & Equipment (5 years)					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1920	Computer Equipment - Hardware	$ 146,372		$ 146,372	$ 74,560	**$ 71,812**	$ 118,498	**$ 131,061**	4.00	25.00%		**$ 32,765**	$ 32,764	**$ 1**
1920	Computer Equip.-Hardware(Post Mar. 22/04)					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1920	Computer Equip.-Hardware(Post Mar. 19/07)					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1930	Transportation Equipment	$ 1,584,212		$ 1,584,212	$ 770,250	**$ 813,962**	$ 88,771	**$ 858,348**	15.00	6.67%		**$ 57,223**	$ 57,223	**$ 0**
1935	Stores Equipment	$ 30,023		$ 30,023	$ 22,950	**$ 7,073**		**$ 7,073**	10.00	10.00%		**$ 707**	$ 707	**$ 0**
1940	Tools, Shop & Garage Equipment - 10 years	$ 79,681		$ 79,681	$ 12,206	**$ 67,475**	$ -	**$ 67,475**	10.00	10.00%	$ 1,440	**$ 8,188**	$ 8,188	**$ 1**
1940	Tools, Shop & Garage Equipment - 5 years	$ -		$ -	$ -	**$ -**	$ 5,980	**$ 2,990**	5.00	20.00%		**$ 598**	$ 598	**$ 1**
1945	Measurement & Testing Equipment	$ 20,451		$ 20,451	$ 8,995	**$ 11,456**		**$ 11,456**	10.00	10.00%		**$ 1,146**	$ 1,146	**-$ 0**
1950	Power Operated Equipment					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1955	Communications Equipment	$ 225,965		$ 225,965	$ 33,955	**$ 192,010**	$ 72,266	**$ 228,143**	10.19	9.82%		**$ 22,394**	$ 22,394	**$ 0**
1955	Communication Equipment (Smart Meters)					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1960	Miscellaneous Equipment	$ 315,235		$ 315,235	$ 37,040	**$ 278,195**		**$ 278,195**	25.00	4.00%		**$ 11,128**	$ 11,128	**-$ 0**
1970	Load Management Controls - Customer Premises					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1975	Load Management Controls Utility Premises					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1980	System Supervisor Equipment	$ 687,996		$ 687,996	$ 150,960	**$ 537,036**		**$ 537,036**	15.00	6.67%		**$ 35,802**	$ 35,802	**$ 0**
1985	Miscellaneous Fixed Assets					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1990	Other Tangible Property					**$ -**		**$ -**		0.00%		**$ -**		**$ -**
1995/2440	Contributions & Grants/Deferred Credits	-$ 3,188,642		-$ 3,188,642		**-$ 3,188,642**	-$ 178,205	**-$ 3,277,745**	33.18	3.01%		**-$ 98,797**	-$ 98,797	**-$ 0**
	Total	**$53,399,922**		**$ 53,399,922**	**$18,349,042**	**$ 35,050,879**	**$2,281,218**	**$36,191,489**				**$ 1,253,315**	**$ 1,253,315**	**$ 4**
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets) (under MIFRS)													
	Total Depreciation Expense											**$ 1,253,315**		

Table 4-28

Accounting Standard	MIFRS
Year	**2015**

Account	Description	Opening Regulatory Gross PP&E as at Jan. 1 Before Adj	Correction Accounting Adjustment	Opening Regulatory Gross PP&E as at Jan. 1 (a)	Less Fully Depreciated (b)	Net for Depreciation (c)	Additions (d)	Total for Depreciation [2] (e) = (c) + ½ x (d)	Years (f)	Depreciation Rate (g) = 1 / (f)	Early Write Off of Assets Z	Current Year Depreciation Expense (h) = (e)/(f)+Z	Depreciation Expense per Appendix 2-BA Fixed Assets,	Variance [3] (m) = (h) - (l)
1611	Computer Software (Formally known as Account 1925)	$ 887,329		$ 887,329	$ 354,324	$ 533,005	$ 10,640	$ 538,325	5.00	20.00%		$ 107,665	$ 107,665	$ -
1612	Land Rights (Formally known as Account 1806)	$ 70,296		$ 70,296	$ 54,284	$ 16,012		$ 16,012	25.00	4.00%		$ 640	$ 640	$ 0
1805	Land	$ 158,686		$ 158,686		$ 158,686		$ 158,686		0.00%		$ -		$ -
1808	Buildings	$ 96,568		$ 96,568	$ 22,401	$ 74,167		$ 74,167	60.00	1.67%		$ 1,236	$ 1,236	$ 0
1810	Leasehold Improvements					$ -		$ -		0.00%		$ -		$ -
1815	Transformer Station Equipment >50 kV	$ 467,359		$ 467,359		$ 467,359		$ 467,359	31.46	3.18%		$ 14,857	$ 14,857	$ 0
1820	Distribution Station Equipment <50 kV	$ 4,026,866		$ 4,026,866	$ 975,620	$ 3,051,246	$ 137,899	$ 3,120,196	35.00	2.86%		$ 89,148	$ 89,148	$ 0
1825	Storage Battery Equipment					$ -		$ -		0.00%		$ -		$ -
1830	Poles, Towers & Fixtures	$ 8,961,863	-$ 393,613	$ 8,568,250	$ 575,359	$ 7,992,891	$ 715,872	$ 8,350,827	50.00	2.00%		$ 167,017	$ 167,017	-$ 0
1835	Overhead Conductors & Devices	$13,126,084		$ 13,126,084	$ 6,698,811	$ 6,427,273	$ 291,539	$ 6,573,043	50.00	2.00%		$ 131,461	$ 131,460	$ 1
1840	Underground Conduit	$ 1,142,895		$ 1,142,895	$ 63,454	$ 1,079,441	$ 175,209	$ 1,167,046	50.00	2.00%		$ 23,341	$ 23,341	-$ 0
1845	Underground Conductors & Devices	$12,819,448	-$ 2,144,360	$ 10,675,088	$ 5,901,091	$ 4,773,997	$ 518,127	$ 5,033,061	30.00	3.33%		$ 167,769	$ 167,769	-$ 0
1850	Line Transformers	$ 7,349,654	-$ 736,211	$ 6,613,443	$ 2,281,219	$ 4,332,224	$ 348,934	$ 4,506,691	40.00	2.50%		$ 112,667	$ 112,667	$ 0
1855	Services (Overhead & Underground)	$ 808,916		$ 808,916	$ 47,381	$ 761,535	$ 51,055	$ 787,063	40.00	2.50%		$ 19,677	$ 19,677	-$ 0
1860	Meters	$ 38,777		$ 38,777	$ 38,777	$ -		$ -		0.00%		$ -		$ -
1860	Meters (Smart Meters)	$ 3,028,726	-$ 3,310	$ 3,025,416		$ 3,025,416	$ 50,858	$ 3,050,845	15.00	6.67%		$ 203,389	$ 203,390	-$ 1
1865	Other Installations on Customer Premises					$ -		$ -		0.00%		$ -		$ -
1905	Land					$ -		$ -		0.00%		$ -		$ -
1908	Buildings & Fixtures	$ 2,536,687		$ 2,536,687		$ 2,536,687	$ 18,710	$ 2,546,042	35.14	2.85%		$ 72,465	$ 72,466	-$ 1
1910	Leasehold Improvements					$ -		$ -		0.00%		$ -		$ -
1915	Office Furniture & Equipment (10 years)	$ 90,446		$ 90,446	$ 5,050	$ 85,396		$ 85,396	10.00	10.00%		$ 8,540	$ 8,540	-$ 0
1915	Office Furniture & Equipment (5 years)					$ -		$ -		0.00%		$ -		$ -
1920	Computer Equipment - Hardware	$ 184,429		$ 184,429	$ 31,302	$ 153,127	$ 67,324	$ 186,789	4.00	25.00%		$ 46,697	$ 46,697	$ 0
1920	Computer Equip.-Hardware(Post Mar. 22/04)					$ -		$ -		0.00%		$ -		$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)					$ -		$ -		0.00%		$ -		$ -
1930	Transportation Equipment	$ 1,672,983		$ 1,672,983	$ 739,519	$ 933,464	$ 31,498	$ 949,213	15.00	6.67%		$ 63,281	$ 63,281	-$ 0
1935	Stores Equipment	$ 30,023		$ 30,023	$ 22,979	$ 7,044		$ 7,044	10.00	10.00%		$ 704	$ 704	$ 0
1940	Tools, Shop & Garage Equipment - 10 years	$ 77,063		$ 77,063	$ 30,251	$ 46,812		$ 46,812	10.00	10.00%		$ 4,681	$ 4,682	$ 0
1940	Tools, Shop & Garage Equipment - 5 years	$ 5,980		$ 5,980		$ 5,980		$ 5,980	5.00	20.00%		$ 1,196	$ 1,196	$ 1
1945	Measurement & Testing Equipment	$ 20,451		$ 20,451	$ 12,739	$ 7,712		$ 7,712	10.00	10.00%		$ 771	$ 771	$ 0
1950	Power Operated Equipment					$ -		$ -		0.00%		$ -		$ -
1955	Communications Equipment	$ 298,231		$ 298,231	$ 6,072	$ 292,159		$ 292,159	10.19	9.82%		$ 28,678	$ 28,678	$ 0
1955	Communication Equipment (Smart Meters)					$ -		$ -		0.00%		$ -		$ -
1960	Miscellaneous Equipment	$ 315,235		$ 315,235	$ 37,040	$ 278,195		$ 278,195	25.00	4.00%		$ 11,128	$ 11,128	-$ 0
1970	Load Management Controls - Customer Premises					$ -		$ -		0.00%		$ -		$ -
1975	Load Management Controls Utility Premises					$ -		$ -		0.00%		$ -		$ -
1980	System Supervisor Equipment Devices	$ 687,996		$ 687,996	$ 224,501	$ 463,495	$ 88,737	$ 507,864	13.80	7.25%		$ 36,802	$ 36,802	-$ 0
1985	Miscellaneous Fixed Assets					$ -		$ -		0.00%		$ -		$ -
1990	Other Tangible Property					$ -		$ -		0.00%		$ -		$ -
1995/2440	Contributions & Grants/Deferred Credits	-$ 3,366,847	$ 3,277,495	-$ 89,352		-$ 89,352	-$ 421,828	-$ 300,266	31.27	3.20%		-$ 9,601	-$ 9,603	$ 2
	Total	**$55,536,143**	**$ -**	**$ 55,536,144**	**$18,122,174**	**$ 37,413,971**	**$2,084,574**	**$38,456,258**				**$ 1,304,209**	**$ 1,304,209**	**$ 2**
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets) (under MIFRS)													
	Total Depreciation Expense											**$ 1,304,209**		

Table 4-29

Accounting Standard	MIFRS
Year	**2016**

Account	Description	Opening Regulatory Gross PP&E as at Jan. 1 Before Adj	Correction Accounting Adjustment	Opening Regulatory Gross PP&E as at Jan. 1 (a)	Less Fully Depreciated (b)	Net for Depreciation (c)	Additions (d)	Total for Depreciation [2] (e) = (c) + ½ x (d)	Years (f)	Depreciation Rate (g) = 1 / (f)	Early Write Off of Assets Z	Current Year Depreciation Expense (h) = (e)/(f)+Z	Depreciation Expense per Appendix 2-BA Fixed Assets,	Variance [3] (m) = (h) - (l)
1611	Computer Software (Formally known as Account 1925)	$ 897,969		$ 897,969	$ 421,395	$ 476,574	$ 100,490	$ 526,819	5.00	20.00%		$ 105,364	$ 105,364	-$ 0
1612	Land Rights (Formally known as Account 1806)	$ 70,296		$ 70,296	$ 54,284	$ 16,012		$ 16,012	25.00	4.00%		$ 640	$ 640	$ 0
1805	Land	$ 158,686		$ 158,686		$ 158,686		$ 158,686		0.00%		$ -		$ -
1808	Buildings	$ 96,568		$ 96,568	$ 22,401	$ 74,167		$ 74,167	60.00	1.67%		$ 1,236	$ 1,236	$ 0
1810	Leasehold Improvements					$ -		$ -		0.00%		$ -		$ -
1815	Transformer Station Equipment >50 kV	$ 467,359		$ 467,359		$ 467,359		$ 467,359	31.46	3.18%		$ 14,857	$ 14,857	$ 0
1820	Distribution Station Equipment <50 kV	$ 4,164,765		$ 4,164,765	$ 1,360,251	$ 2,804,514	$ 200,000	$ 2,904,514	35.00	2.86%		$ 82,986	$ 82,986	$ 0
1825	Storage Battery Equipment					$ -		$ -		0.00%		$ -		$ -
1830	Poles, Towers & Fixtures	$ 9,283,201		$ 9,283,201	$ 575,359	$ 8,707,842	$ 768,000	$ 9,091,842	50.00	2.00%		$ 181,837	$ 181,838	-$ 1
1835	Overhead Conductors & Devices	$13,417,623		$ 13,417,623	$ 6,698,811	$ 6,718,812	$ 120,000	$ 6,778,812	50.00	2.00%		$ 135,576	$ 135,576	$ 0
1840	Underground Conduit	$ 1,318,104		$ 1,318,104	$ 63,454	$ 1,254,650	$ 165,000	$ 1,337,150	50.00	2.00%		$ 26,743	$ 26,743	$ -
1845	Underground Conductors & Devices	$11,193,215		$ 11,193,215	$ 5,901,091	$ 5,292,124	$ 271,000	$ 5,427,624	30.00	3.33%		$ 180,921	$ 180,921	-$ 0
1850	Line Transformers	$ 6,941,437		$ 6,941,437	$ 2,274,101	$ 4,667,336	$ 259,000	$ 4,796,836	40.00	2.50%		$ 119,921	$ 119,921	-$ 0
1855	Services (Overhead & Underground)	$ 859,971		$ 859,971	$ 47,390	$ 812,581	$ 40,000	$ 832,581	40.00	2.50%		$ 20,815	$ 20,815	-$ 0
1860	Meters	$ 38,777		$ 38,777	$ 38,777	$ -		$ -		0.00%		$ -		$ -
1860	Meters (Smart Meters)	$ 3,016,950		$ 3,016,950		$ 3,016,950	$ 60,000	$ 3,046,950	15.00	6.67%		$ 203,129	$ 203,125	$ 4
1865	Other Installations on Customer Premises					$ -		$ -		0.00%		$ -		$ -
1905	Land					$ -		$ -		0.00%		$ -		$ -
1908	Buildings & Fixtures	$ 2,555,397		$ 2,555,397		$ 2,555,397	$ 70,000	$ 2,590,397	33.69	2.97%		$ 76,901	$ 76,902	-$ 1
1910	Leasehold Improvements					$ -		$ -		0.00%		$ -		$ -
1915	Office Furniture & Equipment (10 years)	$ 90,446		$ 90,446	$ 33,699	$ 56,747		$ 56,747	10.00	10.00%		$ 5,675	$ 5,675	-$ 0
1915	Office Furniture & Equipment (5 years)					$ -		$ -		0.00%		$ -		$ -
1920	Computer Equipment - Hardware	$ 251,753		$ 251,753	$ 52,898	$ 198,855	$ 25,000	$ 211,355	4.00	25.00%		$ 52,839	$ 52,839	-$ 0
1920	Computer Equip.-Hardware(Post Mar. 22/04)					$ -		$ -		0.00%		$ -		$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)					$ -		$ -		0.00%		$ -		$ -
1930	Transportation Equipment	$ 1,704,481		$ 1,704,481	$ 789,212	$ 915,269	$ 754,100	$ 1,292,319	15.00	6.67%		$ 86,155	$ 86,155	-$ 0
1935	Stores Equipment	$ 30,023		$ 30,023	$ 30,023	$ -		$ -	10.00	10.00%		$ -	$ -	$ -
1940	Tools, Shop & Garage Equipment - 10 years	$ 77,063		$ 77,063	$ 40,735	$ 36,328	$ -	$ 36,328	10.00	10.00%		$ 3,633	$ 3,634	-$ 0
1940	Tools, Shop & Garage Equipment - 5 years	$ 5,980		$ 5,980		$ 5,980	$ 5,500	$ 8,730	5.00	20.00%		$ 1,746	$ 1,747	$ -
1945	Measurement & Testing Equipment	$ 20,451		$ 20,451	$ 12,745	$ 7,706		$ 7,706	10.00	10.00%		$ 771	$ 771	-$ 0
1950	Power Operated Equipment					$ -		$ -		0.00%		$ -		$ -
1955	Communications Equipment	$ 298,231		$ 298,231	$ 6,072	$ 292,159		$ 292,159	10.19	9.82%		$ 28,678	$ 28,678	$ 0
1955	Communication Equipment (Smart Meters)					$ -		$ -		0.00%		$ -		$ -
1960	Miscellaneous Equipment	$ 315,235		$ 315,235	$ 37,040	$ 278,195		$ 278,195	25.00	4.00%		$ 11,128	$ 11,128	-$ 0
1970	Load Management Controls - Customer Premises					$ -		$ -		0.00%		$ -		$ -
1975	Load Management Controls Utility Premises					$ -		$ -		0.00%		$ -		$ -
1980	System Supervisor Equipment	$ 776,733		$ 776,733	$ 249,430	$ 527,303		$ 527,303	12.50	8.00%		$ 42,184	$ 42,184	$ 0
1985	Miscellaneous Fixed Assets					$ -		$ -		0.00%		$ -		$ -
1990	Other Tangible Property					$ -		$ -		0.00%		$ -		$ -
1995/2440	Contributions & Grants/Deferred Credits	-$ 511,181		-$ 511,181		-$ 511,181	-$ 53,000	-$ 537,681	31.47	3.18%		-$ 17,086	-$ 17,086	$ 0
	Total	**$57,539,532**		**$ 57,539,532**	**$18,709,168**	**$ 38,830,365**	**$2,785,090**	**$40,222,910**				**$ 1,366,650**	**$ 1,366,650**	**$ 1**
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets) (under MIFRS)													
	Total Depreciation Expense											**$ 1,366,650**		

Table 4-30

Accounting Standard	MIFRS
Year	**2017**

Account	Description	Opening Regulatory Gross PP&E as at Jan. 1 Before Adj	Correction Accounting Adjustment	Opening Regulatory Gross PP&E as at Jan. 1 (a)	Less Fully Depreciated (b)	Net for Depreciation (c)	Additions (d)	Total for Depreciation [2] (e) = (c) + ½ x (d)	Years (f)	Depreciation Rate (g) = 1 / (f)	Early Write Off of Assets Z	Current Year Depreciation Expense (h) = (e)/(f)+Z	Depreciation Expense per Appendix 2-BA Fixed Assets,	Variance [3] (m) = (h) - (l)
1611	Computer Software (Formally known as Account 1925)	$ 998,459		$ 998,459	$ 553,479	$ 444,980	$ 40,000	$ 464,980	5.00	20.00%		$ 92,996	$ 92,996	$ -
1612	Land Rights (Formally known as Account 1806)	$ 70,296		$ 70,296	$ 54,284	$ 16,012		$ 16,012	25.00	4.00%		$ 640	$ 640	$ 0
1805	Land	$ 158,686		$ 158,686		$ 158,686		$ 158,686		0.00%		$ -		$ -
1808	Buildings	$ 96,568		$ 96,568	$ 22,401	$ 74,167		$ 74,167	60.00	1.67%		$ 1,236	$ 1,236	$ 0
1810	Leasehold Improvements					$ -		$ -		0.00%		$ -		$ -
1815	Transformer Station Equipment >50 kV	$ 467,359		$ 467,359		$ 467,359		$ 467,359	31.46	3.18%		$ 14,857	$ 14,857	$ 0
1820	Distribution Station Equipment <50 kV	$ 4,364,765		$ 4,364,765	$ 1,337,060	$ 3,027,705	$ 170,000	$ 3,112,705	35.00	2.86%		$ 88,934	$ 88,934	$ 0
1825	Storage Battery Equipment					$ -		$ -		0.00%		$ -		$ -
1830	Poles, Towers & Fixtures	$10,051,201		$ 10,051,201	$ 575,359	$ 9,475,842	$ 673,986	$ 9,812,835	50.00	2.00%		$ 196,257	$ 196,258	-$ 1
1835	Overhead Conductors & Devices	$13,537,623		$ 13,537,623	$ 6,698,811	$ 6,838,812	$ 115,000	$ 6,896,312	50.00	2.00%		$ 137,926	$ 137,926	$ 0
1840	Underground Conduit	$ 1,483,104		$ 1,483,104	$ 63,454	$ 1,419,650	$ 225,000	$ 1,532,150	50.00	2.00%		$ 30,643	$ 30,643	$ -
1845	Underground Conductors & Devices	$11,464,215		$ 11,464,215	$ 5,901,091	$ 5,563,124	$ 330,000	$ 5,728,124	30.00	3.33%		$ 190,937	$ 190,937	$ 0
1850	Line Transformers	$ 7,200,437		$ 7,200,437	$ 2,274,101	$ 4,926,336	$ 435,000	$ 5,143,836	40.00	2.50%		$ 128,596	$ 128,596	-$ 0
1855	Services (Overhead & Underground)	$ 899,971		$ 899,971	$ 47,390	$ 852,581	$ 40,000	$ 872,581	40.00	2.50%		$ 21,815	$ 21,815	-$ 0
1860	Meters	$ 38,777		$ 38,777	$ 38,777	$ -		$ -		0.00%		$ -		$ -
1860	Meters (Smart Meters)	$ 3,016,950		$ 3,016,950		$ 3,016,950	$ 100,000	$ 3,066,950	15.00	6.67%		$ 204,462	$ 204,635	-$ 173
1865	Other Installations on Customer Premises					$ -		$ -		0.00%		$ -		$ -
1905	Land					$ -		$ -		0.00%		$ -		$ -
1908	Buildings & Fixtures	$ 2,625,397		$ 2,625,397	$ 372,100	$ 2,253,297	$ 125,000	$ 2,315,797	33.69	2.97%		$ 68,738	$ 68,738	$ 0
1910	Leasehold Improvements					$ -		$ -		0.00%		$ -		$ -
1915	Office Furniture & Equipment (10 years)	$ 90,446		$ 90,446	$ 51,489	$ 38,957		$ 38,957	10.00	10.00%		$ 3,896	$ 3,896	-$ 0
1915	Office Furniture & Equipment (5 years)					$ -		$ -		0.00%		$ -		$ -
1920	Computer Equipment - Hardware	$ 264,353		$ 264,353	$ 54,632	$ 209,721	$ 25,000	$ 222,221	4.00	25.00%		$ 55,555	$ 55,555	$ 0
1920	Computer Equip.-Hardware(Post Mar. 22/04)					$ -		$ -		0.00%		$ -		$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)					$ -		$ -		0.00%		$ -		$ -
1930	Transportation Equipment	$ 2,184,029		$ 2,184,029	$ 506,288	$ 1,677,741	$ 70,000	$ 1,712,741	15.00	6.67%		$ 114,183	$ 114,183	-$ 0
1935	Stores Equipment	$ 30,023		$ 30,023	$ 30,023	$ -		$ -	10.00	10.00%		$ -	$ -	$ -
1940	Tools, Shop & Garage Equipment - 10 years	$ 77,063		$ 77,063	$ 51,025	$ 26,038		$ 26,038	10.00	10.00%		$ 2,604	$ 2,605	-$ 0
1940	Tools, Shop & Garage Equipment - 5 years	$ 11,480		$ 11,480		$ 11,480	$ 5,000	$ 13,980	5.00	20.00%		$ 2,796	$ 2,796	$ 1
1945	Measurement & Testing Equipment	$ 20,451		$ 20,451	$ 12,745	$ 7,706		$ 7,706	10.00	10.00%		$ 771	$ 771	-$ 0
1950	Power Operated Equipment					$ -		$ -		0.00%		$ -		$ -
1955	Communications Equipment	$ 298,231		$ 298,231	$ 6,072	$ 292,159		$ 292,159	10.19	9.82%		$ 28,678	$ 28,678	$ 0
1955	Communication Equipment (Smart Meters)					$ -		$ -		0.00%		$ -		$ -
1960	Miscellaneous Equipment	$ 315,235		$ 315,235	$ 37,040	$ 278,195		$ 278,195	25.00	4.00%		$ 11,128	$ 11,128	-$ 0
1970	Load Management Controls - Customer Premises					$ -		$ -		0.00%		$ -		$ -
1975	Load Management Controls Utility Premises					$ -		$ -		0.00%		$ -		$ -
1980	System Supervisor Equipment	$ 776,733		$ 776,733	$ 199,731	$ 577,002	$ 110,000	$ 632,002	12.50	8.00%		$ 50,560	$ 50,560	$ 0
1985	Miscellaneous Fixed Assets					$ -		$ -		0.00%		$ -		$ -
1990	Other Tangible Property					$ -		$ -		0.00%		$ -		$ -
1995/2440	Contributions & Grants/Deferred Credits	-$ 564,181		-$ 564,181		-$ 564,181	-$ 50,000	-$ 589,181	31.37	3.19%		-$ 18,783	-$ 18,783	$ 0
	Total	**$59,977,670**		**$ 59,977,670**	**$18,887,352**	**$ 41,090,319**	**$2,413,986**	**$ 42,297,312**				**$ 1,429,427**	**$ 1,429,600**	**-$ 172**
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets) (under MIFRS)													
	Total Depreciation Expense											**$ 1,429,427**		

As provided in Table 4-26, Depreciation Amortization Expense – 2013 Revised CGAAP, WHESC has recorded depreciation expense for 2013 of $1,213,224. In certain asset categories, the Years column reflects the average of assets with different useful lives. For the most part the account containing assets with different useful lives include 1908 Buildings & Fixtures, 1955 Communication Equipment, and 1995/2440 Contributions & Grants/Deferred Credits.

As provided in Table 4-27 Depreciation Expense – 2014 Revised CGAAP, WHESC has recorded depreciation expense for 2014 of $1,253,315. WHESC has added a column Early Write Off of Assets to Table 4-27. This column reflects increased depreciation charged in the year in relation to Account 1940 Tools. A tool was lost in the field. As the balance remaining to depreciate was not significant, WHESC simply opted to increase the depreciation expense on this item in 2014 and then remove a fully depreciated item from capital registers. The disposal of this asset is shown in Table 2-11 in Exhibit 2. It should be noted that there were no other early disposition of assets previously pooled in 2014 which would be subject to different accounting treatment under IFRS. As a result, there is no requirement to restate Table 4-27 under MIFRS.

As provided in Table 4-28, Depreciation – 2015 MIFRS, WHESC has recorded depreciation expense for 2015 of $1,304,209 prior to losses on early retirement of assets. Losses on early retirement of assets in USoA 1860 Smart Meters were charged to account 1575 IFRS-CGAAP Transitional PP&E as WHESC had adopted IFRS effective January 1, 2015. The removal of these items from rate base can be seen in Table 2-12 in Exhibit 2. An additional column has been added to Table 4-28 Correction Accounting Adjustment. This is to account for two accounting entries made in 2015 which are also detailed in Table 2-12 in Exhibit 2. The first entry reflects the transferring of balances in account 1995 Capital Contributions as at January 1, 2014 to the appropriate asset classification with the same useful lives. This item is reflected in Table 2-12 under Contributed Capital Adjustments. This entry nets to zero and has no impact on depreciation expense. The second item relates to a capital expansion to connect a renewable generation account in 2014. WHESC incorrectly accounted for this in 2014 and made adjusting entries in 2015. This entry is shown in Table 2-12 under Pole Line Generation Adjustment. Once again this entry nets to zero and has no impact on depreciation expense. This item is discussed in Section 2.2.2.5 Costs of Eligible Investments for the Connection of Qualifying Generation Facilities in Exhibit 2.

As provided in Table 4-29, Depreciation – 2016 Bridge Year MIFRS, WHESC has recorded depreciation expense for 2016 of $1,366,649 prior to adjustments for losses on disposals of early retirement of assets. Once again, early retirement losses related to USoA 1860 Smart Meters has been charged to account 1575 for the 2016 Bridge Year and their removal from rate base can be seen in Table 2-13 in Exhibit 2.

As provided in Table 4-30, Depreciation – 2017 Test Year MIFRS, WHESC has recorded depreciation expense for 2017 of $1,429,600. The 2017 Test Year provides for an annual amount for early retirement of assets to be included in distribution rates. As a result, no entries have been made to account 1575 for the 2017 Test Year. WHESC has included the annual amount for early retirement of assets as a reduction to Other Income as discussed in Exhibit 3. As a result, depreciation expense for the 2017 Test Year has not been increased to reflect early retired assets. The reduction to Other Income or an increase to depreciation expense has the same impact on revenue requirement. WHESC believes that this accounting treatment aligns with the disposal of early retirement of assets under IFRS. The removal of early retirement of assets in 2017 can be seen in Table 2-14 in Exhibit 2.

2.4.5 TAXES OR PAYMENTS IN LIEU OF TAXES AND PROPERTY TAXES

PILS and Capital Taxes

WHESC makes payments in lieu (PILs) of corporate taxes calculated in accordance with the rules for computing taxable income, taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario), as modified by the Electricity Act, 1998, and related regulations. WHESC does not pay Section 89 proxy taxes, and is exempt from the payment of incomes taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act. WHESC is projecting a profit for tax purposes in the 2017 Test year of $455,753, therefore, has included $100,775 for the recovery of PILs in this Application.

Table 4-31 below provides a summary of the 2013 Board Approved and the 2013, 2014, 2015 Actual tax related figures. The 2016 Bridge Year and 2017 Test Year PIL's estimates have been added for comparison purposes. In accordance with the Filing Requirements the Board's 2017 Income Tax/PILs Workform has been completed and submitted. A copy of the schedules are provided in Appendix 4-E. Copies of WHESC's 2015 Annual Tax Returns have been provided in Appendix 4-F.

WHESC has made one adjustment to the 2017 Income Tax/PILs Workform which is discussed in the section Loss Carryforwards later in this Exhibit.

Table 4-31

PILS Summary 2013 COS to 2017 Test Year

Item	2013 COS	2013 Actuals	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year
Taxable Income Before Loss Carryforwards	333,563	-33,903	-267,760	724,249	-139,419	354,979
Charitable Donations Carryforward Used				-15,596		
Non Capital Loss Carryforward Used				-16,633		
Taxable Income	333,563	-33,903	-267,760	692,020	-139,419	354,979
Effective Tax Rate	19.5%	19.5%	26.5%	26.6%	26.5%	26.5%
PILS before Apprentice Tax Credit	65,045	0	0	184,016	-36,946	94,069
Apprentice Tax Credits	-22,000	-11,397	-23,129	-26,521	-20,000	-20,000
PILS before Gross Up	43,045					74,069
Grossed Up PILS/PILS Payable	53,472	-11,397	-23,129	157,495	-56,946	100,775
Taxable Losses Applied to Other Years						
2010 Year		-33,903				
2011 Year			-251,127			
2015 Year			-16,633			
2016 Year				139,419	-139,419	
Available to Offset Future Taxable Losses		0	0	552,601	0	354,979

WHESC was approved for PILs in the amount of $53,472 in its 2013 Cost of Service Application. Since the 2013 COS Rate Application tax rules were changed which excluded WHESC from claiming the Ontario Small Business Tax Deduction. This change effectively increased WHESC's tax rate from 19.5% included in the 2013 COS to the current rate of 26.5%. The impact to this change would increase taxes on the 2013 COS taxable income of $333,563 from $53,472 to $90,332 or $36,860. In its 2016 IRM Rate Application EB-2015-0109 WHESC requested a tax rate rider to recover 50% of the increased tax burden. The Board approved a tax rate rider for $18,430 representing 50% of the $36,860 total increase. The 2017 Test Year Grossed up PILs of $100,775 is $47,303 higher than the 2013 COS. However, the majority of the increase is related to the change in tax rules.

Actual PILS paid in the 2013 to 2015 swing from paying no PILS in 2013, and 2014 to paying three times the 2013 COS amount in 2015. This is the result of the impact of regulatory variances on taxable income. Regulatory variances are excluded from the calculation of PILs in rates which will be discussed in detail later in this Exhibit.

Loss Carry Forwards

WHESC does not have any loss carry forwards available at the end of the 2015 Tax filing. Table 4-31 above details the impact of taxable income losses and their treatment. WHESC had a small taxable loss in 2013 which was used to adjust the 2010 tax year and reduce PILS paid in that year. The 2014 taxable loss was applied to reduce PILS paid in 2011 with a small carryforward used in the 2015 tax year. The forecast for the 2016 Bridge Year is for a taxable income loss of $139,419. For tax filing purposes, WHESC will apply any taxable losses in the 2016 Bridge Year against the 2015 taxable income of $692,020 in 2016 and the corresponding PILS paid on this income. However, the forecasted taxable income loss of $139,419 in the 2016 Bridge Year presents issues for rate making purposes in the 2017 Test Year and beyond for which the Board's PILs model does not reflect. Even if forecasted taxable losses in the 2016 Test Year are not allowed to be applied against taxable income in the 2015 tax year for tax filing purposes, the model does not account for the fact that these taxable losses will only occur in the 2016 Bridge Year. The model takes any taxable income losses for the 2016 Bridge Year and applies it to reduce the taxable income in the 2017 Test Year. This temporary reduction in PILs payable is then embedded in rates with no ability to correct this anomaly within the IRM rate setting methodology. WHESC had a similar instance in its 2006 Distribution Rate Application EB-2005-0428 which had reduced PILs included in rates as a result of a non-capital loss carryforward. In its 2007 IRM Rate Application EB-2007-0586 WHECS failed to recognize the impact of the elimination of the loss carryforward going forward. As a result, WHESC filed a separate rate application EB-2007-0663 to adjust rates to account for the elimination of the loss carryforward but did suffer a loss as a result of the revised rates not being implemented until October 1, 2007. For the purposes of the initial rate application, WHESC has eliminated the loss carryforward from the 2016 Bridge Year in determining the calculation of the PILs for the 2017 Test Year. WHESC submits that an appropriate treatment of the forecasted taxable losses from the 2016 Bridge Year would be to amortize the loss over a five year period and reflect that reduction in the calculation of 2017 PILs for rate setting purposes. As a result, no adjustments would be required to rates for the elimination of the loss carryforward and the resulting increase in PILs during the IRM rate setting term from 2018 – 2021. WHESC believes that this adjustment should be made once a review has been completed for both the 2016 Bridge Year and 2017 Test Year revenues and expenses has been completed.

Other Additions and Deductions

In accordance with the Filing Requirements, WHESC has excluded the deferral and variance accounts for Regulatory Assets and Liabilities from the reserve balances for 2016 Bridge Year and 2017 Test Year.

Tax Credits

WHESC takes advantage of the tax credits available to minimize taxes payable. Table 4–31 above summarizes the tax credits for 2013 Board Approved, historical years 2013-2015, 2016 Bridge Year and 2017 Test Year. The tax credits include the Federal and Ontario Apprenticeship Training Tax Credit. The 2015 Apprentice Tax Credit is composed of $6,521 in Federal Tax Credits and $20,000 in Ontario Tax Credits. The 2016 Bridge Year and 2017 Test Year Apprentice Tax Credits were determined as a result of discussions with WHESC's tax auditors. Federal Apprenticeship Tax Credits are available for a two year period from the date of hire while Ontario Apprenticeship Tax Credits are extended to cover four years. WHESC currently has two apprentice lineman with hire dates of 2013 and 2014 respectively. As a result of the expiration of Federal Tax Credits available, WHESC has based the 2016 Bridge Year and 2017 Test Year on the maximum amount of Ontario Apprenticeship Tax Credits. However, as both apprentices are expected to become certified lineman in 2017 the Apprentice Tax credits beyond that year could be significantly less than the $20,000 used to determine the 2017 Test Year PILS. With retirements, it is anticipated that at some time during the period of this rate application another apprentice lineman will be hired. WHESC always seeks out to hire qualified lineman as a first option but their availability is based on market conditions and the competitiveness of WHESC's wages and benefits package for these highly skilled positions.

Detailed Tax Calculations

Table 4-32 below summarizes the tax calculations for 2013 Board Approved, historical years 2013-2015, 2016 Bridge Year and 2017 Test Year. The table itemizes all additions and deductions that are part of WHESC's tax calculations. This table shows actual taxable losses in 2013 and 2014. As discussed above these losses were used to reduce actual taxes paid in 2010, 2011, and 2015. The 2013 COS displayed in Table 4-32 does not show the increase in the tax rate from 19.5% to 26.5% which is currently being refunded on a 50/50 sharing basis thru a tax rate rider in place from May 1, 2016 to April 30, 2017.

Table 4-32

Tax Calculations

Item	2013 COS	2013 Actuals	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year
Net Income Before Taxes	1,176,362	1,200,531	1,128,507	1,175,537	743,429	1,332,690
Provision for income taxes - current	-53,472		44,663	-152,022		-100,775
Additions:						
Amortization of tangible assets	1,228,565	1,225,600	1,265,687	1,327,966	1,366,650	1,429,600
Charitable donations and gifts	23,600	225	12,530	2,841	11,750	12,900
Taxable capital gains	0	0	0	3,208	0	0
Non-deductible meals and entertainment expenses	0	2,865	2,683	2,774	2,774	2,774
Other reserves on lines 270 and 275 from Schedule 13	109,919	1,142,717	1,092,870	1,286,645	2,107,374	2,111,117
Reserves from financial statements - balance at the end of the year	1,715,191	2,694,844	2,891,009	3,690,671	1,572,730	1,569,655
Other additions:						
Recapture of SR&ED expenditures	0	51,397	0	0	0	0
Retirment Proceeds	0	0	0	35,287	0	0
Cosing Adj for Expenditures included in Regulatory Asset	0	1,462,114	895,060	1,443,266	0	0
CY Ontario Apprenticeship Tax Credits	22,000	11,397	23,129	20,000	20,000	20,000
CY Federal Appennticeship Tax Credits	0	2,521	2,581	6,521	0	0
Total Additions	3,099,275	6,593,680	6,185,549	7,819,179	5,081,278	5,146,046
Deductions:						
Gain on disposal of assets per financial statements	0	10,119	16,672	184	0	0
Capital cost allowance from Schedule 8	1,974,191	2,056,519	2,091,430	2,150,855	2,189,176	2,258,410
Cumulative eligible capital deduction from Schedule 10	85,516	85,516	79,530	73,963	68,786	63,971
Other reserves on line 280 from Schedule 13	113,217	1,092,870	1,286,645	2,107,374	2,111,117	2,114,972
Reserves from financial statements - balance at the beginning of the year	1,692,077	2,724,875	2,694,844	2,891,009	1,583,297	1,572,730
Other Deductions:						
Opening Adj for Expenditures included in Regulatory Assets	0	1,858,215	1,457,358	895,060	0	0
Total Deductions:	3,865,001	7,828,114	7,626,479	8,118,445	5,952,376	6,010,083
Taxable Income Before Loss Carryforwards	357,164	-33,903	-267,760	724,249	-127,669	367,878
Charitable Donations/ Charitable Donations Carryforward Used	-23,600	0	0	-15,596	-11,750	-12,900
Non Capital Loss Carryforward Used	0	0	0	-16,633	0	0
Taxable Income	333,564	-33,903	-267,760	692,020	-139,419	354,978
Effective Tax Rate	19.5%	19.5%	26.5%	26.6%	26.5%	26.5%
PILS before Apprentice Tax Credit	65,045	0	0	184,016	-36,946	94,069
Apprentice Tax Credits	-22,000	-11,397	-23,129	-26,521	-20,000	-20,000
PILS before Gross Up	43,045					74,069
Grossed Up PILS/PILS Payable	53,472	-11,397	-23,129	157,495	-56,946	100,775

Reconciling Items

Table 4-33 below reconciles the differences between the Audited Financial Statements and the accompanying tax returns. The tax provisions for the Audited Financial statements are completed on an estimated basis and adjusted in the following year to the actual tax returns that are completed in June.

The adoption of IFRS effective January 1, 2015 with retroactive restatement to January 1, 2014 has made comparisons of the tax returns, OEB Income Statement, and actual Financial Income Statements more complex than in past years. This can be clearly seen in the 2014 CGAAP column versus the 2014 IFRS column. WHESC does not separate current taxes versus adjustments for future tax provisions on its financial statements but is required to do so for OEB reporting purposes. The 2013 fiscal year showed no tax expense for either financial statement or OEB reporting. WHESC typically does not accrue the impact of tax credits or adjustments to previous year's taxes until payment has been received. As a result, there was no recognition of the tax credit in 2013 or the adjustment to the 2010 tax filing due to the small taxable loss in 2013. The 2014 fiscal year showed tax expense of $44,663 under CGAAP. As shown in the OEB reporting for 2014 the expense is 100% related to changes in provisions for future income taxes. No recognition of the tax credit or the adjustment to the 2011 tax filing were made in 2014.

The impact of the change to IFRS can be clearly seen in the 2014 IFRS column. For financial reporting purposes there was a reported tax expense for the year of $137,000 despite the tax return showing a taxable loss. This is the result of the requirement under IFRS to remove the tax impact related to variance accounts and report them “net of taxes” below the net income line. What this shows is that the tax loss for 2014 was solely related to changes in regulatory variance accounts. Differences in financial statement reporting and OEB tax expense reporting will always be a reconciling item going forward.

The 2015 column reported under IFRS shows a tax gain of $152,000 for the year. This amount is composed of current year taxes net of changes to regulatory variances, cash receipts from adjustments to previous year’s tax returns and accounting for future income taxes. Changes to regulatory variances for the year significantly reduce the amount shown as a current tax expense related to 2015 earnings for financial reporting purposes when compared to OEB tax reporting and the actual tax return. This is the opposite of what happened in 2014 and would be expected if actual variances from previous years are recovered or disposed of in future years thru rate riders. The comparison between OEB tax reporting and the actual tax return for 2015 shows two things. The first is that WHESC accrued an estimated $235,000 of current year tax as it related to 2015 taxable income. Actual PILS payable for the year were $157,495 in the 2015 tax return. A portion of the difference in the accrual versus the actual taxes were small carryforwards from the 2014 tax loss being fully used up in 2015. Differences between tax accruals for financial reporting and actual tax filings are always trued up in the following year. The second item is the reduction in current year tax expenses as a result of cash receipts from adjustments to the 2010 and 2011 tax year filings along with a cash receipt of the 2014 tax credits.

Table 4-33

Financial Statements Reconciled to Tax Returns

Financial Statements/OEB/Tax Returns	2013 Actuals	2014 CGAAP	2014 IFRS	2015 IFRS
Financial Statements				
Income Tax Expense/(Recovery)	**0**	**44,663**	**137,000**	**-152,000**
OEB				
Accrual for 2015 Tax Expense	0	0	0	235,000
Cash Receipt 2010 Refiling (2013 Taxable Loss)	0	0	0	-11,219
Cash Receipt 2014 Refund	0	0	0	-23,111
Cash Receipt 2011 Refiling (2014 Taxable Loss)	0	0	0	-73,501
6110 Income Tax Expense	**0**	**0**	**0**	**127,169**
6115 Provision for Future Taxes	**0**	**44,663**	**44,663**	**-157,463**
Total OEB	**0**	**44,663**	**44,663**	**-30,294**
Tax Returns				
PILS Payable	**-11,397**	**-23,129**	**-23,129**	**157,495**

2.4.5.1 NON-RECOVERABLE AND DISALLOWED EXPENSES

WHESC has not included donations, other than LEAP, in the calculation of revenue requirement. As previously stated WHESC has not forecasted any non-eligible donations in the 2016 Bridge Year and the 2017 Test Year. WHESC has also excluded all other non-recoverable and disallowed expenses.

Property Taxes

WHESC pays property taxes to the City of Welland for its office premises and the municipal substations and transformer stations. In addition, WHESC makes annual payments to the Ontario Electricity Financial Corporation for "Payments in Lieu of Property Taxes". Property taxes for the Board Approved, Historical years 2013-2015, the 2016 Bridge Year and the 2017 Test Year are provided in Table 4-34 below. Property taxes for the 2017 Test Year are based on 2015's actual cost plus an estimated increase of 5% over a two year period. WHESC includes property taxes in Operations & Maintenance and Administrative expenses. No amounts for property taxes are included in accounts 6105 or 6110.

<u>Table 4-34</u>

Property Taxes

Item	2013 COS	2013 Actuals	2014 Actuals	2015 Actuals	2016 Bridge Year	2017 Test Year
Property Taxes	95,882	94,683	93,168	94,161	95,995	98,875

2.4.5.2 INTEGRITY CHECKS

Integrity Checks

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

- The depreciation and amortization added back in the PIL's model agree with the numbers disclosed in the rate base section of the application.
- The capital additions and deductions in the UCC/CCA schedule 8 agree with the rate base section for historic, bridge and test years.
- Schedule 8 of the most recent federal T2 tax return filed as at closing December 31, 2015 agrees with the opening 2016 Bridge Year UCC. WHESC confirms that the balance of non-distribution tax amounts on Schedule 8 were $15,279 on the December 31, 2015 tax return.
- The CCA deductions in the PILs tax model for historic, bridge and test years agree with the numbers in the UCC schedules for the same years filed in the application.
- WHESC does not have any loss carry-forwards from the 2015 tax filing.
- CCA is maximized in both the 2016 Bridge Year and 2017 Test Year.
- Post-retirement benefit obligations added back on Schedule 1, the reconciliation of accounting income to net income for tax purposes, agree with the amounts provided in the OM&A analysis for compensation with the exception of 2017 where there is a minor difference of $3,075 where actual premiums were used for rate setting purposes.
- The income tax rate used to calculate the tax expense is consistent with WHESC's actual tax facts and the evidence filed in the application.

2.4.6 CONSERVATION AND DEMAND MANAGEMENT

Costs directly attributable to either IESO contracted Province-wide CDM programs or through OEB-approved CDM programs have not been included in revenue requirement to be recovered through distribution rates.

2.4.6.1 LOST REVENUE ADJUSTMENT MECHANISM ("LRAM")

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 licence, 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.

LRAM for pre-2011 CDM Activities

WHESC is not requesting recovery of lost revenue resulting from any pre-2011 CDM activities or legacy programs delivered prior to 2011.

2.4.6.2 LRAM VARIANCE ACCOUNT (LRAMVA)

For CDM programs delivered within the 2011 to 2014 period, the OEB established Account 1568 as the LRAMVA to capture the variance between the Board-approved CDM forecast and the actual results at the customer rate class level. In WHESC's 2013 Cost of Service Rate Application the following (Table 4-35) LRAMVA threshold values represents the OEB-approved CDM forecast for the purposes of LRAMVA calculation for all years from 2013 to the next rebasing year. These values represent full year CDM results from the impact of 2011, 2012 and 2013 programs in 2013.

Table 4-35

LRAMVA Threshold Values

	LRAMVA kWh	Allocation per Class	Total LRAMVA kWh Allocated per Class	Total LRAMVA kW Allocated per Class
Residential		38.4%	2,388,275	0
GS<50 kW		13.4%	834,230	0
GS>50 kW		33.1%	2,059,770	5,825
Large Use		14.4%	894,246	2,536
Street Lighting		0.3%	19,124	53
Sentinel Lighting		0.2%	12,496	39
USL		0.3%	16,690	0
	6,224,831		6,224,831	8,453

At a minimum, distributors must apply for the disposition of the balance in the LRAMVA as part of their COS applications. WHESC is requesting approval for the recovery of the LRAMVA resulting from the following CDM activities and the threshold values identified above.

- 2011 IESO programs that persist into 2013 and 2014
- 2012 IESO programs that persist into 2013 and 2014
- 2013 IESO programs for 2013 and that also persist into 2014
- 2014 IESO programs

WHESC is seeking disposition, including carrying charges through to April 30, 2017. The total amount requested for recovery is $12,730 plus carrying charges of $353. The amounts requested for recovery are summarized in Table 4-36 below.

Table 4-36

Summary of Requested LRAM Amounts

Customer Class	Amount	Interest *	Total
Residential	($18,181)	($823)	($19,004)
GS < 50	$4,953	$201	$5,154
GS > 50	$28,111	$1,063	$29,175
Large User	($540)	($22)	($562)
Street Light	($898)	($37)	($935)
Sentinel	($454)	($18)	($472)
USL	($261)	($11)	($272)
Total	$12,730	$353	$13,083

* Carrying Costs to April 30, 2017

The Large User class will be added to the GS>50 class for disposition purposes as WHESC no longer has any customers in the Large User classification. Dispositions of variances relating to the Large User classification in WHESC's 2016 IRM Rate Application EB-2015-0109 were also allocated to the GS>50 customer classification.

WHESC has used the most recent input assumptions when calculating lost revenue and has relied on the most recent final evaluation report from the IESO in support of its LRAMVA calculation for its contracted province-wide CDM programs.

WHESC has relied on the most recent and appropriate final CDM evaluation report from the IESO in support of its lost revenue calculation. A copy of this report in a working Microsoft Excel file in has been included as part of the Application material filed with the OEB.

Lost revenues have been determined by calculating the energy savings and/or peak demand savings by customer class and valuing those energy savings and/or peak demand savings using WHESC's OEB-approved variable distribution charge appropriate to the class.

WHESC has completed the OEB's LRAMVA Work Form and included a copy in Appendix 4-G to this exhibit. The completed work form has been included as part of the Application material filed with the OEB under the file name Welland_2017_LRAMVA_Work_Form. This work form provides for each rate class the lost revenue amounts requested by the year with which they are associated and the year the lost revenues took place. For each rate class, a list is provided showing all the CDM programs/initiatives applicable to that rate class and provide the energy savings (kWh) and peak demand (kW) savings assigned to those programs/initiatives. For peak demand (kW) savings, the monthly multiplier amount used to convert the peak demand (kW) savings value included in the IESO's final results report into an annual value for each program must also be provided. No peak demand (kW) savings from demand response programs has been included.

WHESC has made the following changes to the LRAMVA work form:

- Tab 2. CDM Allocation, rows 28 and 29 have LRAMVA threshold values included from WHESC's 2013 approved settlement agreement,
- Tab 3. Distribution Rates in cells G35, G36, H35 and H36 have been adjusted to remove transformer allowance. The adjustment was made to reduce the variable distribution rates for the GS>50 and Large Use classifications to account for any kW reductions which may have associated offsets in transformer allowance. The weighted average variable distribution rates for 2013 and 2014 for each class are adjusted for the percentage of transformer allowance by class. Please note that this adjustment actually reduces the overall LRAMVA recoverable.
- Tab 6. Persistence Rates, rows 25, 26 and 27 along with tab 4. 2011-14 LRAM, rows 76,155 and 235 has been revised to include persistence information by rate class provided by the IESO.

Disposition of the LRAM Variance Account

WHESC has included the amounts requested for recovery in the EDDVAR model. Table 4-37 below summarizes the resulting rate riders for the LRAMVA determined in the model.

Table 4-37

Proposed LRAM Rate Riders

Effective: May 1, 2017 to April 30, 2018					
Rate Class	**Total**		**Billing Determinant**		**Rate Rider**
Residential	($19,004)		161,051,510	kWh	($0.0001)
GS < 50	$5,154		54,658,680	kWh	$0.0001
GS > 50	$28,613		362,937	kW	$0.0788
Large Use	$0		-	kW	$0.0000
Street Light	($935)		3,560	kW	($0.2625)
Sentinel	($472)		2,077	kW	($0.2275)
USL	($272)		944,313	kWh	($0.0003)
Total	$13,083				

As discussed previously, the LRAMVA for the Large Use class has been combined with the GS>50 classification for disposition purposes.

APPENDIX 4-A

DION DURRELL
POST-RETIREMENT NON-PENSION BENEFIT PLAN
ACTUARIAL - FY 2012 AND FY 2013

Dion Durrell
Actuaries and Consultants

Dion, Durrell + Associates Inc.
250 Yonge Street, Suite 2900
Toronto, Ontario, Canada M5B 2L7
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T 416 408 2626
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December 13, 2012

BY E-MAIL: WArmstrong@wellandhydro.com

Mr. Wayne Armstrong
Director of Finance
Welland Hydro-Electric System Corporation
950 East Main Street
Welland, ON L3B 5P6

Dear Mr. Armstrong:

Re: Welland Hydro-Electric System Corporation ("Welland Hydro")
Post-Retirement Non-Pension Benefit Plan – Extrapolations for FY 2012 and FY 2013

This letter provides you with our calculation of the FY 2012 benefit expense, the December 31, 2012 Accrued Benefit Obligation ("ABO"), and the FY 2013 extrapolations for the above noted benefit plan.

The intended users of this letter and attachments include Welland Hydro and its auditors for financial reporting in compliance with CICA guidelines in respect of its post-retirement non-pension benefit plan.

The calculations were performed in accordance with the guidelines set forth in Section 3461 Employee Benefits of the Canadian Institute of Chartered Accountants (CICA) Handbook Accounting Part V Pre-Changeover Accounting Standards ("CICA Section 3461").

For the post-retirement non-pension benefit plan, the December 31, 2012 ABO is approximately $1,946,000 and the FY 2012 benefit expense is approximately $136,000 with their supporting calculations summarized in the accounting worksheets hereby attached. The projected FY 2013 benefit expense is approximately $156,000.

We have performed our calculations based on the following:

- **Plan provisions**: You confirmed that there has been no change to the plan's provisions since our January 1, 2011 valuation. Said plan provisions are summarized in our January 1, 2011 actuarial valuation report for the post-retirement non-pension benefit plan ("Report").

- **Data**: We have used the membership data as at January 1, 2011 which is summarized in the Report, as you have indicated that there have not been significant demographic changes. A copy of the December 31, 2011 financial statements and the 2012 actual retiree benefit payments for post-retirement non-pension benefits were provided by Welland Hydro.

- **Assumptions**: Pursuant to CICA Section 3461, a discount rate assumption of 3.50% per annum as at December 31, 2012 has been selected to reflect the current yields on high quality debt instruments. All other assumptions used in our calculations are as summarized in the Report and you have confirmed that they remain as management's best estimates as at December 31, 2012.

  In regards to the discount rate assumption for December 31, 2012, as you are aware, the Canadian Institute of Actuaries ("CIA") released an Educational Note on the "Accounting Discount Rate Assumption for Pension and Post-employment Benefit Plans" (Educational Note) in September 2011. Along with the Educational Note, the CIA has also acquired the services of Fiera Capital Investment Management Inc. (a portfolio investment management firm in Canada) to produce a monthly spot rate curve that is derived using the methodology described in the Educational Note.

  Based on Welland Hydro's expected projected benefit cash flows for post-retirement non-pension benefits and the most current spot rate curve published by Fiera Capital (i.e. as at November 30, 2012, please see attached) and in accordance with the CIA's Educational Note, we have selected a discount rate assumption of 3.50% per annum as at December 31, 2012. For your reference, a discount rate assumption of 4.50% per annum was used as at December 31, 2011.

- **Method**: We have done our calculations as at January 1, 2011 using the above information and the method described in the Report. The ABO as at December 31, 2012 is based on a roll forward of the January 1, 2011 ABO using the membership data at January 1, 2011 and management's best estimate assumptions as at December 31, 2012.

- **Accounting policy**: We have applied the same accounting policies described in the Report. For clarity, the Corporation has amortized the full amount of any actuarial gains or losses over the expected average remaining service lifetime of the active members of the group. Furthermore, pursuant to CICA Section 3461, past service costs are being amortized on a straight-line basis over the average remaining service period to full eligibility of active employees at the measurement date.

As you can see in the attached accounting worksheets, the ABO at December 31, 2012 is approximately $190,000 greater than the expected ABO at December 31, 2012 due to the reduction in the discount rate assumption.

In addition, for informational purposes, as previously noted we have provided projections for FY 2013 based on the same data, assumptions, and methodology as outlined above. However, significant changes in 2013 such as re-negotiated benefits, changes to assumptions, or significant demographic changes may require revised projections or a full actuarial review.

We are not aware of any subsequent events that would have a significant impact on our calculations.

If you have any questions regarding the above or the attached accounting schedules, please do not hesitate to call.

Yours truly,

Stanley Caravaggio

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SC/PK:ecs

Encls.

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12/13/2012

Welland Hydro-Electric System Corporation
ESTIMATED BENEFIT EXPENSE (CICA 3461**)

	Calendar Year 2012	Projected*** Calendar Year 2013
Discount Rate - January 1	4.50%	3.50%
Discount Rate - December 31	3.50%	3.50%
Withdrawal Rate	2.00%	2.00%
Assumed increase in Employer Contributions	actual	expected*

A. Determination of Benefit Expense

	Calendar Year 2012	Calendar Year 2013
Current Service Cost	38,847	47,777
Interest on Benefits	77,975	67,417
Expected Interest on Assets	-	-
Past Service Cost	2,242	2,242
Transitional Obligation/(Asset)	-	-
Actuarial (Gain)/Loss	17,109	38,222
Benefit Expense	136,172	155,658

B. Reconciliation of Prepaid Benefit Asset (Liability)

	Calendar Year 2012	Calendar Year 2013
Accrued Benefit Obligation (ABO) as at December 31	1,946,334	1,925,686
Assets as at December 31	-	-
Unfunded ABO	(1,946,334)	(1,925,686)
Unrecognized Loss/(Gain)	344,001	305,779
Unrecognized Past Service Cost	20,175	17,933
Unrecognized Transition	-	-
Prepaid Benefit Asset (Liability)	(1,582,158)	(1,601,974)
Prepaid Benefit/(Liability) as at January 1	(1,554,847)	(1,582,158)
Benefit Income/(Expense)	(136,172)	(155,658)
Contributions/Benefit Payments by the Employer	108,861	135,842
Prepaid Benefit Asset (Liability)	(1,582,158)	(1,601,974)

* based on estimated employer benefit payments for those expected to be eligible for benefits

** CICA Handbook Part V Section 3461 (Employee Benefits)

*** For informational purposes only. Significant changes in 2013 such as re-negotiated benefits, changes to best estimate assumptions, or significant demographic swings may require revised projections or a full actuarial review.

Welland Hydro-Electric System Corporation
ESTIMATED BENEFIT EXPENSE (CICA 3461**)

	Calendar Year 2012	Projected*** Calendar Year 2013
Discount Rate - January 1	4.50%	3.50%
Discount Rate - December 31	3.50%	3.50%
Withdrawal Rate	2.00%	2.00%
Assumed increase in Employer Contributions	actual	expected*

C. Calculation of Component Items

	Calendar Year 2012	Projected*** Calendar Year 2013
Calculation of the Service Cost		
- Current service cost	38,847	47,777
Interest on Benefits		
- ABO at January 1	1,748,350	1,946,334
- Current service cost	38,847	47,777
- Benefit payments	(54,431)	(67,921)
- Accrued benefits	1,732,767	1,926,190
- Interest	77,975	67,417
Expected Interest on Assets		
- Assets at January 1	-	-
- Funding	54,431	67,921
- Benefit payments	(54,431)	(67,921)
- Expected assets	-	-
- Interest	-	-
Expected ABO as at December 31		
- ABO at January 1	1,748,350	1,946,334
- Current service cost	38,847	47,777
- Interest on benefits	77,975	67,417
- Benefit payments	(108,861)	(135,842)
- Expected ABO at December 31	1,756,311	1,925,686
Expected Assets as at December 31		
- Assets at January 1	-	-
- Funding	108,861	135,842
- Interest on assets	-	-
- Benefit payments	(108,861)	(135,842)
- Expected Assets at December 31	-	-

* based on estimated employer benefit payments for those expected to be eligible for benefits
** CICA Handbook Part V Section 3461 (Employee Benefits)

*** For informational purposes only. Significant changes in 2013 such as re-negotiated benefits, changes to best estimate assumptions, or significant demographic swings may require revised projections or a full actuarial review.

12/13/2012

Welland Hydro-Electric System Corporation
ESTIMATED BENEFIT EXPENSE (CICA 3461**)

	Calendar Year 2012	Projected*** Calendar Year 2013
Discount Rate - January 1	4.50%	3.50%
Discount Rate - December 31	3.50%	3.50%
Withdrawal Rate	2.00%	2.00%
Assumed increase in Employer Contributions	actual	expected*

D. Actuarial (Gain)/Loss

	Calendar Year 2012	Projected*** Calendar Year 2013
(Gain)/Loss on ABO as at January 1		
- Prepaid Benefit/(Liability) as at January 1	1,554,847	
- Past Service Cost	22,416	
- Unamortized (Gain)/Loss	171,087	
- Expected ABO	1,748,350	1,946,334
- Actual ABO	1,748,350	1,946,334
- Total (Gain)/Loss on ABO	-	-
(Gain)/Loss on assets as at January 1		
- Expected assets	-	-
- Actual assets	-	-
- (Gain)/Loss on assets	-	-
Total (Gain)/Loss as at January 1	171,087	344,001
10% of ABO as at January 1	174,835	194,633
Total (Gain)/Loss in excess of 10%	-	149,368
Expected average remaining service life (years)	10	9
Minimum Amortization for current year	-	16,596
Actual Amortization for current year	17,109	38,222
(Gain)/Loss on ABO at December 31 due to change in discount rate assumption		
- Expected ABO - December 31	1,756,311	
- Actual ABO - December 31	1,946,334	
- (Gain)/Loss on ABO at December 31	190,023	
Unamortized (Gain)/Loss at December 31	344,001	305,779

E. Amortization of Past Service Costs

	Calendar Year 2012	Projected*** Calendar Year 2013
Unamortized past service costs as at beginning of period	22,416	20,175
Period over which past service costs are to be amortized (years)	10	9
Actual Amortization for current period	2,242	2,242
Unamortized past service costs as at the end of period	20,175	17,933

* based on estimated employer benefit payments for those expected to be eligible for benefits

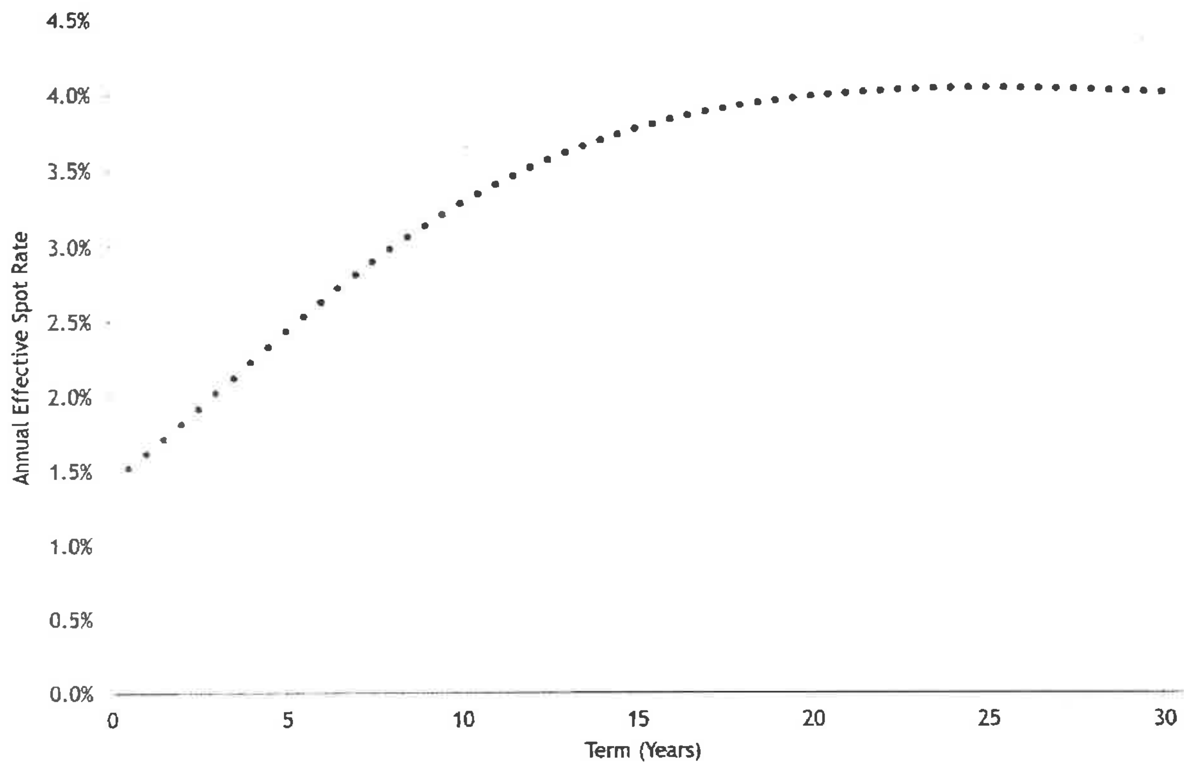
** CICA Handbook Part V Section 3461 (Employee Benefits)

*** For informational purposes only. Significant changes in 2013 such as re-negotiated benefits, changes to best estimate assumptions, or significant demographic swings may require revised projections or a full actuarial review.

Production Date : 2012-11-30

Term (Years)	Annual Effective Spot Rate
0.5	1.5213%
1.0	1.6135%
1.5	1.7109%
2.0	1.8119%
2.5	1.9154%
3.0	2.0200%
3.5	2.1250%
4.0	2.2300%
4.5	2.3327%
5.0	2.4346%
5.5	2.5332%
6.0	2.6301%
6.5	2.7230%
7.0	2.8137%
7.5	2.8999%
8.0	2.9839%
8.5	3.0624%
9.0	3.1389%
9.5	3.2100%
10.0	3.2789%
10.5	3.3427%
11.0	3.4041%
11.5	3.4606%
12.0	3.5151%
12.5	3.5644%
13.0	3.6120%
13.5	3.6549%
14.0	3.6961%
14.5	3.7330%
15.0	3.7682%
15.5	3.7996%
16.0	3.8295%
16.5	3.8557%
17.0	3.8806%
17.5	3.9023%
18.0	3.9227%
18.5	3.9403%
19.0	3.9567%
19.5	3.9707%
20.0	3.9835%
20.5	3.9942%
21.0	4.0039%
21.5	4.0117%
22.0	4.0186%
22.5	4.0239%
23.0	4.0284%
23.5	4.0315%
24.0	4.0338%
24.5	4.0351%
25.0	4.0356%
25.5	4.0352%
26.0	4.0341%
26.5	4.0324%
27.0	4.0299%
27.5	4.0271%
28.0	4.0234%
28.5	4.0196%
29.0	4.0150%
29.5	4.0103%
30.0	4.0049%

Fiera Capital's CIA Method Accounting Discount Rate Curve as at 2012-11-30



FIERA CAPITAL

APPENDIX 4-B
COLLINS BARROW
POST RETIREMENT NON-PENSION BENEFIT PLAN
ACTUARIAL – FY 2014, FY2015, FY2016

Collins Barrow

Collins Barrow Toronto
Actuarial Services Inc.

Collins Barrow Place
11 King Street West
Suite 700, PO Box 27
Toronto, Ontario
M5H 4C7 Canada

T. 416.480.0160
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www.collinsbarrow.com

September 16, 2014

BY E-MAIL: WArmstrong@wellandhydro.com

Mr. Wayne Armstrong
Director of Finance
Welland Hydro-Electric System Corporation
950 East Main Street
Welland, ON L3B 5P6

Dear Mr. Armstrong:

Re: Welland Hydro-Electric System Corporation ("the Corporation"). Actuarial Valuation Report as at January 1, 2014: Post-Retirement Non-Pension Benefit Plan

Attached is our actuarial valuation report as at January 1, 2014 ("Report") for the above-captioned benefit plan.

The intended users of this letter and attachments include the Corporation and its auditors for financial reporting in compliance with CICA guidelines in respect of its post-retirement non-pension benefit plan.

The calculations were performed in accordance with the guidelines set forth in Section 3461 Employee Benefits of the Canadian Institute of Chartered Accountants (CICA) Handbook Accounting Part V Pre-Changeover Accounting Standards ("CICA Section 3461")

For the post-retirement non-pension plan, the January 1, 2014 Accrued Benefit Obligation ("ABO") is approximately $ 1,549,000 with the supporting calculations being summarized in the actuarial valuation report hereby attached.

The FY 2014 benefit expense is approximately $93,000 with the supporting calculations summarized in the accounting worksheets hereby attached. Our calculations of the FY 2014 benefit expense are based on the benefit plan provisions, data, assumptions and methodology as summarized in the Report.

Results under International Financial Reporting Standards ("IFRS")

Also included, as per your request, in separate accounting worksheets attached hereto, are the following items on the basis of International Financial Reporting Standards IAS 19 (Employee Benefits):

- Calculations of the present value of defined benefit obligations under IAS 19 guidelines for fiscal years ending December 31, 2014, December 31, 2015 and December 31, 2016.

For clarity, our IAS 19 based calculations reflect the revised IAS 19 standards released in June 2011 and which are effective for fiscal years beginning after January 1, 2015 with early adoption permitted. The attached results are for informational purposes only and may not reflect any final adjustments related to transition to IFRS.

The following are noted in regards to the attached IAS 19 figures:

- **Data:** The employee data used is as detailed in the Report.

- **Assumptions:** Pursuant to IAS 19, a discount rate assumption of 3.80% per annum as at December 31, 2014 has been selected to reflect the current yields on high quality debt instruments. As you are aware, the Canadian Institute of Actuaries ("CIA") released an Educational Note on the "Accounting Discount Rate Assumption for Pension and Post-Employment Benefit Plans" (Educational Note) in September 2011. Along with the Educational Note, the CIA has also acquired the services of Fiera Capital Investment Management Inc. (a portfolio investment management firm in Canada) to produce a monthly spot rate curve that is derived using the methodology described in the Educational Note.

  Based on the Corporation's expected projected benefit cash flows for post-retirement non-pension benefits and the most recent available spot rate curve published by Fiera Capital (i.e. as at July 31, 2014), a discount rate assumption of 3.80% per annum as at December 31, 2014 has been selected. For your reference, a discount rate assumption of 4.50% per annum was used as at January 1, 2014.

- **Method:** The methodology used in the calculation of the present value of the defined benefit obligation and current service cost is the same as outlined in the Report, with the exception of the changes described below in respect of the application of the provisions in Sections 67-71 of IAS 19 regarding attributing benefits to periods of service. More specifically, the following changes were made to the attribution period for post-retirement non-pension benefits to reflect underlying post-retirement benefit service eligibility requirements under these plans and the application of IAS 19 to same:

  - Due to the minimum 20-year service requirement to be eligible for the retiree extended health and dental benefits, the attribution period under IFRS for these benefits commences at the later of the date of hire and age 35 and ceases at the later of age 55 or the date at which 20 years of service is reached.

  The assumptions used are the same as those detailed herein and in the Report.

  Our calculations conform to the standards as set out in the amendments to International Accounting Standard 19 (Employee Benefits) issued in June 2011.

Pursuant to paragraph 24 of IFRS 1 (First-Time Adoption of IFRS), the attached results are prepared based on the understanding that the Corporation will book an adjustment to retained earnings for all unrecognized actuarial gains and losses and past service costs at the date of transition to IFRSs, i.e. January 1, 2014. The Table below provides details of the adjustment to retained earnings to be made at the IFRS transition date.

January 1, 2014	CICA 3461	Adjustment	IAS 19
ABO / Present Value Defined Benefit Obligation	$ 1,548,801	$ (51,376)	$ 1,497,425
Actuarial Gains/(Losses)	$ (88,207)	$ 88,207	-
Unrecognized Past Service Gain/(Cost)	$ 17,933	$ (17,933)	-
Net Liability/(Asset)	$ 1,654,941	$ (157,516)	$ 1,497,425

We are not aware of any subsequent events that would have a significant impact on our calculations.

If you have any questions regarding the above, the attached Report or accounting schedules, please do not hesitate to give us a call.

Yours truly,

Stanley Caravaggio

Stanley Caravaggio
Senior Manager
[Telephone: 416.408.5306]
[E-mail: srcaravaggio@collinsbarrow.com]

Patrick G. Kavanagh

Patrick G. Kavanagh
Manager
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SC/PK:ecs

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COLLINS BARROW TORONTO

ACTUARIAL SERVICES

WELLAND HYDRO-ELECTRIC SYSTEM CORPORATION

Report on the Actuarial Valuation of Post-Retirement Non-Pension Benefits

As at January 1, 2014

FINAL –September 16, 2014

Collins Barrow

TABLE OF CONTENTS

EXECUTIVE SUMMARY

PURPOSE

MEARIE Actuarial Services and Collins Barrow Toronto Actuarial Services Inc. were engaged by Welland Hydro-Electric System Corporation (the "Corporation") to perform an actuarial valuation of the post-retirement non-pension benefits sponsored by the Corporation and to determine the accounting results for those benefits for the fiscal period ending December 31, 2014. The nature of these benefits is defined benefit.

This report is prepared in accordance with The Canadian Institute of Chartered Accountants (the "CICA") guidelines outlined in Employee Future Benefits, of Part V – Pre-changeover accounting standards of Section 3461 of the CICA Handbook-Accounting ("CICA Section 3461"). CICA Section 3461 was first applied to the Corporation with effect from January1, 2000.

The most recent full valuation was prepared as at January 1, 2011 based on the then appropriate assumptions.

The purpose of this valuation is threefold:

i) to determine the Corporation's liabilities in respect of post-retirement non-pension benefits at January 1, 2014;

ii) to determine the benefit expense for fiscal year 2014; and

iii) to provide all other pertinent information necessary for compliance with CICA Section 3461.

The intended users of this report include the Corporation and their auditors. This report is not intended for use by the plan beneficiaries or for use in determining any funding of the benefit obligations.

SUMMARY OF KEY RESULTS

The key results of this actuarial valuation as at January 1, 2014 with comparative results from the previous valuation as at January 1, 2011 are shown below:

	January 1, 2011 ($000's)	**January 1, 2014 ($000's)**
Accrued Benefit Obligation (ABO)		
a) People in receipt of benefits	914	843
b) Fully eligible actives	211	105
c) Not fully eligible actives	531	601
Total ABO	**1,656**	**1,549**
Current Service Cost: *for following 12 months*	34	29
Benefit Expense: *for following 12 months*	127	93
Prepaid Benefit Liability: *at January 1*		1,602

The January 1, 2014 Prepaid Benefit Liability is based on the Corporation's financial statements as at December 31, 2013.

ACTUARIAL CERTIFICATION

An actuarial valuation has been performed on the post-retirement non-pension benefit plans sponsored by Welland Hydro-Electric System Corporation (the "Corporation") as at January 1, 2014, for the purposes described in this report.

In accordance with the Canadian Institute of Actuaries Consolidated Standards of Practice General Standards, we hereby certify that, in our opinion, for the purposes stated in the Executive Summary:

1. The data on which the valuation is based is sufficient and reliable;
2. The assumptions employed, as outlined in this report, have been selected by the Corporation as management's best estimate assumptions (no provision for adverse deviations) and we express no opinion on them;
3. All known substantive commitments with respect to the post-retirement non-pension benefits sponsored by and identified by the Corporation are included in the calculations; and
4. This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada.

We are not aware of any subsequent events from January 1, 2014 up to the date of this report that would have a significant effect on our valuation.

The latest date on which the next actuarial valuation should be performed is January 1, 2017. If any supplemental advice or explanation is required, please advise the undersigned.

Respectfully submitted,

COLLINS BARROW TORONTO ACTUARIAL SERVICES INC.

Stanley Caravaggio

Stanley Caravaggio, FSA FCIA
Fellow, Canadian Institute of Actuaries

Patrick G. Kavanagh

Patrick G. Kavanagh, AB ASA ACIA
Manager

Toronto, Ontario

September 16, 2014

SECTION A— VALUATION RESULTS

Table A - 1 shows the key valuation results for the prior valuation and the current valuation.

Table A - 2 shows the sensitivity of the valuation results to certain changes in assumptions. We have shown a change to the assumed retirement age from age 59 to 57, and an increase/decrease in the health and dental claims cost trend rates by 1% per annum.

Table A - 3 presents the determination of the actuarial gain/(loss) from the previous valuation at January 1, 2011.

VALUATION RESULTS

Table A.1—Valuation Results

	January 1, 2011 ($000's)	**January 1, 2014 ($000's)**
1. Accrued Benefit Obligation		
a) People in receipt of benefits	914	843
b) Fully eligible actives	211	105
c) Not fully eligible actives	531	601
Total ABO	**1,656**	**1,549**
2. Benefit Expense		
a) Current Service Cost	34	29
b) Interest Cost	82	69
c) Expected Return on Assets	-	-
d) Amortization of Transition Amount	-	-
e) Amortization of Prior Service Cost	2	2
f) Amortization of (Gain)/Losses	9	(5)
Total Benefit Expense *for following 12 months*	**127**	**93**
3. Expected Benefit Payments *for following 12 months*	108	108

SENSITIVITY ANALYSIS

Table A.2—Sensitivity Analysis

	January 1, 2014			
	Valuation Results	**Retirement Age 57**	**1% Higher Trend**	**1% Lower Trend**
1. Accrued Benefit Obligation				
a) People in receipt of benefits	843	843	853	833
b) Fully eligible actives	105	105	107	104
c) Not fully eligible actives	601	728	657	551
Total ABO	**1,549**	**1,676**	**1,617**	**1,488**
2. Current Service Cost *for following 12 months*	29	36	33	26
3. Interest Cost *for following 12 months*	69	75	72	66
4. Expected Average Remaining Service Lifetime of the Current Active Employees (years)	13	12	13	13

DEVELOPMENT OF NET GAINS OR LOSSES

Table A.3—Development of Net Gains or Losses

Expected ABO at December 31, 2013	1,908
Unamortized Past Service Cost	18
Correction to ABO*	17
Actual ABO at January 1, 2014	1,549
Actuarial Loss/(Gain)	(394)
Amortization of Unamortized Actuarial Loss	
Unamortized Net Actuarial Loss (Gain) at December 31, 2013	306
Actuarial Loss (Gain) for Current Year at January 1, 2014	(394)
Total Loss (Gain) at January 1, 2014	(88)
Less: Actual Amortization for 2014	(7)
Expected Unamortized Actuarial Loss (Gain) at December 31, 2014	(81)

* A correction to the ABO of approximately $17,000 was made as at December 31, 2013 to reflect new information that was provided by the Corporation with respect to the benefit provisions for pre-retirement surviving dependent's health and dental benefits coverage.

Please note that the actual ABO at January 1, 2014 is approximately $394,000 lower than the expected ABO at December 31, 2013. This is due to a combination of the following factors:

- A change in the withdrawal rate assumption (an increase of approximately $14,000)
- A change in the health and dental trend rate assumptions (a decrease of approximately $4,000)
- A change in the mortality table and coverage type assumptions (a decrease of approximately $75,000)
- Differences between the actual and expected health and dental benefit cost rates (a decrease of approximately $141,000)
- A change in the discount rate assumption (a decrease of approximately $179,000)
- Deviations from the expected demographic changes of the valued group and other miscellaneous factors (a decrease of approximately $9,000 in the total ABO)

CICA Section 3461 requires entities to adopt a systematic method for recognizing actuarial gains and losses in income. Furthermore, once adopted, CICA Section 3461 requires that the method of recognizing actuarial gains/(losses) be applied consistently from year to year. CICA Section 3461 also states that any gain or loss in excess of 10% of the ABO must, at minimum, be amortized over the expected average remaining service lifetime ("EARSL"). In prior valuations, the Corporation has recognized the full amount of any gain or loss over the EARSL of the current active group. The EARSL of the current active group is 13 years. Therefore, the amount of actuarial gains to be recognized in 2014 is approximately $7,000.

AMORTIZATION OF UNAMORTIZED PAST SERVICE COST

Unamortized Past Service Costs at January 1, 2014	$	18
Less: Actual Amortization for year 2014	$	2
Unamortized Past Service Costs at December 31, 2014	$	16

In a prior valuation at January 1, 2008, the eligibility date for post-retirement non-pension benefits was April 1, 2006. The benefit provisions have since been amended such that the eligibility date for benefits is now April 1, 2009. The recognition of past service (i.e., service from date of hire to January 1, 2011) in respect of the seven employees hired between April 1, 2006 and April 1, 2009 for benefit eligibility purposes and thus valuation purposes resulted in a past service liability as of January 1, 2011 of approximately $25,000.

Pursuant to CICA Section 3461, this past service liability is being amortized on a straight-line basis over the average remaining service period of active employees expected to receive benefits up to the full eligibility date. This results in an amortization of approximately $2,000 for the year 2014.

SECTION B— PLAN PARTICIPANTS

Table B – 1 sets out the summary information with respect to the plan participants valued in the report, along with comparisons to the participants in the previous valuation at January 1, 2011.

Table B – 2 reconciles the number of participants in the last valuation to the number of participants in the current valuation.

PARTICIPANT DATA

Table B.1—Participant Data

Membership data as at January 1, 2014 was received from the Corporation via e-mail and included information such as name, sex, age, date of hire, current salary, benefit amounts and other applicable details for all active employees and people in receipt of benefits.

We have reviewed the data and compared it to the data used in the prior valuation for consistency and reliability for use in this valuation. The main tests of sufficiency and reliability that were conducted on the membership data are as follows:

- Date of birth prior to date of hire
- Salaries less than $20,000 per year, or greater than $250,000 per year
- Ages under 18 or over 100
- Abnormal levels of benefits and/or premiums
- Duplicate records

In addition, the following tests were performed:

- A reconciliation of statuses from the prior valuation to the current valuation;
- A review of the consistency of individual data items and statistical summaries between the current and prior valuations; and
- A review of the reasonableness of changes in such information since the prior valuation.

Active Employees

As of January 1	2011			2014		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**
Number of Employees	28	10	38	29	9	38
Average Length of Service	13.5	12.1	13.1	13.7	9.1	12.6

As of January 1, 2014	Current Age					
	Active Lives—Not fully eligible			Active Lives—Fully eligible		
	Count			Count		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**
Age Band						
Less than 30	5	2	7	-	-	-
30-35	2	3	5	-	-	-
36-40	2	2	4	-	-	-
41-45	1	-	1	-	-	-
46-50	5	-	5	-	-	-
51-55	8	1	9	-	1	1
56-60	1	-	1	2	-	2
61-65	3	-	3	-	-	-
66-70	-	-	-	-	-	-
71-75	-	-	-	-	-	-
Greater than 75	-	-	-	-	-	-
Total	**27**	**8**	**35**	**2**	**1**	**3**

As of January 1, 2014	Average Service					
	Active Lives—Not fully eligible			Active Lives—Fully eligible		
	Service			Service		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**
Age Band						
Less than 30	2.9	3.9	3.2	-	-	-
30-35	4.8	7.9	6.7	-	-	-
36-40	3.3	2.1	2.7	-	-	-
41-45	5.8	-	5.8	-	-	-
46-50	20.3	-	20.3	-	-	-
51-55	20.2	21.9	20.4	-	-	-
56-60	6.8	-	6.8	-	24.1	24.1
61-65	13.9	-	13.9	24.5	-	24.5
66-70	-	-	-		-	-
71-75	-	-	-	-	-	-
Greater than 75	-	-	-	-	-	-
Total	**12.9**	**7.2**	**11.6**	**24.5**	**24.1**	**24.4**

People in Receipt of Benefits

As of January 1	2011 Male	2011 Female	2011 Total	2014 Male	2014 Female	2014 Total
Number of Members	21	7	28	20	9	29

As of January 1, 2014

Age Band	Expected Annual Benefit Payments Male	Female	Total
Less than 30	-	-	-
30-35	-	-	-
36-40	-	-	-
41-45	-	-	-
46-50	-	-	-
51-55	-	6,821	6,821
56-60	21,164	13,663	34,826
61-65	9,998	20,631	30,629
66-70	565	242	807
71-75	1,357	753	2,109
Greater than 75	20,032	1,220	21,252
Total	**53,116**	**43,329**	**96,445**

PARTICIPATION DATA

Table B.2—Participation Data

	Actives	Dependents	Retirees
As at January 1, 2011	**38**	-	**28**
New Entrants	7	-	-
New Dependents	-	1	-
Active	-	-	5
LTD	-	-	-
Terminated	(2)	-	-
Deceased	-	-	(4)
Retired	(5)	-	-
No longer eligible for benefits	-	-	(1)
As at January 1, 2014	**38**	**1**	**28**

SECTION C— SUMMARY OF ACTUARIAL METHOD AND ASSUMPTIONS

ACTUARIAL METHOD

The aim of an actuarial valuation of post-retirement non-pension benefits is to provide a reasonable and systematic allocation of the cost of these future benefits to the years in which the related employees' services are rendered. To accomplish this, it is necessary to:

- make assumptions as to the discount rates, salary rate increases, mortality and other decrements;
- use these assumptions to calculate the present value of the expected future benefits; and
- adopt an actuarial cost method to allocate the present value of expected future benefits to the specific years of employment.

The ABO and Current Service Cost were determined using the projected benefit method, pro-rated on service. This is the method stipulated by CICA Section 3461 when future salary levels or cost escalation affect the amount of the employee's future benefits. Under this method, the projected post-retirement benefits are deemed to be earned on a pro-rata basis over the years of service in the attribution period. CICA Section 3461 stipulates that the attribution period commences at the employee's hire date and ends at the earliest age at which the employee could retire and qualify for the post-retirement non-pension benefits valued herein.

For each employee not yet fully eligible for benefits, the ABO is equal to the present value of expected future benefits multiplied by the ratio of the years of service to the valuation date to the total years of service in the attribution period. The Current Service Cost is equal to the present value of expected future benefits multiplied by the ratio of the year (or part) of service in the fiscal year to total years of service in the attribution period.

For health and dental benefits, the Corporation has selected the premium rates charged to retirees as management's best estimate of the benefits costs to be incurred. The total monthly premium rates, inclusive of premium taxes, used are as follows:

	Health Care		***Dental Care***	
	Single Coverage	Family Coverage	Single Coverage	Family Coverage
Eligible Retirees	$139.20	$417.52	$67.87	$147.42

The above premium rates were provided by the Corporation and represent the rates effective November 1, 2013 to October 31, 2014.

The ABO at January 1, 2014 is based on membership data and management's best estimate assumptions at January 1, 2014.

ACCOUNTING POLICIES

The Corporation amortizes the amount of any gain or loss in excess of 10% of the ABO divided by the expected average remaining service lifetime of the active members of the group.

Pursuant to CICA Section 3461, the past service cost is amortized on a straight-line basis over the average remaining service period to full eligibility of active employees at the measurement date.

MANAGEMENT'S BEST ESTIMATE ASSUMPTIONS

The following are management's best estimate economic and demographic assumptions as at January 1, 2014.

ECONOMIC ASSUMPTIONS

Consumer Price Index

The consumer price index is assumed to be 2.00% per annum.

This is the same assumption used in the previous valuation.

Discount Rate

The rate used to discount future benefits is assumed to be 4.50% per annum. This rate reflects the market interest rates at the measurement date on high quality debt instruments with consideration given to the timing and amount of projected benefit payments.

The assumption used in the previous valuation was 5.00% per annum, which was subsequently updated to 3.50% per annum at December 31, 2012.

Salary Increase Rate

The rate used to increase salaries is assumed to be 3.30% per annum. This rate reflects the expected Consumer Price Index adjusted for productivity, merit and promotion adjusted for company specific information.

The assumption used in the previous valuation was 3.25% per annum for calendar year 2014 and 3.30% per annum thereafter.

Claims Cost Trend Rate

The rates used to project benefits cots into the future are as follows:

	Current Valuation		Previous Valuation	
End of Year	*Health*	*Dental*	*Health*	*Dental*
2014	7.00%	4.60%	6.88%	5.00%
2015	6.70%	4.60%	6.50%	5.00%
2016	6.40%	4.60%	6.13%	5.00%
2017	6.10%	4.60%	5.75%	5.00%
2018	5.80%	4.60%	5.38%	5.00%
2019	5.50%	4.60%	5.00%	5.00%
2020	5.20%	4.60%	5.00%	5.00%
2021	4.90%	4.60%	5.00%	5.00%
2022 and Thereafter	4.60%	4.60%	5.00%	5.00%

DEMOGRAPHIC ASSUMPTIONS

Mortality Table

The mortality tables used are as per the Canadian Institute of Actuaries Canadian Pensioners' Mortality Pension Experience Subcommittee report dated February 11, 2014 (CIA Report). More specifically, the 2014 Public Sector Mortality Table has been used with the generational projection of mortality improvement based upon CPM Improvement Scale B1-2014.

Mortality rates are applied on a sex-distinct basis.

The previous valuation used the 1994 Uninsured Pensioner Mortality (UP-94) table, with a projection of mortality improvements to the year 2020 based upon Projection Scale AA.

Rates of Withdrawal

Termination of employment is assumed to be in accordance with the following withdrawal table, which was compiled using withdrawal experience for a group of local distribution companies and municipalities for which data was available:

Age Band	Withdrawal Rate per Annum
18 – 29	2.75%
30 – 34	2.25%
35 – 39	2.00%
40 – 54	1.50%

In the prior valuation, a flat rate of 2.00% per annum was used for termination of employment prior to age 55.

Retirement Age

All active employees are assumed to retire at age 59 (or immediately if currently over age 59). For active employees who do not meet the minimum service requirement of 20 years at age 59, the assumed retirement age is increased to the age at which 20 years of service is reached, not to exceed age 65.

This assumption remains unchanged from the previous valuation.

Disability

No provision was made for future disability.

Family/Single Coverage

It is assumed that the coverage type as at January 1, 2014 as provided by the Corporation, will remain the same until the employee reaches the assumed retirement age. For family coverage, it is assumed that the retiree has a spouse of opposite gender and no other dependents. Male spouses are assumed to be 3 years older than female spouses.

In the previous valuation, it was assumed that the employee's coverage type at the valuation date, as provided in the valuation data by the Corporation, would remain the same throughout retirement. Similar assumptions were made for spousal gender and spousal age offset.

1/12/2015

Welland Hydro-Electric System Corporation
ESTIMATED BENEFIT EXPENSE (CICA 3461)
FINAL - REVISED

	Calendar Year 2014
Discount Rate - January 1	4.50%
Discount Rate - December 31	3.80%
Withdrawal Rate	age based table
Assumed increase in Employer Contributions	expected*

A. Determination of Benefit Expense

Current Service Cost	29,133
Interest on Benefits	68,580
Expected Interest on Assets	-
Past Service Cost	2,242
Transitional Obligation/(Asset)	-
Actuarial (Gain)/Loss	(6,785)
Benefit Expense	93,170

B. Reconciliation of Prepaid Benefit Asset (Liability)

Accrued Benefit Obligation (ABO) as at December 31	1,660,411
Assets as at December 31	-
Unfunded ABO	(1,660,411)
Unrecognized Loss/(Gain)	40,355
Unrecognized Transition	15,691
Prepaid Benefit Asset (Liability)	(1,604,364)
Prepaid Benefit/(Liability) as at January 1	(1,619,075)
Benefit Income/(Expense)	(93,170)
Contributions/Benefit Payments by the Employer	107,881
Prepaid Benefit Asset (Liability)	(1,604,364)

* Based on estimated employer benefit payments for those expected to be eligible for benefits

Welland Hydro-Electric System Corporation
ESTIMATED BENEFIT EXPENSE (CICA 3461)
FINAL - REVISED

	Calendar Year 2014
Discount Rate - January 1	4.50%
Discount Rate - December 31	3.80%
Withdrawal Rate	age based table
Assumed Increase in Employer Contributions	expected*

C. Calculation of Component Items

Calculation of the Service Cost	
- Current service cost	29,133
Interest on Benefits	
- ABO at January 1	1,548,801
- Current service cost	29,133
- Benefit payments	(53,941)
- Accrued benefits	1,523,994
- Interest	68,580
Expected Interest on Assets	
- Assets at January 1	-
- Funding	53,941
- Benefit payments	(53,941)
- Expected assets	-
- Interest	-
Expected ABO as at December 31	
- ABO at January 1	1,548,801
- Current service cost	29,133
- Interest on benefits	68,580
- Benefit payments	(107,881)
- Expected ABO at December 31	1,538,633
Expected Assets as at December 31	
- Assets at January 1	-
- Funding	107,881
- Interest on assets	-
- Benefit payments	(107,881)
- Expected Assets at December 31	-

Welland Hydro-Electric System Corporation
ESTIMATED BENEFIT EXPENSE (CICA 3461)
FINAL - REVISED

	Calendar Year 2014
Discount Rate - January 1	4.50%
Discount Rate - December 31	3.80%
Withdrawal Rate	age based table
Assumed increase in Employer Contributions	expected*

D. Actuarial (Gain)/Loss

(Gain)/Loss on ABO as at January 1	
- Prepaid Benefit/(Liability) as at January 1	1,601,974
- Unamortized (Gain)/Loss	305,779
- Expected ABO	1,907,753
- Past Service Cost	17,933
- Correction to Benefits	17,101
- Actual ABO	1,548,801
- Total (Gain)/Loss on ABO	(393,986)
(Gain)/Loss on assets as at January 1	
- Expected assets	-
- Actual assets	-
- (Gain)/Loss on assets	-
Total (Gain)/Loss as at January 1	(88,207)
10% of ABO as at January 1	154,880
Total (Gain)/Loss in excess of 10%	-
Expected average remaining service life (years)	13
Minimum Amortization for current year	-
Actual Amortization for current year	(6,785)
(Gain)/Loss on ABO at December 31 due to change in discount rate assumption	
- Expected ABO - December 31	1,538,633
- Actual ABO - December 31	1,660,411
- (Gain)/Loss on ABO at December 31	121,777
Unamortized (Gain)/Loss	40,355

E. Amortization of Past Service Costs

Unamortized past service costs as at beginning of period	17,933
Period over which past service costs are to be amortized (years)	8
Actual Amortization for current period	2,242
Unamortized past service costs as at the end of period	15,691

* based on estimated employer benefit payments for those expected to be eligible for benefits.

Collins Barrow

9/16/2014

Welland Hydro-Electric System Corporation
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

	Projected** CY 2014	Projected** CY 2015	Projected** CY 2016
Discount Rate at January 1	4.50%	3.80%	3.80%
Discount Rate at December 31	3.80%	3.80%	3.80%
Health Benefit Cost Trend Rate at December 31			
Initial Rate	7.00%	6.70%	6.40%
Ultimate Rate	4.60%	4.60%	4.60%
Year Ultimate Rate Reached	2022	2022	2022
Dental Benefit Cost Trend Rate	4.60%	4.60%	4.60%
Salary Scale Rate	3.30%	3.30%	3.30%
Assumed Increase in Employer Contributions	expected*	expected*	expected*

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

	CY 2014	CY 2015	CY 2016
Net Defined Benefit Liability/(Asset) as at January 1	1,497,425	1,601,323	1,583,297
Defined Benefit Cost Recognized in Income Statement	98,612	97,256	98,162
Defined Benefit Cost Recognized in Other Comprehensive Income	113,167	-	-
Benefits Paid by the Employer	(107,881)	(115,282)	(108,730)
Net Defined Benefit Liability/(Asset) as at December 31	1,601,323	1,583,297	1,572,730

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

	CY 2014	CY 2015	CY 2016
Service Cost			
- Current Service Cost	33,655	38,596	40,063
- Past Service Cost	-	-	-
Net Interest Cost	64,957	58,660	58,099
Defined Benefit Cost Recognized in Income Statement	98,612	97,256	98,162

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

	CY 2014	CY 2015	CY 2016
Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	113,167	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	
Return on Plan Assets (excluding amounts included in net interest cost)	-	-	-
Change in effect of asset ceiling	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	113,167	-	-
Total Defined Benefit Cost	211,779	97,256	98,162

C. Change in the Present Value of Defined Benefit Obligation

	CY 2014	CY 2015	CY 2016
Present Value of Defined Benefit Obligation as at January 1	1,497,425	1,601,323	1,583,297
Current Service Cost	33,655	38,596	40,063
Past Service Cost	-	-	-
Interest Cost	64,957	58,660	58,099
Benefits Paid	(107,881)	(115,282)	(108,730)
Net Actuarial Loss/(Gain)	113,167	-	-
Present Value of Defined Benefit Obligation as at December 31	1,601,323	1,583,297	1,572,730

* based on estimated employer benefit paid for those expected to be eligible for benefits

**Projected CY2014, 2015 and 2016 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review

APPENDIX 4-C
COLLINS BARROW
POST RETIREMENT NON-PENSION BENEFIT PLAN
ACTUARIAL – FY2017, FY2018

Collins Barrow

3/11/2016

Welland Hydro-Electric System Corporation

ESTIMATED BENEFIT EXPENSE (IAS 19)

for rate filing purposes only

	Projected CY 2017	Projected CY 2018
Discount Rate at January 1	3.80%	3.80%
Discount Rate at December 31	3.80%	3.80%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.10%	5.80%
Ultimate Rate	4.60%	4.60%
Year Ultimate Rate Reached	2022	2022
Dental Benefit Cost Trend Rate	4.60%	4.60%
Salary Scale Rate	3.30%	3.30%
Assumed Increase in Employer Contributions	expected*	expected*

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

Net Defined Benefit Liability/(Asset) as at January 1	1,572,730	1,569,655
Defined Benefit Cost Recognized in Income Statement	99,402	100,998
Defined Benefit Cost Recognized in Other Comprehensive Income	-	-
Benefits Paid by the Employer	(102,476)	(95,483)
Net Defined Benefit Liability/(Asset) as at December 31	1,569,655	1,575,170

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Service Cost		
- Current Service Cost	41,585	43,166
- Past Service Cost	-	-
Net Interest Cost	57,817	57,833
Defined Benefit Cost Recognized in Income Statement	99,402	100,998

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-
Return on Plan Assets (excluding amounts included in net interest cost)	-	-
Change in effect of asset ceiling	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	-	-
Total Defined Benefit Cost	99,402	100,998

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	1,572,730	1,569,655
Current Service Cost	41,585	43,166
Past Service Cost	-	-
Interest Cost	57,817	57,833
Benefits Paid	(102,476)	(95,483)
Net Actuarial Loss/(Gain)	-	-
Present Value of Defined Benefit Obligation as at December 31	1,569,655	1,575,170

* based on estimated employer benefit paid for those expected to be eligible for benefits

Collins Barrow

3/11/2016

Welland Hydro-Electric System Corporation
ESTIMATED BENEFIT EXPENSE (IAS 19)
for rate filing purposes only

	Projected CY 2017	Projected CY 2018
Discount Rate at January 1	3.80%	3.80%
Discount Rate at December 31	3.80%	3.80%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.10%	5.80%
Ultimate Rate	4.60%	4.60%
Year Ultimate Rate Reached	2022	2022
Dental Benefit Cost Trend Rate	4.60%	4.60%
Salary Scale Rate	3.30%	3.30%
Assumed Increase in Employer Contributions	expected*	expected*

D. Calculation of Component Items

Service Cost		
- Current Service Cost	41,585	43,166
- Past Service Cost	-	-
Interest Cost		
- Net Defined Benefit Liability/(Asset) as at January 1	1,572,730	1,569,655
- Benefits Paid	(51,238)	(47,742)
- Accrued Benefits	1,521,491	1,521,913
- Interest Cost	57,817	57,833
Expected Present Value of Defined Benefit Obligation as at December 31		
- Present Value of Defined Benefit Obligation as at January 1	1,572,730	1,569,655
- Current Service Cost	41,585	43,166
- Interest Cost	57,817	57,833
- Benefits Paid	(102,476)	(95,483)
- Expected Present Value of Defined Benefit Obligation as at December 31	1,569,655	1,575,170

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation as at December 31		
- Expected Present Value of Defined Benefit Obligation	1,569,655	1,575,170
- Past Service Cost	-	-
- Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	1,569,655	1,575,170
- Actual Present Value of Defined Benefit Obligation	1,569,655	1,575,170
- Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation	-	-

* based on estimated employer Benefits Paid for those expected to be eligible for benefits.

APPENDIX 4-D
WELLAND HYDRO-ELECTRIC SYSTEM CORP.
PURCHASING POLICY

Welland Hydro ELECTRIC SYSTEM CORP. POWERING WELLAND'S FUTURE

ADMINISTRATIVE POLICIES AND PROCEDURES

P 100-13	Page 1 of 5

Department HUMAN RESOURCES	**Name of Policy** PROCUREMENT POLICY
DATE ISSUED: December 17, 2008	**DATE REVISED:**

CEO Signature:

OBJECTIVES / INTRODUCTION

Welland Hydro's purchasing objectives are to provide in a reasonable and economic manner, all equipment, materials, supplies and services required to construct, improve and maintain the company's facilities and to maintain the reliability of the company's electric service to the consumer. Welland Hydro's supply chain service representatives have the responsibility to be informed of the actual or potential procurement requirements of the company, to control the financial commitments, to negotiate within the procurement policy.

Included in these responsibilities are:

- The assurance that sound judgment is exercised for the basic procurement variables such as quality, quantity, sources of supply, delivery and price.
- The continuing evaluation of new sources of supply and assisting user departments in finding new products, and new processes.
- The fostering and retention of good supplier relations through fair and ethical dealings.
- The communication of market and business conditions to other personnel
- The development of an awareness that effective procurement contributes to the company success.

The Corporation has determined as a matter of policy that the lowest overall cost for the corporation is most often received when competitive acquisition processes are used. For that reason, competitive acquisitions will be the general rule and will be departed from only in accordance with specific exceptions set forth in this policy.

SUPPLIER SELECTION AND BIDDING

Welland Hydro-Electric System Corporation will only deal with dependable and responsible suppliers and contractors and pay a fair market price for the goods and services required.

The following factors are to be considered (whenever applicable):

✓ Financial responsibility	✓ Safety record and agreement to work to Welland Hydro safety policies
✓ Technical competence	✓ Ability to provide certified parts and service
✓ Production capacity	✓ Agreement to maintain inventory if requested

✓ Reasonable proximity	✓ Quality assurance
✓ Delivery and service performance – meet our project schedule	✓ Minimize number of stock items
✓ Emergency requirements	

COMPETITIVE BIDDING & PURCHASING METHODOLOGY

No person shall commit the company to agreements, licenses, contracts, and other legally enforceable obligations unless authorized to do so by the board as detailed in the SIGNING AUTHORITY POLICY.

The President and CEO and department heads are responsible for the implementation of this policy to the extent they have been delegated purchasing authority by the board. It is further the responsibility of the department head to share this document and all related procedures and forms with all unit personnel who are involved in the purchasing process. All goods and services must be purchased within approved department budgets and are subject to approval in accordance with the SIGNING AUTHORITY POLICY.

On purchases under $2,500, an attempt will be made to get 2 prices.

On purchases >$2,500 and <$10,000, an attempt will be made to acquire 3 prices.

On purchases > $10,000 and <$100,000 wherever possible, at least 3 suppliers should be contacted to provide a quote to ensure the best value is obtained.

Purchases > $100,000 must have 3 supplier quotations or an authorized exemption certificate must be submitted to finance. The exemption certificate must indicate why the exemption is based on sole/single source purchase. The certificate must be authorized by the President and CEO or alternate prior to purchase. Where the estimated value of goods or services required exceeds $100,000 the purchase shall be made by a request for tenders, written quotes, or Request for Proposal.

Cost for goods and or services that require purchase orders > $100,000 may not be artificially partitioned into components costing less than $100,000 to circumvent the competitive requirement.

CONFLICT OF INTEREST & CONFIDENTIALITY

Prices obtained from suppliers are intended for Welland Hydro use only. Pricing information should not be divulged to Non Welland Hydro personnel or to competitive suppliers. Employee or Board members shall not accept either directly or indirectly from any potential or existing supplier of goods & services any gifts or favours unless they are of small intrinsic value. Please refer to the confidentiality policy for further details

PURCHASE ORDERS

Every purchase of goods or services shall be covered by a purchase order, except for authorized petty cash purchases or employee expense statements.

A printed copy of the purchase order in standard format shall by signed by the appropriate signing authority and given to the finance department. Any additional copies are the responsibility of issuing department and hard copies should not be held back from finance department once authorized. Upon receipt of goods, the manager or designate shall check shipment with purchase order and advise the finance department of any discrepancies.

Sole / Single Source Purchases

The purchases may, under one of the following conditions, be by sole source procurement.

- When goods and services can be obtained only from one (1) person or firm.
- The expertise of an individual organization or individual is deemed to be specifically required by the Corporation.
- When competition is precluded because of the existence of patent rights, copyrights, secret processes, control of raw material or other such conditions.
- When it is the only product or service that has been approved by the Corporation for use in the distribution system.
- When the procurement is for technical services in connection with the assembly installation or servicing of equipment of a highly technical or specialized nature.
- When the procurement is for parts or components to be used as replacement in support of equipment specifically designed by the manufacturer.
- The contractor is already at work on the site (based on an existing Purchase Order) and it would not be practical to engage another contractor.
- Specific Health and Safety items as approved by the Safety Supervisor.

- Emergency or regulatory requirements require immediate attention.

Quotation purchases / Bid Solicitation

(A) Under one of the following conditions, purchase by negotiating with one or more sources or bidders may occur. Also, under the following conditions the requirements for inviting tenders and formal quotations may be waived;

- The goods or services are in short supply due to market conditions.
- Two or more identical bids have been received.
  All Bids received failed to meet the specifications and / or tender terms and conditions and it is impractical to recall tenders or formal quotations.
- Certain professional services which require specialized technical knowledge to ensure compliance with structural civil, environmental or other regulatory standards, or which are critical to the corporation's information technology support systems.

(B) All Bids solicited for tender will follow a procedure for opening of sealed tenders.

- Tenders shall be opened in the presence of two witnesses.
- Prior to the opening of tenders the applicable department representative shall advise the President & Director of Finance as to the description of the tenders and the time and place of the opening.
- Request for tenders shall state that tenders will be received not later than time specified, local time on a specific day.

The Board of Directors will pre authorize major capital projects not included in the Capital Budget which is not considered part of the normal operations of the corporation. i.e. Office Building , etc.

The awarding of the tender will be in favour of a bidder meeting specifications, terms and conditions of the tender, meet safety requirements, and whose tender offers the lowest ultimate cost to the corporation for the goods, equipment or services with due consideration of the importance of delivery, quality, service and price.

Passed by the Board of Directors at its December 17, 2008 meeting.

Welland Hydro
ELECTRIC SYSTEM CORP.
POWERING WELLAND'S FUTURE

ADMINISTRATIVE POLICIES AND PROCEDURES

		P 100-13	
Department HUMAN RESOURCES	**Name of Policy** PROCUREMENT POLICY		
DATE ISSUED: December 17, 2008	**DATE REVISED**:		

CEO Signature:

RELATED ADMINISTRATIVE PROCEDURES/FORMS:

Procedures/Forms	Document #

APPENDIX 4-E
BOARD'S INCOME TAX/PILS WORKFORM
FOR 2017 FILERS

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Version 1.01

Utility Name	Welland Hydro-Electric System Corp.
Assigned EB Number	EB-2016-0110
Name and Title	Wayne Armstrong - Director of Finance & Chief Operating Officer
Phone Number	905-732-1381 Ext 234
Email Address	warmstrong@wellandhydro.com
Date	August 30, 2016
Last COS Re-based Year	2013

Note: Drop-down lists are shaded blue; Input cells are shaded green.

Instructions

Purpose
The purpose of this workbook is to calculate the estimated Payment in Lieu of Taxes (PILs) for the Test Year. The calculation of PILs for the Test Year is on tab T0 and is based on the inputs on the other tabs.

Tab S Summary is a summary of the amounts to be transferred to the Data Input Sheet of the Revenue Requirement Workform.

Methodology
To calculate the PILs for the Test Year:

1) input the balances from the income tax return of the Historical Year in tabs H1 to H13.
2) input the balances for the subsequent two (2) years (the Bridge Year and the Test Year).
Inputs should include:
- non-deductible expenses (Schedule 1 - B1 and T1)
- capital additions (Schedule 8 - B8 and T8)
- cumulative eligible expenditures (Schedule 10 - B10 and T10)
- non-deductible reserves (Schedule 13 - B13 and T13)

3) make any other adjustments and inputs required so that the PILs amount calculated for the Test Year on tab T0 is reasonable.

Other Notes
Tabs H1 to H13 relate to the Historical Year.
Tabs B1 to B13 relate to the Bridge Year.
Tabs T1 to T13 relate to the Test Year.

The amounts on tabs H1 to H13 should agree to the tax return filed with the Canada Revenue Agency. Any CRA audit adjustments or corrections should also be reflected.

It is assumed the net income before tax for the Test Year is equal to the Return on Equity. Return on Equity is calculated on tab A.

On tab "A. Data Input Sheet", input the "Rate Base" amount and "Return on Rate Base" amounts.

For the 2017 Application, the "Test Year" is 2017, the "Historical Year" is 2015, and the "Bridge Year" is 2016.

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

No inputs required on this worksheet.

Inputs on Service Revenue Requirement Worksheet

The Service Revenue Requirement is in the 'Revenue Requirement Workform' - Tab 3.

Item	Working Paper Reference	
Adjustments required to arrive at taxable income	as below	**-876,937**
Test Year - Payments in Lieu of Taxes (PILs)	T0	**74,069**
Test Year - Grossed-up PILs	T0	**100,775**
Effective Federal Tax Rate	T0	**15.0%**
Effective Ontario Tax Rate	T0	**11.5%**

Calculation of Adjustments required to arrive at Taxable Income			
Regulatory Income (before income taxes)	T1	1,231,915	
Taxable Income	T1	354,979	
Difference	calculated	-876,937	as above

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

			Test Year	Bridge Year	
Rate Base		S	**$ 33,512,388**	**$ 34,689,035**	
Return on Ratebase					
Deemed ShortTerm Debt %	4.00%	T	$ 1,340,496	*W = S * T*	
Deemed Long Term Debt %	56.00%	U	$ 18,766,937	*X = S * U*	
Deemed Equity %	40.00%	V	$ 13,404,955	*Y = S * V*	
Short Term Interest Rate	1.65%	Z	$ 22,118	*AC = W * Z*	
Long Term Interest	4.54%	AA	$ 852,019	*AD = X * AA*	
Return on Equity (Regulatory Income)	9.19%	AB	**$ 1,231,915**	*AE = Y * AB*	T1
Return on Rate Base			**$ 2,106,053**	*AF = AC + AD + AE*	

Questions that must be answered

	Historical Year	Bridge Year	Test Year
1. Does the applicant have any Investment Tax Credits (ITC)?	Yes	Yes	Yes
2. Does the applicant have any SRED Expenditures?	No	No	No
3. Does the applicant have any Capital Gains or Losses for tax purposes?	No	No	No
4. Does the applicant have any Capital Leases?	No	No	No
5. Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?	No	No	No
6. Since 1999, has the applicant acquired another regulated applicant's assets?	No	No	No
7. Did the applicant pay dividends? *If Yes, please describe what was the tax treatment in the manager's summary.*	Yes	Yes	Yes
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?	No	No	No

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Tax Rates Federal & Provincial As of May 16, 2016	Effective January 1, 2012	Effective January 1, 2013	Effective January 1, 2014	Effective January 1, 2015	Effective January 1, 2016	Effective January 1, 2017
Federal income tax						
General corporate rate	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%
Federal tax abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted federal rate	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
Rate reduction	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%
Federal Income Tax	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Ontario income tax	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
Combined federal and Ontario	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
Federal & Ontario Small Business						
Federal small business threshold	500,000	500,000	500,000	500,000	500,000	500,000
Ontario Small Business Threshold	500,000	500,000	500,000	500,000	500,000	500,000
Federal small business rate	11.00%	11.00%	11.00%	11.00%	10.50%	10.50%
Ontario small business rate	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

Notes

1. The Ontario Energy Board's proxy for taxable capital is rate base.
2. Regarding the small business deduction, if applicable,
   a. If taxable capital exceeds $15 million, the small business rate will not be applicable.
   b. If taxable capital is below $10 million, the small business rate would be applicable.
   c. If taxable capital is between $10 million and $15 million, the appropriate small business rate will be calculated.

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

PILs Tax Provision - Historical Year

Note: Input the actual information from the tax returns for the historical year.

					Wires Only	
Regulatory Taxable Income				H1	$ 44,975	A
Combined Tax Rate and PILs	Ontario Tax Rate (Maximum 11.5%)	11.50%	B			
	Federal tax rate (Maximum 15%)	15.00%	C			
	Combined tax rate (Maximum 26.5%)				26.50%	D = B+C
Total Income Taxes					$ 11,918	E = A * D
Investment Tax Credits					$ 26,521	F
Miscellaneous Tax Credits						G
Total Tax Credits					$ 26,521	H = F + G
Corporate PILs/Income Tax Provision for Historical Year					$ -	I = E - H

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	A	1,023,515	135,750	887,765
Additions:				
Interest and penalties on taxes	103			0
Amortization of tangible assets	104	1,327,966	10,597	1,317,369
Amortization of intangible assets	106			0
Recapture of capital cost allowance from Schedule 8	107			0
Gain on sale of eligible capital property from Schedule 10	108			0
Income or loss for tax purposes- joint ventures or partnerships	109			0
Loss in equity of subsidiaries and affiliates	110			0
Loss on disposal of assets	111			0
Charitable donations	112	2,841		2,841
Taxable Capital Gains	113	3,208		3,208
Political Donations	114			0
Deferred and prepaid expenses	116			0
Scientific research expenditures deducted on financial statements	118			0
Capitalized interest	119			0
Non-deductible club dues and fees	120			0
Non-deductible meals and entertainment expense	121	2,774		2,774
Non-deductible automobile expenses	122			0
Non-deductible life insurance premiums	123			0
Non-deductible company pension plans	124			0
Tax reserves deducted in prior year	125	1,286,645		1,286,645
Reserves from financial statements- balance at end of year	126	3,690,671		3,690,671
Soft costs on construction and renovation of buildings	127			0
Book loss on joint ventures or partnerships	205			0
Capital items expensed	206			0
Debt issue expense	208			0
Development expenses claimed in current year	212			0
Financing fees deducted in books	216			0
Gain on settlement of debt	220			0
Non-deductible advertising	226			0
Non-deductible interest	227			0
Non-deductible legal and accounting fees	228			0
Recapture of SR&ED expenditures	231			0
Share issue expense	235			0
Write down of capital property	236			0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237			0
Other Additions				
Interest Expensed on Capital Leases	290			0
Realized Income from Deferred Credit Accounts	291			0
Pensions	292			0
Non-deductible penalties	293			0
Apprenticeship Tax Credits Ontario $20,000 plus Federal $6,521	294	26,521		26,521
	295			0
ARO Accretion expense				0
Capital Contributions Received (ITA 12(1)(x))				0
Lease Inducements Received (ITA 12(1)(x))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
Retirement Proceeds 18 (1)(b) Line 290		35,287		35,287

				0
				0
				0
				0
				0
				0
				0
				0
				0
Total Additions		**6,375,913**	**10,597**	**6,365,316**
Deductions:				
Gain on disposal of assets per financial statements	401	184		184
Dividends not taxable under section 83	402			0
Capital cost allowance from Schedule 8	403	2,150,855	15,279	2,135,576
Terminal loss from Schedule 8	404			0
Cumulative eligible capital deduction from Schedule 10	405	73,963		73,963
Allowable business investment loss	406			0
Deferred and prepaid expenses	409			0
Scientific research expenses claimed in year	411			0
Tax reserves claimed in current year	413	2,107,374		2,107,374
Reserves from financial statements - balance at beginning of year	414	2,891,009		2,891,009
Contributions to deferred income plans	416			0
Book income of joint venture or partnership	305			0
Equity in income from subsidiary or affiliates	306			0
Other deductions: (Please explain in detail the nature of the item)				
Interest capitalized for accounting deducted for tax	390			0
Capital Lease Payments	391			0
Non-taxable imputed interest income on deferral and variance accounts	392			0
	393			0
	394			0
ARO Payments - Deductible for Tax when Paid				0
ITA 13(7.4) Election - Capital Contributions Received				0
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds				0
Deferred Revenue - ITA 20(1)(m) reserve				0
Principal portion of lease payments				0
Lease Inducement Book Amortization credit to income				0
Financing fees for tax ITA 20(1)(e) and (e.1)				0
				0
				0
				0
				0
				0
				0
				0
Total Deductions		**7,223,385**	**15,279**	**7,208,106**
Net Income for Tax Purposes		**176,043**	**131,068**	**44,975**
Charitable donations from Schedule 2	311			0
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320			0
Non-capital losses of preceding taxation years from Schedule 4	331			0
Net-capital losses of preceding taxation years from Schedule 4 *(Please include explanation and calculation in Manager's summary)*	332			0
Limited partnership losses of preceding taxation years from Schedule 4	335			0
TAXABLE INCOME		**176,043**	**131,068**	**44,975**

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Schedule 7-1 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance	
Actual Historical			0	B4

Net Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance	
Actual Historical			0	B4

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Schedule 8 - Historical Year

Class	Class Description	UCC End of Year Historical per tax returns	Less: Non-Distribution Portion	UCC Regulated Historical Year
1	Distribution System - post 1987	14,442,257		14,442,257
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	506,830		506,830
2	Distribution System - pre 1988			0
8	General Office/Stores Equip	198,444		198,444
10	Computer Hardware/ Vehicles	354,608		354,608
10.1	Certain Automobiles			0
12	Computer Software	37,021		37,021
13_1	Lease # 1			0
13_2	Lease #2			0
13_3	Lease # 3			0
13_4	Lease # 4			0
14	Franchise			0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	11,052		11,052
42	Fibre Optic Cable			0
43.1	Certain Energy-Efficient Electrical Generating Equipment			0
43.2	Certain Clean Energy Generation Equipment	15,279	15,279	0
45	Computers & Systems Software acq'd post Mar 22/04	184		184
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			0
47	Distribution System - post February 2005	14,119,428		14,119,428
50	Data Network Infrastructure Equipment - post Mar 2007	103,260		103,260
52	Computer Hardware and system software			0
95	CWIP			0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
	SUB-TOTAL - UCC	29,788,363	15,279	29,773,084

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filer

Schedule 10 CEC - Historical Year

Cumulative Eligible Capital				1,056,614
Additions				
Cost of Eligible Capital Property Acquired during Test Year				
Other Adjustments	0			
Subtotal	0	x 3/4 =	0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0	x 1/2 =	0	
			0	0
Amount transferred on amalgamation or wind-up of subsidiary	0			0
Subtotal				1,056,614
Deductions				
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year				
Other Adjustments	0			
Subtotal	0	x 3/4 =		0
Cumulative Eligible Capital Balance				1,056,614
Current Year Deduction		1,056,614	x 7% =	73,963
Cumulative Eligible Capital - Closing Balance				982,651

Ontario Energy Board

Income Tax/PILs Workform for 2

Schedule 13 Tax Reserves - Historical

Continuity of Reserves

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only
Capital Gains Reserves ss.40(1)			0
Tax Reserves Not Deducted for accounting purposes			
Reserve for doubtful accounts ss. 20(1)(l)	124,767		124,767
Reserve for goods and services not delivered ss. 20(1)(m)	1,982,607		1,982,607
Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & Share Issue Expenses ss. 20(1)(e)			0
Other tax reserves			0
			0
			0
			0
			0
			0
Total	**2,107,374**	**0**	**2,107,374**
Financial Statement Reserves (not deductible for Tax Purposes)			
General Reserve for Inventory Obsolescence (non-specific)			0
General reserve for bad debts			0
Accrued Employee Future Benefits:	1,583,297		1,583,297
- Medical and Life Insurance			0
-Short & Long-term Disability			0
-Accmulated Sick Leave			0
- Termination Cost			0
- Other Post-Employment Benefits			0
Provision for Environmental Costs			0
Restructuring Costs			0
Accrued Contingent Litigation Costs			0
Accrued Self-Insurance Costs			0
Other Contingent Liabilities			0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0
Other			0
			0
			0
Total	**1,583,297**	**0**	**1,583,297**

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

PILS Tax Provision - Bridge Year

	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate		Reference	Wires Only	
Regulatory Taxable Income						B1	-$ 139,419	A
Ontario (Max 11.5%)	11.5%	11.5%	-$ 16,033	11.5%	B			
Federal (Max 15%)	15.0%	15.0%	-$ 20,913	15.0%	C			
Combined effective tax rate (Max 26.5%)							26.50%	D = B + C
Total Income Taxes							$ -	E = A * D
Investment Tax Credits							$ 20,000	F
Miscellaneous Tax Credits								G
Total Tax Credits							$ 20,000	H = F + G
Corporate PILs/Income Tax Provision for Bridge Year							$ -	I = E - H

Note:

1. This is for the derivation of Bridge year PILs income tax expense and should not be used for Test year revenue requirement calculations.

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	A		743,429
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets	104		1,366,650
Amortization of intangible assets	106		
Recapture of capital cost allowance from Schedule 8	107		
Gain on sale of eligible capital property from Schedule 10	108		
Income or loss for tax purposes- joint ventures or partnerships	109		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		
Charitable donations	112		11,750
Taxable Capital Gains	113		
Political Donations	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		2,774
Non-deductible meals and entertainment expense	121		
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves deducted in prior year	125	B13	2,107,374
Reserves from financial statements- balance at end of year	126	B13	1,572,730
Soft costs on construction and renovation of buildings	127		
Book loss on joint ventures or partnerships	205		
Capital items expensed	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in books	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property	236		
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		
Other Additions			
Interest Expensed on Capital Leases	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		
Non-deductible penalties	293		
Apprentice Tax Credits	294		20,000
	295		
ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
Total Additions			**5,081,278**

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Adjusted Taxable Income - Bridge Year

Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	B8	2,189,176
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10	405	B10	68,786
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves claimed in current year	413	B13	2,111,117
Reserves from financial statements - balance at beginning of year	414	B13	1,583,297
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
Other deductions: (Please explain in detail the nature of the item)			
Interest capitalized for accounting deducted for tax	390		
Capital Lease Payments	391		
Non-taxable imputed interest income on deferral and variance accounts	392		
	393		
	394		
ARO Payments - Deductible for Tax when Paid			
ITA 13(7.4) Election - Capital Contributions Received			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
Total Deductions		calculated	**5,952,376**
Net Income for Tax Purposes		calculated	**-127,669**
Charitable donations from Schedule 2	311		-11,750
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320		
Non-capital losses of preceding taxation years from Schedule 4	331	B4	0
Net-capital losses of preceding taxation years from Schedule 4 *(Please include explanation and calculation in Manager's summary)*	332		
Limited partnership losses of preceding taxation years from Schedule 4	335		
TAXABLE INCOME		calculated	**-139,419**

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Corporation Loss Continuity and Application

Schedule 4 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction		Total	
Actual Historical	H4	0	
Application of Loss Carry Forward to reduce taxable income in Bridge Year		-127,669	
Other Adjustments Add (+) Deduct (-)	B1	127,669	
Balance available for use in Test Year	calculated	0	
Amount to be used in Bridge Year	B1	0	
Balance available for use post Bridge Year	calculated	0	T4

Net Capital Loss Carry Forward Deduction		Total	
Actual Historical	H4	0	
Application of Loss Carry Forward to reduce taxable income in Bridge Year			
Other Adjustments Add (+) Deduct (-)			
Balance available for use in Test Year	calculated	0	
Amount to be used in Bridge Year			
Balance available for use post Bridge Year	calculated	0	T4

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Schedule 8 CCA - Bridge Year

Class	Class Description	Working Paper Reference	UCC Regulated Historical Year	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Bridge Year CCA		UCC End of Bridge Year
1	Distribution System - post 1987	H8	$ 14,442,257			$ 14,442,257	$ -	$ 14,442,257	4%	$ 577,690		$ 13,864,567
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	H8	$ 506,830	$ 70,000		$ 576,830	$ 35,000	$ 541,830	6%	$ 32,510		$ 544,320
2	Distribution System - pre 1988	H8				$ -	$ -	$ -	6%	$ -		$ -
8	General Office/Stores Equip	H8	$ 198,444	$ 5,500		$ 203,944	$ 2,750	$ 201,194	20%	$ 40,239		$ 163,705
10	Computer Hardware/ Vehicles	H8	$ 354,608	$ 636,300		$ 990,908	$ 318,150	$ 672,758	30%	$ 201,827		$ 789,081
10.1	Certain Automobiles	H8				$ -	$ -	$ -	30%	$ -		$ -
12	Computer Software	H8	$ 37,021	$ 65,000		$ 102,021	$ 32,500	$ 69,521	100%	$ 69,521		$ 32,500
13 1	Lease # 1	H8				$ -	$ -	$ -		$ -		$ -
13 2	Lease #2	H8				$ -	$ -	$ -		$ -		$ -
13 3	Lease # 3	H8				$ -	$ -	$ -		$ -		$ -
13 4	Lease # 4	H8				$ -	$ -	$ -		$ -		$ -
14	Franchise	H8				$ -	$ -	$ -		$ -		$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	H8	$ 11,052			$ 11,052	$ -	$ 11,052	8%	$ 884		$ 10,168
42	Fibre Optic Cable	H8				$ -	$ -	$ -	12%	$ -		$ -
43.1	Certain Energy-Efficient Electrical Generating Equipment	H8				$ -	$ -	$ -	30%	$ -		$ -
43.2	Certain Clean Energy Generation Equipment	H8	$ -			$ -	$ -	$ -	50%	$ -		$ -
45	Computers & Systems Software acq'd post Mar 22/04	H8	$ 184			$ 184	$ -	$ 184	45%	$ 83		$ 101
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	H8				$ -	$ -	$ -	30%	$ -		$ -
47	Distribution System - post February 2005	H8	$ 14,119,428	$ 1,830,000		$ 15,949,428	$ 915,000	$ 15,034,428	8%	$ 1,202,754		$ 14,746,674
50	Data Network Infrastructure Equipment - post Mar 2007	H8	$ 103,260	$ 25,000		$ 128,260	$ 12,500	$ 115,760	55%	$ 63,668		$ 64,592
52	Computer Hardware and system software	H8				$ -	$ -	$ -	100%	$ -		$ -
95	CWIP	H8				$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
	TOTAL		$ 29,773,084	$ 2,631,800	$ -	$ 32,404,884	$ 1,315,900	$ 31,088,984		$ 2,189,176	B1	$ 30,215,708

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filer

Schedule 10 CEC - Bridge Year

				Reference	
Cumulative Eligible Capital				H10	982,651
Additions					
Cost of Eligible Capital Property Acquired during Test Year					
Other Adjustments	0				
Subtotal	0	x 3/4 =	0		
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0	x 1/2 =	0		
			0		0
Amount transferred on amalgamation or wind-up of subsidiary	0				0
Subtotal					982,651
Deductions					
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year					
Other Adjustments	0				
Subtotal		x 3/4 =			0
Cumulative Eligible Capital Balance					982,651
Current Year Deduction		982,651	x 7% =		68,786
Cumulative Eligible Capital - Closing Balance					913,865

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Schedule 13 Tax Reserves - Bridge Year

Continuity of Reserves

Description	Reference	Historical Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance		Bridge Year Adjustments: Additions	Bridge Year Adjustments: Disposals	Balance for Bridge Year		Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)	H13	0		0				0	T13	0	
Tax Reserves Not Deducted for accounting purposes											
Reserve for doubtful accounts ss. 20(1)(l)	H13	124,767		124,767		128,510	124,767	128,510	T13	3,743	
Reserve for goods and services not delivered ss. 20(1)(m)	H13	1,982,607		1,982,607		1,982,607	1,982,607	1,982,607	T13	0	
Reserve for unpaid amounts ss. 20(1)(n)	H13	0		0				0	T13	0	
Debt & Share Issue Expenses ss. 20(1)(e)	H13	0		0				0	T13	0	
Other tax reserves	H13	0		0				0	T13	0	
		0		0				0		0	
		0		0				0		0	
Total		**2,107,374**	**0**	**2,107,374**	B1	**2,111,117**	**2,107,374**	**2,111,117**	B1	**3,743**	**0**
Financial Statement Reserves (not deductible for Tax Purposes)											
General Reserve for Inventory Obsolescence (non-specific)	H13	0		0				0	T13	0	
General reserve for bad debts	H13	0		0				0	T13	0	
Accrued Employee Future Benefits:	H13	1,583,297		1,583,297		1,572,730	1,583,297	1,572,730	T13	-10,567	
- Medical and Life Insurance	H13	0		0				0	T13	0	
-Short & Long-term Disability	H13	0		0				0	T13	0	
-Accmulated Sick Leave	H13	0		0				0	T13	0	
- Termination Cost	H13	0		0				0	T13	0	
- Other Post-Employment Benefits	H13	0		0				0	T13	0	
Provision for Environmental Costs	H13	0		0				0	T13	0	
Restructuring Costs	H13	0		0				0	T13	0	
Accrued Contingent Litigation Costs	H13	0		0				0	T13	0	
Accrued Self-Insurance Costs	H13	0		0				0	T13	0	
Other Contingent Liabilities	H13	0		0				0	T13	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	H13	0		0				0	T13	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	H13	0		0				0	T13	0	
Other	H13	0		0				0	T13	0	
		0		0				0		0	
		0		0				0		0	
Total		**1,583,297**	**0**	**1,583,297**	B1	**1,572,730**	**1,583,297**	**1,572,730**	B1	**-10,567**	**0**

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

PILs Tax Provision - Test Year

							Wires Only	
Regulatory Taxable Income						T1	$ 354,979	A
	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate				
Ontario (Max 11.5%)	11.5%	11.5%	$ 40,823	11.5%	B			
Federal (Max 15%)	15.0%	15.0%	$ 53,247	15.0%	C			
Combined effective tax rate (Max 26.5%)							26.50%	D = B + C
Total Income Taxes							$ 94,069	E = A * D
Investment Tax Credits							$ 20,000	F
Miscellaneous Tax Credits								G
Total Tax Credits							$ 20,000	H = F + G
Corporate PILs/Income Tax Provision for Test Year							$ 74,069	I = E - H	S. Su
Corporate PILs/Income Tax Provision Gross Up [1]					73.50%	J = 1-D	$ 26,705	K = I/J-I
Income Tax (grossed-up)							$ 100,775	L = K + I	S. Su

Note:

1. This is for the derivation of revenue requirement and should not be used for sufficiency/deficiency calculations.

Ontario Energy Board

Income Tax/PILs Workform for 2017 File

Taxable Income - Test Year

		Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes		A	1,231,915

	T2 S1 line #		
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets *2-4 ADJUSTED ACCOUNTING DATA P489*	104		1,429,600
Amortization of intangible assets *2-4 ADJUSTED ACCOUNTING DATA P490*	106		
Recapture of capital cost allowance from Schedule 8	107		
Gain on sale of eligible capital property from Schedule 10	108		
Income or loss for tax purposes- joint ventures or partnerships	109		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		
Charitable donations	112		12,900
Taxable Capital Gains	113		
Political Donations	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment expense	121		2,774
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves beginning of year	125	T13	2,111,117
Reserves from financial statements- balance at end of year	126	T13	1,569,655
Soft costs on construction and renovation of buildings	127		
Book loss on joint ventures or partnerships	205		
Capital items expensed	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in books	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property	236		
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		
Other Additions: (please explain in detail the nature of the item)			
Interest Expensed on Capital Leases	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		
Non-deductible penalties	293		
Apprentice Tax Credits	294		20,000
	295		
	296		
	297		
ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			

Total Additions			**5,146,046**
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	T8	2,258,410
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10 CEC	405	T10	63,971
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves end of year	413	T13	2,114,972
Reserves from financial statements - balance at beginning of year	414	T13	1,572,730
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
Other deductions: (Please explain in detail the nature of the item)			
Interest capitalized for accounting deducted for tax	390		
Capital Lease Payments	391		
Non-taxable imputed interest income on deferral and variance accounts	392		
	393		
	394		
	395		
	396		
	397		
ARO Payments - Deductible for Tax when Paid			
ITA 13(7.4) Election - Capital Contributions Received			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
Total Deductions		calculated	**6,010,083**
NET INCOME FOR TAX PURPOSES		calculated	**367,879**
Charitable donations	311		12,900
Taxable dividends received under section 112 or 113	320		
Non-capital losses of preceding taxation years from Schedule 7-1	331	T4	0
Net-capital losses of preceding taxation years (Please show calculation)	332		
Limited partnership losses of preceding taxation years from Schedule 4	335		
REGULATORY TAXABLE INCOME		calculated	**354,979**

T0

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Schedule 7-1 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Working Paper Reference	Total	Non-Distribution Portion	Utility Balance
Actual/Estimated Bridge Year	B4	0		0
				0
Other Adjustments Add (+) Deduct (-)	T1	0		0
Balance available for use in Future Years	calculated	0	0	0
Amount to be used in Test Year	T1	0		0
Balance available for use post Test Year	calculated	0	0	0

Net Capital Loss Carry Forward Deduction		Total	Non-Distribution Portion	Utility Balance
Actual/Estimated Bridge Year	B4	0		0
				0
Other Adjustments Add (+) Deduct (-)				0
Balance available for use in Future Years	calculated	0	0	0
Amount to be used in Test Year				0
Balance available for use post Test Year	calculated	0	0	0

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Schedule 8 CCA - Test Year

Class	Class Description	Working Paper Reference	UCC Test Year Opening Balance	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Test Year CCA		UCC End of Test Year
1	Distribution System - post 1987	B8	$ 13,864,567			$ 13,864,567	$ -	$ 13,864,567	4%	$ 554,583		$ 13,309,984
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	B8	$ 544,320	25,000		$ 569,320	$ 12,500	$ 556,820	6%	$ 33,409		$ 535,911
2	Distribution System - pre 1988	B8	$ -			$ -	$ -	$ -	6%	$ -		$ -
8	General Office/Stores Equip	B8	$ 163,705	30,000		$ 193,705	$ 15,000	$ 178,705	20%	$ 35,741		$ 157,964
10	Computer Hardware/ Vehicles	B8	$ 789,081	70,000		$ 859,081	$ 35,000	$ 824,081	30%	$ 247,224		$ 611,856
10.1	Certain Automobiles	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
12	Computer Software	B8	$ 32,500	90,000		$ 122,500	$ 45,000	$ 77,500	100%	$ 77,500		$ 45,000
13 1	Lease # 1	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 2	Lease #2	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 3	Lease # 3	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 4	Lease # 4	B8	$ -			$ -	$ -	$ -		$ -		$ -
14	Franchise	B8	$ -			$ -	$ -	$ -		$ -		$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bl	B8	$ 10,168	100,000		$ 110,168	$ 50,000	$ 60,168	8%	$ 4,813		$ 105,354
42	Fibre Optic Cable	B8	$ -			$ -	$ -	$ -	12%	$ -		$ -
43.1	Certain Energy-Efficient Electrical Generating Equipment	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
43.2	Certain Clean Energy Generation Equipment	B8	$ -			$ -	$ -	$ -	50%	$ -		$ -
45	Computers & Systems Software acq'd post Mar 22/04	B8	$ 101			$ 101	$ -	$ 101	45%	$ 46		$ 56
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
47	Distribution System - post February 2005	B8	$ 14,746,674	2,073,986		$ 16,820,660	$ 1,036,993	$ 15,783,667	8%	$ 1,262,693		$ 15,557,966
50	Data Network Infrastructure Equipment - post Mar 2007	B8	$ 64,592	25,000		$ 89,592	$ 12,500	$ 77,092	55%	$ 42,401		$ 47,191
52	Computer Hardware and system software	B8	$ -			$ -	$ -	$ -	100%	$ -		$ -
95	CWIP	B8	$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
	TOTAL		$ 30,215,708	$ 2,413,986	$ -	$ 32,629,694	$ 1,206,993	$ 31,422,701		$ 2,258,410	T1	$ 30,371,284

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 10 CEC - Test Year

Cumulative Eligible Capital			B10	913,865
Additions				
Cost of Eligible Capital Property Acquired during Test Year	0			
Other Adjustments	0			
Subtotal	0	x 3/4 =	0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0	x 1/2 =	0	
			0	0
Amount transferred on amalgamation or wind-up of subsidiary	0			0
Subtotal				913,865
Deductions				
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year	0			
Other Adjustments	0			
Subtotal	0	x 3/4 =		0
Cumulative Eligible Capital Balance				913,865
Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income")		913,865	x 7% =	63,971
Cumulative Eligible Capital - Closing Balance				849,895

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

Description	Working Paper Reference	Bridge Year	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance		Test Year Adjustments		Balance for Test Year		Change During the Year	Disallowed Expenses
						Additions	Disposals				
Capital Gains Reserves ss.40(1)	B13	0		0				0		0	
Tax Reserves Not Deducted for accounting purposes											
Reserve for doubtful accounts ss. 20(1)(l)	B13	128,510		128,510		132,365	128,510	132,365		3,855	
Reserve for goods and services not delivered ss. 20(1)(m)	B13	1,982,607		1,982,607		1,982,607	1,982,607	1,982,607		0	
Reserve for unpaid amounts ss. 20(1)(n)	B13	0		0				0		0	
Debt & Share Issue Expenses ss. 20(1)(e)	B13	0		0				0		0	
Other tax reserves	B13	0		0				0		0	
		0		0				0		0	
		0		0				0		0	
Total		2,111,117	0	2,111,117	T1	2,114,972	2,111,117	2,114,972	T1	3,855	0
Financial Statement Reserves (not deductible for Tax Purposes)											
General Reserve for Inventory Obsolescence (non-specific)	B13	0		0				0		0	
General reserve for bad debts	B13	0		0				0		0	
Accrued Employee Future Benefits:	B13	1,572,730		1,572,730		1,569,655	1,572,730	1,569,655		-3,075	
- Medical and Life Insurance	B13	0		0				0		0	
-Short & Long-term Disability	B13	0		0				0		0	
-Accmulated Sick Leave	B13	0		0				0		0	
- Termination Cost	B13	0		0				0		0	
- Other Post-Employment Benefits	B13	0		0				0		0	
Provision for Environmental Costs	B13	0		0				0		0	
Restructuring Costs	B13	0		0				0		0	
Accrued Contingent Litigation Costs	B13	0		0				0		0	
Accrued Self-Insurance Costs	B13	0		0				0		0	
Other Contingent Liabilities	B13	0		0				0		0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	B13	0		0				0		0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	B13	0		0				0		0	
Other	B13	0		0				0		0	
		0		0				0		0	
		0		0				0		0	
Total		1,572,730	0	1,572,730	T1	1,569,655	1,572,730	1,569,655	T1	-3,075	0

APPENDIX 4-F
WELLAND HYDRO-ELECTRIC SYSTEM CORP.
2015 ANNUAL TAX RETURN

200

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

055 Do not use this area

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*.

Identification

Business number (BN) **001** 86375 9692 RC0001

Corporation's name

002 WELLAND HYDRO ELECTRIC SYSTEM CORP.

Address of head office

Has this address changed since the last time we were notified? . . . . **010** 1 Yes [ ] 2 No [X]

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

011 950 EAST MAIN STREET

012 P.O. BOX 280

City **015** WELLAND — Province, territory, or state **016** ON

Country (other than Canada) **017** — Postal code/Zip code **018** L3B 5P6

Mailing address (if different from head office address)

Has this address changed since the last time we were notified? . . . . **020** 1 Yes [ ] 2 No [X]

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

021 c/o

022

023

City **025** — Province, territory, or state **026**

Country (other than Canada) **027** — Postal code/Zip code **028**

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 [X]

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

031 950 EAST MAIN STREET

032 P.O. BOX 280

City **035** WELLAND — Province, territory, or state **036** ON

Country (other than Canada) **037** — Postal code/Zip code **038** L3B 5P6

040 **Type of corporation at the end of the tax year**

1 [X] Canadian-controlled private corporation (CCPC)
2 [ ] Other private corporation
3 [ ] Public corporation
4 [ ] Corporation controlled by a public corporation
5 [ ] Other corporation (specify, below)

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 [X]

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 [X]

Is the corporation a professional corporation that is a member of a partnership? . . . . **067** 1 Yes [ ] 2 No [X]

Is this the first year of filing after:

Incorporation? . . . . **070** 1 Yes [ ] 2 No [X]

Amalgamation? . . . . **071** 1 Yes [ ] 2 No [X]

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 [X]

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

Is this the final tax year before amalgamation? . . . . **076** 1 Yes [ ] 2 No [X]

Is this the final return up to dissolution? . . . . **078** 1 Yes [ ] 2 No [X]

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

Is the corporation a resident of Canada?

080 1 Yes [X] 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 [X]

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 [ ] Exempt under paragraph 149(1)(e) or (l)
2 [ ] Exempt under paragraph 149(1)(j)
3 [ ] Exempt under paragraph 149(1)(t)
4 [ ] Exempt under other paragraphs of section 149

Do not use this area

095 **096** **898**

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.

Question	Line	Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		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		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		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	X	15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		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		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the *Income Tax Regulations*?	170		29
Did the corporation have a total amount over $1 million of reportable transactions with non-arm's length non-residents?	171		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	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		——
Does the corporation earn income from one or more Internet webpages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	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	X	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	X	3
Is the corporation claiming any type of losses?	204	X	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	X	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206	X	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	X	7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210	X	10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves (other than transitional reserves under section 34.2)?	213	X	13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231	X	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	——
Is the corporation claiming a surtax credit?	237		37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		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		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		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		39
Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments – continued from page 2

		Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		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		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265	X	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		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	X	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		54

Additional information

		1 Yes	2 No
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270		X
Is the corporation inactive?	280		X

What is the corporation's main revenue-generating business activity? 221122 Electric Power Distribution

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	POWER DISTRIBUTION	285	100.000 %
286		287	%
288		289	%

		1 Yes	2 No
Did the corporation immigrate to Canada during the tax year?	291		X
Did the corporation emigrate from Canada during the tax year?	292		X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293		
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		

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI.	300		724,249	A
Deduct: Charitable donations from Schedule 2	311	15,596		
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	16,633		
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		32,229 ▶	32,229	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")			692,020	C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360		692,020	
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)			692,020	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** 721,041 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** 692,020 B

Business limit (see notes 1 and 2 below) . . . . . **410** ______ C

Notes:

1. 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.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C ______ x **415** *** 49,339 / 11,250 D = ... ______ E

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 / Number of days in the tax year 365 x 17 % = ______ 1

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 / Number of days in the tax year 365 x 17.5 % = ______ 2

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)			692,020	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*	3,208	G		
Subtotal (**add** amounts B to G)	3,208	►	3,208	H
Amount A **minus** amount H (if negative, enter "0")			688,812	I
General tax reduction for Canadian-controlled private corporations – Amount I **multiplied** by 13 %			89,546	J

Enter amount J on line 638 on page 7.

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

General tax reduction

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

Taxable income from page 3 (line 360 or amount Z, whichever applies)				K
Lesser of amounts B9 and H9 from Part 9 of Schedule 27		L		
Amount K13 from Part 13 of Schedule 27		M		
Personal service business income **434**		N		
Amount used to calculate the credit union deduction (amount F from Schedule 17)		O		
Subtotal (**add** amounts L to O)		►		P
Amount K **minus** amount P (if negative, enter "0")				Q
General tax reduction – Amount Q **multiplied** by 13 %				R

Enter amount R on line 639 on page 7.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 . . . . **440** 3,208 x (26 2 / 3 + 4 x (Number of days in the tax year after 2015 ____ / 365 Number of days in the tax year) % = 855 A

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

Deduct:

Foreign investment income from Schedule 7 . . . . . **445** ____ x (9 1 / 3 − 1 1 / 3 x (Number of days in the tax year after 2015 ____ / 365 Number of days in the tax year) % = ____ C

(if negative, enter "0") ____ ▶ ____ D

Amount A **minus** amount D (if negative, enter "0") . . . . 855 E

Taxable income from line 360 on page 3 . . . . 692,020 F

Deduct:

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

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

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

Subtotal ____ ▶ ____ J

692,020 K

x (26 2 / 3 + 4 x Number of days in the tax year after 2015 ____ / Number of days in the tax year 365) % = 184,539 L

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 8) . . . . 97,913 M

Refundable portion of Part I tax – Amount E, L, or M, whichever is the least . . . . **450** 855 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 . . . . 855 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** ____

855 ▶ 855 R

Refundable dividend tax on hand at the end of the tax year – Amount O **plus** amount R **485** 855

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 . . . . 700,000 x [(1 / 3) + (5 x (Number of days in the tax year after 2015 ____ / 365 Number of days in the tax year) %] = 233,333 S

Refundable dividend tax on hand at the end of the tax year from line 485 above . . . . 855 T

Dividend refund – Amount S or T, whichever is less . . . . 855 U

Enter amount U on line 784 on page 8.

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) **multiplied** by 38 %			550	262,968 A
Recapture of investment tax credit from Schedule 31			602	B

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

Aggregate investment income from line 440 on page 6			3,208 C
Taxable income from line 360 on page 3		692,020 D	
Deduct:			
Amount from line 400, 405, 410, or 425 on page 4, whichever is the least		E	
Net amount (amount D **minus** amount E)		692,020 ▶	692,020 F

Refundable tax on CCPC's investment income –

(6 2 / 3 + 4 x ____) % of whichever is less: amount C or amount F ...... 604 ...... 214 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) 263,182 H

Deduct:

Small business deduction from line 430 on page 4		I	
Federal tax abatement	608	69,202	
Manufacturing and processing profits deduction from Schedule 27	616		
Investment corporation deduction	620		
Taxed capital gains 624			
Additional deduction – credit unions from Schedule 17	628		
Federal foreign non-business income tax credit from Schedule 21	632		
Federal foreign business income tax credit from Schedule 21	636		
General tax reduction for CCPCs from amount J on page 5	638	89,546	
General tax reduction from amount R on page 5	639		
Federal logging tax credit from Schedule 21	640		
Eligible Canadian bank deduction under section 125.21	641		
Federal qualifying environmental trust tax credit	648		
Investment tax credit from Schedule 31	652	6,521	
Subtotal		165,269 ▶	165,269 J

Part I tax payable – Amount H **minus** amount J ...... 97,913 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	97,913
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		97,913

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	59,582
Total tax payable	770	157,495 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780		
Dividend refund from amount U on page 6	784	855	
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	100,000	
Total credits	890	100,855 ►	100,855 B

Refund code 894 1 Overpayment

Balance (amount A **minus** amount B) 56,640

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 56,640

For information on how to make your payment, go to **www.cra-arc.gc.ca/payments**.

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 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 X

If this return was prepared by a tax preparer for a fee, provide their EFILE number . . . 920 A6315

Certification

I, 950 PEEVER (Last name (print)) 951 ROSS (First name (print)) 954 PRESIDENT (Position, office, or rank),

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

955 2016-05-13 — Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

956 (905) 732-1381 — Telephone number

Is the contact person the same as the authorized signing officer? If **no**, complete the information below . . . 957 1 Yes X 2 No ☐

958 Wayne Armstrong — Name (print)

959 (905) 732-1381 — Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français.

990 1

Schedule of Instalment Remittances

Name of corporation contact

Telephone number

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
	Total instalments	100,000

Total amount of instalments claimed (carry the result to line 840 of the T2 Return)	100,000	A
Total instalments credited to the taxation year per T9	100,000	B

Transfer

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

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 100

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 RC0001	2015-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
	Assets				
	Total current assets	1599	+	9,933,255	10,156,292
	Total tangible capital assets	2008	+	28,305,903	55,939,148
	Total accumulated amortization of tangible capital assets	2009	–		28,672,809
	Total intangible capital assets	2178	+	368,105	
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+	2,620,656	1,518,424
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	41,227,919	38,941,055
	Liabilities				
	Total current liabilities	3139	+	6,762,997	6,443,155
	Total long-term liabilities	3450	+	15,583,335	16,916,377
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	22,346,332	23,359,532
	Shareholder equity				
	Total shareholder equity (mandatory field)	3620	+	18,881,587	15,581,523
	Total liabilities and shareholder equity	3640	=	41,227,919	38,941,055
	Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849	=	6,041,574	1,998,185

* Generic item

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 125

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 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
	Income statement information				
	Total sales of goods and services	8089	+	53,804,879	51,964,277
	Cost of sales	8518	–	43,879,136	43,111,546
	Gross profit/loss	8519	=	9,925,743	8,852,731
	Cost of sales	8518	+	43,879,136	43,111,546
	Total operating expenses	9367	+	8,931,383	8,387,544
	Total expenses (mandatory field)	9368	=	52,810,519	51,499,090
	Total revenue (mandatory field)	8299	+	53,834,034	52,672,260
	Total expenses (mandatory field)	9368	–	52,810,519	51,499,090
	Net non-farming income	9369	=	1,023,515	1,173,170
	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	=	1,023,515	1,173,170
	Total other comprehensive income	9998	=		
	Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–		
	Current income taxes	9990	–	-152,022	44,663
	Future (deferred) income tax provision	9995	–		
	Total – Other comprehensive income	9998	+		
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	1,175,537	1,128,507

Canada Revenue Agency / Agence du revenu du Canada

Schedule 141

Notes Checklist

Corporation's name	Business number	Tax year-end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 RC0001	2015-12-31

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

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

Does the accountant have a professional designation? ..... 095 1 Yes [X] 2 No [ ]

Is the accountant connected* with the corporation? ..... 097 1 Yes [ ] 2 No [X]

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 [X]

Completed a review engagement report ..... 2 [ ]

Conducted a compilation engagement ..... 3 [ ]

Part 3 – Reservations

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

Has the accountant expressed a reservation? ..... 099 1 Yes [ ] 2 No [X]

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 [ ]

Prepared the tax return and the financial information contained therein (financial statements have not been prepared) ..... 2 [ ]

Were notes to the financial statements prepared? ..... 101 1 Yes [X] 2 No [ ]

If **yes**, complete lines 104 to 107 below:

Are subsequent events mentioned in the notes? ..... 104 1 Yes [ ] 2 No [X]

Is re-evaluation of asset information mentioned in the notes? ..... 105 1 Yes [ ] 2 No [X]

Is contingent liability information mentioned in the notes? ..... 106 1 Yes [X] 2 No [ ]

Is information regarding commitments mentioned in the notes? ..... 107 1 Yes [X] 2 No [ ]

Does the corporation have investments in joint venture(s) or partnership(s)? ..... 108 1 Yes [ ] 2 No [X]

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 [X]

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 [X]

Did the corporation apply hedge accounting during the tax year? . . . . . 255 1 Yes [ ] 2 No [X]

Did the corporation discontinue hedge accounting during the tax year? . . . . . 260 1 Yes [ ] 2 No [X]

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 [X] 2 No [ ]

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

T2 BAR CODE RETURN

Name: WELLAND HYDRO ELECTRIC SYSTEM CORP.

BN: 86375 9692 RC 0001
Tax Year Start: 2015-01-01
Tax Year End: 2015-12-31

attached

SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 RC0001	2015-12-31

Assets – lines 1000 to 2599

1000	2,294,203	1060	7,135,699	1120	283,357
1484	219,996	1599	9,933,255	1900	28,305,903
2008	28,305,903	2010	368,105	2178	368,105
2240	106,338	2420	2,514,318	2589	2,620,656
2599	41,227,919				

Liabilities – lines 2600 to 3499

2620	5,151,093	2920	1,482,522	2960	129,382
3139	6,762,997	3140	13,499,953	3320	500,085
3321	1,583,297	3450	15,583,335	3499	22,346,332

Shareholder equity – lines 3500 to 3640

3500	12,953,180	3580	-113,167	3600	6,041,574
3620	18,881,587	3640	41,227,919		

Retained earnings – lines 3660 to 3849

3660	1,998,185	3680	1,175,537	3700	-700,000
3740	3,567,852	3849	6,041,574		

SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 RC0001	2015-12-31

Description

Sequence number **0003** 01

Revenue – lines 8000 to 8299

8000	53,804,879	**8089**	53,804,879	**8210**	184
8230	28,971	**8299**	53,834,034		

Cost of sales – lines 8300 to 8519

8320	43,879,136	**8518**	43,879,136	**8519**	9,925,743

Operating expenses – lines 8520 to 9369

8670	1,327,966	**8710**	866,101	**9010**	2,675,624
9060	3,662,898	**9270**	398,794	**9367**	8,931,383
9368	52,810,519	**9369**	1,023,515		

Extraordinary items and taxes – lines 9970 to 9999

9970	1,023,515	**9990**	-152,022	**9999**	1,175,537

Canada Revenue Agency / Agence du revenu du Canada

Net Income (Loss) for Income Tax Purposes

SCHEDULE 1

Corporation's name	Business Number	Tax year end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 RC0001	2015-12-31

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

Amount calculated on line 9999 from Schedule 125				1,175,537 A
Add:				
Provision for income taxes – current		101	-152,022	
Amortization of tangible assets		104	1,327,966	
Charitable donations and gifts from Schedule 2		112	2,841	
Taxable capital gains from Schedule 6		113	3,208	
Non-deductible meals and entertainment expenses		121	2,774	
Other reserves on lines 270 and 275 from Schedule 13		125	1,286,645	
Reserves from financial statements – balance at the end of the year		126	3,690,671	
Subtotal of additions			6,162,083 ▶	6,162,083
Other additions:				
Miscellaneous other additions:				
600 18(1)(b) - Retirement Proceeds		290	35,287	
603 Closing Adj for Expenditures included in Regulatory Asset	1,443,266			
Total	1,443,266	293	1,443,266	
604 CY Ontario Apprenticeship Tax Credits	20,000			
CY Federal apprenticeship tax credit	6,521			
Total	26,521	294	26,521	
Subtotal of other additions		199	1,505,074 ▶	1,505,074
Total additions		500	7,667,157 ▶	7,667,157 B
Amount A **plus** amount B				8,842,694
Deduct:				
Gain on disposal of assets per financial statements		401	184	
Capital cost allowance from Schedule 8		403	2,150,855	
Cumulative eligible capital deduction from Schedule 10		405	73,963	
Other reserves on line 280 from Schedule 13		413	2,107,374	
Reserves from financial statements – balance at the beginning of the year		414	2,891,009	
Subtotal of deductions			7,223,385 ▶	7,223,385
Other deductions:				
Miscellaneous other deductions:				
700 Opening Adj for Expenditures included in Regulatory Asset		390	895,060	
704				
Total		394		
Subtotal of other deductions		499	895,060 ▶	895,060
Total deductions		510	8,118,445 ▶	8,118,445
Net income (loss) for income tax purposes – enter on line 300 of the T2 return				724,249

Attached Schedule with Total

Line 603 – Amount

Title Line 603 – Amount

Description	Amount	
Closing balance of Regulatory Liability (-ve)		
Less: Future Tax Portion of Regulatory Liability		
Less: Adjustments for Global Power amount (balances due to/from IESO)		
Less: Smart Meters recoverable capital assets		
-Net out recovery on Smart meters		
Closing balance of regulatory liability	1,443,266	00
Total	1,443,266	00

Canada Revenue Agency / Agence du revenu du Canada

Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 RC0001	2015-12-31

- For use by corporations to claim any of the following:
  - the eligible amount of charitable donations to qualified donees;
  - the Ontario community food program donation tax credit for farmers;
  - the eligible amount of gifts to Canada, a province, or a territory;
  - the eligible amount of gifts of certified cultural property;
  - the eligible amount of gifts of certified ecologically sensitive land; or
  - the additional deduction for gifts of medicine.
- All legislative references are the federal *Income Tax Act*, unless otherwise specified.
- The eligible amount of a gift is the amount by which the fair market value of the gifted property exceeds the amount of an advantage, if any, for the gift.
- The donations and gifts are eligible for a 5-year carryforward except for gifts of certified ecologically sensitive land made after February 10, 2014, which are eligible for a 10-year carryforward.
- Use this schedule to show a transfer of unused amounts from previous years following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1) of the federal *Act*.
- Subsection 110.1(1.2) of the federal Act provides as follows:
  - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control.
  - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- An eligible medical gift to a qualifying organization for activities outside of Canada may be eligible for an additional deduction. Calculate the additional deduction in Part 6.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation - Income Tax Guide*.

Part 1 – Charitable donations

Charity/Recipient	Amount ($100 or more only)
Various	2,522
Subtotal	2,522
Add: Total donations of less than $100 each	319
Total donations in current tax year	2,841

Part 1 – Charitable donations

	Line	Federal		Québec	Alberta
Charitable donations at the end of the previous tax year		12,755	A	12,755	12,755
Deduct: Charitable donations expired after five tax years*	239				
Charitable donations at the beginning of the current tax year	240	12,755	B	12,755	12,755
Add:					
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250				
Total charitable donations made in the current year (enter this amount on line 112 of Schedule 1)	210	2,841		2,841	2,841
Subtotal (line 250 **plus** line 210)		2,841	C	2,841	2,841
Subtotal (amount B **plus** amount C)		15,596	D	15,596	15,596
Deduct: Adjustment for an acquisition of control	255				
Total charitable donations available (amount D **minus** amount on line 255)		15,596	E	15,596	15,596
Deduct: Amount applied in the current year against taxable income (cannot be more than amount O in Part 2) (enter this amount on line 311 of the T2 return)	260	15,596		15,596	15,596
Charitable donations closing balance (amount E **minus** amount on line 260)	280				
Ontario community food program donation for farmers included in the amount on line 260 (for donations made after December 31, 2013)	262				
Ontario community food program donation tax credit for farmers (amount on line 262 **multiplied** by 25 %)			1		

Enter the amount from line 1 on line 420 of Schedule 5, *Tax Calculation Supplementary – Corporations*. The maximum amount you can claim in the current year is whichever is less; the Ontario income tax otherwise payable or the amount on line 1. For more information, see section 103.1.2 of the *Taxation Act, 2007* (Ontario).

* For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2014-12-31	12,530	12,530	12,530
2nd prior year	2013-12-31	225	225	225
3rd prior year	2012-12-31			
4th prior year	2011-12-31			
5th prior year	2010-12-31			
6th prior year*	2009-12-31			
7th prior year	2008-12-31			
8th prior year	2007-12-31			
9th prior year	2006-12-31			
10th prior year	2005-12-31			
11th prior year	2004-12-31			
12th prior year	2003-12-31			
13th prior year	2002-12-31			
14th prior year	2001-12-31			
15th prior year				
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total (to line A)		12,755	12,755	12,755

* For the federal and Alberta, the 6th prior year gifts expire in the current year. For Québec, the 6th prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21st prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

Do Not Submit

Part 2 – Calculation of the maximum allowable deduction for charitable donations

Net income for tax purposes* **multiplied** by 75 %						543,187	F
Taxable capital gains arising in respect of gifts of capital property included in Part 1 **			225		G		
Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01)			227		H		
The amount of the recapture of capital cost allowance in respect of charitable donations		230					
Proceeds of disposition, **less** outlays and expenses**		I					
Capital cost**		J					
Amount I or J, whichever is less		235					
Amount on line 230 or 235, whichever is less					K		
Subtotal (**add** amounts G, H, and K)					L		
Amount L **multiplied** by 25 %							M
Subtotal (amount F **plus** amount M)						543,187	N
Maximum allowable deduction for charitable donations (enter amount E from Part 1, amount N, or net income for tax purposes, whichever is less)						15,596	O

* For credit unions, subsection 137(2) states that this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

** This amount must be prorated by the following calculation: eligible amount of the gift **divided by** the proceeds of disposition of the gift.

Part 3 – Gifts to Canada, a province, or a territory

Gifts to Canada, a province, or a territory at the end of the previous tax year				A
Deduct: Gifts to Canada, a province, or a territory expired after five tax years		339		
Gifts to Canada, a province, or a territory at the beginning of the current tax year		340		B
Add:				
Gifts to Canada, a province, or a territory transferred on an amalgamation or the wind-up of a subsidiary	350			
Total gifts made to Canada, a province, or a territory in the current year*	310			
Subtotal (line 350 **plus** line 310)		▶		C
Subtotal (amount B **plus** amount C)				D
Deduct:				
Adjustment for an acquisition of control	355			
Amount applied in the current year against taxable income (enter this amount on line 312 of the T2 return)	360			
Subtotal (line 355 **plus** line 360)		▶		E
Gifts to Canada, a province, or a territory closing balance (amount D **minus** amount E)		380		

* Not applicable for gifts made after February 18, 1997, unless a written agreement was made before this date. If no written agreement exists, enter the amount on line 210 and complete Part 2.

Part 4 – Gifts of certified cultural property

		Federal		Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year			F		
Deduct: Gifts of certified cultural property expired after five tax years*	439				
Gifts of certified cultural property at the beginning of the current tax year	440		G		
Add:					
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary	450				
Total gifts of certified cultural property in the current year	410				
Subtotal (line 450 **plus** line 410)			H		
Subtotal (amount G **plus** amount H)			I		
Deduct:					
Adjustment for an acquisition of control	455				
Amount applied in the current year against taxable income (enter this amount on line 313 of the T2 return)	460				
Subtotal (line 455 **plus** line 460)			J		
Gifts of certified cultural property closing balance (amount I **minus** amount J)	480				

* For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2014-12-31			
2nd prior year	2013-12-31			
3rd prior year	2012-12-31			
4th prior year	2011-12-31			
5th prior year	2010-12-31			
6th prior year*	2009-12-31			
7th prior year	2008-12-31			
8th prior year	2007-12-31			
9th prior year	2006-12-31			
10th prior year	2005-12-31			
11th prior year	2004-12-31			
12th prior year	2003-12-31			
13th prior year	2002-12-31			
14th prior year	2001-12-31			
15th prior year				
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

* For the federal and Alberta, the 6th prior year gifts expire in the current year. For Québec, the 6th prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21st prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

Part 5 – Gifts of certified ecologically sensitive land

	Line	Federal		Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year			K		
Deduct: Gifts of certified ecologically sensitive land expired after 5 tax years, or after 10 tax years for gifts made after February 10, 2014*	539				
Gifts of certified ecologically sensitive land at the beginning of the current tax year	540		L		
Add:					
Gifts of certified ecologically sensitive land transferred on an amalgamation or the wind-up of a subsidiary	550				
Total current-year gifts of certified ecologically sensitive land made before February 11, 2014	510				
Total current-year gifts of certified ecologically sensitive land made after February 10, 2014	520				
Subtotal (**add** lines 550, 510, and 520)			M		
Subtotal (amount L **plus** amount M)			N		
Deduct:					
Adjustment for an acquisition of control	555				
Amount applied in the current year against taxable income (enter this amount on line 314 of the T2 return)	560				
Subtotal (line 555 **plus** line 560)			O		
Gifts of certified ecologically sensitive land closing balance (amount N **minus** amount O)	580				

* For the federal and Alberta, gifts made before February 11, 2014 , expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. For Québec, gifts made during a tax year that ended before March 24, 2006, expire after five tax years and gifts made during a tax year that ended after March 23, 2006 expire after twenty tax years.

Amounts carried forward – Gifts of certified ecologically sensitive land

Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date

Year of origin:		Federal	Québec	Alberta
1st prior year	2014-12-31			
2nd prior year	2013-12-31			
3rd prior year	2012-12-31			
4th prior year	2011-12-31			
5th prior year	2010-12-31			
6th prior year*	2009-12-31			
7th prior year	2008-12-31			
8th prior year	2007-12-31			
9th prior year	2006-12-31			
10th prior year	2005-12-31			
11th prior year*	2004-12-31			
12th prior year	2003-12-31			
13th prior year	2002-12-31			
14th prior year	2001-12-31			
15th prior year				
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

* For the federal and Alberta, gifts made before February 11, 2014, expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. The field "Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date" is used to determine the portion of the gifts made in the tax year straddling February 11, 2014, that expires after ten tax years.
For Québec, gifts made during a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

Part 6 – Additional deduction for gifts of medicine

		Federal		Québec		Alberta	
Additional deduction for gifts of medicine at the end of the previous tax year			P				
Deduct: Additional deduction for gifts of medicine expired after five tax years	639						
Additional deduction for gifts of medicine at the beginning of the current tax year	640		Q				
Add:							
Additional deduction for gifts of medicine transferred on an amalgamation or the wind-up of a subsidiary	650						
Additional deduction for gifts of medicine for the current year:							1
Proceeds of disposition	602		1		1		2
Cost of gifts of medicine	601		2		2		3
Subtotal (line 1 **minus** line 2)			3		3		4
Line 3 **multiplied** by 50 %			4		4		5
Eligible amount of gifts	600		5		5		

Federal

a ______ x (b ______ / c) = Additional deduction for gifts of medicine for the current year 610 ______

Québec

a ______ x (b ______ / c) = Additional deduction for gifts of medicine for the current year ______

Alberta

a ______ x (b ______ / c) = Additional deduction for gifts of medicine for the current year ______

where:

a is the **lesser** of line 2 and line 4

b is the eligible amount of gifts (line 600)

c is the proceeds of disposition (line 602)

		Federal		Québec	Alberta
Subtotal (line 650 **plus** line 610)			R		
Subtotal (amount Q **plus** amount R)			S		
Deduct:					
Adjustment for an acquisition of control	655				
Amount applied in the current year against taxable income (enter this amount on line 315 of the T2 return)	660				
Subtotal (line 655 **plus** line 660)			T		
Additional deduction for gifts of medicine closing balance (amount S **minus** amount T)	680				

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2014-12-31			
2nd prior year	2013-12-31			
3rd prior year	2012-12-31			
4th prior year	2011-12-31			
5th prior year	2010-12-31			
6th prior year*	2009-12-31			
Total				

* These donations expired in the current year.

Québec – Gifts of musical instruments

Gifts of musical instruments at the end of the previous tax year		A
Deduct: Gifts of musical instruments expired after twenty tax years		B
Gifts of musical instruments at the beginning of the tax year		C
Add:		
Gifts of musical instruments transferred on an amalgamation or the wind-up of a subsidiary		D
Total current-year gifts of musical instruments		E
Subtotal (line D **plus** line E)		F
Deduct: Adjustment for an acquisition of control		G
Total gifts of musical instruments available		H
Deduct: Amount applied against taxable income		I
Gifts of musical instruments closing balance		J

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2014-12-31	
2nd prior year	2013-12-31	
3rd prior year	2012-12-31	
4th prior year	2011-12-31	
5th prior year	2010-12-31	
6th prior year*	2009-12-31	
7th prior year	2008-12-31	
8th prior year	2007-12-31	
9th prior year	2006-12-31	
10th prior year	2005-12-31	
11th prior year	2004-12-31	
12th prior year	2003-12-31	
13th prior year	2002-12-31	
14th prior year	2001-12-31	
15th prior year		
16th prior year		
17th prior year		
18th prior year		
19th prior year		
20th prior year		
21st prior year*		
Total		

* These gifts expired in the current year.

T2 SCH 2 E (12/2014)

Canada

Canada Revenue Agency / Agence 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
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 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.

Name of payer corporation (from which the corporation received the dividend) 200	A	B Enter 1 if payer corporation is connected 205 (Complete if payer corporation is connected)	C Business Number of connected corporation 210 (Complete if payer corporation is connected)	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) 220 (Complete if payer corporation is connected)	E Non-taxable dividend under section 83 230
				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.

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

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: $\text{Part IV tax} = \frac{\text{Column F x Column H}}{\text{Column G}}$

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	Welland Hydro-Electric Holding Corp	86360 4328 RC0001	2015-12-31	700,000	

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 700,000

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	700,000

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)			700,000
Other dividends paid in the tax year (total of 510 to 540)			
Total dividends paid in the tax year		500	700,000
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			700,000

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Schedule 4

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 RC0001	2015-12-31

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

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes			724,249	A
Deduct: (increase a loss)				
Net capital losses deducted in the year (enter as a positive amount)		a		
Taxable dividends deductible under section 112 or subsections 113(1) or 138(6)		b		
Amount of Part VI.1 tax deductible		c		
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)		d		
Subtotal (total of amounts a to d)		▶		B
Subtotal (amount A **minus** amount B; if positive, enter "0")				C
Deduct: (increase a loss)				
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions				D
Subtotal (amount C **minus** amount D)				E
Add: (decrease a loss)				
Current-year farm loss (whichever is less: the net loss from farming or fishing included in the income, or the non-capital loss before deducting the farm loss)				F
Current-year non-capital loss (amount E **plus** amount F; if positive, enter "0") If amount G is negative, enter it on line 110 as a positive.				G

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year		16,633	e		
Deduct: Non-capital loss expired*	100		f		
Non-capital losses at the beginning of the tax year (amount e **minus** amount f)	102	16,633	▶	16,633	H
Add:					
Non-capital losses transferred on an amalgamation or the wind-up of a subsidiary corporation	105		g		
Current-year non-capital loss (from amount G)	110		h		
Subtotal (amount g **plus** amount h)			▶		I
Subtotal (amount H **plus** amount I)				16,633	J

* A non-capital loss expires as follows:
- after **10** tax years if it arose in a tax year ending after March 22, 2004, and before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

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

Part 1 – Non-capital losses (continued)

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	150		i		
Section 80 – Adjustments for forgiven amounts	140		j		
Subsection 111(10) – Adjustments for fuel tax rebate			j.1		
Non-capital losses of previous tax years applied in the current tax year Enter amount k on line 331 of the T2 Return.	130	16,633	k		
Current and previous year non-capital losses applied against current-year taxable dividends subject to Part IV tax**	135		l		
Subtotal (total of amounts i to l)		16,633	▶	16,633	K
Non-capital losses before any request for a carryback (amount J **minus** amount K)					L

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

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

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

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

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

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	250		c		
Section 80 – Adjustments for forgiven amounts	240		d		
Subtotal (amount c **plus** amount d)			▶		B
Subtotal (amount A **minus** amount B)					C
Add: Current-year capital loss (from the calculation on Schedule 6, *Summary of Dispositions of Capital Property*)			210		D
Unused non-capital losses that expired in the tax year*			e		
Allowable business investment losses (ABIL) that expired as non-capital losses in the tax year**			f		
Enter amount e or f, whichever is less	215		g		
ABILs expired as non-capital loss: line 215 **divided** by 0.500000			220		E
Subtotal (total of amounts C to E)					F

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

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

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

Part 2 – Capital losses (continued)

Deduct: Capital losses from previous tax years applied against the current-year net capital gain*** **225** ______ G

Capital losses before any request for a carryback (amount F **minus** amount G) ______ H

Deduct – Request to carry back capital loss to**:**

	Capital gain (100%)		Amount carried back (100%)	
First previous tax year		951		h
Second previous tax year		952		i
Third previous tax year		953		j

Subtotal (total of amounts h to j) ______ ► ______ I

Closing balance of capital losses to be carried forward to future tax years (amount H **minus** amount I) **280** ______ J

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

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

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year ______ a

Deduct: Farm loss expired* **300** ______ b

Farm losses at the beginning of the tax year (amount a **minus** amount b) **302** ______ ► ______ A

Add:

Farm losses transferred on the amalgamation or the windup of a subsidiary corporation **305** ______ c

Current-year farm loss (amount F in Part 1) **310** ______ d

Subtotal (amount c **plus** amount d) ______ ► ______ B

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

Deduct:

Other adjustments (includes adjustments for an acquisition of control) **350** ______ e

Section 80 – Adjustments for forgiven amounts **340** ______ f

Farm losses of previous tax years applied in the current tax year **330** ______ g
Enter amount g on line 334 of the T2 Return.

Current and previous year farm losses applied against current-year taxable dividends subject to Part IV tax** **335** ______ h

Subtotal (total of amounts e to h) ______ ► ______ D

Farm losses before any request for a carryback (amount C **minus** amount D) ______ E

Deduct – Request to carry back farm loss to:

First previous tax year to reduce taxable income **921** ______ i

Second previous tax year to reduce taxable income **922** ______ j

Third previous tax year to reduce taxable income **923** ______ k

First previous tax year to reduce taxable dividends subject to Part IV tax **931** ______ l

Second previous tax year to reduce taxable dividends subject to Part IV tax **932** ______ m

Third previous tax year to reduce taxable dividends subject to Part IV tax **933** ______ n

Subtotal (total of amounts i to n) ______ ► ______ F

Closing balance of farm losses to be carried forward to future tax years (amount E **minus** amount F) **380** ______ G

* A farm loss expires as follows:
- after **10** tax years if it arose in a tax year ending before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

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

Part 4 – Restricted farm losses

Current-year restricted farm loss

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

Continuity of restricted farm losses and request for a carryback

	Line	Amount		
Restricted farm losses at the end of the previous tax year			d	
Deduct: Restricted farm loss expired**	400		e	
Restricted farm losses at the beginning of the tax year (amount d **minus** amount e)	402	►		D
Add:				
Restricted farm losses transferred on the amalgamation or the wind-up of a subsidiary corporation	405		f	
Current-year restricted farm loss (from amount C) Enter amount g on line 233 of Schedule 1, *Net Income (Loss) for Income Tax Purposes.*	410		g	
Subtotal (amount f **plus** amount g)		►		E
Subtotal (amount D **plus** amount E)				F
Deduct:				
Restricted farm losses from previous tax years applied against current farming income Enter amount h on line 333 of the T2 return.	430		h	
Section 80 – Adjustments for forgiven amounts	440		i	
Other adjustments	450		j	
Subtotal (total of amounts h to j)		►		G
Restricted farm losses before any request for a carryback (amount F **minus** amount G)				H
Deduct – Request to carry back restricted farm loss to:				
First previous tax year to reduce farming income	941		k	
Second previous tax year to reduce farming income	942		l	
Third previous tax year to reduce farming income	943		m	
Subtotal (total of amounts k to m)		►		I
Closing balance of restricted farm losses to be carried forward to future tax years (amount H **minus** amount I)	480			J

Note

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

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

** A restricted farm loss expires as follows:
- after **10** tax years if it arose in a tax year ending before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at the end of the previous tax year			a		
Deduct: Listed personal property loss expired after seven tax years	500		b		
Listed personal property losses at the beginning of the tax year (amount a **minus** amount b)	502		▶		A
Add: Current-year listed personal property loss (from Schedule 6)				510	B
Subtotal (amount A **plus** amount B)					C

Deduct:

Previous year personal property losses applied in the current tax year against listed personal property gains	530		c		
Enter amount c on line 655 of Schedule 6.					
Other adjustments	550		d		
Subtotal (amount c **plus** amount d)			▶		D
Listed personal property losses remaining before any request for a carryback (amount C **minus** amount D)					E

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

First previous tax year to reduce listed personal property gains	961		e		
Second previous tax year to reduce listed personal property gains	962		f		
Third previous tax year to reduce listed personal property gains	963		g		
Subtotal (total of amounts e to g)			▶		F
Closing balance of listed personal property losses to be carried forward to future tax years (amount E **minus** amount F)				580	G

Part 7 – Limited partnership losses

Current-year limited partnership losses

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

Total (enter this amount on line 222 of Schedule 1)

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

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

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

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

Total (enter this amount on line 335 of the T2 return)

Note

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

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

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

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

Note

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

Non-Capital Loss Continuity Workchart

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

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

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce Taxable income	Applied to reduce Part IV tax	Balance at end of year
Current	N/A				N/A		
1st preceding taxation year 2014-12-31	16,633	N/A		N/A	16,633		
2nd preceding taxation year 2013-12-31		N/A		N/A			
3rd preceding taxation year 2012-12-31		N/A		N/A			
4th preceding taxation year 2011-12-31		N/A		N/A			
5th preceding taxation year 2010-12-31		N/A		N/A			
6th preceding taxation year 2009-12-31		N/A		N/A			
7th preceding taxation year 2008-12-31		N/A		N/A			
8th preceding taxation year 2007-12-31		N/A		N/A			
9th preceding taxation year 2006-12-31		N/A		N/A			
10th preceding taxation year 2005-12-31		N/A		N/A			
11th preceding taxation year 2004-12-31		N/A		N/A			
12th preceding taxation year 2003-12-31		N/A		N/A			
13th preceding taxation year 2002-12-31		N/A		N/A			
14th preceding taxation year 2001-12-31		N/A		N/A			
15th preceding taxation year		N/A		N/A			
16th preceding taxation year		N/A		N/A			
17th preceding taxation year		N/A		N/A			
18th preceding taxation year		N/A		N/A			
19th preceding taxation year		N/A		N/A			
20th preceding taxation year		N/A		N/A			*
Total	16,633				16,633		

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

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Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 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 ☐	103		143		
Newfoundland and Labrador Offshore	004 1 Yes ☐	104		144		
Prince Edward Island	005 1 Yes ☐	105		145		
Nova Scotia	007 1 Yes ☐	107		147		
Nova Scotia Offshore	008 1 Yes ☐	108		148		
New Brunswick	009 1 Yes ☐	109		149		
Quebec	011 1 Yes ☐	111		151		
Ontario	013 1 Yes ☐	113		153		
Manitoba	015 1 Yes ☐	115		155		
Saskatchewan	017 1 Yes ☐	117		157		
Alberta	019 1 Yes ☐	119		159		
British Columbia	021 1 Yes ☐	121		161		
Yukon	023 1 Yes ☐	123		163		
Northwest Territories	025 1 Yes ☐	125		165		
Nunavut	026 1 Yes ☐	126		166		
Outside Canada	027 1 Yes ☐	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
692,020		692,020	79,582

Description	Line	Amount		Amount	Ref.
Ontario basic income tax (from Schedule 500)	270	79,582			
Deduct: Ontario small business deduction (from Schedule 500)	402				
Subtotal		79,582	►	79,582	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)				79,582	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")				79,582	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")				79,582	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")				79,582	G6
Add:					
Ontario corporate minimum tax (from Schedule 510)	278				
Ontario special additional tax on life insurance corporations (from Schedule 512)	280				
Subtotal			►		H6
Total Ontario tax payable before refundable credits (amount G6 **plus** amount H6)				79,582	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	20,000			
Ontario computer animation and special effects tax credit (from Schedule 554)	456				
Ontario film and television tax credit (from Schedule 556)	458				
Ontario production services tax credit (from Schedule 558)	460				
Ontario interactive digital media tax credit (from Schedule 560)	462				
Ontario sound recording tax credit (from Schedule 562)	464				
Ontario book publishing tax credit (from Schedule 564)	466				
Ontario innovation tax credit (from Schedule 566)	468				
Ontario business-research institute tax credit (from Schedule 568)	470				
Subtotal		20,000	►	20,000	J6
Net Ontario tax payable or refundable credit (amount I6 **minus** amount J6) (if a credit, enter a negative amount) Include this amount on line 255.	290			59,582	K6

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	59,582

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.

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Schedule 6

Summary of Dispositions of Capital Property

Corporation's name	Business number	Tax year-end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 RC0001	2015-12-31

- Use this schedule if your corporation disposed of (actual or deemed) capital property or claimed an allowable business investment loss (ABIL), or both, in the tax year.
- Also use this schedule to make a designation under paragraph 111(4)(e) of the *Income Tax Act* if control of the corporation has been acquired by a person or a group of persons.
- For more information, see the section called "Schedule 6, Summary of Dispositions of Capital Property" in Guide T4012, *T2 Corporation – Income Tax Guide*.

Designation under paragraph 111(4)(e) of the Income Tax Act

Are any dispositions shown on this schedule related to deemed dispositions designated under paragraph 111(4)(e)? . . . . . . **050** 1 Yes [ ] 2 No [X]

If **yes**, attach a statement specifying which properties such a designation applies to.

Part 1 – Shares

1 Number of shares **100**	2 Name of corporation in which the shares are held **105**	3 Class of shares **106**	4 Date of Acquisition YYYY/MM/DD **110**	5 Proceeds of disposition **120**	6 Adjusted cost base **130**	7 Outlays and expenses from disposition **140**	8 Gain (or loss) (column 5 **minus** columns 6 and 7) **150**	Foreign source
			Totals					

Total adjustment under subsection 112(3) of the Act to all losses identified in Part 1 . . . . **160** ______

Actual gain or loss from the disposition of shares (total of column 8 **plus** line 160) . . . . ______ **A**

Part 2 – Real estate (Do not include losses on depreciable property)

1 Municipal address of real estate 1 = Address 1 2 = Address 2 3 = City 4 = Province, Country, Postal Code and Zip Code or Foreign Postal Code **200**	2 Date of Acquisition YYYY/MM/DD **210**	3 Proceeds of disposition **220**	4 Adjusted cost base **230**	5 Outlays and expenses from disposition **240**	6 Gain (or loss) (column 3 **minus** columns 4 and 5) **250**	Foreign source
	Totals					**B**

Part 3 – Bonds

1 Face value of bonds **300**	2 Maturity date YYYY/MM/DD **305**	3 Name of bond issuer **307**	4 Date of Acquisition YYYY/MM/DD **310**	5 Proceeds of disposition **320**	6 Adjusted cost base **330**	7 Outlays and expenses from disposition **340**	8 Gain (or loss) (column 5 **minus** columns 6 and 7) **350**	Foreign source
			Totals					**C**

Part 4 – Other properties (Do not include losses on depreciable property)

	1 Description of other property 400	2 Date of Acquisition YYYY/MM/DD 410	3 Proceeds of disposition 420	4 Adjusted cost base 430	5 Outlays and expenses from disposition 440	6 Gain (or loss) (column 3 **minus** columns 4 and 5) 450	Foreign source	
1	Scrap Transformers		7,277	862		6,415		
		Totals	7,277	862		6,415		D

Note
Other property includes capital debts established as bad debts, as well as amounts that arise from foreign currency transactions.

Part 5 – Personal-use property (Do not include listed personal property)

1 Description of personal-use property 500	2 Date of Acquisition YYYY/MM/DD 510	3 Proceeds of disposition 520	4 Adjusted cost base 530	5 Outlays and expenses from disposition 540	6 Gain only (column 3 **minus** columns 4 and 5; if negative, enter "0") 550	Foreign source	
	Totals						E

Note
You cannot deduct losses on dispositions of personal-use property (other than listed personal property) from your income.

Part 6 – Listed personal property

1 Description of listed personal property 600	2 Date of Acquisition YYYY/MM/DD 610	3 Proceeds of disposition 620	4 Adjusted cost base 630	5 Outlays and expenses from disposition 640	6 Gain (or loss) (column 3 **minus** columns 4 and 5) 650	Foreign source
	Totals					

Deduct: Unapplied listed personal property losses from other years (amount from line 530 of Schedule 4, *Corporation Loss Continuity and Application*) . . . . 655 ____________

Net gains (or losses) from the disposition of listed personal property (total of column 6 **minus** line 655) . . . . ____________ F

Note
Net listed personal property losses can only be applied against listed personal property gains.

Part 7 – Property qualifying for and resulting in an allowable business investment loss

1 Name of small business corporation 900	2 Shares, enter 1; debt, enter 2 905	3 Date of Acquisition YYYY/MM/DD 910	4 Proceeds of disposition 920	5 Adjusted cost base 930	6 Outlays and expenses from disposition 940	7 Loss only (column 4 **minus** columns 5 and 6) 950	Foreign source
		Totals					

Allowable business investment losses (ABILs) . . . . Total of Column 7 ____________ x 50.0000 % = ____________ G

Enter amount G on line 406 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*.

Note
Properties listed in Part 7 should not be included in any other parts of this schedule.

Part 8 – Capital gains or losses

Total of amounts A to F (do not include amount F if it is a loss)		6,415	H	
Add:				Foreign source
Capital gains dividend received in the year	875		I	☐
Capital gains reserve opening balance (from Part 1 of Schedule 13, *Continuity of Reserves,* enter the amount from line 8, *Balance at the beginning of the year* **plus** the amount from line 9, *Transfer on an amalgamation or the wind–up of a subsidiary*)	880		J	
Subtotal (total of amounts H to J)		6,415	K	
Deduct: Capital gains reserve closing balance (from Schedule 13)	885		L	
Capital gains or losses, excluding ABILs (amount K **minus** amount L)	890	6,415	M	

Part 9 – Taxable capital gains and total capital losses

Capital gains or losses, excluding ABILs (amount from line 890 in Part 8) . . . . 6,415 N

Deduct the following amounts included in amount N, that are subject to the zero inclusion rate:

Note
When a taxpayer is entitled to an advantage in respect of a donation, the zero inclusion rate is restricted to only part of the taxpayer's capital gain on disposition of the property. See section 38.2 of the Act for more information.

Gain on the donation to a qualified donee of a share, debt obligation, or right listed on a designated stock exchange and other securities under subparagraphs 38(a.1)(i) and (iii) of the Act	895		a			Foreign source ☐
Gain on the donation to a qualified donee of ecologically sensitive land under paragraph 38(a.2) of the Act*	896		b			Foreign source ☐
Exempt portion of the gain on the donation of securities arising from the exchange of a partnership interest under paragraph 38(*a.3*)			b-2			Foreign source ☐
Subtotal (amount a **plus** amount b **plus** b-2)			►		O	
Subtotal (amount N **minus** amount O)				6,415	P	

Add:

Deemed capital gain from the donation of property included in a flow-through share class of property to a qualified donee under subsection 40(12) of the Act:

Exemption threshold at time of disposition	897		c			
The total of all capital gains from the disposition of the actual property	898		d			
Amount c or amount d, whichever is less					Q	Foreign source ☐
Taxable capital gains under section 34.2 of the Act (line 275 of Schedule 73, *Income Inclusion Summary for Corporations that are Members of Partnerships*)		x 2 =	899		R	
Subtotal (total of amounts P to R)				6,415	S	

Deduct:

Allowable capital losses under section 34.2 of the Act (line 285 of Schedule 73, *Income Inclusion Summary for Corporations that are Members of Partnerships*)		x 2 =	901		T
Total capital gains or losses (amount S **minus** amount T)				6,415	U

Taxable capital gains or total capital losses

Total capital losses (amount U, if amount U is negative; if amount U is positive, enter "0") V
Enter amount V on line 210 of Schedule 4.

Taxable capital gains (if amount U is positive, enter amount U 6,415 multiplied by 50.0000 %; if amount U is negative, enter "0") . . . . 3,208 W
Enter amount W on line 113 of Schedule 1.

* Do not include gains on donations of ecologically sensitive land to a private foundation.

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Schedule 7

Aggregate Investment Income and Active Business Income

Corporation's name	Business number	Tax year-end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 RC0001	2015-12-31

- This schedule is for the use of Canadian-controlled private corporations (CCPCs) to calculate:
  - for the purpose of determining the refundable portion of Part I tax, aggregate investment income and foreign investment income, as defined in subsection 129(4) of the *Income Tax Act;*
  - specified partnership income, when the CCPC is a member of one or more partnership(s); and
  - income from an active business carried on in Canada for the small business deduction.
- For more information, see the sections called "Small Business Deduction" and "Refundable Portion of Part I Tax" in Guide T4012, *T2 Corporation – Income Tax Guide.*

Part 1 – Aggregate investment income

The aggregate investment income is the aggregate **world** source income.

	Line	Amount		Amount	
Eligible portion of taxable capital gains for the year	002			3,208	A
Deduct:					
Eligible portion of allowable capital losses for the year (including allowable business investment losses)	012		a		
Net capital losses of previous years claimed on line 332 on the T2 return	022		b		
Subtotal (amount a **plus** amount b)			▶		B
Amount A **minus** amount B (if negative, enter "0")				3,208	C
Total income from property (include income from a specified investment business carried on in Canada other than income from a source outside Canada)	032		c		
Deduct:					
Exempt income	042		1		
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	052		2		
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	062		3		
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	072		4		
Subtotal (**add** amounts 1 to 4) ▶			d		
Subtotal (amount c **minus** amount d)			▶		D
Amount C **plus** amount D				3,208	E
Total losses from property (include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)	082				F
Amount E **minus** amount F (if negative, enter "0")	092			3,208	G

Enter amount G on line 440 of the T2 return.

Part 2A – Canadian investment income calculation

Eligible portion of taxable capital gains for the year before taking into account the capital gains reserve (federal) of Schedule 13	3,208	1.1		
Reserve's eligible portion (addition/deduction)		1.2		
Taxable capital gains under section 34.2 of the ITA		1.3		
The eligible portion of taxable capital gains for the year after taking into account the capital gains reserve (federal) of Schedule 13 (total of amounts 1.1, 1.2 and 1.3)	3,208	►	3,208	1a
Deduct:				
Eligible portion of allowable capital losses for the year (including allowable business investment losses)		2a		
Net capital losses of previous years of other years claimed on line 332 on the T2 return		3a		
Allowable capital losses under section 34.2 of the ITA		3.1		
Total of amounts 2a, 3a and 3.1		►		4a
Amount 1a **minus** amount 4a (if negative, enter "0")			3,208	5a
Taxable dividends		6.1		
Rental property income (under regulation 1100(11))		6.2		
Other property income		6.3		
Property income under section 34.2 of the ITA (line 280 of Schedule 73, *Income Inclusion Summary for Corporations that are Members of Partnerships*)		6.4		
Total property income from **Canadian** sources		►		6a
Deduct:				
Exempt income		7a		
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year		8a		
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)		9a		
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)		10a		
Total of amounts 7a to 10a		►		11a
Amount 6a **minus** amount 11a				12a
Amount 5a **plus** amount 12a			3,208	13a
Rental property losses (under regulation 1100(11))		14.1		
Dividend losses		14.2		
Other property losses		14.3		
Property losses under section 34.2 of the ITA (line 280 of Schedule 73, *Income Inclusion Summary for Corporations that are Members of Partnerships*)		14.4		
Total property losses from **Canadian** sources		►		14a
Amount 13a **minus** amount 14a (if negative, enter "0")			3,208	15a

Part 2 – Foreign investment income

The foreign investment income is all income from sources **outside Canada**.

Eligible portion of taxable capital gains for the year before taking into account the capital gains reserve (federal) of Schedule 13			H1		
Reserve's eligible portion (addition/deduction)			H2		
Taxable capital gains under section 34.2 of the ITA*			H3		
Eligible portion of taxable capital gains for the year after taking into account the capital gains reserve (federal) of Schedule 13 (total of amounts H1, H2 and H3)			►	001	H
Allowable capital losses for the year			I1		
Allowable capital losses under section 34.2 of the ITA*			I2		
Eligible portion of allowable capital losses for the year (including allowable business investment losses) (total of amounts I1 and I2)			►	009	I
Subtotal (amount H **minus** amount I) (if negative, enter "0")					J
Taxable dividends	e1				
Rental property income (under regulation 1100(11))	e2				
Other property income	e3				
Property income under section 34.2 of the ITA (line 280 of Schedule 73, *Income Inclusion Summary for Corporations that are Members of Partnerships*)*	e4				
Total income from property from a source **outside Canada** (net of related expenses)	►	019	e		
Deduct:					
Exempt income	029	5			
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	049	6			
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	059	7			
Subtotal (**add** amounts 5 to 7)		►	f		
Subtotal (amount e **minus** amount f)			►		K
Amount J **plus** amount K					L
Rental property losses (under regulation 1100(11))			M1		
Dividend losses			M2		
Other property losses			M3		
Property losses under section 34.2 of the ITA (line 280 of Schedule 73, *Income Inclusion Summary for Corporations that are Members of Partnerships*)*			M4		
Total losses from property from a source **outside Canada**			►	069	M
Amount L **minus** amount M (if negative, enter "0") (enter amount N on line 445 of the T2 return)				079	N

* When an amount is entered on these lines, the amounts calculated for the taxable capital gains or allowable capital losses on lines 1.3 and 3.1 as well as property income or losses on lines 6.4 and 14.3 in Part 2A, "Canadian investment income calculation" are automatically updated. For more details, press F1 to consult the Help.

Net taxable dividends	Canadian	Foreign	Total
Taxable dividends deducted per schedule 3			
Less: Expenses related to such dividends			
Total expenses			
Net taxable dividends			

Part 3 – Specified partnership income

A		B	C	D1
Partnership name 200	Partnership's account number	Total income (loss) partnership from active business 300	Corporation's share of amount column B 310	Adjustment under section 34.2*

D2	D	E	F	G	H	I
Expenses incurred to earn partnership income	Adjustments (add or deduct the prorated amounts calculated under section 34.2* and deduct expenses incurred by the corporation to earn partnership income) (column D1 **minus** column D2) 315	Corporation's income (loss) of the partnership (column C **plus** column D) 320	Number of days in the partnership's fiscal period 325	Prorated business limit (column C ÷ column B) x [$500,000 x (column F ÷ 365)] (if column C is negative, enter "0")** 330	Column E **minus** column G (if negative, enter "0")	Lesser of columns E and G (if column E is negative, enter "0") 340
	Total 350				Total 385	360

Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) – enter as a positive amount . . . . 370 ________ g

Specified partnership loss of the corporation for the year – enter as a positive amount (total of all negative amounts in column E) . . . . 380 ________ h

Subtotal (amount g **plus** amount h) ________ i

Amount at line 385 or amount i, whichever is less . . . . 390 ________ O

Specified partnership income (line 360 **plus** amount O) . . . . 400 ________ P

Enter amount P at line T in Part 4.

Part 3 – Specified partnership income (continued)

* In general, amounts included under subsections 34.2(2), (3), and (12) or claimed under subsections 34.2(4) and (11) are deemed to have the **same character** and be in the **same proportions** as the partnership income they relate to. For example, if a corporation receives $100,000 of partnership income for the partnership's fiscal period ending in its tax year, and that income is made up of $40,000 of active business income, $30,000 of income from property, and $30,000 as a taxable capital gain, the corporation's adjusted stub period accrual (ASPA) in respect of the partnership would be 40% active business income, 30% property income, and 30% taxable capital gains. Add or deduct **only the portion** of the following amounts that is deemed under subsection 34.2(5) to be **active business income**:

Add:

- the ASPA under subsection 34.2(2) (column 4 of Schedule 73)
- the income inclusion for a new corporate member of a partnership under subsection 34.2(3) (column 6 of Schedule 73)
- the previous-year transitional reserve under subsection 34.2(12) (column 12 of Schedule 73)

Deduct:

- the previous-year ASPA under subsection 34.2(4) (column 5 of Schedule 73)
- the previous-year income inclusion for a new corporate member of a partnership under subsection 34.2(4) (column 7 of Schedule 73)
- the current-year transitional reserve under subsection 34.2(11) (column 11 of Schedule 73)

** When a partnership carries on more than one business, one of which generates income and another of which realizes a loss, the loss is not netted against the partnership's income for the purpose of calculating the prorated business limit in column G. Enter on line h the total of all loss from column E.

Part 4 – Partnership income not eligible for the small business deduction

Corporation's share of partnership income from active businesses carried on in Canada after deducting related expenses – from line 350 in Part 3 (if the net amount is negative, enter "0" on line U)			Q
Specified partnership loss (from amount h in Part 3)			R
Subtotal (amount Q **plus** amount R)			S
Deduct:			
Specified partnership income (from amount P in Part 3)			T
Partnership income not eligible for the small business deduction (amount S **minus** amount T) (enter on line p in Part 5)	450		U

Part 5 – Income from active business carried on in Canada

Net income for income tax purposes from line 300 of the T2 return		724,249	j		
Plus:					
Allowable business investment loss from line 406 of Schedule 1			k		
Subtotal (amount j **plus** amount k)		724,249	►	724,249	V
Deduct:					
Foreign business income after deducting related expenses*	500		l		
Taxable capital gains from line 113 of Schedule 1		3,208	m		
Net property income (amount c** **minus** amounts 1, 2, and F* in Part 1)			n		
Personal services business income and other income after deducting related expenses*	520		o		
Subtotal (**add** amounts l to o)		3,208	►	3,208	W
Net amount (amount V **minus** amount W)				721,041	X
Deduct:					
Partnership income not eligible for the small business deduction (amount U in Part 4)			p		
Income allocated to the corporation under subsection 96(1.1)	530		q		
Subtotal (amount p **plus** amount q)			►		Y
Income from active business carried on in Canada (amount X **minus** amount Y) (enter amount Z on line 400 of the T2 return - if negative, enter "0")				721,041	Z

* If negative, enter amount in brackets, and **add** instead of **subtracting**.
** Net of related expenses.

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business Number	Tax year end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 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 [X]

	1 Class number (See Note) 200	Description	2 Undepreciated capital cost at the beginning of the year (amount from column 12 of last year's schedule 8) 201	3 Cost of acquisitions during the year (new property must be available for use)* 203	4 Adjustments and transfers** 205	5 Proceeds of dispositions during the year (amount not to exceed the capital cost) 207	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)*** 211	7 Reduced undepreciated capital cost	8 CCA rate %**** 212	9 Recapture of capital cost allowance***** (line 107 of Schedule 1) 213	10 Terminal loss (line 404 of Schedule 1) 215	11 Capital cost allowance (for declining balance method, column 7 multiplied by column 8, or a lower amount) (line 403 of Schedule 1)****** 217	12 Undepreciated capital cost at the end of the year (column 6 plus column 7 minus column 11) 220
1.	1	Buildings/Substation	2,456,930			0		2,456,930	4	0	0	98,277	2,358,653
2.	1	Plant Feeders	3,536,623			0		3,536,623	4	0	0	141,465	3,395,158
3.	1	Plant Distribution	6,131,817			0		6,131,817	4	0	0	245,273	5,886,544
4.	1	Transformers	1,986,632			2,862		1,983,770	4	0	0	79,351	1,904,419
5.	1	Meters	934,878			0		934,878	4	0	0	37,395	897,483
6.	8	Other Equipment	248,055			0		248,055	20	0	0	49,611	198,444
7.	10	Vehicles	325,293	149,298		0	74,649	399,942	30	0	0	119,983	354,608
8.	45	Computer Hardware	334			0		334	45	0	0	150	184
9.	47	Poles & Transmission Lines/Equi	13,300,064	1,961,843		0	980,922	14,280,985	8	0	0	1,142,479	14,119,428
10.	50	Computer Hardware > 3/19/200	121,000	67,324		0	33,662	154,662	55	0	0	85,064	103,260
11.	17	Paving	12,013			0		12,013	8	0	0	961	11,052
12.	1b	Buildings/Substation	519,874	18,710		0	9,355	529,229	6	0	0	31,754	506,830
13.	43.2	Solar Panel microfits installations	30,558			0		30,558	50	0	0	15,279	15,279
14.	12	Software	66,793	74,041		0	37,021	103,813	100	0	0	103,813	37,021
		Totals	29,670,864	2,271,216		2,862	1,135,609	30,803,609				2,150,855	29,788,363

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.

Fixed Assets Reconciliation

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

Tax return

Additions for tax purposes – Schedule 8 regular classes		2,271,216		
Additions for tax purposes – Schedule 8 leasehold improvements	+			
Operating leases capitalized for book purposes	+			
Capital gain deferred	+			
Recapture deferred	+			
Deductible expenses capitalized for book purposes – Schedule 1	+			
Other (specify):				
Opening Balance Difference	+	175,825		
Contributed Capital Subject to Sub. 13(7.4)	+	421,827		
Total additions per books	=	2,868,868	▶	2,868,868
Proceeds up to original cost – Schedule 8 regular classes		2,862		
Proceeds up to original cost – Schedule 8 leasehold improvements	+			
Proceeds in excess of original cost – capital gain	+	6,415		
Recapture deferred – as above	+			
Capital gain deferred – as above	+			
Pre V-day appreciation	+			
Other (specify):				
Retirement not included in depreciation	+	35,287		
Reversing J/E for 2014 Poles Adj.	+	88,852		
Rounding	+	1		
Total proceeds per books	=	133,417	▶	133,417
Depreciation and amortization per accounts – Schedule 1			–	1,327,966
Loss on disposal of fixed assets per accounts			–	
Gain on disposal of fixed assets per accounts			+	184
Net change per tax return			=	1,407,669

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		28,674,008
Opening net book value	–	27,266,339
Net change per financial statements	=	1,407,669

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

Attached Schedule with Total

Financial statements – Fixed assets (excluding land) per financial statements – Closing net book value

Title Financial statements – Fixed assets (excluding land) per financial statemen

Description	Amount	
Closing NBV PP&E per FS	28,305,903	00
Software Included in Intangibles per FS	368,105	00
Inventory full basis (CFWD from PY)		
Total	28,674,008	00

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 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 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	WELLAND HYDRO-ELECTRIC HOLDI		86360 4328 RC0001	1					
2.	WELLAND HYDRO ENERGY SERVICI		86375 9494 RC0001	3					
3.	City of Welland		NR	3					
4.	WELLAND WIFI CORPORATION		85056 2364 RC0001	3					
5.	Welland Solar Corp.		80968 5860 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

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SCHEDULE 10

CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Name of corporation	Business Number	Tax year-end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 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	1,056,614	A
Add: Cost of eligible capital property acquired during the taxation year	222				
Other adjustments	226				
Subtotal (line 222 plus line 226)		x 3 / 4 =			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")			▶		D
Amount transferred on amalgamation or wind-up of subsidiary			224		E
Subtotal (add amounts A, D, and E)			230	1,056,614	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)				1,056,614	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	1,056,614				
less amount from line 249					
Current year deduction	1,056,614	x 7.00 % =	250	73,963 *	
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)			73,963 ▶	73,963	L
Cumulative eligible capital – Closing balance (amount K minus amount L) (if negative, enter "0")			300	982,651	M

* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

Part 2 – Amount to be included in income arising from disposition

(complete this part only if the amount at line K is negative)

Amount from line K (show as positive amount)					N
Total of cumulative eligible capital (CEC) deductions from income for taxation years beginning after June 30, 1988		400		1	
Total of all amounts which reduced CEC in the current or prior years under subsection 80(7)		401		2	
Total of CEC deductions claimed for taxation years beginning before July 1, 1988	402		3		
Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988	408		4		
Line 3 minus line 4 (if negative, enter "0")		►		5	
Total of lines 1, 2 and 5				6	
Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 400			7		
Amounts at line T from Schedule 10 of previous taxation years ending after February 27, 2000			8		
Subtotal (line 7 plus line 8)	409	►		9	
Line 6 minus line 9 (if negative, enter "0")				►	O
Line N minus line O (if negative, enter "0")					P
Line 5				x 1 / 2 =	Q
Line P minus line Q (if negative, enter "0")					R
Amount R				x 2 / 3 =	S
Amount N or amount O, whichever is less					T
Amount to be included in income (amount S plus amount T) (enter this amount on line 108 of Schedule 1)				410	

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SCHEDULE 13

CONTINUITY OF RESERVES

Name of corporation	Business number	Tax year end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 RC0001	2015-12-31

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- File one completed copy of this schedule with the corporation's *T2 Corporation Income Tax Return.*
- For more information, see the *T2 Corporation Income Tax Guide.*

Part 1 – Capital gains reserves

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

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

Part 2 – Other reserves

Description		Balance at the beginning of the year $	Transfer on an amalgamation or the wind-up of a subsidiary $	Add $	Deduct $	Balance at the end of the year $
Reserve for doubtful debts	X	110 193,631	115	124,767	193,631	120 124,767
Reserve for undelivered goods and services not rendered	X	130 1,093,014	135	1,982,607	1,093,014	140 1,982,607
Reserve for prepaid rent		150	155			160
Reserve for refundable containers . .		190	195			200
Reserve for unpaid amounts		210	215			220
Other tax reserves		230	235			240
Totals		270 1,286,645	275	2,107,374	1,286,645	280 2,107,374

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

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

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Pension Liability - non-current	1,496,483		1,583,297	1,496,483	1,583,297
2	Pension Liability - current	107,881			107,881	
3						
	Reserves from Part 2 of Schedule 13	1,286,645		2,107,374	1,286,645	2,107,374
	Totals	2,891,009		3,690,671	2,891,009	3,690,671

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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Schedule 15

Deferred Income Plans

Corporation's name	Business number	Tax year end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 RC0001	2015-12-31

- Complete the information below if the corporation deducted payments from its income made to a registered pension plan (RPP), a registered supplementary unemployment benefit plan (RSUBP), a deferred profit sharing plan (DPSP), a pooled registered pension plan (PRPP), or an employee profit sharing plan (EPSP).
- If the trust that governs an employee profit sharing plan is **not resident** in Canada, please indicate if the T4PS, *Statement of Employees Profit Sharing Plan Allocations and Payments*, Supplementary slip(s) were filed for the last calendar year, and whether they were filed by the trustee or the employer.

	Type of plan (see note 1) 100	Amount of contribution $ (see note 2) 200	Registration number (RPP, RSUBP, PRPP, and DPSP only) 300	Name of EPSP trust 400	Address of EPSP trust 500	T4PS slip(s) (see note 3) 600
1	1	334,520	0345983			

Note 1

Enter the applicable code number:

1 – RPP
2 – RSUBP
3 – DPSP
4 – EPSP
5 – PRPP

Note 2

You do not need to add to Schedule 1 any payments you made to deferred income plans.
To reconcile such payments, calculate the following amount:

Total of all amounts indicated in column 200 of this schedule ..... 334,520 A

Less:

Total of all amounts for deferred income plans deducted in your financial statements ..... 334,520 B

Deductible amount for contributions to deferred income plans
(amount A **minus** amount B) (if negative, enter "0") C

Enter amount C on line 417 of Schedule 1

Note 3

T4PS slip(s) filed by: 1 – Trustee
2 – Employer
(EPSP only)

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SCHEDULE 23

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	Calendar year	Acceptable range
2006	maximum $300,000	2008	maximum $400,000
2007	$300,001 to $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 . . . . **050** Year 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? . . . . **075** 1 Yes [ ] 2 No [X]

	1 Names of associated corporations **100**	2 Business Number of associated corporations **200**	3 Association code **300**	4 Business limit for the year (before the allocation) $	5 Percentage of the business limit % **350**	6 Business limit allocated* $ **400**
1	WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 RC0001	1	500,000		
2	WELLAND HYDRO-ELECTRIC HOLDING CORP.	86360 4328 RC0001	1	500,000	100.0000	500,000
3	WELLAND HYDRO ENERGY SERVICES CORP.	86375 9494 RC0001	1	500,000	100.0000	500,000
4	City of Welland	NR	4			
5	WELLAND WIFI CORPORATION	85056 2364 RC0001	1	500,000	100.0000	500,000
6	Welland Solar Corp.	80968 5860 RC0001	1	500,000	100.0000	500,000
				Total	400.0000	2,000,000 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% x (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.

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Schedule 31

Investment Tax Credit – Corporations

General information

- Use this schedule:
  - to calculate an investment tax credit (ITC) earned during the tax year;
  - to claim a deduction against Part I tax payable;
  - to claim a refund of credit earned during the current tax year;
  - to claim a carryforward of credit from previous tax years;
  - to transfer a credit following an amalgamation or wind-up of a subsidiary, as described under subsections 87(1) and 88(1) of the federal *Income Tax Act*;
  - to request a credit carryback to one or more previous years; or
  - if you are subject to a recapture of ITC.
- The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a twenty-year carryforward.
- All legislative references are to the federal *Income Tax Act* and *Income Tax Regulations*.
- Investments or expenditures, described in subsection 127(9) of the Act and Part XLVI of the Regulations, that earn an ITC are:
  - qualified property and qualified resource property (Parts 4 to 7 of this schedule);
  - expenditures that are part of the SR&ED qualified expenditure pool (Parts 8 to 17). File Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim;*
  - pre-production mining expenditures (Parts 18 to 20);
  - apprenticeship job creation expenditures (Parts 21 to 23); and
  - child care spaces expenditures (Parts 24 to 28).
- Include a completed copy of this schedule with the *T2 Corporation Income Tax Return*. If you need more space, attach additional schedules.
- For more information on ITCs, see "Investment Tax Credit" in Guide T4012, *T2 Corporation – Income Tax Guide*, Information Circular IC 78-4, *Investment Tax Credit Rates*, and its related Special Release.
- For more information on SR&ED, see Brochure RC4472, *Overview of the Scientific Research and Experimental Development Program (SR&ED) Tax Incentive Program*; Brochure RC4467, *Support for your R&D in Canada*, and T4088, *Guide to Form T661 – Scientific Research and Experimental Development (SR&ED) Expenditures Claim*. Also see the *Eligibility of Work for SR&ED Investment Tax Credits Policy* at **www.cra.gc.ca/txcrdt/sred-rsde/clmng/lgbltywrkfrsrdnvstmnttxcrdts-eng.html**.

Detailed information

- For the purpose of this schedule, **investment** means the capital cost of the property (excluding amounts added by an election under section 21 of the Act), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property when it files the income tax return for the year in which the property was acquired.
- An ITC deducted or refunded in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces the capital cost of that property in the next tax year. It also reduces the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
- Property acquired has to be **available for use** before a claim for an ITC can be made. See subsections 127(11.2) and 248(19) for more information.
- Expenditures for SR&ED and capital costs for a property qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 is not applicable for the agreement to share any income or loss. Special rules apply to specified and limited partners. For more information, see Guide T4068, *Guide for the Partnership Information Return*.
- For SR&ED expenditures, the expression **in Canada** includes the "exclusive economic zone" (as defined in the *Oceans Act* to generally consist of an area that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil for that zone.
- For the purpose of this schedule, the expression **Atlantic Canada** includes the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulation 4609).
- For the purpose of this schedule, **qualified property** means property in Atlantic Canada that is used primarily for manufacturing and processing, farming or fishing, logging, storing grain, or harvesting peat. Property in Atlantic Canada that is used primarily for oil and gas, and mining activities is considered qualified property only if acquired by the taxpayer **before** March 29, 2012. Qualified property includes new buildings and new machinery and equipment (prescribed in Regulation 4600), and if acquired by the taxpayer **after** March 28, 2012, new energy generation and conservation property (prescribed in Regulation 4600). Qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as described in Regulation 4610). See the definition of **qualified property** in subsection 127(9) of the Act for more information.
- For the purpose of this schedule, **qualified resource property** means property in Atlantic Canada that is used primarily for oil and gas, and mining activities, if acquired by the taxpayer **after** March 28, 2012, and **before** January 1, 2016. Qualified resource property includes new buildings and new machinery and equipment (prescribed in Regulation 4600). See the definition of **qualified resource property** in subsection 127(9) of the Act for more information.

Detailed information (continued)

- For the purpose of this schedule, **pre-production mining exploration expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to determine the existence, location, extent, or quality of certain mineral resources in Canada, excluding expenses incurred in the exploration of an oil or gas well. See subparagraph (a)(i) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining development expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to bring a new mineral resource mine in Canada into production, excluding expenses in the development of a bituminous sands deposit or an oil shale deposit. See subparagraph (a)(ii) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.

Part 1 – Investments, expenditures, and percentages

Investments	**Specified percentage**
Qualified property acquired primarily for use in Atlantic Canada	10 %
Qualified resource property acquired primarily for use in Atlantic Canada and acquired:	
– after March 28, 2012, and before 2014	10 %
– after 2013 and before 2016	5 %
– after 2015*	0 %
Expenditures	
If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %
Note: If your current year's qualified expenditures are more than the corporation's expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 20 % rate**.	
If you are a corporation that is not a CCPC and have incurred qualified expenditures for SR&ED in any area in Canada:	
– before 2014**	20 %
– after 2013**	15 %
If you are a taxable Canadian corporation that incurred pre-production mining expenditures before March 29, 2012	10 %
If you are a taxable Canadian corporation that incurred pre-production mining exploration expenditures***:	
– after March 28, 2012, and before 2013	10 %
– in 2013	5 %
– after 2013***	0 %
If you are a taxable Canadian corporation that incurred pre-production mining development expenditures****:	
– after March 28, 2012, and before 2014****	10 %
– in 2014	7 %
– in 2015	4 %
– after 2015****	0 %
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment	10 %
If you incurred eligible expenditures after March 18, 2007, for the creation of licensed child care spaces for the children of your employees and, potentially, for other children	25 %

* A transitional relief rate of 10% may apply to property acquired after 2013 and before 2017, if the property is acquired under a written agreement entered into before March 29, 2012, or the property is acquired as part of a **phase** of a project where the construction or the engineering and design work for the construction started before March 29, 2012. See paragraph (a.1) of the definition of **specified percentage** in subsection 127(9) for more information.

** The reduction of the rate from 20% to 15% applies to 2014 and later tax years, except that, for 2014 tax years that start before 2014, the reduction is pro-rated based on the number of days in the tax year that are after 2013.

*** Pre-production mining exploration expenditures are described in subparagraph (a)(i) of the definition of **pre-production mining expenditure** in subsection 127(9).

**** A transitional relief rate of 10% may apply to expenditures incurred after 2013 and before 2016, if the expenditure is incurred under a written agreement entered into before March 29, 2012, or the expenditure is incurred as part of the development of a new mine where the construction or the engineering and design work for the construction of the new mine started before March 29, 2012. See subparagraph (k)(ii) of the definition of **specified percentage** in subsection 127(9) for more information. Pre-production mining development expenditures are described in subparagraph (a)(ii) of the definition of **pre-production mining expenditure** in subsection 127(9).

Corporation's name	Business number	Tax year-end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 RC0001	2015-12-31

Part 2 – Determination of a qualifying corporation

Is the corporation a qualifying corporation? . . . . 101 1 Yes [X] 2 No [ ]

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC and its taxable income (before any loss carrybacks) for its previous tax year cannot be more than its **qualifying income limit** for the particular tax year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the previous calendar year, cannot be more than their qualifying income limit for the particular tax year.

Note: A CCPC calculating a refundable ITC is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

If you are a **qualifying** corporation, you will earn a **100%** refund on your share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund*.

Some CCPCs that are **not qualifying** corporations may also earn a **100%** refund on their share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund*.

The 100% refund will not be available to a corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to:

a) one or more persons exempt from Part I tax under section 149;
b) Her Majesty in right of a province, a Canadian municipality, or any other public authority; or
c) any combination of persons referred to in a) or b) above.

* Capital expenditures incurred after December 31, 2013, including lease payments for property that would have been a capital expenditure if purchased directly, are **not** qualified SR&ED expenditures and are **not** eligible for an ITC on SR&ED expenditures.

Part 3 – Corporations in the farming industry

Complete this area if the corporation is making SR&ED contributions.

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? . . . . 102 1 Yes [ ] 2 No [X]

Contributions to agricultural organizations for SR&ED* 103

If **yes**, complete Schedule 125, *Income Statement Information*, to identify the type of farming industry the corporation is involved in. For more information on Schedule 125, see Guide RC4088, *General Index of Financial Information (GIFI)*. Enter contributions on line 350 of Part 8.

* Enter only contributions not already included on Form T661. Include all of the contributions made before 2013 and 80% of the contributions made after 2012.

Qualified Property and Qualified Resource Property

Part 4 – Eligible investments for qualified property and qualified resource property from the current tax year

CCA* class number 105	Description of investment 110	Date available for use 115	Location used (province or territory) 120	Amount of investment 125
			Total of investments for qualified property and qualified resource property	A

* CCA: capital cost allowance

Part 5 – Current-year credit and account balances – ITC from investments in qualified property and qualified resource property

ITC at the end of the previous tax year .... B

Deduct:

Credit deemed as a remittance of co-op corporations 210

Credit expired 215

Subtotal (line 210 **plus** line 215) ▶ C

ITC at the beginning of the tax year (amount B **minus** amount C) 220

Add:

Credit transferred on amalgamation or wind-up of subsidiary 230

ITC from repayment of assistance 235

Qualified property; and qualified resource property acquired after March 28, 2012, and before January 1, 2014* (applicable part of amount A from Part 4) .... x 10 % = 240

Qualified resource property acquired after December 31, 2013, and before January 1, 2016 (applicable part of amount A from Part 4) .... x 5 % = 242

Credit allocated from a partnership 250

Subtotal (total of lines 230 to 250) ▶ D

Total credit available (line 220 **plus** amount D) .... E

Deduct:

Credit deducted from Part I tax (enter at amount D in Part 30) 260

Credit carried back to the previous year(s) (amount H from Part 6) .... a

Credit transferred to offset Part VII tax liability 280

Subtotal (total of line 260, amount a, and line 280) ▶ F

Credit balance before refund (amount E **minus** amount F) .... G

Deduct:

Refund of credit claimed on investments from qualified property and qualified resource property (from Part 7) 310

ITC closing balance of investments from qualified property and qualified resource property (amount G **minus** line 310) 320

* Include investments acquired after 2013 and before 2017 that are eligible for transitional relief.

Part 6 – Request for carryback of credit from investments in qualified property and qualified resource property

	Year	Month	Day			
1st previous tax year				Credit to be applied	901	
2nd previous tax year				Credit to be applied	902	
3rd previous tax year				Credit to be applied	903	

Total (enter at amount a in Part 5) H

Part 7 – Refund of ITC for qualifying corporations on investments from qualified property and qualified resource property

Current-year ITCs (total of lines 240, 242, and 250 from Part 5) I

Credit balance before refund (amount G from Part 5) .... J

Refund (40 % of amount I or J, whichever is less) .... K

Enter amount K or a lesser amount on line 310 in Part 5 (also enter it on line 780 of the T2 return if the corporation does not claim an SR&ED ITC refund).

SR&ED

Part 8 – Qualified SR&ED expenditures

Current expenditures

Current expenditures (from line 557 on Form T661) . . . . ______

Contributions to agricultural organizations for SR&ED . . . . ______

Deduct:

Government assistance, non-government assistance, or contract payment . . . . ______

Contributions to agricultural organizations for SR&ED for the federal ITC (this amount is updated to line 103 of Part 3. For more details, consult the Help.)* . . . . ______ ► + ______

Current expenditures (line 557 on Form T661 **plus** line 103 from Part 3)* . . . . ______ ► **350** ______

Capital expenditures incurred **before** 2014 (from line 558 on Form T661)** . . . . **360** ______

Repayments made in the year (from line 560 on Form T661) . . . . **370** ______

Qualified SR&ED expenditures (total of lines 350 to 370) . . . . **380** ______

* If you are claiming only contributions made to agricultural organizations for SR&ED, line 350 should equal line 103 in Part 3. Do not file Form T661.

** Capital expenditures incurred after December 31, 2013, are not qualified SR&ED expenditures.

Part 9 – Components of the SR&ED expenditure limit calculation

Part 9 only applies if the corporation is a CCPC.

Note: A CCPC that calculates an SR&ED expenditure limit is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? . . . . **385** 1 Yes ☐ 2 No ☒

Complete lines 390 and 398 if you answered **no** to the question at line 385 above or if the corporation is not associated with any other corporations (the amounts for associated corporations will be determined on Schedule 49).

Enter your taxable income for the previous tax year* (prior to any loss carry-backs applied) . . . . **390** ______

Enter your taxable capital employed in Canada for the previous tax year 30,232,901
minus $10 million. If this amount is nil or negative, enter "0".
If this amount is over $40 million, enter $40 million **398** 20,232,901

* If either of the tax years referred to at line 390 is less than 51 weeks, **multiply** the taxable income by the following result: 365 **divided** by the number of days in these tax years.

Part 10 – SR&ED expenditure limit for a CCPC

For a stand-alone corporation: $ **8,000,000**

Deduct:

Taxable income for the previous tax year (line 390 from Part 9) or $500,000, whichever is more 500,000 x 10 = 5,000,000 A

Excess ($8,000,000 **minus** amount A; if negative, enter "0") . . . . 3,000,000 B

$ 40,000,000 **minus** line 398 from Part 9 . . . . 19,767,099 a

Amount a **divided** by $ 40,000,000 . . . . 0.49418 C

Expenditure limit for the stand-alone corporation (amount B **multiplied** by amount C) . . . . 1,482,540 D*

For an associated corporation:

If associated, the allocation of the SR&ED expenditure limit as provided on Schedule 49 . . . . **400** ______ E*

Where the tax year of the corporation is less than 51 weeks, calculate the amount of the expenditure limit as follows:

Amount D or E ______ x Number of days in the tax year / 365 = 365 . . . . ______ F

Your SR&ED expenditure limit for the year (enter the amount from line D, E, or F, whichever applies) **410** 1,482,540

* Amount D or E cannot be more than $3,000,000.

Part 11 – Investment tax credits on SR&ED expenditures

Current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10), whichever is less*	420		x	35 %	=	G
Line 350 **minus** line 410 (if negative, enter "0")**	430		x	15 %	=	H
Line 410 **minus** line 350 (if negative, enter "0")		1,482,540	b			
Capital expenditures (line 360 from Part 8) or amount b above, whichever is less*	440		x	35 %	=	I
Line 360 **minus** amount b above (if negative, enter "0")**	450		x	15 %	=	J
Repayments (amount from line 370 in Part 8)						

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit at the rate that would have applied to the repaid amount. Enter the amount of the repayment on the line that corresponds to the appropriate rate.**

460		x	35 % =		c
480		x	15 % =		d
Subtotal (amount c **plus** amount d)				▶	K

Current-year SR&ED ITC (total of amounts G to K; enter on line 540 in Part 12) L

* For corporations that are not CCPCs, enter "0" for amounts G and I.

** For tax years that end after 2013, the general SR&ED rate is reduced from 20% to 15%, except that, for 2014 tax years that start before 2014, the reduction is pro-rated based on the number of days in the tax year that are after 2013.

Part 12 – Current-year credit and account balances – ITC from SR&ED expenditures

ITC at the end of the previous tax year			M
Deduct:			
Credit deemed as a remittance of co-op corporations	510		
Credit expired	515		
Subtotal (line 510 **plus** line 515)		▶	N
ITC at the beginning of the tax year (amount M **minus** amount N)		520	
Add:			
Credit transferred on amalgamation or wind-up of subsidiary	530		
Total current-year credit (from amount L in Part 11)	540		
Credit allocated from a partnership	550		
Subtotal (total of lines 530 to 550)		▶	O
Total credit available (line 520 **plus** amount O)			P
Deduct:			
Credit deducted from Part I tax (enter at amount E in Part 30)	560		
Credit carried back to the previous year(s) (amount S from Part 13)		e	
Credit transferred to offset Part VII tax liability	580		
Subtotal (total of line 560, amount e, and line 580)		▶	Q
Credit balance before refund (amount P **minus** amount Q)			R
Deduct:			
Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies)		610	
ITC closing balance on SR&ED (amount R **minus** line 610)		620	

Part 13 – Request for carryback of credit from SR&ED expenditures

	Year	Month	Day			
1st previous tax year				Credit to be applied	911	
2nd previous tax year				Credit to be applied	912	
3rd previous tax year				Credit to be applied	913	
				Total (enter at amount e in Part 12)		S

Part 14 – Refund of ITC for qualifying corporations – SR&ED

Complete this part only if you are a qualifying corporation as determined at line 101 in Part 2.

Is the corporation an excluded corporation as defined under subsection 127.1(2)? . . . . . 650 1 Yes [ ] 2 No [X]

Current-year ITC (lines 540 **plus** 550 from Part 12 **minus** amount K from Part 11) . . . . . f

Refundable credits (amount f above or amount R from Part 12, whichever is less)* . . . . . T

Deduct:

Amount T or amount G from Part 11, whichever is less . . . . . U

Net amount (amount T **minus** amount U; if negative, enter "0") V

Amount V **multiplied** by 40 % . . . . . W

Add:

Amount U X

Refund of ITC (amount W **plus** amount X – enter this, or a lesser amount, on line 610 in Part 12) . . . . . Y

Enter the total of lines 310 from Part 5 and 610 from Part 12 on line 780 of the T2 return.

* If you are also an excluded corporation [as defined in subsection 127.1(2)], this amount must be multiplied by 40%. Claim this, or a lesser amount, as your refund of ITC for amount Y.

Part 15 – Refund of ITC for CCPCs that are not qualifying or excluded corporations – SR&ED

Complete this box only if you are a CCPC that is not a qualifying or excluded corporation as determined at line 101 in Part 2.

Credit balance before refund (amount R from Part 12) . . . . . Z

Deduct:

Amount Z or amount G from Part 11, whichever is less . . . . . AA

Net amount (amount Z **minus** amount AA; if negative, enter "0") . . . . . BB

Amount BB or amount I from Part 11, whichever is less CC

Amount CC **multiplied** by 40 % . . . . . DD

Add :

Amount AA . . . . . EE

Refund of ITC (amount DD **plus** amount EE) . . . . . FF

Enter FF, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

Recapture – SR&ED

Part 16 – Recapture of ITC for corporations and corporate partnerships – SR&ED

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 20 previous tax years, if the credit was earned in a tax year ending after 1997 and did not expire before 2008;
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661;
- the cost of the property was included in calculating your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures; and
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property that incorporates the particular property previously referred to.

Note:

The recapture **does not apply** if you disposed of the property to a non-arm's-length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's-length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following tax year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

Calculation 1 – If you meet all of the above conditions

Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the note above **700**	Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) **710**	Amount from column 700 or 710, whichever is less

Subtotal (enter this amount at amount C in Part 17) ______ A

Calculation 2 – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil in amount B in Part 16 on page 9.

A Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement **720**	B Proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition **730**	C Amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.) **740**

Calculation 2 (continued) – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil in amount B below.

D Amount determined by the formula (A x B) – C	E ITC earned by the transferee for the qualified expenditures that were transferred **750**	F Amount from column D or E, whichever is less

Subtotal (enter this amount at amount D in Part 17) ______ B

Calculation 3

As a member of the partnership, you will report your share of the SR&ED ITC of the partnership after the SR&ED ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 550 in Part 12. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 760 below.

Corporate partner's share of the excess of SR&ED ITC (amount to be reported at amount E in Part 17) **760** ____________

Part 17 – Total recapture of SR&ED investment tax credit

Recaptured ITC for calculation 1 from amount A in Part 16		C
Recaptured ITC for calculation 2 from amount B in Part 16		D
Recaptured ITC for calculation 3 from line 760 in Part 16		E
Total recapture of SR&ED investment tax credit – total of amounts C to E		F

Enter amount F at amount A in Part 29.

Pre-Production Mining

Part 18 – Pre-production mining expenditures

Exploration information

A mineral resource that qualifies for the credit means a mineral deposit from which the principal mineral to be extracted is diamond, a base or precious metal deposit, or a mineral deposit from which the principal mineral to be extracted is an industrial mineral that, when refined, results in a base or precious metal.

In column 800, list all minerals for which pre-production mining expenditures have taken place in the tax year.

For each of the minerals reported in column 800, identify each project (in column 805), mineral title (in column 806), and mining division (in column 807) where title is registered. If there is no mineral title, identify only the project and mining division.

List of minerals 800	Project name 805

Mineral title 806	Mining division 807

Pre-production mining expenditures*

Exploration:

Pre-production mining expenditures that the corporation incurred in the tax year for the purpose of determining the existence, location, extent, or quality of a mineral resource in Canada:

Prospecting	810	
Geological, geophysical, or geochemical surveys	811	
Drilling by rotary, diamond, percussion, or other methods	812	
Trenching, digging test pits, and preliminary sampling	813	

Development:

Pre-production mining expenditures incurred in the tax year for bringing a new mine in a mineral resource in Canada into production in reasonable commercial quantities and incurred before the new mine comes into production in such quantities:

Clearing, removing overburden, and stripping	820	
Sinking a mine shaft, constructing an adit, or other underground entry	821	

Other pre-production mining expenditures incurred in the tax year:

Description 825	Amount 826

Add amounts in column 826		▶	A
Total pre-production mining expenditures (total of lines 810 to 821 and amount A)	830		

Deduct:

Total of all assistance (grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to at line 830 above	832		
Excess (line 830 **minus** line 832) (if negative, enter "0")			B

Add:

Repayments of government and non-government assistance	835		
Pre-production mining expenditures (amount B **plus** line 835)			C

* A pre-production mining expenditure is defined under subsection 127(9).

Part 19 – Current-year credit and account balances – ITC from pre-production mining expenditures

ITC at the end of the previous tax year .... D

Deduct:

Credit deemed as a remittance of co-op corporations **841**

Credit expired **845**

Subtotal (line 841 **plus** line 845) ▶ E

ITC at the beginning of the tax year (amount D **minus** amount E) **850**

Add:

Credit transferred on amalgamation or wind-up of subsidiary **860**

Pre-production mining expenditures* incurred before January 1, 2013 (applicable part of amount C from Part 18) ..	**870**	x	10 %	=	a
Pre-production mining exploration expenditures incurred in 2013 (applicable part of amount C from Part 18) ..	**872**	x	5 %	=	b
Pre-production mining development expenditures incurred in 2014 (applicable part of amount C from Part 18) ..	**874**	x	7 %	=	c
Pre-production mining development expenditures incurred in 2015 (applicable part of amount C from Part 18) ..	**876**	x	4 %	=	d

Current year credit (total of amounts a to d) **880** ▶ F

Total credit available (total of lines 850, 860, and amount F) .... G

Deduct:

Credit deducted from Part I tax (enter at amount F in Part 30) **885**

Credit carried back to the previous year(s) (amount I from Part 20) .... e

Subtotal (line 885 **plus** amount e) ▶ H

ITC closing balance from pre-production mining expenditures (amount G **minus** amount H) **890**

* Also include pre-production mining development expenditures incurred before 2014 and pre-production mining development expenditures incurred after 2013 and before 2016 that are eligible for transitional relief.

Part 20 – Request for carryback of credit from pre-production mining expenditures

	Year	Month	Day		
1st previous tax year				Credit to be applied	**921**
2nd previous tax year				Credit to be applied	**922**
3rd previous tax year				Credit to be applied	**923**

Total (enter at amount e in Part 19) I

Apprenticeship Job Creation

Part 21 – Total current-year credit – ITC from apprenticeship job creation expenditures

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number or name) appears below? (If not, you cannot claim the tax credit.) .... **611** 1 Yes [X] 2 No [ ]

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory, under an apprenticeship program designed to certify or license individuals in the trade. For the province, the trade must be a Red Seal trade. If there is no contract number, enter the social insurance number (SIN) or the name of the eligible apprentice.

	A Contract number (SIN or name of apprentice) **601**	B Name of eligible trade **602**	C Eligible salary and wages* **603**	D Column C x 10 % **604**	E Lesser of column D or $ 2,000 **605**
1.	Sean Kosinec	Powerline Tech (CA0221)	31,117	3,112	2,000

	A Contract number (SIN or name of apprentice) 601	B Name of eligible trade 602	C Eligible salary and wages* 603	D Column C x 10 % 604	E Lesser of column D or $ 2,000 605
2.	Jason Meleskie	Powerline Tech (CF1967)	21,199	2,120	2,000
				Total current-year credit (enter at line 640 in Part 22)	4,000 A

* Net of any other government or non-government assistance received or to be received.

Part 22 – Current-year credit and account balances – ITC from apprenticeship job creation expenditures

ITC at the end of the previous tax year			2,521	B
Deduct:				
Credit deemed as a remittance of co-op corporations	612			
Credit expired after 20 tax years	615			
Subtotal (line 612 **plus** line 615)				C
ITC at the beginning of the tax year (amount B **minus** amount C)	625		2,521	
Add:				
Credit transferred on amalgamation or wind-up of subsidiary	630			
ITC from repayment of assistance	635			
Total current-year credit (amount A from Part 21)	640	4,000		
Credit allocated from a partnership	655			
Subtotal (total of lines 630 to 655)		4,000	4,000	D
Total credit available (line 625 **plus** amount D)			6,521	E
Deduct:				
Credit deducted from Part I tax (enter at amount G in Part 30)	660	6,521		
Credit carried back to the previous year(s) (amount G from Part 23)				a
Subtotal (line 660 **plus** amount a)		6,521	6,521	F
ITC closing balance from apprenticeship job creation expenditures (amount E **minus** amount F)	690			

Part 23 – Request for carryback of credit from apprenticeship job creation expenditures

	Year	Month	Day			
1st previous tax year				Credit to be applied	931	
2nd previous tax year				Credit to be applied	932	
3rd previous tax year				Credit to be applied	933	
				Total (enter at amount a in Part 22)		G

Child Care Spaces

Part 24 – Eligible child care spaces expenditures

Enter the eligible expenditures that the corporation incurred to create licensed child care spaces for the children of the employees and, potentially, for other children. The corporation cannot be carrying on a child care services business. The eligible expenditures include:

- the cost of depreciable property (other than specified property); and
- the specified child care start-up expenditures;

acquired or incurred only to create new child care spaces at a licensed child care facility.

Cost of depreciable property from the current tax year

	CCA* class number 665	Description of investment 675	Date available for use 685	Amount of investment 695
1.				

Total cost of depreciable property from the current tax year 715 ______

Add:

Specified child care start-up expenditures from the current tax year . . . . . 705 ______

Total gross eligible expenditures for child care spaces (line 715 **plus** line 705) . . . . . ______ A

Deduct:

Total of all assistance (including grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to at line A . . . . . 725 ______

Excess (amount A **minus** line 725) (if negative, enter "0") . . . . . ______ B

Add:

Repayments by the corporation of government and non-government assistance . . . . . 735 ______

Total eligible expenditures for child care spaces (amount B **plus** line 735) . . . . . 745 ______

* CCA: capital cost allowance

Part 25 – Current-year credit – ITC from child care spaces expenditures

The credit is equal to 25% of eligible child care spaces expenditures incurred to a maximum of $10,000 per child care space created in a licensed child care facility.

Eligible expenditures (from line 745) . . . . . ______ x 25 % = ______ C

Number of child care spaces . . . . . 755 ______ x $ 10,000 = ______ D

ITC from child care spaces expenditures (amount C or D, whichever is less) . . . . . ______ E

Part 26 – Current-year credit and account balances – ITC from child care spaces expenditures

ITC at the end of the previous tax year				F
Deduct:				
Credit deemed as a remittance of co-op corporations	765			
Credit expired after 20 tax years	770			
Subtotal (line 765 **plus** line 770)			▶	G
ITC at the beginning of the tax year (amount F **minus** amount G)			775	
Add:				
Credit transferred on amalgamation or wind-up of subsidiary	777			
Total current-year credit (amount E from Part 25)	780			
Credit allocated from a partnership	782			
Subtotal (total of lines 777 to 782)			▶	H
Total credit available (line 775 **plus** amount H)				I
Deduct:				
Credit deducted from Part I tax (enter at amount H in Part 30)	785			
Credit carried back to the previous year(s) (amount K from Part 27)			a	
Subtotal (line 785 **plus** amount a)			▶	J
ITC closing balance from child care spaces expenditures (amount I **minus** amount J)			790	

Part 27 – Request for carryback of credit from child care space expenditures

	Year Month Day			
1st previous tax year	2014-12-31	Credit to be applied	941	
2nd previous tax year	2013-12-31	Credit to be applied	942	
3rd previous tax year	2012-12-31	Credit to be applied	943	
		Total (enter at amount a in Part 26)		K

Recapture – Child Care Spaces

Part 28 – Recapture of ITC for corporations and corporate partnerships – Child care spaces

The ITC will be recovered against the taxpayer's tax otherwise payable under Part I of the Act if, at any time within 60 months of the day on which the taxpayer acquired the property:

- the new child care space is no longer available; or
- property that was an eligible expenditure for the child care space is:
  - disposed of or leased to a lessee; or
  - converted to another use.

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a)) .... **792** ______

In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:

The amount that can reasonably be considered to have been included in the original ITC .... **795** ______

25% of either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value (in any other case) of the property .... **797** ______

Amount from line 795 or line 797, whichever is less .... ______ A

Corporate partnerships

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 26. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 799 below.

Corporate partner's share of the excess of ITC **799** ______

Total recapture of child care spaces investment tax credit (total of line 792, amount A, and line 799) .... ______ B

Enter amount B at amount B in Part 29.

Summary of Investment Tax Credits

Part 29 – Total recapture of investment tax credit

Recaptured SR&ED ITC (from amount F in Part 17)		A
Recaptured child care spaces ITC (from amount B in Part 28)		B
Total recapture of investment tax credit (amount A **plus** amount B)		C

Enter amount C on line 602 of the T2 return.

Part 30 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 5)		D
ITC from SR&ED expenditures deducted from Part I tax (from line 560 in Part 12)		E
ITC from pre-production mining expenditures deducted from Part I tax (from line 885 in Part 19)		F
ITC from apprenticeship job creation expenditures deducted from Part I tax (from line 660 in Part 22)	6,521	G
ITC from child care space expenditures deducted from Part I tax (from line 785 in Part 26)		H
Total ITC deducted from Part I tax (total of amounts D to H)	6,521	I

Enter amount I at line 652 of the T2 return.

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Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 97 Apprenticeship job creation ITC

Current year

	Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
	4,000	4,000			

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2014-12-31				
2013-12-31	2,521		2,521	
2012-12-31				
2011-12-31				
2010-12-31				
2009-12-31				
2008-12-31				
2007-12-31				
2006-12-31				
2005-12-31				*
2004-12-31				
2003-12-31				
2002-12-31				
2001-12-31				
				*
Total	2,521		2,521	

B+C+D+G **Total ITC utilized** 6,521

* The **ITC end of year** includes the amount of ITC expired from the 10th preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20th preceding year if it is after December 31, 1997. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 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:

Description	Line	Amount	Total
Reserves that have not been deducted in calculating income for the year under Part I	101	1,583,297	
Capital stock (or members' contributions if incorporated without share capital)	103	12,953,180	
Retained earnings	104	6,041,574	
Contributed surplus	105		
Any other surpluses	106		
Deferred unrealized foreign exchange gains	107		
All loans and advances to the corporation	108	16,565,772	
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109		
Any dividends declared but not paid by the corporation before the end of the year	110		
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111		
The total of all amounts, each of which is 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)		37,143,823 ▶	37,143,823 A

Note:

Line 112 is determined by the formula (A – B) x C/D (as per paragraph 181.2(3)(g)) where:

A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if

a) those lines applied to partnerships in the same manner that they apply to corporations, and

b) those amounts were computed without reference to amounts owing by the partnership

(i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or

(ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.

B is the partnership's deferred unrealized foreign exchange losses at the end of the period,

C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and

D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

		Subtotal A (from page 1)	37,143,823	A
Deduct the following amounts:				
Deferred tax debit balance at the end of the year	121	1,547,444		
Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122			
To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year.	123			
Deferred unrealized foreign exchange losses at the end of the year	124			
Subtotal (**add** lines 121 to 124)		1,547,444 ▶	1,547,444	B
Capital for the year (amount A **minus** amount B) (if negative, enter "0")	190		35,596,379	

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 capital

Capital for the year (line 190)		35,596,379	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	35,596,379	

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)	35,596,379	x	Taxable income earned in Canada / Taxable income	610	692,020 / 692,020	= **Taxable capital employed in Canada** 690	35,596,379

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.

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SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 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) **100**	Business Number (If a corporation is not registered, enter "NR") **200**	Social insurance number **300**	Trust number **350**	Percentage common shares **400**	Percentage preferred shares **500**
1	Welland Hydro-Electric Holding Corp.	86360 4328 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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Schedule 53

General Rate Income Pool (GRIP) Calculation

Corporation's name	Business number	Tax year-end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 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)

	Line	Amount		Line	Amount	
GRIP at the end of the previous tax year				100	6,767,871	A
Taxable income for the year (DICs enter "0") *	110	692,020	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	3,208				
Subtotal (**add** lines 120, 130, and 140)		3,208 ▶			3,208	C
Income taxable at the general corporate rate (amount B **minus** amount C) (if negative enter "0")	150	688,812				
After-tax income (line 150 **multiplied** by 0.72 (the general rate factor for the tax year))				190	495,945	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)					7,263,816	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	7,263,816	
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) Enter this amount on line 160 of Schedule 55.				590	7,263,816	

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

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560.

First previous tax year 2014-12-31

Taxable income before specified future tax consequences from the current tax year				J1	
Enter the following amounts before specified future tax consequences from the current tax year:					
Income for the credit union deduction (amount E in Part 3 of Schedule 17)		K1			
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less		L1			
Aggregate investment income (line 440 of the T2 return)		M1			
Subtotal (**add** amounts K1, L1, and M1)	▶			N1	
Subtotal (amount J1 **minus** amount N1) (if negative, enter "0")			▶		O1

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences . . . . ______ P1

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ______ Q1

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ______ R1

Aggregate investment income (line 440 of the T2 return) . . . . ______ S1

Subtotal (**add** amounts Q1, R1, and S1) ______ ► ______ T1

Subtotal (amount P1 **minus** amount T1) (if negative, enter "0") ______ ► ______ U1

Subtotal (amount 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 2013-12-31

Taxable income before specified future tax consequences from the current tax year . . . . ______ J2

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ______ K2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ______ L2

Aggregate investment income (line 440 of the T2 return) . . . . ______ M2

Subtotal (**add** amounts K2, L2, and M2) ______ ► ______ N2

Subtotal (amount J2 **minus** amount N2) (if negative, enter "0") ______ ► ______ O2

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences . . . . ______ P2

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ______ Q2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ______ R2

Aggregate investment income (line 440 of the T2 return) . . . . ______ S2

Subtotal (**add** amounts Q2, R2, and S2) ______ ► ______ T2

Subtotal (amount P2 **minus** amount T2) (if negative, enter "0") ______ ► ______ U2

Subtotal (amount 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 2012-12-31

Taxable income before specified future tax consequences from the current tax year 488,436 J3

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ______ K3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ______ L3

Aggregate investment income (line 440 of the T2 return) . . . . ______ M3

Subtotal (**add** amounts K3, L3, and M3) ______ ▶ ______ N3

Subtotal (amount J3 **minus** amount N3) (if negative, enter "0") 488,436 ▶ 488,436 O3

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences . . . . ______ P3

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . ______ Q3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ______ R3

Aggregate investment income (line 440 of the T2 return) . . . . ______ S3

Subtotal (**add** amounts Q3, R3, and S3) ______ ▶ ______ T3

Subtotal (amount P3 **minus** amount T3) (if negative, enter "0") ______ ▶ ______ U3

Subtotal (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 . . . . ______ AA

Eligible dividends paid by the corporation in its last tax year . . . . ______ BB

Excessive eligible dividend designations made by the corporation in its last tax year . . . . ______ CC

Subtotal (amount BB **minus** amount CC) ______ ▶ ______ DD

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)
(amount AA **minus** amount DD) . . . . ______ EE

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the EE amounts. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC

nb. 1 Corporation becoming a CCPC ☐ Post amalgamation ☐ Post wind-up ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year. Also, use this part for a corporation becoming a CCPC. In the calculation below, **corporation** means a corporation becoming a CCPC, a predecessor, or a subsidiary.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was not a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year .... ______ FF

The corporation's money on hand immediately before the end of its previous/last tax year .... ______ GG

Total of subsection 111(1) losses that would have been deductible in calculating the corporation's taxable income for the previous/last tax year if the corporation had had unlimited income from each business carried on and each property held and had realized an unlimited amount of capital gains for the previous/last tax year:

- Non-capital losses .... ______ a
- Net capital losses .... ______ b
- Farm losses .... ______ c
- Restricted farm losses .... ______ d
- Limited partnership losses .... ______ e

Subtotal (**add** amounts a to e) ______ ► ______ 1

Total of all amounts deducted under subsection 111(1) in calculating the corporation's taxable income for the previous/last tax year:

- Non-capital losses .... ______ f
- Net capital losses .... ______ g
- Farm losses .... ______ h
- Restricted farm losses .... ______ i
- Limited partnership losses .... ______ j

Subtotal (**add** amounts f to j) ______ ► ______ 2

Unused and unexpired losses at the end of the corporation's previous/last tax year (amount 1 **minus** amount 2) ______ ► ______ HH

Subtotal (**add** amounts FF, GG, and HH) ______ II

All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year .... ______ JJ

Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year .... ______ KK

All the corporation's reserves deducted in its previous/last tax year .... ______ LL

The corporation's capital dividend account immediately before the end of its previous/last tax year .... ______ MM

The corporation's low rate income pool immediately before the end of its previous/last tax year .... ______ NN

Subtotal (**add** amounts JJ to NN) ______ ► ______ OO

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC (amount II **minus** amount OO) (if negative, enter "0") .... ______ PP

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the PP amounts. Enter this total amount on:

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

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Schedule 55

Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name	Business number	Tax year-end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 RC0001	2015-12-31

Do not use this area

- 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.

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

	Line		Line	Amount	
Taxable dividends paid in the tax year **not included** in Schedule 3					
Taxable dividends paid in the tax year **included** in Schedule 3		700,000			
Total taxable dividends paid in the tax year	100	700,000			
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	7,263,816	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

	Line		Line	Amount	
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**.

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Schedule 89

Capital Dividend Account Balance Calculation Worksheet

Corporation's name	Business number	Tax year-end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 RC0001	2015-12-31

- A private corporation can use this worksheet to calculate its current capital dividend account (CDA) balance. This schedule is a worksheet only. You do not have to file it with the T2 Corporation Income Tax Return.
- All legislative references are to the federal *Income Tax Act*.
- This schedule does not replace the law. For more information, see the applicable legislation in the Act.
- The CDA keeps track of various tax-free amounts that a private corporation accumulates. These amounts may be distributed as capital dividends free of tax to the corporation's Canadian-resident shareholders. A corporation paying a capital dividend must file Form T2054, *Election for a capital dividend under subsection 83(2)*.
- If you will be filing a T2054 election, note that the election under subsection 83(2) cannot exceed the balance of the CDA. If the election amount exceeds the account balance, the corporation may have to pay Part III tax on the excessive dividends. See section 184 for more information.

Part 1 – Capital dividend account components

1 Tax year-end (YYYY/MM/DD) (Note 1)	2 Non-taxable portion of capital gains and non-deductible capital losses (Note 2)	3 Capital dividends received (Note 3)	4 Eligible capital property (Note 4)	4A Non-taxable portion of eligible capital property sales	5 Life insurance proceeds (Note 5)	6 Non-taxable portion of capital gains from a trust (Note 6)	7 Capital dividends from a trust (Note 7)
2006-12-31							
2007-12-31	57,763						
2008-12-31	924						
2009-12-31							
2010-12-31							
2011-12-31							
2012-12-31							
2013-12-31							
2015-12-31	3,208						
Totals	61,895						

If you need more space, use additional worksheets.

Note 1. Include as many tax years as required. Start your list with the tax year that began after the corporation last became a private corporation and that ended after 1971. End your list immediately before the balance in the CDA account is to be determined (referred to in Note 10 as **the period**).

Note 2. Include all non-taxable portions of capital gains and non-deductible capital losses, as well as the non-deductible portion of allowable business investment losses, in accordance with paragraph (a) of the definition of **capital dividend account** in subsection 89(1), and the non-taxable gain from the disposition of a property made on or after March 22, 2011, per subsection 40(12).

Note 3. Include capital dividends received from other corporations in accordance with paragraph (b) of the definition of capital dividend account in subsection 89(1).

Note 4. – Include all acquisitions of eligible capital property in accordance with variable A of the definition of **cumulative eligible capital** in subsection 14(5). Show them as negative amounts; and
– include all dispositions of eligible capital property in accordance with variable E of the definition of cumulative eligible capital in subsection 14(5). Show them as positive amounts.

Note 5. Include the net proceeds of each life insurance policy (in excess of the adjusted cost basis of each policy) that the corporation was a beneficiary of, in accordance with paragraph (d) of the definition of capital dividend account in subsection 89(1).

Note 6. Include the non-taxable portion of capital gains distributed by a trust in accordance with paragraph (f) of the definition of capital dividend account in subsection 89(1). Include only capital gains from a trust applicable to capital dividend elections that became payable after 1997.

Note 7. Include the portion of capital dividends received by a trust and distributed to the corporation in accordance with paragraph (g) of the definition of capital dividend account in subsection 89(1). Include only capital dividends from a trust applicable to capital dividend elections that became payable after 1997.

Part 2 – Additional information

For each capital dividend received, as represented in column 3 in Part 1, provide the name and business number of the corporation that paid the capital dividend and the date the dividend became payable.

	1 Name of corporation	2 Business number	3 Date the dividend became payable (YYYY/MM/DD)
1.			

If you need more space, use additional worksheets.

Part 3 – CDA balance

Non-taxable portion of capital gains and non-deductible capital losses (total of column 2 in Part 1; if negative enter "0")	61,895	A
Capital dividends received (total of column 3 in Part 1)		B
Eligible capital property (as calculated per paragraphs (c), (c.1) and (c.2) in the definition of capital dividend account; if negative, enter "0")		C
Life insurance proceeds (total of column 5 in Part 1; if negative, enter "0")		D
Life insurance CDA (Note 8)		E
Non-taxable portion of capital gains from a trust (total of column 6 in Part 1)		F
Capital dividends from a trust (total of column 7 in Part 1)		G
Amounts from predecessor corporations (Note 9)		H
Subtotal (total of amounts A to H)	61,895	I

Deduct:

Aggregate of dividends – prior years			
Dividends paid or payable for the year	+		
Capital dividends that previously became payable (Note 10)	=		J
CDA balance up to which a capital dividend can be paid (amount I **minus** amount J) (Note 11)		61,895	K

Eligible capital property

Disposition incurred during a taxation year after October 17, 2000

Amount to include in income under paragraph 14(1)(b): Amount on line S of Schedule 10 for taxation years ending after October 17, 2000 – for the current year			
Appropriate portion of the amount deducted as a bad debt (subsection 20(4.2)) or eligible capital loss (subsection 20(4.3)) for taxation years ending after October 17, 2000 – for the current year	–		
Non-taxable portion of eligible capital property sales	=		L
CDA balance (amount I **minus** amount J **plus** amount L)		61,895	M

Note 8. Include the balance of the corporation's life insurance CDA immediately before May 24, 1985, in accordance with paragraph (e) of the definition of capital dividend account in subsection 89(1). Where a private corporation became a beneficiary under a life insurance policy after June 28, 1982, and received, before May 24, 1985, the proceeds of the policy because the insured person died, the net proceeds were included in the corporation's life insurance CDA.

Note 9.
- For amalgamations and wind-ups occurring **before** July 14, 1990, the CDA balance of each predecessor or subsidiary corporation is computed separately and these CDA balances are added to the CDA of the successor or parent corporation. Do not carry forward negative amounts, as these are deemed to be nil.
- For amalgamations and wind-ups occurring **after** July 13, 1990, the amounts of all the CDA components of each predecessor or subsidiary corporation are carried over into the calculation of the CDA components of the new corporation. As a result, a negative balance in a component of a CDA of a predecessor or subsidiary corporation is reflected in the CDA of the successor or parent corporation. Include a separate CDA calculation on a separate worksheet for each predecessor or subsidiary corporation.
- For amalgamations, see paragraph 87(2)(z.1). For wind-ups, see paragraph 88(1)(e.2).

Note 10. Enter the total of all capital dividends that became payable during the period explained in Note 1.

Note 11. This amount represents the balance in the CDA as of the particular time of calculation.

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Schedule 500

Ontario Corporation Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 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 * .... 692,020 B

Ontario basic income tax: amount B **multiplied** by Ontario basic rate of tax for the year (rate A from Part 1) .... 79,582 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)	721,041	1
Federal taxable income, less adjustment for foreign tax credit (amount from line 405 of the T2 return)		2
Federal business limit before the application of subsection 125(5.1) (amount from line 410 of the T2 return)		3

Ontario business limit reduction:

Amount from line 3 .... ______ a

Deduct:

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

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 * 692,020.00 / Taxable income earned in all provinces and territories ** 692,020 = ... 1.00000 E

Amount D × ODF (line E) ______ c

Ontario taxable income (amount B from Part 2) 692,020 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.

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SCHEDULE 546

CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 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)
WELLAND HYDRO ELECTRIC SYSTEM CORP.

Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	110 Date of incorporation or amalgamation, whichever is the most recent (Year Month Day)	120 Ontario Corporation No.
Ontario	2000-07-01	1426855

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

200 Care of (if applicable)

210 Street number	220 Street name/Rural route/Lot and Concession number	230 Suite number
950	E Main St	

240 Additional address information if applicable (line 220 must be completed first)
PO Box 280

250 Municipality (e.g., city, town)	260 Province/state	270 Country	280 Postal/zip code
Welland	ON	CA	L3B 5P6

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 PEEVER (Last name) **451** ROSS (First name)

454 ______ (Middle name(s))

460 [2] 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 ☐ 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 ☐ 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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Schedule 552

Ontario Apprenticeship Training Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
WELLAND HYDRO ELECTRIC SYSTEM CORP.	86375 9692 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: Wayne Armstrong

120 Telephone number: (905) 732-1381

Is the claim filed for an ATTC earned through a partnership? * . . . **150** 1 Yes [ ] 2 No [X]

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 [X] 2 No [ ]
2. Was the corporation exempt from tax under Part III of the *Taxation Act, 2007* (Ontario)? . . . **210** 1 Yes [ ] 2 No [X]

If you answered **no** to question 1 or **yes** to question 2, then you are **not eligible** for the ATTC.

Part 3 – Specified percentage

Corporation's salaries and wages paid in the previous tax year * **300** 3,191,876

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:

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

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:

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

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:

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

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 **400**	B Apprenticeship program/trade name **405**	C Name of apprentice **410**
1.	434a	Powerline Technician	Sean Kosinec
2.	434a	Powerline Technician	Jason Meleskie

	D Original contract or training agreement number **420**	E Original registration date of apprenticeship contract or training agreement (year month day) (see note 1) **425**	F Start date of employment as an apprentice in the tax year (year month day) (see note 2) **430**	G End date of employment as an apprentice in the tax year (year month day) (see note 3) **435**
1.	CA0221	2013-11-11	2015-01-01	2015-12-31

	D Original contract or training agreement number 420	E Original registration date of apprenticeship contract or training agreement (year month day) (see note 1) 425	F Start date of employment as an apprentice in the tax year (year month day) (see note 2) 430	G End date of employment as an apprentice in the tax year (year month day) (see note 3) 435
2.	CF9167	2014-02-11	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.		365		365	10,000
2.		365		365	10,000

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.		39,775		39,775	13,921
2.		31,199		31,199	10,920

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.	10,000		10,000
2.	10,000		10,000

Ontario apprenticeship training tax credit (total of amounts in column N) **500** 20,000 **O**

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

Amount O ________ x percentage on line 170 in Part 1 ________ % = ... ________ **P**

Enter amount O or P, whichever applies, on line 454 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 552, **add** the amounts from line O or P, whichever applies, on all the schedules, and enter the total amount on line 454 of Schedule 5.

Note 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: WELLAND HYDRO ELECTRIC SYSTEM CORP.

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
				X											

Corporation is associated: Y

Corporation is related: Y

Number of associated corporations: 5

Type of corporation: Canadian-Controlled Private Corporation

Total amount due (refund) federal and provincial*: 56,640

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensative help.

Summary of federal information

Net income		724,249
Taxable income		692,020
Donations		2,841
Calculation of income from an active business carried on in Canada		721,041
Dividends paid		700,000
Dividends paid – Regular	700,000	
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		6,767,871
Balance of the general rate income pool at the end of the year		7,263,816
Part I tax (base amount)		262,968

Credits against part I tax		**Summary of tax**		**Refunds/credits**	
Small business deduction		Part I	97,913	ITC refund	
M&P deduction		Part IV		Dividends refund	855
Foreign tax credit		Part III.1		Instalments	100,000
Investment tax credits	6,521	Other*		Surtax credit	
Abatement/Other*	158,748	Provincial or territorial tax	59,582	Other*	
				Balance due/refund (–)	56,640

* 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

Capital dividend amount	61,895
Cumulative eligible capital	982,651
Financial statement reserve	3,690,671
Other reserves	2,107,374

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	724,249		
Taxable income	692,020		
% Allocation	100.00		
Attributed taxable income	692,020		
Tax payable before deduction*	79,582		
Deductions and credits			
Net tax payable	79,582		
Attributed taxable capital	N/A		N/A
Capital tax payable**	N/A		N/A
Total tax payable***	79,582		
Instalments and refundable credits	20,000		
Balance due/Refund (-)	59,582		

Logging tax payable (COZ-1179)

	Ontario	Québec (CO-17)	Alberta (AT1)
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
WELLAND HYDRO ELECTRIC SYSTEM CORP.	30,232,901	30,232,901	35,596,379	35,596,379
WELLAND HYDRO-ELECTRIC HOLDING CORP.	1,574,441	1,574,441	2,223,485	2,223,485
WELLAND HYDRO ENERGY SERVICES CORP.	113,080	113,080	108,413	108,413
City of Welland				
WELLAND WIFI CORPORATION	8,047	8,047	7,843	7,843
Welland Solar Corp.				
Total	31,928,469	31,928,469	37,936,120	37,936,120

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

Federal information (T2)

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Taxation year end	**2015-12-31**	**2014-12-31**	**2013-12-31**	**2012-12-31**	**2011-12-31**
Net income	724,249	-267,760	-33,903	513,836	787,071
Taxable income	692,020			488,436	751,127
Active business income	721,041			513,836	787,071
Dividends paid	700,000	500,000	700,000	400,000	650,000
Dividends paid – Regular	700,000	500,000	700,000	400,000	650,000
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year	6,767,871	6,948,682	6,973,092	6,621,418	6,095,629
GRIP – end of the year	7,263,816	6,767,871	6,948,682	6,973,092	6,621,418
Donations	2,841	12,530	225	25,400	35,944
Balance due/refund (-)	56,640	-123,129	-261,397	-155,235	-472,814
Line 996 – Amended tax return	☐	☐	☐	☐	☐

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		488,436	751,127
Non-capital losses	N/A	N/A			251,127
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			251,127
Adjusted taxable income after loss carrybacks	N/A	N/A		488,436	500,000

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			488,436	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			488,436	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	97,913			19,868	94,547
Part IV					
Part III.1					
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative 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					
M&P deduction					
Foreign tax credit					
Political contribution					
Investment tax credit	6,521			53,397	29,388
Abatement/other*	158,748			112,341	161,493

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative 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	855				
Instalments	100,000	100,000	250,000	175,000	600,000
Surtax credit					
Other*		23,129	11,397	103	

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

Ontario

Taxation year end	2015-12-31	2014-12-31	2013-12-31	2012-12-31	2011-12-31
Net income	724,249	-267,760	-33,903	513,836	787,071
Taxable income	692,020			488,436	751,127
% Allocation	100.00	100.00	100.00	100.00	100.00
Attributed taxable income	692,020			488,436	751,127
Surtax					
Income tax payable before deduction	79,582			56,170	88,242
Income tax deductions /credits				46,300	42,938
Net income tax payable	79,582			9,870	45,304
Taxable capital					
Capital tax payable					
Total tax payable*	79,582			9,870	45,304
Instalments and refundable credits	20,000	23,129	11,397	9,973	12,665
Balance due/refund**	59,582	-23,129	-11,397	-103	32,639

* 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.

APPENDIX 4-G
WELLAND HYDRO-ELECTRIC SYSTEM CORP.
2017 LRAMVA Workform

Ontario Energy Board

Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) Work Form

Version 1.0 (2017)

Generic LRAMVA Work Forms

File Name	Description
1. LRAMVA Summary	**Table 1** provides a summary of the LRAMVA balances and carrying charges associated with the LRAMVA claim. The balances are populated from entries into other tabs throughout this work form.
2. CDM Allocation	**Tables 2, 3 and 4** include the CDM savings and allocation by rate class that were included in the load forecast.
3. Distribution Rates	**Tables 5 and 6** include a historical account of distribution rates that were used to calculate lost revenues.
4. 2011-14 LRAM	**Tables 7, 8, 9 and 10** includes 2011-2014 LRAMVA work forms. These should only be used if the LDC has not applied for approval of these amounts.
5. 2015 LRAM	**Table 11-a** includes a template workform for calculating 2015 lost revenues based on legacy and new programs.
6. Persistence Rates	**Tables 12 and 13** includes the 2011-2014 persistence factors and 2015-2020 persistance factors.
7. Carrying Charges	**Tables 19 and 20** includes the carrying charges related to the LRAMVA claim that is being made.

Ontario Energy Board

LRAMVA Work Form: Input-Output Schematic

General Note on the LRAMVA Model
The LRAMVA model consolidates information that LDCs are already required to file with the OEB. The model has been created to provide LDCs with a consistent format to display CDM impacts, the CDM component of the load forecast and ultimately, any variance between actual CDM savings and the CDM component of the load forecast. The majority of the information required in the LRAMVA work form will be provided to LDCs from the IESO as part of the Final CDM Results each year.

	Inputs		**Outputs**
Tab 2	CDM savings allocated by rate class	Tab 1	Forecast revenues lost
Tab 4, 5	CDM savings and LRAMVA amounts by program		Actual revenues lost
Tab 7	Carrying charges by rate class		Carrying charges
Tab 4, 5	IESO CDM Savings Results (kWh, kW saved) x CDM Savings allocated (%) by class x Average distribution rates	Tab 4, 6	Program LRAM amounts ($) from current and prior year savings
Tab 6 Tab 4, 5	Persistence rates x Prior year kwh or kW savings		

Ontario Energy Board

LRAMVA Work Form: Summary Table

LRAMVA Summary

This is a summary sheet that contains the final LRAMVA balances with links from **Tabs 2, 4, 5 and 7.**

File Number	EB-2016-0110		
Exhibit	4	**Amount of LRAM claimed in the past**	
Schedule		**Years of LRAM Claimed**	
Tab		**Last Cost of Service Application (File No.)**	EB-2012-0173
Page	Appendix 4-G		
Legend	User Inputs (Green) Auto Populated Cells (White)	**Amount of LRAMVA to claim** **Recovery Period of LRAMVA Claim**	**$13,083.12** 1

Table 1. Annual and Total LRAMVA by Rate Class

Description	Residential	General Service < 50 kW	General Service 50 to 4,999 kW	Large User	Street Lights	Sentinel Lights	Unmetered Scattered Loads	Other	Total
2011 Forecast	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
2011 Actuals	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		**$0.00**
Amount Cleared	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		
2012 Forecast	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
2012 Actuals	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		**$0.00**
Amount Cleared	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		
2013 Forecast	($32,639.76)	($6,979.72)	($9,947.31)	($294.90)	($471.86)	($227.91)	($135.19)		($50,696.65)
2013 Actuals	$17,868.22	$9,417.35	$18,547.58	$0.00	$0.00	$0.00	$0.00		**$45,833.15**
Amount Cleared	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		
2014 Forecast	($32,082.49)	($6,896.30)	($11,768.31)	($244.69)	($425.92)	($226.03)	($126.29)		($51,770.04)
2014 Actuals	$28,673.07	$9,411.52	$31,279.26	$0.00	$0.00	$0.00	$0.00		**$69,363.86**
Amount Cleared	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		
2015 Forecast	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
2015 Actuals	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		**$0.00**
Amount Cleared	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		
Carrying Charges	**($823.10)**	**$200.91**	**$1,063.35**	**($22.32)**	**($36.86)**	**($18.48)**	**($10.70)**		**$352.80**
Total LRAMVA Balance	**($19,004.05)**	**$5,153.75**	**$29,174.58**	**($561.91)**	**($934.65)**	**($472.42)**	**($272.18)**		**$13,083.12**

Ontario Energy Board

LRAMVA Work Form:
CDM Allocation

CDM Savings Target Allocation by Rate Class

Instruction

Please update the template as needed or replace this spreadsheet with an existing templates that estimated savings in CDM forecast.

An example template is provided below and can be filled in if it is applicable to the LDC. The LDC may re-populate CDM savings by rate class for historical years based on past year's approved cost of service application, or relevant information from **Appendix 2-I.**

Alternatively, LDCs may want to link this spreadsheet to their CDM savings allocation (e.g. appended as another tab in this workbook) to fill in **Tables 2, 3 and 4** below.

Legend

User Inputs (Green)
Auto Populated Cells (White)

Table 2. Amount used for CDM Threshold for LRAMVA

Forecast Year	kWh	kW	kWh (check)
2011	-		
2012	-		
2013	6,224,831	8,453	6,224,831
2014	6,224,831	8,453	6,224,831
2015			
2016			
2017			

Table 3. Allocation of CDM Savings (Energy and Demand Billed) by Rate Class in Approved Load Forecast

Forecast Year	Residential	General Service < 50 kW	General Service 50 to 4,999 kW	Large User	Street Lights	Sentinel Lights	Unmetered Scattered Loads	Other
	kWh	kWh	kW	kW	kW	kW	kWh	
2011	0	0	0	0	0	0	0	
2012	0	0	0	0	0	0	0	
2013	2,388,275	834,230	5,825	2,536	53	39	16,690	
2014	2,388,275	834,230	5,825	2,536	53	39	16,690	
2015								
2016								
2017								

Tables 3A: CDM Adjustment as Approved in Cost of Service Application

2011	Residential	General Service < 50 kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Street Lights	Sentinel Lights	Unmetered Loads	Other	Total
kWh									
Weather Normal Billed kWh (Insert Year)									-
% of Billed	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
CDM Allocation	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
Adjusted Billed kWh with CDM Applied	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
kW									
Weather Normal Billed kW (Insert Year)			0	0	0	0			
CDM kW Reduction			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!
Adjusted Billed kWh with CDM Applied			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!
kWh to kW Ratio									

2012	Residential	General Service < 50 kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Street Lights	Sentinel Lights	Unmetered Loads	Other	Total
kWh									
Weather Normal Billed kWh (Insert Year)									0
% of Billed	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
CDM Allocation	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
Adjusted Billed kWh with CDM Applied	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
kW									
Weather Normal Billed kW (Insert Year)			0	0	0	0			0
CDM kW Reduction			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!
Adjusted Billed kWh with CDM Applied			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!
kWh to kW Ratio									

2013	Residential	General Service < 50 kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Street Lights	Sentinel Lights	Unmetered Loads	Other	Total
kWh									
Weather Normal Billed kWh (Insert Year)									0
% of Billed	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
CDM Allocation	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
Adjusted Billed kWh with CDM Applied	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
kW									
Weather Normal Billed kW (Insert Year)			0	0	0	0			0
CDM kW Reduction			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!
Adjusted Billed kWh with CDM Applied			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!
kWh to kW Ratio									

2014	Residential	General Service < 50 kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Street Lights	Sentinel Lights	Unmetered Loads	Other	Total
kWh									
Weather Normal Billed kWh (Insert Year)									0
% of Billed	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
CDM Allocation	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
Adjusted Billed kWh with CDM Applied	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
kW									
Weather Normal Billed kW (Insert Year)			0	0	0	0			0
CDM kW Reduction			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!
Adjusted Billed kWh with CDM Applied			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!
kWh to kW Ratio									

2015	Residential	General Service < 50 kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Street Lights	Sentinel Lights	Unmetered Loads	Other	Total
kWh									
Weather Normal Billed kWh (Insert Year)									0
% of Billed	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
CDM Allocation	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
Adjusted Billed kWh with CDM Applied	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
kW									
Weather Normal Billed kW (Insert Year)			0	0	0	0			0
CDM kW Reduction			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!
Adjusted Billed kWh with CDM Applied			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!
kWh to kW Ratio									

2016	Residential	General Service < 50 kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Street Lights	Sentinel Lights	Unmetered Loads	Other	Total
kWh									
Weather Normal Billed kWh (Insert Year)									0
% of Billed	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
CDM Allocation	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
Adjusted Billed kWh with CDM Applied	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
kW									
Weather Normal Billed kW (Insert Year)			0	0	0	0			0
CDM kW Reduction			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!
Adjusted Billed kWh with CDM Applied			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!
kWh to kW Ratio									

2017	Residential	General Service < 50 kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Street Lights	Sentinel Lights	Unmetered Loads	Other	Total
kWh									
Weather Normal Billed kWh (Insert Year)									0
% of Billed	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
CDM Allocation	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
Adjusted Billed kWh with CDM Applied	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!
kW									
Weather Normal Billed kW (insert Year)			0	0	0	0			0
CDM kW Reduction			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!
Adjusted Billed kWh with CDM Applied			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!
kWh to kW Ratio									

Table 4. Forecast Lost Revenue Amounts by Rate Class

Forecast Year	Residential	General Service < 50 kW	General Service 50 to 4,999 kW	Large User	Street Lights	Sentinel Lights	Unmetered Scattered Loads	Other	Total
	$	$	$	$	$	$	$	$	$
2011	$0	$0	$0	$0	$0	$0	$0		$0
2012	$0	$0	$0	$0	$0	$0	$0		$0
2013	$32,640	$6,980	$9,947	$295	$472	$228	$135		$50,697
2014	$32,082	$6,896	$11,768	$245	$426	$226	$126		$51,770
2015	$0	$0	$0	$0	$0	$0	$0		$0
2016	$0	$0	$0	$0	$0	$0	$0		$0
2017	$0	$0	$0	$0	$0	$0	$0		$0

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LRAMVA Work Form: Distribution Rates

Distribution Rates

Instruction

Please update **Table 5** with the approved distribution rates for the utility's respective rate classes. The applicable rates to estimate lost revenues will autopopulate in **Table 6** and be used in the LRAM Work Sheets **(Tab 4 and Tab 5)** for the applicable year in which LRAM is claimed.

LDCs to update the rate classes as appropriate below depending on the utility's customer mix.

Legend

User Inputs (Green)

Auto Populated Cells (White)

Table 5. Distribution Volumetric Rate by Billing Period

Decision & Orders for Approved Volumetric Rates:		EB-2009-xxxx	EB-2010-xxxx	EB-2011-0202	EB-2012-0173	EB-2013-0177	EB-2014-xxxx	EB-2015-xxxx	EB-2016-xxxx
Rate Class	**Billing Unit**	**May 1, 2010 to Apr 30, 2011**	**May 1, 2011 to Apr 30, 2012**	**May 1, 2012 to Apr 30, 2013**	**May 1, 2013 to Apr 30, 2014**	**May 1, 2014 to Apr 30, 2015**	**update**	**update**	**update**
Rate Year		*2010*	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*	*2017*
Pro-ratio of Rates (months) - Period 1					4	4			
Pro-ratio of Rates (months) - Period 2		12	12	12	8	8	12	12	12
Residential	kWh			$ 0.0144	$ 0.0133	$ 0.0135			
General Service < 50 kW	kWh			$ 0.0087	$ 0.0082	$ 0.0083			
General Service 50 to 4,999 kW	kW			$ 1.4242	$ 2.3435	$ 2.3798			
Large User	kW			$ 0.8762	$ 0.7948	$ 0.8071			
Street Lights	kW			$ 10.8010	$ 7.9541	$ 8.0774			
Sentinel Lights	kW			$ 6.0582	$ 5.7365	$ 5.8254			
Unmetered Scattered Loads	kWh			$ 0.0093	$ 0.0075	$ 0.0076			
Other									

Table 6. Summary Table: Average Distribution Volumetric Rates by Year for LRAM Calculation

Rate Class	Billing Unit	2011	2012	2013	2014	2015	2016	2017
Residential	kWh	$ -		$ 0.013667	$ 0.013433	$ -	$ -	$ -
General Service < 50 kW	kWh	$ -		$ 0.008367	$ 0.008267	$ -	$ -	$ -
General Service 50 to 4,999 kW	kW	$ -		$ 1.707692	$ 2.020311	$ -	$ -	$ -
Large User	kW	$ -		$ 0.116286	$ 0.096486	$ -	$ -	$ -
Street Lights	kW	$ -		$ 8.903067	$ 8.036300	$ -	$ -	$ -
Sentinel Lights	kW	$ -		$ 5.843733	$ 5.795767	$ -	$ -	$ -
Unmetered Scattered Loads	kWh	$ -		$ 0.008100	$ 0.007567	$ -	$ -	$ -
Other								

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LRAMVA Work Form:
2011-2014 Lost Revenues Work Form

2011-2014 Lost Revenues Work Form

Instruction

The following LRAM work forms apply to LDCs that need to recover lost revenues from the 2011-2014 period.
This workbook contains links from **Tab 3** (Distribution Rates) and **Tab 6** (Persistence Rates).
Demand Response (DR3) Savings should generally not be included with the LRAMVA calculation, unless suported by empirical evidence
Please see revised LRAM policy related to peak demand savings, issued by the OEB in EB-2016-0182.

LDC to adjust the rate allocations by class (columns h to n). Please insert IESO verified savings for applicable programs (columns f to g).
Adjustments will apply to the year that LRAM is claimed.

Legend

User Inputs (Green)
Auto Populated Cells (White)

Table 7. 2011 Lost Revenues Work Form

2011

#	Initiative	Results Status	Months of Demand Savings	Net Incremental Peak Demand Savings (kW)	Net Incremental Energy Savings (kWh)	Rate Allocation for LRAMVA								
				2011 kW Saved	2011 kWh Saved	Residential	General Service < 50 kW	General Service 50 to 4,999 kW	Large User	Street Lights	Sentinel Lights	Unmetered Scattered Loads	Other	Total
	Consumer Program													
1	Appliance Retirement	Verified			97,173	100%								100%
2	Appliance Exchange	Verified			3,288	100%								100%
3	HVAC Incentives	Verified			234,498	100%								100%
4	Conservation Instant Coupon Booklet	Verified			74,370	100%								100%
5	Bi-Annual Retailer Event	Verified			113,991	100%								100%
6	Retailer Co-op	Verified				0%								0%
7	Residential Demand Response	Verified				0%								0%
8	Residential New Construction	Verified				0%								0%
	Adjustments to 2011 results (if any)	True-up												
	Business Program													
9	Retrofit	Verified	12	29	20,742		100%	100%	0%					200%
10	Direct Install Lighting	Verified	12		271,786		100%	0%	0%					100%
11	Building Commissioning	Verified	3				0%	0%	0%					0%
12	New Construction	Verified	12				0%	0%	0%					0%
13	Energy Audit	Verified	12				0%	0%	0%					0%
14	Commercial Demand Response (part of residential program)	Verified	0				0%	0%	0%					0%
15	Demand Response 3	Verified	0				0%	0%	0%					0%
	Adjustments to 2011 results (if any)	True-up												
	Industrial Program													
16	Process & System Upgrades	Verified	12				0%	0%	0%					0%
17	Monitoring & Targeting	Verified	12				0%	0%	0%					0%
18	Energy Manager	Verified	12				0%	0%	0%					0%
19	Retrofit	Verified	12	6			0%	100%	0%					100%
20	Demand Response 3	Verified	0											0%
	Adjustments to 2011 results (if any)	True-up												
	Home Assistance Program													
21	Home Assistance Program	Verified			30,147	100%								100%
	Adjustments to 2011 results (if any)	True-up												
	Pre-2011 Programs completed in 2011													
22	Electricity Retrofit Incentive Program	Verified	12	145	92,719		100%	100%	0%					200%

#	Initiative	Results Status	Months of Demand Savings	Net Incremental Peak Demand Savings (kW)	Net Incremental Energy Savings (kWh)	Residential	General Service <50 kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Sentinel Lighting	Street Lighting	Unmetered Scattered Load	Other	Total
23	High Performance New Construction	Verified						0%	0%					0%
24	Toronto Comprehensive	Verified						0%	0%					0%
25	Multifamily Energy Efficiency Rebates	Verified						0%	0%					0%
	Adjustments to 2011 results (if any)	True-up												
	Total kWh					553,467	385,247							938,714
	Total kWh (excludes DR)					553,467	385,247							
	Total GS > 50 kW							2,156	0					2,156
	Total GS > 50 kW (excludes Building Commissioning)							2,156	0					
	Distribution Rate in 2011					$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000		
	Lost Revenue in 2011					$0	$0	$0	$0	$0	$0	$0		$0
	2011 Savings Persisting in 2012					0	0	0	0	0	0	0		
	2011 Savings Persisting in 2013					553,467	385,247	2,156	0	0	0	0		
	2011 Savings Persisting in 2014					552,051	279,984	2,156	0	0	0	0		
	2011 Savings Persisting in 2015					0	0	0	0	0	0	0		
	2011 Savings Persisting in 2016					0	0	0	0	0	0	0		
	2011 Savings Persisting in 2017					0	0	0	0	0	0	0		
	2011 Savings Persisting in 2018					0	0	0	0	0	0	0		
	2011 Savings Persisting in 2019					0	0	0	0	0	0	0		
	2011 Savings Persisting in 2020					0	0	0	0	0	0	0		

Table 8. 2012 Lost Revenues Work Form

#	Initiative	Results Status	Months of Demand Savings	Net Incremental Peak Demand Savings (kW)	Net Incremental Energy Savings (kWh)	Rate Allocation for LRAMVA								
				2012 kW Saved	2012 kWh Saved	Residential	General Service <50 kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Sentinel Lighting	Street Lighting	Unmetered Scattered Load	Other	Total
	Consumer Program													
1	Appliance Retirement	Verified			66,238	100%								100%
2	Appliance Exchange	Verified			4,084	100%								100%
3	HVAC Incentives	Verified			102,424	100%								100%
4	Conservation Instant Coupon Booklet	Verified			6,492	100%								100%
5	Bi-Annual Retailer Event	Verified			112,352	100%								100%
6	Retailer Co-op	Verified				0%								0%
7	Residential Demand Response (switch/pstat)	Verified				0%								0%
8	Residential Demand Response (IHD)	Verified				0%								0%
9	Residential New Construction	Verified				0%								0%
	Adjustments to 2012 results (if any)	True-up												
	Business Program													
10	Retrofit	Verified	12	54	25,731		100%	100%	0%					200%
11	Direct Install Lighting	Verified	12		190,098		100%	0%	0%					100%
12	Building Commissioning	Verified	3				0%	0%	0%					0%
13	New Construction	Verified	12				0%	0%	0%					0%
14	Energy Audit	Verified	12	41			0%	100%	0%					100%
15	Small Commercial Demand Response (switch/pstat)*	Verified	0				0%	0%	0%					0%
16	Small Commercial Demand Response (IHD)	Verified	0				0%	0%	0%					0%
17	Demand Response 3	Verified	0				0%	0%	0%					0%
	Adjustments to 2012 results (if any)	True-up												
	Industrial Program													
18	Process & System Upgrades	Verified	12					0%	0%					0%
19	Monitoring & Targeting	Verified	12					0%	0%					0%
20	Energy Manager	Verified	12					0%	0%					0%
21	Retrofit	Verified	12					0%	0%					0%
22	Demand Response 3	Verified	0					0%	0%					0%
	Adjustments to 2012 results (if any)	True-up												
	Home Assistance Program													
23	Home Assistance Program	Verified			106,478	100%								100%
	Adjustments to 2012 results (if any)	True-up												
	Pre-2011 Programs completed in 2011													
24	Electricity Retrofit Incentive Program	Verified	12	75	21,748		100%	100%	0%					200%
25	High Performance New Construction	Verified						0%	0%					0%

#	Initiative	Results Status	Months of Demand Savings	Net Incremental Peak Demand Savings (kW)	Net Incremental Energy Savings (kWh)	Residential	General Service <50 kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Sentinel Lighting	Street Lighting	Unmetered Scattered Load	Other	Total
26	Toronto Comprehensive	Verified						0%	0%					0%
27	Multifamily Energy Efficiency Rebates	Verified						0%	0%					0%
28	LDC Custom Programs	Verified						0%	0%					0%
	Adjustments to 2012 results (if any)	True-up												
	Other													
29	Program Enabled Savings	Verified												0%
30	Time-of-Use Savings	Verified												0%
	Adjustments to 2012 results (if any)	True-up												
	Total kWh					398,068	237,577							635,645
	Total kWh (excludes DR)					398,068	237,577							
	Total GS > 50 kW							2,036	0					2,036
	Total GS > 50 kW (excludes Building Commissioning)							2,036	0					
	Distribution Rate in 2012					$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000		
	Lost Revenue in 2012 from 2011 programs					$0	$0	$0	$0	$0	$0	$0		$0
	Lost Revenue in 2012 from 2012 programs					$0	$0	$0	$0	$0	$0	$0		$0
	Total Lost Revenue in 2012					**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**		**$0**
	2012 Savings Persisting in 2013					398,068	237,577	2,036	0	0	0	0		
	2012 Savings Persisting in 2014					398,068	176,899	2,036	0	0	0	0		
	2012 Savings Persisting in 2015					0	0	0	0	0	0	0		
	2012 Savings Persisting in 2016					0	0	0	0	0	0	0		
	2012 Savings Persisting in 2017					0	0	0	0	0	0	0		
	2012 Savings Persisting in 2018					0	0	0	0	0	0	0		
	2012 Savings Persisting in 2019					0	0	0	0	0	0	0		
	2012 Savings Persisting in 2020					0	0	0	0	0	0	0		

Table 9. 2013 Lost Revenues Work Form

#	Initiative	Results Status	Months of Demand Savings	Net Incremental Peak Demand Savings (kW)	Net Incremental Energy Savings (kWh)	Rate Allocation for LRAMVA								
				2013 kW Saved	2013 kWh Saved	Residential	General Service <50 kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Sentinel Lighting	Street Lighting	Unmetered Scattered Load	Other	Total
	Consumer Program													
1	Appliance Retirement	Verified			32,234	100%								100%
2	Appliance Exchange	Verified			9,606	100%								100%
3	HVAC Incentives	Verified			130,259	100%								100%
4	Conservation Instant Coupon Booklet	Verified			29,897	100%								100%
5	Bi-Annual Retailer Event	Verified			66,639	100%								100%
6	Retailer Co-op	Verified				0%								0%
7	Residential Demand Response (switch/pstat)	Verified				0%								0%
8	Residential Demand Response (IHD)	Verified				0%								0%
9	Residential New Construction	Verified				0%								0%
	Adjustments to 2013 results (if any)	True-up												
	Business Program													
10	Retrofit	Verified	12	318	263,802		100%	100%	0%					200%
11	Direct Install Lighting	Verified	12		238,953		100%	0%	0%					100%
12	Building Commissioning	Verified	3				0%	0%	0%					0%
13	New Construction	Verified	12	31			0%	100%	0%					100%
14	Energy Audit	Verified	12	5			0%	100%	0%					100%
15	Small Commercial Demand Response (switch/pstat)*	Verified	0				0%	0%	0%					0%
16	Small Commercial Demand Response (IHD)	Verified	0				0%	0%	0%					0%
17	Demand Response 3	Verified	0				0%	0%	0%					0%
	Adjustments to 2013 results (if any)	True-up												
	Industrial Program													
18	Process & System Upgrades	Verified	12					0%	0%					0%
19	Monitoring & Targeting	Verified	12					0%	0%					0%
20	Energy Manager	Verified	12	202				100%	0%					100%
21	Retrofit	Verified	12					0%	0%					0%
22	Demand Response 3	Verified	0					0%	0%					0%
	Adjustments to 2013 results (if any)	True-up												

2013

	Home Assistance Program													
23	Home Assistance Program	Verified			87,261	100%								100%
	Adjustments to 2013 results (if any)	True-up												
	Pre-2011 Programs completed in 2011													
24	Electricity Retrofit Incentive Program	Verified						0%	0%					0%
25	High Performance New Construction	Verified						0%	0%					0%
26	Toronto Comprehensive	Verified						0%	0%					0%
27	Multifamily Energy Efficiency Rebates	Verified						0%	0%					0%
28	LDC Custom Programs	Verified						0%	0%					0%
	Adjustments to 2013 results (if any)	True-up												
	Other													
29	Program Enabled Savings	Verified												0%
30	Time-of-Use Savings	Verified												0%
	Adjustments to 2013 results (if any)	True-up												
	Total kWh					355,896	502,755							858,651
	Total kWh (excludes DR)					355,896	502,755							
	Total GS > 50 kW							6,668	0					6,668
	Total GS > 50 kW (excludes Building Commissioning)							6,668	0					
	Distribution Rate in 2013					$0.0137	$0.0084	$1.7077	$0.1163	$8.9031	$5.8437	$0.0081		
	Lost Revenue in 2013 from 2011 programs					$7,564	$3,223	$3,682	$0	$0	$0	$0		$14,470
	Lost Revenue in 2013 from 2012 programs					$5,440	$1,988	$3,478	$0	$0	$0	$0		$10,906
	Lost Revenue in 2013 from 2013 programs					$4,864	$4,206	$11,388	$0	$0	$0	$0		$20,458
	Total Lost Revenue in 2013					**$17,868**	**$9,417**	**$18,548**	**$0**	**$0**	**$0**	**$0**		**$31,363**
	2013 Savings Persisting in 2014					355,648	501,511	6,409	0	0	0	0		
	2013 Savings Persisting in 2015					0	0	0	0	0	0	0		
	2013 Savings Persisting in 2016					0	0	0	0	0	0	0		
	2013 Savings Persisting in 2017					0	0	0	0	0	0	0		
	2013 Savings Persisting in 2018					0	0	0	0	0	0	0		
	2013 Savings Persisting in 2019					0	0	0	0	0	0	0		
	2013 Savings Persisting in 2020					0	0	0	0	0	0	0		

Table 10. 2014 Lost Revenues Work Form

#	Initiative	Results Status	Months of Demand Savings	Net Incremental Peak Demand Savings (kW)	Net Incremental Energy Savings (kWh)	Rate Allocation for LRAMVA								
				2014 kW Saved	2014 kWh Saved	Residential	General Service <50 kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Sentinel Lighting	Street Lighting	Unmetered Scattered Load	Other	Total
	Consumer Program													
1	Appliance Retirement	Verified			31,425	100%								100%
2	Appliance Exchange	Verified			8,497	100%								100%
3	HVAC Incentives	Verified			174,343	100%								100%
4	Conservation Instant Coupon Booklet	Verified			109,309	100%								100%
5	Bi-Annual Retailer Event	Verified			476,727	100%								100%
6	Retailer Co-op	Verified				0%								0%
7	Residential Demand Response (switch/pstat)	Verified				0%								0%
8	Residential Demand Response (IHD)	Verified				0%								0%
9	Residential New Construction	Verified				0%								0%
	Adjustments to 2014 results (if any)	True-up												
	Business Program													
10	Retrofit	Verified	12	309	109,648		100%	100%	0%					200%
11	Direct Install Lighting	Verified	12		70,448		100%	0%	0%					100%
12	Building Commissioning	Verified	3				0%	0%	0%					0%
13	New Construction	Verified	12	37			0%	100%	0%					100%
14	Energy Audit	Verified	12	54			0%	100%	0%					100%
15	Small Commercial Demand Response (switch/pstat)*	Verified	0				0%	0%	0%					0%
16	Small Commercial Demand Response (IHD)	Verified	0				0%	0%	0%					0%
17	Demand Response 3	Verified	0				0%	0%	0%					0%
	Adjustments to 2014 results (if any)	True-up												

2014

No.	Program	Status	Months	kW	kWh									Total
	Industrial Program													
18	Process & System Upgrades	Verified	12					0%	0%					0%
19	Monitoring & Targeting	Verified	12					0%	0%					0%
20	Energy Manager	Verified	12	7				100%	0%					100%
21	Retrofit	Verified	12					0%	0%					0%
22	Demand Response 3	Verified	0					0%	0%					0%
	Adjustments to 2014 results (if any)	True-up												
	Home Assistance Program													
23	Home Assistance Program	Verified			28,404	100%								100%
	Adjustments to 2014 results (if any)	True-up												
	Pre-2011 Programs completed in 2011													
24	Electricity Retrofit Incentive Program	Verified						0%	0%					0%
25	High Performance New Construction	Verified						0%	0%					0%
26	Toronto Comprehensive	Verified						0%	0%					0%
27	Multifamily Energy Efficiency Rebates	Verified						0%	0%					0%
28	LDC Custom Programs	Verified						0%	0%					0%
	Adjustments to 2014 results (if any)	True-up												
	Other													
29	Program Enabled Savings	Verified												0%
30	Time-of-Use Savings	Verified												0%
	Adjustments to 2014 results (if any)	True-up												
	Total kWh					828,705	180,096							1,008,801
	Total kWh (excludes DR)					828,705	180,096							
	Total GS > 50 kW							4,880	0					4,880
	Total GS > 50 kW (excludes Building Commissioning)							4,880	0					
	Distribution Rate in 2014					$0.0134	$0.0083	$2.0203	$0.0965	$8.0363	$5.7958	$0.0076		
	Lost Revenue in 2014 from 2011 programs					$7,416	$2,315	$4,357	$0	$0	$0	$0		$14,087
	Lost Revenue in 2014 from 2012 programs					$5,347	$1,462	$4,114	$0	$0	$0	$0		$10,924
	Lost Revenue in 2014 from 2013 programs					$4,778	$4,146	$12,949	$0	$0	$0	$0		$21,872
	Lost Revenue in 2014 from 2014 programs					$11,132	$1,489	$9,860	$0	$0	$0	$0		$22,481
	Total Lost Revenue in 2014					$28,673	$9,412	$31,279	$0	$0	$0	$0		$69,364
	2014 Savings Persisting in 2015					0	0	0	0	0	0	0		
	2014 Savings Persisting in 2016					0	0	0	0	0	0	0		
	2014 Savings Persisting in 2017					0	0	0	0	0	0	0		
	2014 Savings Persisting in 2018					0	0	0	0	0	0	0		
	2014 Savings Persisting in 2019					0	0	0	0	0	0	0		
	2014 Savings Persisting in 2020					0	0	0	0	0	0	0		

Ontario Energy Board

LRAMVA Work Form:
2015 Lost Revenues Work Form

2015 Lost Revenues Work Form

Instruction

LDCs can apply for disposition of LRAMVA amounts at any time, but at a minimum, must do so as part of a Cost of Service application.

Lost revenues for the period prior to rebasing should be included within the LDCs load forecast on a go forward basis, negating the need for perpetual LRAMVA claims related to persisting savings from historic programs.

LDC to adjust the rate allocations by class (columns h to n). Please insert IESO verified savings for applicable programs (columns f to g).

Adjustments will apply to the year that LRAM is claimed.

This workbook contains links from **Tab 3** (Distribution Rates) and **Tab 6** (Persistence Rates).

Legend

User Inputs (Green)
Auto Populated Cells (White)

Table11-a. 2015 LRAM Work Form

#	Initiative	Results Status	Months of Demand Savings	Net Incremental Energy Savings (kWh)	Net Incremental Peak Demand Savings (kW)	Rate Allocation for LRAMVA								
				2015 kWh saved	2015 kW saved	Residential	General Service <50 kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Sentinel Lighting	Street Lighting	Unmetered Scattered Load	Other	Total
2011-2014+2015 Extension Legacy Framework Programs														
Residential Program														
1	Coupon Initiative	Verified				0%								0%
2	Bi-Annual Retailer Event Initiative	Verified				0%								0%
3	Appliance Retirement Initiative	Verified				0%								0%
4	Appliance Exchange Initiative	Verified				0%								0%
5	HVAC Incentives Initiative	Verified				0%								0%
6	Residential New Construction and Major Renovation Initiative	Verified				0%								0%
Adjustments to 2015 results (if any)		True-up												
Commercial & Institutional Program														
7	Energy Audit Initiative	Verified	12				0%	0%	0%					0%
8	Efficiency: Equipment Replacement Incentive Initiative	Verified	12				0%	0%	0%					0%
9	Direct Install Lighting and Water Heating Initiative	Verified	12				0%	0%	0%					0%
10	New Construction and Major Renovation Initiative	Verified	12				0%	0%	0%					0%
11	Existing Building Commissioning Incentive Initiative	Verified	3				0%	0%	0%					0%
Adjustments to 2015 results (if any)		True-up												
Industrial Program														
12	Process and Systems Upgrades Initiatives - Project Incentive Initiative	Verified	12					0%	0%					0%

13 Process and Systems Upgrades Initiatives - Monitoring and Targeting Initiative	Verified	12					0%	0%	0%
14 Process and Systems Upgrades Initiatives - Energy Manager Initiative	Verified	12					0%	0%	0%
Adjustments to 2015 results (if any)	True-up								
Low Income Program									
15 Low Income Initiative	Verified				0%				0%
Adjustments to 2015 results (if any)	True-up								0%
									0%
									0%
Pilots									
16 Loblaws Pilot	Verified								0%
17 Social Benchmarking Pilot	Verified								0%
18 Conservation Fund Pilot - SEG	Verified								0%
19 Conservation Fund Pilot - EnerNOC	Verified								0%
Adjustments to 2015 results (if any)	True-up								0%
2015-2020 Conservation First Framework Programs									
Residential Province-Wide Programs									
21 Save on Energy Coupon Program	Verified				0%				0%
22 Save on Energy Heating and Cooling Program	Verified				0%				0%
23 Save on Energy New Construction Program	Verified				0%				0%
24 Save on Energy Home Assistance Program	Verified				0%				0%
Adjustments to 2015 results (if any)	True-up								
Non-Residential Province-Wide Programs									
25 Save on Energy Audit Funding Program	Verified	12				0%	0%	0%	0%
26 Save on Energy Retrofit Program	Verified	12				0%	0%	0%	0%
27 Save on Energy Small Business Lighting Program	Verified	12				0%	0%	0%	0%
28 Save on Energy High Performance New Construction Program	Verified	12				0%	0%	0%	0%
29 Save on Energy Existing Building Commissioning Program	Verified	3				0%	0%	0%	0%
30 Save on Energy Process & Systems Upgrades Program	Verified	12				0%	0%	0%	0%
31 Save on Energy Monitoring & Targeting Program	Verified	12				0%	0%	0%	0%
32 Save on Energy Energy Manager Program	Verified	12				0%	0%	0%	0%
Adjustments to 2015 results (if any)	True-up								
Local & Regional Programs									
33 Business Refrigeration Local Program	Verified	12							0%
34 First Nation Conservation Local Program	Verified								0%
35 Social Benchmarking Local Program	Verified								0%
Adjustments to 2015 results (if any)	True-up								
Pilot Programs									

36 Enersource Hydro Mississauga Inc. - Performance-Based Conservation Pilot Program - Conservation Fund	Verified												0%
37 EnWin Utilities Ltd. - Building Optimization Pilot	Verified												0%
38 EnWin Utilities Ltd. - Re-Invest Pilot	Verified												0%
39 Horizon Utilities Corporation - ECM Furnace Motor Pilot	Verified												0%
40 Horizon Utilities Corporation - Social Benchmarking Pilot	Verified												0%
41 Hydro Ottawa Limited - Conservation Voltage Regulation (CVR) Leveraging AMI Data Pilot	Verified												0%
42 Hydro Ottawa Limited - Residential Demand Response Wi-Fi Thermostat Pilot	Verified												0%
43 Kitchener-Wilmot Hydro Inc. - Pilot - DCKV	Verified												0%
44 Niagara-on-the-Lake Hydro Inc. - Direct Install Energy Efficiency Measures for the Agricultural Sector	Verified												0%
45 Oakville Hydro Electricity Distribution Inc. - Direct Install - Hydronic	Verified												0%
46 Oakville Hydro Electricity Distribution Inc. - Direct Install - RTU Controls	Verified												0%
47 Toronto Hydro-Electric System Limited - Direct Install - Hydronic (Pilot Savings)	Verified												0%
48 Toronto Hydro-Electric System Limited - Direct Install - RTU Controls (Pilot Savings)	Verified												0%
49 Toronto Hydro-Electric System Limited - PFP - Large (Pilot Savings)	Verified												0%
Adjustments to 2015 results (if any)	True-up												
Total kWh					0	0							0
Total GS > 50 kW							0	0					0
Total GS > 50 kW (excludes Building Commissioning)							0	0					
Distribution Rate in 2015					$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000		
Lost Revenue in 2015 from 2011 programs					$0	$0	$0	$0	$0	$0	$0		$0
Lost Revenue in 2015 from 2012 programs					$0	$0	$0	$0	$0	$0	$0		$0
Lost Revenue in 2015 from 2013 programs					$0	$0	$0	$0	$0	$0	$0		$0
Lost Revenue in 2015 from 2014 programs					$0	$0	$0	$0	$0	$0	$0		$0
Lost Revenue in 2015 from 2015 programs					$0	$0	$0	$0	$0	$0	$0		$0
Total Lost Revenue in 2015					**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**		**$0**

Ontario Energy Board

LRAMVA Work Form: Persistence Rates

Persistence Rates

Instruction

To apply persistence factors to previous year's savings, this can be determined by taking the ratio of verified savings to the savings that occurred in the first year the program began. Please update the summary tables (highlighted blue boxes) with the verified results provided by the IESO. For 2011-2014 programs, these tables refer to Tables 4 and 5 (Summary Achievement Against CDM Targets). The verified results include adjustments. In the event that an LDC uses initiative level persistence, the LDC must provide these calculations in a new table below those provided here.

The persistence factors will autopopulate on the LRAM forms.
This form may need to be updated with IESO data on persistence of 2011-2014 programs into 2015-2020 term.

Legend

User Inputs (Green)
Auto Populated Cells (White)

The persistence factor tables shows the level of savings from one year that will carry forward (or persist) into subsequent

Table 12. Determination of 2011-2014 Persistence Rates

Implementation Period	Annual Net Energy Savings (GWh)									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
2011 - Verified										
2012 - Verified										
2013 - Verified										
2014 - Verified										

Implementation Period	Annual Net Peak Savings (MW)							
	2011	2012	2013	2014	2015	2016	2017	2018
2011 - Verified								
2012 - Verified								
2013 - Verified								
2014 - Verified								

Implementation Period	Persistence Factor (GWh)									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
2011		0.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
2012			1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
2013				1.00	0.00	0.00	0.00	0.00	0.00	0.00
2014					0.00	0.00	0.00	0.00	0.00	0.00

Implementation Period	Persistence Factor (MW)							
	2011	2012	2013	2014	2015	2016	2017	2018
2011		0.00	1.00	1.00	0.00	0.00	0.00	0.00
2012			1.00	1.00	0.00	0.00	0.00	0.00
2013				0.96	0.00	0.00	0.00	0.00
2014					0.00	0.00	0.00	0.00

Table 13. Determination of 2015-2020 Persistence Rates

Implementation Period	Annual Net Energy Savings (GWh)					
	2015	2016	2017	2018	2019	2020
2015 - Verified						
2016 - Verified						
2017 - Verified						
2018 - Verified						
2019 - Verified						
2020 - Verified						

Implementation Period	Annual Net Peak Savings (MW)					
	2015	2016	2017	2018	2019	2020
2015 - Verified						
2016 - Verified						
2017 - Verified						
2018 - Verified						
2019 - Verified						
2020 - Verified						

Implementation Period	Persistence Factor (GWh)					
	2015	2016	2017	2018	2019	2020
2015 - Verified		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
2016 - Verified			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
2017 - Verified				#DIV/0!	#DIV/0!	#DIV/0!
2018 - Verified					#DIV/0!	#DIV/0!
2019 - Verified						#DIV/0!

Implementation Period	Persistence Factor (MW)					
	2015	2016	2017	2018	2019	2020
2015 - Verified		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
2016 - Verified			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
2017 - Verified				#DIV/0!	#DIV/0!	#DIV/0!
2018 - Verified					#DIV/0!	#DIV/0!
2019 - Verified						#DIV/0!

Ontario Energy Board

LRAMVA Work Form:
Carrying Charges (by Rate Class)

Carrying Charges by Rate Class

Instruction

Please update the carrying charges in **Table 14**. The interest amounts per year will autopopulate in the LRAMVA Summary Table in **Tab 1**.

LDC to adjust the rate allocations by class (columns h to n). Please insert IESO verified savings for applicable programs (columns f to g).

Please note that the carrying charges below pertain to the amount credited or debited to ratepayers based on how much was originally collected from the interest on the load forecast. As the amounts shown are running totals, please clear the yearly amounts once the LRAM claims are approved in order to cancel prior year interest collections.

Legend

User Inputs (Green)

Auto Populated Cells (White)

Table 14: Prescribed Interest Rates

Quarter	Approved Deferral and Variance Accounts
2011 Q1	1.47%
2011 Q2	1.47%
2011 Q3	1.47%
2011 Q4	1.47%
2012 Q1	1.47%
2012 Q2	1.47%
2012 Q3	1.47%
2012 Q4	1.47%
2013 Q1	1.47%
2013 Q2	1.47%
2013 Q3	1.47%
2013 Q4	1.47%
2014 Q1	1.47%
2014 Q2	1.47%
2014 Q3	1.47%
2014 Q4	1.47%
2015 Q1	1.47%
2015 Q2	1.10%
2015 Q3	1.10%
2015 Q4	1.10%
2016 Q1	1.10%
2016 Q2	1.10%
2016 Q3	1.10%
2016 Q4	1.10%
2017 Q1	1.10%
2017 Q2	1.10%
2017 Q3	
2017 Q4	
2018 Q1	
2018 Q2	
2018 Q3	
2018 Q4	
2019 Q1	
2019 Q2	
2019 Q3	
2019 Q4	

Table 15: Calculation of Carrying Costs by Rate Class

Month	Interest for CDM year	Quarter	Monthly Rate	Residential	General Service < 50 kW	General Service 50 to 4,999 kW	Large User	Street Lights	Sentinel Lights	Unmetered Scattered Loads	Other	Total
Jan-11	2011	Q1	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Feb-11	2011	Q1	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Mar-11	2011	Q1	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Apr-11	2011	Q2	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
May-11	2011	Q2	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Jun-11	2011	Q2	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Jul-11	2011	Q3	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Aug-11	2011	Q3	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Sep-11	2011	Q3	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Oct-11	2011	Q4	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Nov-11	2011	Q4	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Dec-11	2011	Q4	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Total for fiscal year 2011				**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Amount Cleared												
Opening Balance for fiscal year 2012				**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**		**$0.00**
Jan-12	2011-2012	Q1	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Feb-12	2011-2012	Q1	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Mar-12	2011-2012	Q1	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Apr-12	2011-2012	Q2	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
May-12	2011-2012	Q2	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Jun-12	2011-2012	Q2	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Jul-12	2011-2012	Q3	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Aug-12	2011-2012	Q3	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Sep-12	2011-2012	Q3	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Oct-12	2011-2012	Q4	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Nov-12	2011-2012	Q4	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Dec-12	2011-2012	Q4	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Total for fiscal year 2012				**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Amount Cleared												
Opening Balance for fiscal year 2013				**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Jan-13	2011-2013	Q1	0.12%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00
Feb-13	2011-2013	Q1	0.12%	-$1.51	$0.25	$0.88	-$0.03	-$0.05	-$0.02	-$0.01		-$0.50
Mar-13	2011-2013	Q1	0.12%	-$3.02	$0.50	$1.76	-$0.06	-$0.10	-$0.05	-$0.03		-$0.99
Apr-13	2011-2013	Q2	0.12%	-$4.52	$0.75	$2.63	-$0.09	-$0.14	-$0.07	-$0.04		-$1.49
May-13	2011-2013	Q2	0.12%	-$6.03	$1.00	$3.51	-$0.12	-$0.19	-$0.09	-$0.06		-$1.99
Jun-13	2011-2013	Q2	0.12%	-$7.54	$1.24	$4.39	-$0.15	-$0.24	-$0.12	-$0.07		-$2.48

2020 Q1	
2020 Q2	
2020 Q3	
2020 Q4	

Check OEB website

Jul-13	2011-2013	Q3	0.12%	-$9.05	$1.49	$5.27	-$0.18	-$0.29	-$0.14	-$0.08		-$2.98
Aug-13	2011-2013	Q3	0.12%	-$10.56	$1.74	$6.15	-$0.21	-$0.34	-$0.16	-$0.10		-$3.48
Sep-13	2011-2013	Q3	0.12%	-$12.06	$1.99	$7.02	-$0.24	-$0.39	-$0.19	-$0.11		-$3.97
Oct-13	2011-2013	Q4	0.12%	-$13.57	$2.24	$7.90	-$0.27	-$0.43	-$0.21	-$0.12		-$4.47
Nov-13	2011-2013	Q4	0.12%	-$15.08	$2.49	$8.78	-$0.30	-$0.48	-$0.23	-$0.14		-$4.96
Dec-13	2011-2013	Q4	0.12%	-$16.59	$2.74	$9.66	-$0.33	-$0.53	-$0.26	-$0.15		-$5.46
Total for fiscal year 2013				**-$99.52**	**$16.42**	**$57.94**	**-$1.99**	**-$3.18**	**-$1.54**	**-$0.91**	**$0.00**	**-$32.77**
Amount Cleared												
Opening Balance for fiscal year 2014				**-$99.52**	**$16.42**	**$57.94**	**-$1.99**	**-$3.18**	**-$1.54**	**-$0.91**	**$0.00**	**-$32.77**
Jan-14	2011-2014	Q1	0.12%	-$18.10	$2.99	$10.54	-$0.36	-$0.58	-$0.28	-$0.17		-$5.96
Feb-14	2011-2014	Q1	0.12%	-$18.44	$3.24	$12.53	-$0.39	-$0.62	-$0.30	-$0.18		-$4.16
Mar-14	2011-2014	Q1	0.12%	-$18.79	$3.50	$14.52	-$0.41	-$0.66	-$0.33	-$0.19		-$2.37
Apr-14	2011-2014	Q2	0.12%	-$19.14	$3.76	$16.51	-$0.44	-$0.71	-$0.35	-$0.20		-$0.57
May-14	2011-2014	Q2	0.12%	-$19.49	$4.01	$18.50	-$0.46	-$0.75	-$0.37	-$0.22		$1.23
Jun-14	2011-2014	Q2	0.12%	-$19.84	$4.27	$20.49	-$0.49	-$0.80	-$0.39	-$0.23		$3.02
Jul-14	2011-2014	Q3	0.12%	-$20.18	$4.53	$22.49	-$0.51	-$0.84	-$0.42	-$0.24		$4.82
Aug-14	2011-2014	Q3	0.12%	-$20.53	$4.78	$24.48	-$0.54	-$0.88	-$0.44	-$0.26		$6.61
Sep-14	2011-2014	Q3	0.12%	-$20.88	$5.04	$26.47	-$0.56	-$0.93	-$0.46	-$0.27		$8.41
Oct-14	2011-2014	Q4	0.12%	-$21.23	$5.30	$28.46	-$0.59	-$0.97	-$0.49	-$0.28		$10.21
Nov-14	2011-2014	Q4	0.12%	-$21.58	$5.55	$30.45	-$0.61	-$1.01	-$0.51	-$0.29		$12.00
Dec-14	2011-2014	Q4	0.12%	-$21.92	$5.81	$32.44	-$0.64	-$1.06	-$0.53	-$0.31		$13.80
Total for fiscal year 2014				**-$339.64**	**$69.20**	**$315.82**	**-$7.97**	**-$12.99**	**-$6.41**	**-$3.75**	**$0.00**	**$14.28**
Amount Cleared												
Opening Balance for fiscal year 2015				**-$339.64**	**$69.20**	**$315.82**	**-$7.97**	**-$12.99**	**-$6.41**	**-$3.75**	**$0.00**	**$14.28**
Jan-15	2011-2015	Q1	0.12%	-$22.27	$6.07	$34.44	-$0.66	-$1.10	-$0.56	-$0.32		$15.59
Feb-15	2011-2015	Q1	0.12%	-$22.27	$6.07	$34.44	-$0.66	-$1.10	-$0.56	-$0.32		$15.59
Mar-15	2011-2015	Q1	0.12%	-$22.27	$6.07	$34.44	-$0.66	-$1.10	-$0.56	-$0.32		$15.59
Apr-15	2011-2015	Q2	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
May-15	2011-2015	Q2	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
Jun-15	2011-2015	Q2	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
Jul-15	2011-2015	Q3	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
Aug-15	2011-2015	Q3	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
Sep-15	2011-2015	Q3	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
Oct-15	2011-2015	Q4	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
Nov-15	2011-2015	Q4	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
Dec-15	2011-2015	Q4	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
Total for fiscal year 2015				**-$556.44**	**$128.27**	**$651.05**	**-$14.41**	**-$23.69**	**-$11.82**	**-$6.87**	**$0.00**	**$166.09**
Amount Cleared												
Opening Balance for fiscal year 2016				**-$556.44**	**$128.27**	**$651.05**	**-$14.41**	**-$23.69**	**-$11.82**	**-$6.87**	**$0.00**	**$166.09**
Jan-16	2011-2016	Q1	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
Feb-16	2011-2016	Q1	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
Mar-16	2011-2016	Q1	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
Apr-16	2011-2016	Q2	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
May-16	2011-2016	Q2	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
Jun-16	2011-2016	Q2	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
Jul-16	2011-2016	Q3	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
Aug-16	2011-2016	Q3	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
Sep-16	2011-2016	Q3	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
Oct-16	2011-2016	Q4	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
Nov-16	2011-2016	Q4	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
Dec-16	2011-2016	Q4	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
Total for fiscal year 2016				**-$756.43**	**$182.75**	**$960.27**	**-$20.34**	**-$33.57**	**-$16.82**	**-$9.74**	**$0.00**	**$306.12**
Amount Cleared												
Opening Balance for fiscal year 2017				**-$756.43**	**$182.75**	**$960.27**	**-$20.34**	**-$33.57**	**-$16.82**	**-$9.74**	**$0.00**	**$306.12**
Jan-17	2011-2017	Q1	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
Feb-17	2011-2017	Q1	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
Mar-17	2011-2017	Q1	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
Apr-17	2011-2017	Q2	0.09%	-$16.67	$4.54	$25.77	-$0.49	-$0.82	-$0.42	-$0.24		$11.67
May-17	2011-2017	Q2	0.09%									$0.00
Jun-17	2011-2017	Q2	0.09%									$0.00
Jul-17	2011-2017	Q3	0.00%									$0.00
Aug-17	2011-2017	Q3	0.00%									$0.00
Sep-17	2011-2017	Q3	0.00%									$0.00
Oct-17	2011-2017	Q4	0.00%									$0.00
Nov-17	2011-2017	Q4	0.00%									$0.00
Dec-17	2011-2017	Q4	0.00%									$0.00
Total for fiscal year 2017				**-$823.10**	**$200.91**	**$1,063.35**	**-$22.32**	**-$36.86**	**-$18.48**	**-$10.70**	**$0.00**	**$352.80**
Amount Cleared				$823.10	-$200.91	-$1,063.35	$22.32	$36.86	$18.48	$10.70		-$352.80

APPENDIX 4-H
WELLAND HYDRO-ELECTRIC SYSTEM CORP.
2011-2014 IESO FINAL CDM REPORT

save ON energy

Message from the Vice President:

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

2011-2014 Conservation Framework Highlights:

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

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

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

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

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

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

Sincerely,

Terry Young

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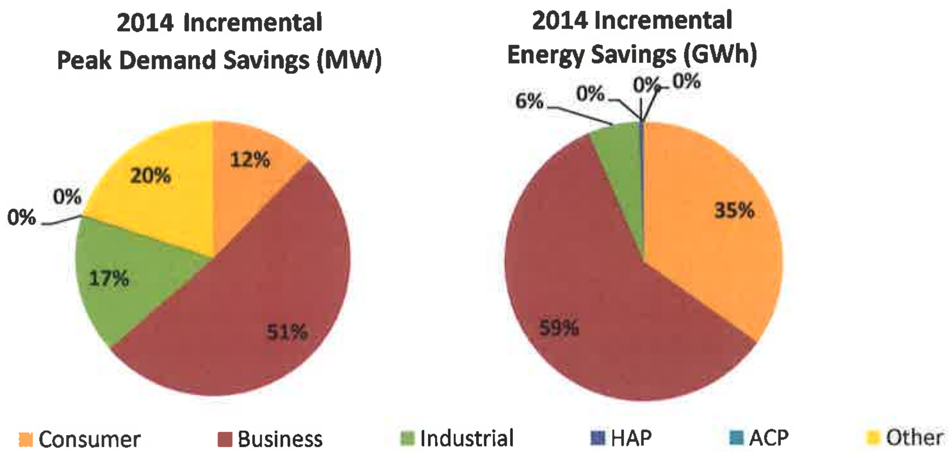
IESO-Contracted Province-Wide CDM Programs: 2011-2014 Final Results Report

LDC: Welland Hydro-Electric System Corp.

Final 2014 Achievement Against Targets	2014 Incremental	2011-2014 Achievement Against Target	% of Target Achieved
Net Annual Peak Demand Savings (MW)	1.2	2.7	**48.4%**
Net Energy Savings (GWh)	2.6	23.9	**115.9%**

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

Achievement by Sector



Comparison: LDC Achievement vs. LDC Community Achievement (Progress to Target)

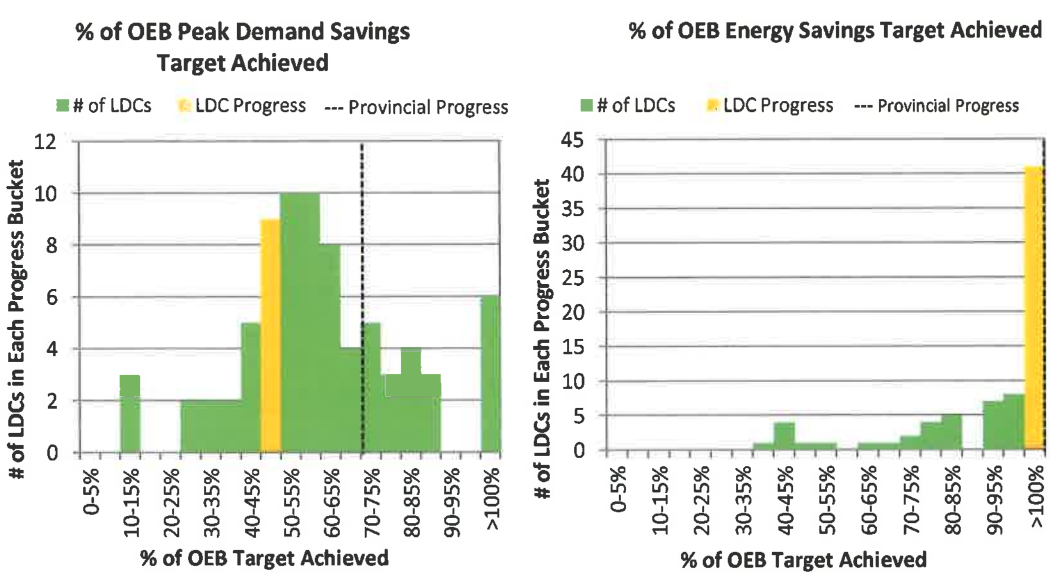


Table 1: Welland Hydro-Electric System Corp. Initiative and Program Level Net Savings by Year

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): 2014 Net Annual Peak Demand Savings (kW)	Program-to-Date Verified Progress to Target (excludes DR): 2011-2014 Net Cumulative Energy Savings (kWh)
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	237	165	75	72	14	9	5	5	97,173	66,238	32,234	31,425	33	683,095
Appliance Exchange	Appliances	24	15	26	23	3	2	5	5	3,288	4,084	9,605	8,497	14	51,898
HVAC Incentives	Equipment	425	384	374	495	131	81	75	93	234,498	137,943	126,555	170,295	381	1,775,227
Conservation Instant Coupon Booklet	Items	2,012	120	1,350	4,006	5	1	2	8	74,370	5,423	29,837	109,218	16	483,763
Bi-Annual Retailer Event	Items	3,693	4,115	3,665	18,715	7	6	5	31	113,991	103,883	66,639	476,727	48	1,377,618
Retailer Co-op	Items	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential Demand Response	Devices	106	0	0	0	59	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	0	0	0
Residential New Construction	Homes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Consumer Program Total						218	100	91	142	523,319	317,572	264,830	796,162	491	4,370,601
Business Program															
Retrofit	Projects	12	22	53	46	32	60	330	283	207,423	257,314	2,543,024	907,874	702	7,583,731
Direct Install Lighting	Projects	113	35	72	18	109	27	70	20	285,191	105,744	238,953	70,448	184	1,872,358
Building Commissioning	Buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Construction	Buildings	0	0	2	3	0	0	31	34	0	0	150,453	300,282	65	481,188
Energy Audit	Audits	0	9	0	4	0	41	0	53	0	201,410	0	261,094	95	865,324
Small Commercial Demand Response	Devices	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	1	1	2	2	41	41	201	198	1,599	597	3,276	0	198	5,472
Business Program Total						182	170	633	588	494,214	565,065	2,975,705	1,339,699	1,244	10,808,073
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	7	7	0	0	202	5	0	0	910,843	137,316	189	1,940,806
Retrofit	Projects	1	0	0	0	6	0	0	0	42,733	0	0	0	6	170,931
Demand Response 3	Facilities	0	1	2	1	0	5,675	5,366	183	0	136,755	122,186	0	183	258,941
Industrial Program Total						6	5,675	5,568	189	42,733	136,755	1,033,029	137,316	379	2,370,678
Home Assistance Program															
Home Assistance Program	Homes	36	99	182	33	2	11	7	1	30,147	106,478	87,261	11,556	20	625,849
Home Assistance Program Total						2	11	7	1	30,147	106,478	87,261	11,556	20	625,849
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	9	0	0	0	161	0	0	0	927,188	0	0	0	161	3,708,753
High Performance New Construction	Projects	0	0	0	0	0	0	0	0	1,176	425	0	0	1	5,978
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						162	0	0	0	928,364	425	0	0	162	3,714,730
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	229	0	0	0	0	229	0
LDC Pilots	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Total						0	0	0	229	0	0	0	0	229	0
Adjustments to 2011 Verified Results							95	0	8		279,457	0	0	73	1,051,853
Adjustments to 2012 Verified Results								30	3			123,879	9,788	32	400,384
Adjustments to 2013 Verified Results									82				278,053	62	538,592
Energy Efficiency Total						470	240	731	767	2,017,177	988,942	4,235,464	2,284,732	2,145	21,625,518
Demand Response Total (Scenario 1)						100	5,718	5,567	382	1,599	137,352	125,462	0	382	264,413
Adjustments to Previous Years' Verified Results Total						0	95	30	64	0	279,457	123,879	287,841	167	1,990,829
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						570	6,051	6,328	1,213	2,018,776	1,405,751	4,484,805	2,572,573	2,692	23,880,760
													Full OEB Target:	5,560	20,600,000
													% of Full OEB Target Achieved to Date (Scenario 1):	48.4%	115.9%

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

Table 2: Adjustments to Welland Hydro-Electric System Corp. 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) 2014 Net Annual Peak Demand Savings (kW)	Program-to-Date Verified Progress to Target (excludes DR) 2011-2014 Net Cumulative Energy Savings (kWh)
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014	2014
Consumer Program															
Appliance Retirement	Appliances	0	0	0		0	0	0		0	0	0		0	0
Appliance Exchange	Appliances	0	0	0		0	0	0		0	0	0		0	0
HVAC Incentives	Equipment	-74	11	9		-20	2	2		-35,519	4,375	3,376		-15	-122,199
Conservation Instant Coupon Booklet	Items	32	0	4		0	0	0		1,069	0	91		0	4,459
Bi-Annual Retailer Event	Items	317	0	0		0	0	0		8,469	0	0		0	33,877
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						-19	2	2		-25,981	4,375	3,467		-15	-83,863
Business Program															
Retrofit	Projects	0	3	3		0	23	54		0	94,999	189,147		77	667,153
Direct Install Lighting	Projects	29	0	0		32	0	0		87,962	0	0		9	285,871
Building Commissioning	Buildings	0	0	0		0	0	0		0	0	0		0	0
New Construction	Buildings	0	0	1		0	0	3		0	0	18,900		3	37,801
Energy Audit	Audits	0	1	0		0	7	0		0	32,863	0		7	98,588
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						32	30	57		87,962	127,862	208,047		96	1,084,593
Industrial Program															
Process & System Upgrades	Projects	0	0	0		0	0	0		0	0	0		0	0
Monitoring & Targeting	Projects	0	0	0		0	0	0		0	0	0		0	0
Energy Manager	Projects	0	0	-1		0	0	-16		0	0	33,465		2	85,127
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	-16		0	0	33,465		2	85,127
Home Assistance Program															
Home Assistance Program	Homes	0	1	14		0	0	2		0	1,430	15,560		2	35,209
Home Assistance Program Total						0	0	2		0	1,430	15,560		2	35,209
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	2	0	0		83	0	0		217,476	0	0		83	869,904
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						83	0	0		217,476	0	0		83	869,904
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						95				279,457				73	1,051,803
Adjustments to 2012 Verified Results							32				133,868			32	400,384
Adjustments to 2013 Verified Results								45				200,540		62	538,582
Total Adjustments to Previous Years' Verified Results						95	32	45		279,457	133,868	200,540		167	1,990,829

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: Welland Hydro-Electric System Corp. Realization Rate & NTG

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Consumer Program																
Appliance Retirement	1.00	1.00	n/a	n/a	0.50	0.46	0.42	0.42	1.00	1.00	n/a	n/a	0.51	0.47	0.44	0.44
Appliance Exchange	1.00	1.00	1.00	1.00	0.52	0.52	0.53	0.53	1.00	1.00	1.00	1.00	0.52	0.52	0.53	0.53
HVAC Incentives	1.00	1.00	n/a	1.00	0.61	0.50	0.48	0.51	1.00	1.00	n/a	1.00	0.60	0.49	0.48	0.51
Conservation Instant Coupon Booklet	1.00	1.00	1.00	1.00	1.14	1.00	1.11	1.69	1.00	1.00	1.00	1.00	1.11	1.05	1.13	1.73
Bi-Annual Retailer Event	1.00	1.00	1.00	1.00	1.13	0.91	1.04	1.74	1.00	1.00	1.00	1.00	1.10	0.92	1.04	1.75
Retailer Co-op	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential Demand Response	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential Demand Response (IHD)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential New Construction	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Business Program																
Retrofit	0.92	0.76	1.00	0.84	0.74	0.74	0.67	0.73	1.28	1.01	0.96	0.96	0.77	0.76	0.66	0.73
Direct Install Lighting	1.08	0.68	0.81	0.78	0.93	0.94	0.94	0.94	0.90	0.85	0.84	0.83	0.93	0.94	0.94	0.94
Building Commissioning	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
New Construction	n/a	n/a	0.81	0.82	n/a	n/a	0.54	0.54	n/a	n/a	1.05	0.89	n/a	n/a	0.54	0.54
Energy Audit	n/a	n/a	n/a	0.96	n/a	n/a	n/a	0.68	n/a	n/a	n/a	1.00	n/a	n/a	n/a	0.67
Small Commercial Demand Response	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Small Commercial Demand Response (IHD)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Demand Response 3	0.76	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Industrial Program																
Process & System Upgrades	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Monitoring & Targeting	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Energy Manager	n/a	n/a	0.90	0.91	n/a	n/a	0.90	0.90	n/a	n/a	0.90	0.96	n/a	n/a	0.90	0.90
Retrofit																
Demand Response 3	0.84	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Home Assistance Program																
Home Assistance Program	1.00	1.08	1.07	0.96	0.70	1.00	1.00	1.00	1.00	1.02	0.89	0.76	0.70	1.00	1.00	1.00
Aboriginal Program																
Home Assistance Program	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Direct Install Lighting	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pre-2011 Programs completed in 2011																
Electricity Retrofit Incentive Program	0.77	n/a	n/a	n/a	0.52	n/a	n/a	n/a	0.77	n/a	n/a	n/a	0.52	n/a	n/a	n/a
High Performance New Construction	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50
Toronto Comprehensive	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Multifamily Energy Efficiency Rebates	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Custom Programs	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other																
Program Enabled Savings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Time-of-Use Savings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Pilots	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Summary Achievement Against CDM Targets

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	0.6	0.5	0.5	0.4
2012 - Verified†	0.1	6.1	0.3	0.3
2013 - Verified†	0.0	0.0	6.3	0.7
2014 - Verified†	0.0	0.0	0.0	1.2
Verified Net Annual Peak Demand Savings Persisting in 2014:				2.7
Welland Hydro-Electric System Corp. 2014 Annual CDM Capacity Target:				5.6
Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):				48.4%

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

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011 - Verified	2.0	2.0	2.0	1.9	7.9
2012 - Verified†	0.3	1.4	1.3	1.2	4.2
2013 - Verified†	0.0	0.1	4.5	4.3	8.9
2014 - Verified†	0.0	0.0	0.27	2.6	2.9
Verified Net Cumulative Energy Savings 2011-2014:					23.9
Welland Hydro-Electric System Corp. 2011-2014 Annual CDM Energy Target:					20.6
Verified Portion of Cumulative Energy Target Achieved in 2014 (%):					115.9%

†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) 2011*	2012*	2013*	2014	Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period) 2011	2012	2013	2014	Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period) 2011	2012	2013	2014	Program-to-Date Verified Progress to Target (excludes DR) 2014 Net Annual Peak Demand Savings (kW) 2014	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	42,888,317	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	1,358,202	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	116,888	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	9,786	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	604,190,658
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	173	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	1,261,905
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	40,436,477	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	112,992,190	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	1,756,381	1,319,857	3,215	110,143,550
Adjustments to 2012 Verified Results								6,260	8,221			41,987,840	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	117,538	224,457	605,144,419	482,474,435	554,524,447	975,639,300	575,647	5,896,182,612
Demand Response Total (Scenario 1)						79,733	142,670	280,099	309,091	3,739,185	2,427,011	5,046,495	8,666	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	185,185,880	43,006	645,389,397
OPA-Contracted LDC Portfolio Total (inc. Adjustments)						216,343	253,267	404,538	568,578	608,883,604	503,590,526	603,259,163	1,170,833,470	927,745	6,552,993,397
													Full OEB Target:	1,330,000	6,000,000,000
													% of Full OEB Target Achieved to Date (Scenario 1):	70%	109%

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

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) 2014	2011-2014 Net Cumulative Energy Savings (kWh) 2014
Consumer Program															
Appliance Retirement	Appliances	0	0	0		0	0	0		0	0	0		0	0
Appliance Exchange	Appliances	0	0	0		0	0	0		0	0	0		0	0
HVAC Incentives	Equipment	-18,339	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	-21,464,975
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	46,167,216
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	1		0	0	54		0	528,000	639,348		54	2,863,696
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	32	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	118,143,550
Adjustments to 2012 Verified Results							15,697				80,111,558			15,801	238,780,657
Adjustments to 2013 Verified Results								23,463				145,879,403		24,393	296,465,211
Adjustments to Previous Years' Verified Results Total						3,465	15,697	23,463		27,746,535	80,111,558	145,879,403		43,009	645,389,507

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.	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.
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.		

<table>
<tr><th>Initiative</th><th>Attributing Savings to LDCs</th><th>Savings 'start' Date</th><th>Calculating Resource Savings</th></tr>
<tr><td>Multifamily Energy Efficiency Rebates</td><td>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.</td><td rowspan="3">Savings are considered to begin in the year in which a project was completed.</td><td rowspan="3">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).</td></tr>
<tr><td>Data Centre Incentive Program</td><td>Program run exclusively in PowerStream Inc. service territory; Initiative was not evaluated in 2011, assumptions as per 2009 evaluation.</td></tr>
<tr><td>EnWin Green Suites</td><td>Program run exclusively in ENWIN Utilities Ltd. service territory; Initiative was not evaluated in 2011 or 2012, assumptions as per 2010 evaluation.</td></tr>
</table>

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: Welland Hydro-Electric System Corp. 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	29	9	10	11	195,941	66,238	68,453	66,854
Appliance Exchange**	Appliances	5	2	10	9	6,379	4,004	18,250	16,144
HVAC Incentives	Equipment	217	163	154	195	391,280	280,402	264,818	358,047
Conservation Instant Coupon Booklet	Items	4	1	2	5	67,497	5,143	26,540	63,204
Bi-Annual Retailer Event	Items	6	6	4	18	104,339	113,349	63,774	272,510
Retailer Co-op	Items	0	0	0	0	0	0	0	0
Residential Demand Response	Devices	59	0	0	0	0	0	0	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		320	182	180	237	765,437	469,217	441,855	776,818
Business Program									
Retrofit	Projects	44	100	509	393	270,257	326,192	3,914,244	1,230,340
Direct Install Lighting	Projects	102	36	75	31	307,140	127,087	253,163	74,637
Building Commissioning	Buildings	0	0	0	0	0	0	0	0
New Construction	Buildings	0	0	57	62	0	0	352,690	185,708
Energy Audit	Audits	0	41	0	79	0	201,410	0	389,112
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	41	41	201	198	1,599	597	3,276	0
Business Program Total		186	219	842	754	578,995	655,286	4,523,373	1,879,797
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	224	6	0	0	1,012,048	152,573
Retrofit	Projects	8	0	0	0	55,974	0	0	0
Demand Response 3	Facilities	0	5,675	5,366	183	0	136,755	122,186	0
Industrial Program Total		8	5,675	5,590	189	55,974	136,755	1,134,234	152,573
Home Assistance Program									
Home Assistance Program	Homes	3	10	7	1	43,067	104,864	87,261	11,556
Home Assistance Program Total		3	10	7	1	43,067	104,864	87,261	11,556
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	310	0	0	0	1,783,054	0	0	0
High Performance New Construction	Projects	0	1	0	0	2,352	849	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		311	1	0	0	1,785,406	849	0	0
Other									
Program Enabled Savings	Projects	0	0	0	0	0	0	0	0
Time-of-Use Savings	Homes	0	0	0	229	0	0	0	0
LDC Pilots	Projects	0	0	0	0	0	0	0	0
Other Total		0	0	0	229	0	0	0	0
Adjustments to 2011 Verified Results			161	0	0		403,705	0	0
Adjustments to 2012 Verified Results				39	3			153,007	14,305
Adjustments to 2013 Verified Results					89				380,422
Energy Efficiency Total		728	370	1,052	1,029	3,227,280	1,229,619	6,061,242	2,820,744
Demand Response Total		100	5,716	5,567	382	1,599	137,352	125,462	0
Adjustments to Previous Years' Verified Results Total		0	161	39	92	0	403,705	153,007	394,727
OPA-Contracted LDC Portfolio Total (inc. Adjustments)		828	6,247	6,658	1,502	3,228,879	1,830,675	6,339,711	3,215,471

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 Welland Hydro-Electric System Corp. 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	-33	4	4		-59,450	8,874	7,102	
Conservation Instant Coupon Booklet	Items	0	0	0		993	0	80	
Bi-Annual Retailer Event	Items	0	0	0		9,207	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		**-32**	**4**	**4**		**-49,250**	**8,874**	**7,182**	
Business Program									
Retrofit	Projects	0	30	77		0	120,304	266,382	
Direct Install Lighting	Projects	34	0	0		94,731	0	0	
Building Commissioning	Buildings	0	0	0		0	0	0	
New Construction	Buildings	0	0	6		0	0	35,001	
Energy Audit	Audits	0	5	0		0	36,503	0	
Small Commercial Demand Response	Devices	0	0	0		0	0	0	
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0	
Demand Response 3	Facilities	0	0	0		0	0	0	
Business Program Total		**34**	**35**	**83**		**94,731**	**156,807**	**301,383**	
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	-18		0	0	37,184	
Retrofit	Projects	0	0	0		0	0	0	
Demand Response 3	Facilities	0	0	0		0	0	0	
Industrial Program Total		**0**	**0**	**-18**		**0**	**0**	**37,184**	
Home Assistance Program									
Home Assistance Program	Homes	0	0	2		0	1,430	15,560	
Home Assistance Program Total		**0**	**0**	**2**		**0**	**1,430**	**15,560**	
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	159	0	0		418,223	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		**159**	**0**	**0**		**418,223**	**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		161				463,705			
Adjustments to 2012 Verified Results			39				167,111		
Adjustments to 2013 Verified Results				71				361,309	
Total Adjustments to Previous Years' Verified Results		161	39	71		463,705	167,111	361,309	

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	10,990	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**	**182,379,633**	**112,240,615**	**117,521,084**	**207,543,848**
Business Program									
Retrofit	Projects	34,201	78,965	82,896	98,849	184,070,265	387,817,248	478,410,936	642,515,421
Direct Install Lighting	Projects	22,155	20,469	19,807	24,794	65,777,197	68,896,040	68,140,249	89,528,509
Building Commissioning	Buildings	0	0	0	588	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**	**122,058**	**134,399**	**171,405**	**251,304,448**	**467,801,406**	**579,468,111**	**817,313,115**
Industrial Program									
Process & System Upgrades	Projects	0	0	313	12,387	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	10,157	6,501	772	268	53,371,183	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**	**60,298**	**0**	**525,011**	**4,075,382**	**19,035,337**
Adjustments to 2011 Verified Results			13,266	645	1,601		48,705,294	20,581	6,018
Adjustments to 2012 Verified Results				8,632	13,449			54,301,893	59,098,859
Adjustments to 2013 Verified Results					34,727				206,415,158
Energy Efficiency Total		**213,515**	**156,755**	**168,583**	**288,384**	**942,317,539**	**616,320,385**	**753,683,966**	**1,210,915,694**
Demand Response Total		**208,015**	**142,670**	**280,099**	**300,091**	**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**	**1,476,452,518**

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		-16,241,066	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	1,232,285	
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**	**30,765,229**	
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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