EXHIBIT 1 – ADMINISTRATIVE DOCUMENTS

2018 Cost of Service

Hydro Hawkesbury Inc.
EB-2017-0048

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1.2 EXECUTIVE SUMMARY

1.2.1 INTRODUCTION

Hydro Hawkesbury Inc. ("HHI") is pleased to present its Cost of Service application for rates effective January 1, 2018. This application consists of the following Exhibits, and Excel live models in support of the evidence presented in this application.

- ✓ Exhibit 1: Administrative Documents
- ✓ Exhibit 2: Rate Base and DSP
- ✓ Exhibit 3: Revenues
- ✓ Exhibit 4: Operation, Maintenance and Administrative Costs
- ✓ Exhibit 5: Cost of Capital
- ✓ Exhibit 6: Revenue Requirement
- ✓ Exhibit 7: Cost Allocation
- ✓ Exhibit 8: Rate Design
- ✓ Exhibit 9: Deferral and Variance Accounts

- ✓ EB-2017-0048 HHI 2018 Benchmarking Forecast Model
- ✓ EB-2017-0048 HHI 2018 Cost Allocation
- ✓ EB-2017-0048 HHI 2018 LRAMVA Workform
- ✓ EB-2017-0048 HHI 2018 PILs Workform
- ✓ EB-2017-0048 HHI 2018 Rev Req Workform
- ✓ EB-2017-0048 HHI 2018 RTSR Workform
- ✓ EB-2017-0048 HHI 2018 Load Forecast Model
- ✓ EB-2017-0048 HHI 2018 Update Demand Data
- ✓ EB-2017-0048 HHI 2018 COS Checklist
- ✓ EB-2017-0048 HHI 2018 DVA Continuity Schedule

- ✓ EB-2017-0048 HHI 2018 Chapter 2 Appendices [1]

All documents have been submitted to the OEB via their website.

The application along with all supporting evidence will also be posted on the utility's website and customers informed of the filing via Twitter once the application is accepted by the Ontario Energy Board (OEB).

1.2.2 BUSINESS PLAN[2]

In compliance with the Rates Handbook issued on October 13, 2016, the utility is pleased to present its 2018 Business Plan in the next Section.

[1] MFR - Chapter 2 appendices in live Microsoft Excel format
[2] MFR - Plain language description of objectives and business plan and how they relate to the application and the RRFE objectives. Description should aid the OEB in understanding the impacts of the business plan on key areas such as customer service, system reliability, costs and bill impacts. Description of how customer feedback is reflected

2017 BUSINESS PLAN

Hydro Hawkesbury Inc.

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1. Executive Summary

Hydro Hawkesbury Inc. (“HHI” or the “Utility”) is a fully licensed distributor of electricity under distribution license ED-2003-0027 issued by the Ontario Energy Board (the “OEB” or the “Board”) under the Ontario Energy Board Act, 1998 (the “Act”).

The utility develops and manages an electrical distribution network in the Prescott-Russell region, specifically the town of Hawkesbury, and delivers electricity to five customer classes via its distribution system: residential, commercial (small and large general service classes), street lighting, sentinel and unmetered scattered loads. HHI earns income based on fixed and volumetric service charges for the distribution of this electricity. The service charges are set through a periodic rate making process via applications to the OEB.

The utility currently operates with revenues of $1,576,210 and has applied for a revenue requirement of $1,774,699 for the 2018 rate year to form the base revenue requirement for rates during a 2018-2022 term of rates under the Board’s Renewed Regulatory Framework for Electricity Distributors (the “RRFE”). HHI plans to use the incremental funds mainly to:

- fund the costs of upgrading the existing 115kV MTS. This project installed a 15/20/25 MVA transformer as well as transformer pads and electrical connections. This project was first identified in EB-2011-0173.
- Invest consistently and prudently in pole replacements.
- fund the costs associated with a 3rd party engineering firm to develop the Distribution System Plan required under the RRFE.
- revamp its website to improve communication with customers in accordance with the objectives of the RRFE.
- fund increased use of accounting services to comply with increased demands from the OEB.

1.1. Mission

HHI is committed to meeting the needs of customers through effective customer engagement and ensuring the safe and reliable delivery of electricity through efficient operations, strong fiscal management, ongoing system renewal, and conservation initiatives.

1.2. Strategic Goals and Initiatives (result)

HHI has identified five key areas of focus that support the utility's mission:

- ✓ To provide safe, efficient, and reliable delivery of electricity to customers.
- ✓ To maintain costs at a reasonable level, find cost efficiencies wherever possible and to make prudent investments on behalf of its customers.
- ✓ To provide a safe and engaging work environment for its employees.
- ✓ To improve engagement with customers and the community.
- ✓ To plan and deliver system improvements required to ensure future supply.

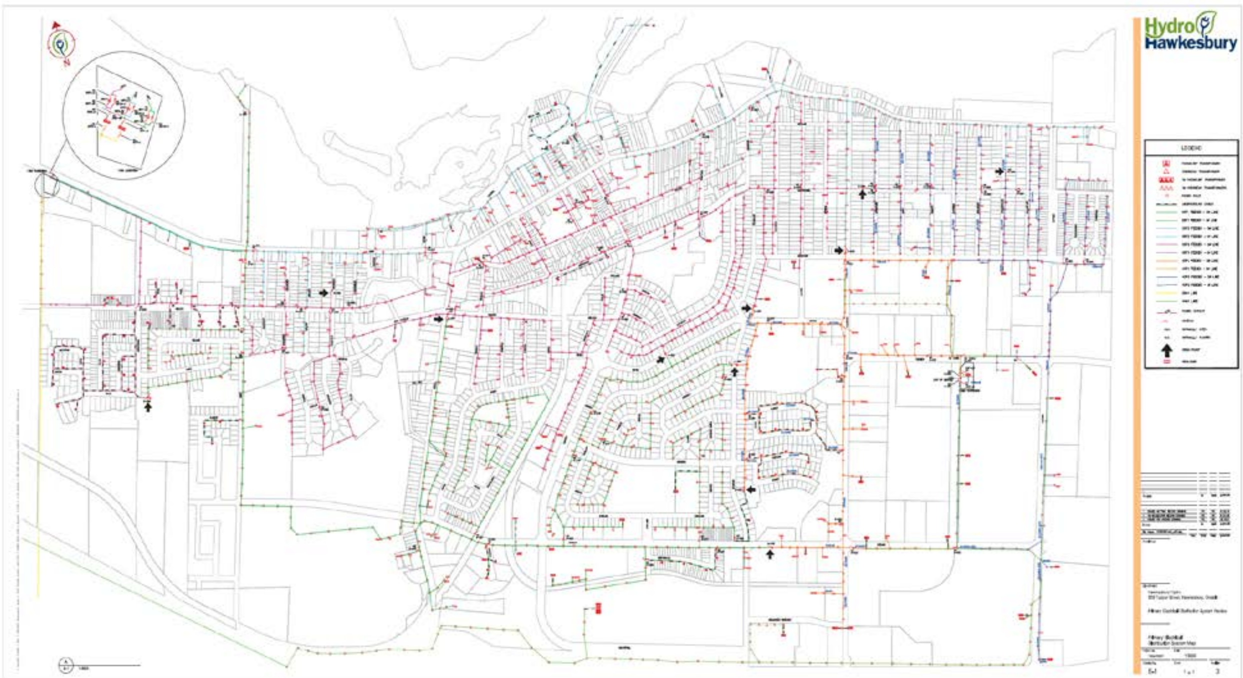
1.3. Objectives (steps to get to the result)

HHI plans on achieving its strategic goals by setting and meeting the following objectives:

- ✓ Improve reliability.
- ✓ Create a service-based utility whose primary goal is to exceed customers' expectations at a reasonable cost.
- ✓ Promote the long-term, efficient provision of utility services consistent with OEB policy.
- ✓ Work with other utilities in the promotion of both efficient and sustainable environment.
- ✓ Operate effectively with the staff currently in place.
- ✓ Reduce operational costs where and when possible.
- ✓ Develop and adopt an actionable plan to improve customer experience.

1.4. Utility Description

HHI's service area is an embedded utility completely contained within the municipal boundaries of the town of Hawkesbury therefore the utility only serves the community of Hawkesbury. The area is embedded within the Hydro One Networks Inc. The map below shows the utility's service area. A more detailed PDF version of the map can be found at Appendix H of Exhibit 1.



HHI relies on approximately 69 km of circuits deliver approximately 141,525,042 kWh and 190,557 kW of energy to approximately 5,500 customers. The circuits can be broken down into roughly 57 km of overhead lines and 12 km of underground conductor. The distribution system is comprised of 43 km of 3-phases circuits and 26 km of single phase circuits.

HHI's service territory is surrounded by Hydro One Networks Inc. HHI is directly connected to Hydro One's transmission system at 115 KV and 44KV and is not an embedded LDC that takes delivery of electricity from another LDC.

HHI does not host any utilities within its service area, nor have any embedded utilities within its service area.

HHI is a registered Market Participant dealing directly with the IESO. Details of the utility's capital assets are presented in the Distribution System Plan in Exhibit 2.

1.5. Utility Ownership

Hydro Hawkesbury is licensed by the Ontario Energy Board to distribute electricity to the inhabitants of the Town of Hawkesbury. Hydro Hawkesbury is incorporated under the Business Corporation Act on October 25th, 2000. The sole Shareholder of Hydro Hawkesbury is the Town of Hawkesbury. The population of the Municipality of Hawkesbury is approximately 10,500. The distribution service area within the Town of Hawkesbury is bounded by the township of Champlain, East Hawkesbury, and the province of Quebec.

HHI is a utility that is tasked with the delivery of electricity. Profits are either reinvested for infrastructure or distributed to its shareholder in the form of dividends.

2. Economic Overview and Customer Description

2.1 Economic Overview of the Service Area

Hawkesbury is a town in the Eastern portion of Southern Ontario, located on the south shore of the Ottawa River near the Quebec-Ontario border, halfway between downtown Ottawa and downtown Montreal in Prescott and Russell Counties. The Long-Sault Bridge links Hawkesbury to Grenville, Quebec to the north. Hawkesbury is touted as the third most bilingual town in Ontario, with about 70% of its inhabitants being fluent in English and French, the two official languages of Canada. (Sturgeon Falls is first with 73.4% followed by Hearst at 71%.) 89% of the population is made up of French speaking Franco-Ontarians.

Hawkesbury is part of the larger Russell Township in Prescott and Russell United Counties. In 2011 (the year of the most recent census), the population of Hawkesbury census agglomeration (CA) was 12,128, representing a percentage change of -1.1% from 2006. This compares to the national growth of 5.9% and to the average growth among all CAs of 4.2%.

In Hawkesbury, the land area is 12.27 square kilometers with a population density of 988.3 persons per square kilometer. The town was first built in 1798 mainly for its access to the Ottawa River which was used to transport lumber to places like Chicago, New York and Boston as those cities were expanding.

The Median Personal Gross Income in Hawkesbury which considers residents on government assistance is $22,504.00. The Median Employment Income is $38,665.00. The Median Family Income is $54,385.00 which considers all families in Hawkesbury. The Median Household Gross Income is $39,981.00. The Median Household After-Tax Income is $36,446.00. The report attributed the low income to the closing of the paper plant, as well as the manufacturing plants. It also reported that that a large part of the Hawkesbury population is either retired or elderly individuals who have very little income.

With respect to climate, the average temperature for winter is -5.9 degrees Celsius, and for summer its 12.25 degrees Celsius. The average annual rainfall in Hawkesbury is 1417 mm.

Hawkesbury does not foresee nor plan for significant growth in its service area. The population of most western municipalities of the United Counties of Prescott and Russell has grown since 2011, while growth was generally slower in eastern municipalities in the counties.

The Nation Municipality has been growing quickly, with the population of the municipality increasing by almost 10 per cent between 2011 and 2016. Russell Township’s population also jumped, increasing by 8.3 per cent since 2011.

The United Counties of Prescott and Russell, as a whole, grew in population by 4.6 per cent, compared with 2 per cent growth in Stormont, Dundas and Glengarry. Hawkesbury’s population has decreased by 2.7% per cent since 2011.

3. Outcomes of the Renewed Regulatory Framework

On October 18, 2012, the Ontario Energy Board ("The Board") issued its "*Report of the Board: A Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach*." The report set out a comprehensive performance-based approach for the Renewed Regulatory Framework which promotes the achievement of outcomes that;

- ✓ benefit existing and future customers
- ✓ align customer and distributor interests
- ✓ continue to support the achievement of important public policy objectives
- ✓ place a greater focus on delivering value for money

On March 5, 2014, the Board issued its report on "*Performance Measurement for Electricity Distributors: A Scorecard Approach*." The report set out the Board's policies on the measures that are to be used to assess a distributor's effectiveness and improvement in achieving customer focus, operational efficiencies, public policy responsiveness, and financial performance to the benefit of existing and future customers.

With the above in mind, the next section provides an account of how HHI continues to improve in its understanding of the needs and expectations of its customers and its delivery of services.

3.1 Customer Focus

HHI values customer input and feedback. Customers are engaged through education opportunities, surveys and directly by the utility for input on the main initiatives. Customer satisfaction is measured on the Distributor Scorecard as well as a bi-annual survey and then incorporated into goal setting and planning processes with a focus on ensuring and improving customer satisfaction.

Due to unforeseen events, HHI was short one staff member from July 2015 to July 2016 and short by a second staff member from March 2016 to January 2017. Therefore, HHI could not allocate time and effort to as much customer engagement as it had intended to in mid 2015 when it was fully staffed.

HHI's plan is committed to improving the lines of communication between the utility and its customers HHI is committed to helping customers make better choices and create healthy, sustainable results for the community it serves. HHI has tried several customer engagement activities which resulted in little feedback from its customers.

3.2 Seeking Customer Input

Customer satisfaction largely depends on whether a utility's products or services fulfill a customer's expectations—i.e., whether it meets, exceeds, or falls short of expectations. Quantifying customer satisfaction involves accumulating customer perceptions, measured through bi-annual surveys.

Customer Satisfaction Surveys are useful tools to understand how customers perceive the service they receive. HHI is also embracing new ways to effectively connect with its customers such as the opening of a new Twitter account to help with customer communications for outages and during conservation campaigns.

In advance of its 2018 Cost of Service, the utility opened lines of communication with its customers to get valuable feedback on the utility's proposed capital and operational budget. The utility further engaged with its customers using the following activities.

✓ **Website Update**

The utility has updated its website to show it's current and upcoming capital project. This new section of the website will be updated monthly so that HHI's customers can understand and comment on the utility's decision regarding its operational and capital planning.

✓ **Info newsletter sent via e-mail**

Bill inserts are an excellent way to communicate relevant information to our customers. HHIs has created an electronic letter covering the major capital costs included in the Cost of Service application, which was sent to all clients with email addresses on file and also posted on Twitter. A bill insert was sent along with the bills to 3,800 customers. The information letter was also emailed to 750 customers registered for e-billing services. The customer services representatives also provided any customer who walked in with this information. The utility received 3 comments back which are presented in Exhibit 1 of the Cost of Service application.

HHI takes its responsibility of informing, educating and responding to customer needs as a top priority. Fundamental sector change in recent years, has precipitated the need for increased customer communications.

3.3 Alignment of Goals to Needs and Preference of Customers

HHI's customer satisfaction results and finding based on discussions with its customers supports the valid hypothesis that good service—i.e., high levels of reliability, or low SAIDI— combined with reasonable prices are essential to satisfying customers. In other words, all customers expect reliable service at the lowest prices possible.

High level of reliability requires system-wide investments - notably enhancing the distribution system to provide more reliable service can be expensive. Much like other utilities, HHI must frequently consider trade-offs between costs and benefits; that is, to target initiatives that will provide the biggest bang—or increase in customer satisfaction.

In addition to system-wide investments, HHI continues to focus on reducing its costs to demonstrate to customers that they are delivering as much value per dollar as possible. HHI has found that the key is to strike the right balance in delivering initiatives, such as properly pacing upgrades to its distribution system when possible, all while improving its customer interfaces or customizing customer engagement programs.

The survey results helped to identify customer attitudes about the utility's conservation programs, smart meters and TOU rates, electricity prices and HHI's standing and reputation in the community. The results will assist HHI in fine tuning its programs, services and communications use direct and reliable customer feedback. HHI's goal going forward will be to develop and communicate an actionable plan to continuously improve its communication with its customers during power outages, regardless of the cause.

In advance of its 2018 Cost of Service, HHI has reached out to its customers seeking feedback and input on their views and preferences.

Although the utility did not receive much feedback from its customers, HHI is confident that with the communication plan in place, the utility's capital budget, as proposed in the Distribution System Plan, supports HHI's customer priority and preferences. For obvious reasons, HHI's priority for 2017 was to make sure that the 15MVA transformer at the 110KV station went in service without any issues; HHI is happy to report that as of May 1, the transformer is service. The priority going forward is to maintain HHI's distribution assets in proper order and manage its distribution system so that the utility can provide electricity to its customers in a reliable and responsible manner. Other priorities involve maintenance of its poles and meters at a steady pace to minimize rate shock.

HHI's reliability, safety and cost efficiency metrics are among the highest in the province and it intends on continuing this trend in future years. HHI is committed to providing its employees and third party contractors which represents the utility, with a safe and injury-free workplace as well as delivering its services in a manner that ensures both customer and public safety. Our customers have high expectations of reliability and HHI strives to meet and exceed those expectations on a daily basis, now and into the future,, as demonstrated by HHI's comprehensive Distribution System Plan.

HHI also ensures both safety and reliability at a cost per customer among the lowest in the province. This focus is achieved through a continuous focus on providing value for money for our customers including innovative solutions, cost sharing, and careful selection of the initiatives that provide the best return on investment.

3.4 Public Policy Responsiveness

The Conservation and Demand Management Requirement Guidelines for Electricity Distributors (EB-2014-0278, the "2015 CDM Guidelines"), issued by the OEB on December 19, 2014, are applicable to CDM programs beginning January 1, 2015. These guidelines require distributors to continue to rely on the LRAMVA to track and dispose of lost revenues that result from approved CDM programs between 2015 and 2020. The IESO provides funding for HHI's CDM programs. HHI's funding portfolio for 2015 to 2020 is $525,743 for the 2015-2020 period. As of April 15, 2017, Hydro Hawkesbury has achieved 1031 MWh of savings, which is 72% of the 2016 target.

These savings, along with the 2015 savings account for 92% of the 2015-2016 two-year target. As such, Hydro Hawkesbury is well poised at the end of year two of conservation framework.

Portfolio delivery activities in 2017 show that GreenSaver continues to deliver strong results, support current participants, and maintain our focused outreach efforts to engage with new participants and foster additional applications. Furthermore, we expect that the 2017 launch of new Province Wide Programs will help deliver additional savings.

Summary of 2016 Activities

In 2016 GreenSaver continued to focus on the commercial and institutional sector which represent Hydro Hawkesbury's largest potential for conservation and savings. As expected, the Retrofit Program continued to generate the largest proportion of energy savings.

GreenSaver's Program Delivery Team and our Key Account Reps continually provided front-end uptake services to prospective Retrofit participants. We found that customer's often do not have internal resources available to preparing Retrofit applications, especially in smaller companies. Therefore, GreenSaver's services as Applicant Representatives has empowered customers with the ability to apply for the Retrofit Program, and opened new dialogue about energy conservation.
In late 2016, GreenSaver is launched an extensive Commercial Outreach campaign. The Outreach Campaign employed a three-prong approach; targeting the Top 10 Commercial Customers to develop or strengthen an ongoing CDM relationship; researching business profiles and preparing industry specific letters and outreach plans for the overall customers, and doing a two-phase telephone outreach campaign, first to the over 25KW users, then the remaining, smaller customers.

In 2016 GreenSaver prepared Version 2 of the Joint CFF 2015-2020 CDM Plan. The CDM Plan revision allowed Hydro Hawkesbury to redistribute targets based on 2015 results, in order to create a more realistic forecast for the CFF Framework. PSUI and HPNC were added as available programs in order to allow Hydro Hawkesbury customers to access these programs if requested.

Additionally, GreenSaver made efforts to promote the Home Assistance Program, designing and printing a HAP Buckslip which was distributed to Hydro Hawkesbury customers in October. To date, the Buckslip has resulted in several applications generated for individual customers, the most interest Hydro Hawkesbury has seen for HAP this year.

Table 1 lists 2015-2016 cumulative CFF savings and percentage of the two-year target achieved
Table 2 lists 2016 savings and percentage of target achieved.
Table 3 lists 2016 savings broken down by Program.

Table 1: 2015-2016 Cumulative Savings

2015-2016 Cumulative Savings (MWh)	2015-2016 Cumulative Target (MWh)	% of 2015-2016 Cumulative Savings Achieved (as of Apr 1, 2017)
2302	2512	92%

Table 2: 2016 Savings towards target

2016 Savings as of Apr 1, 2017 (MWh)	2016 Target (MWh)	% of 2016 Target Achieved
1031	1439	72%

Table 3: 2016 Total energy savings by program

Program	Confirmed savings achieved as of Apr 1, 2017 (MWh)	2016 savings targets (MWh)
Commercial Programs		
Retrofit and Audit Funding	723	1161
Small Business Lighting	0	102
Energy Manager	0	65
Residential Programs		
Home Assistance Program	2	59
HVAC Program*	23	10
Coupon Program/ Retailer event*	283	40
Residential New Construction	0	2
CDM Portfolio Total	**1031**	**1439**

Strategic Priorities: 2017

In 2017, GreenSaver expects a strong year and has identified the following priorities in order to ensure success;

- ✓ In 2016 and into 2017, GreenSaver will conduct an extensive Commercial Outreach to engage all Hydro Hawkesbury Commercial Customers through strategic phone and email outreach based on industry segmented approach
- ✓ Implement post-project surveys to Commercial participants to;
  - learn more about their experience
  - discuss future opportunities
  - request referrals.
- ✓ Strengthen relationships with top 10 Commercial customers through an individualized approach (sector and company specific)
- ✓ Monitor the CFF Program offerings and resubmit the CDM Plan with updated Programs to ensure Hydro Hawkesbury has the greatest savings opportunities and all Province Wide Programs are offered, as per the Minister of Energy's directive
- ✓ Coordinate event to engage Commercial Customers
- ✓ Re-launch the Small Business Lighting Program
- ✓ Continue to market the Home Assistance Program, and build Residential Program literacy amongst Residential customers
- ✓ Launch a Residential Direct Install Program which is expected to generate significant Residential savings

3.5 Financial Performance

HHI continues to record solid financial performance metrics. Key factors to this financial success are effective business planning, a continuous focus on operational efficiency, and managing capital and expense expenditures to budget. The Business Plan and Distribution System Plan will serve a major role in providing the future direction of financial investment and performance. Financial Results are discussed in detail in Section 8 of this Business Plan.

4. Performance Metrics and Benchmarking

Another development that has brought utility customer satisfaction to the forefront is the use of benchmarking studies, which compare levels of customer satisfaction across utilities.
High scores in benchmarking studies can show that utilities are recognized as being the best in class.

Perhaps the most widely-known benchmark of efficiency rating comes from the PEG report which surveys all 71 utilities in Ontario. The PEG analysis is one of the only instruments that compares utilities' cost efficiencies on a consistent basis and is publicly available.

PEG produces an annual report that provides a ranking of the utilities included in the study, summarizes the results, and provides insight into the trends in utility efficiency scoring.

As a consequence of this study, HHI has expended considerable effort to understand the drivers of their efficiency ranking and has undertaken initiatives to improve their scores.
The following section reviews past performances and introduces future performances based on load forecast and forecasted capital and operational expenditures.

4.1 Past performances

The PEG Past Performance table below shows HHI's rating for the last three historical years of business. The PEG report uses econometrics to determine the cost efficiency of distributors. Group 1 (of 5) is ranked as the most efficient group. As can be seen, HHI has achieved the highest ranking possible. In fact, the utility has been ranked first in the province for the past nine years.

Table 1 - PEG Past Performance (Stretch Factor)

	2014	2015	2016
Stretch Factor Cohort - Annual Result	1	1	1

The percentage difference between actual and predicted cost is the measure of cost performance. Utilities with larger negative differences between actual and predicted costs, such as HHI, are better cost performers and therefore eligible for lower stretch factors. This table shows HHI's difference between its actual costs and predicted, and although total costs have increased, costs performances are improving.

Table 2 - Summary of Cost Performance Results

	2014	2015	2016
	(History)	**(History)**	**(History)**
Cost Benchmarking Summary			
Actual Total Cost		1,436,164	1,604,174
Predicted Total Cost		2,837,771	2,806,621
Difference		(1,401,607)	(1,202,447)
Percentage Difference (Cost Performance)		-68.1%	-55.9%
Stretch Factor Cohort - Annual Result		1	1

The utility's historical capital additions have also been historically stable which has been achieved using a solid well tracked budget process.

Table 3 - Historical Capital Spending

	2014	2015	2016
Capital Additions	$845,104	$519,213	$1,496,257

The utility's Rate Base has increased proportionally to its capital investments and as such has remained historically as stable as its other financial metrics.

Table 4 - Historical Revenues

	Year	2014	2015	2016
Residential	Fixed	$7.06	$7.17	$9.60
	Variable	$0.0096	$0.0098	$0.0076
	Cust/Conn	4,901	4,859	4,824
	kWh	51,395,624	49,584,777	48,033,529
	Revenues from Fixed	$415,170	$418,068	$555,725
	Revenues from Variable	$493,398	$485,931	$365,055
General Service < 50 kW	Fixed	$14.91	$15.15	$15.47
	Variable	$0.0059	$0.0060	$0.0061
	Cust/Conn	629	623	609
	kWh	18,998,367	19,208,911	18,569,272
	Revenues from Fixed	$112,451	$113,261	$113,055
	Revenues from Variable	$112,090	$115,253	$113,273
General Service > 50 kW - 4999 kW	Fixed	$97.35	$98.91	$100.99
	Variable	$1.9733	$2.0049	$2.0470
	Cust/Conn	95	90	87
	kWh	71,672,278	70,137,954	73,896,610
	kW	189,092	186,098	188,567
Transformer Allowance	kW	172,155	167,556	163,375
	$	$0.60	$0.60	$0.60
	Revenues from Fixed	$110,979	$106,229	$105,434
	Revenues from Variable	$269,843	$272,574	$287,972
Unmetered Scattered Load	Fixed	$6.39	$6.49	$6.63
	Variable	$0.0037	$0.0038	$0.0039
	Cust/Conn	5	5	7
	kWh	281,727	281,352	293,553
	Revenues from Fixed	$383	$389	$557
	Revenues from Variable	$1,042	$1,069	$1,145
Sentinel Lighting	Fixed	$1.60	$1.63	$1.66
	Variable	$3.1754	$3.2262	$3.2940
	Cust/Conn	72	72	60
	kWh	102,064	102,064	88,568
	kW	300	300	265
	Revenues from Fixed	$1,382	$1,408	$1,185
	Revenues from Variable	$953	$968	$873
Streetlighting	Fixed	$0.53	$0.54	$0.55
	Variable	$5.7504	$5.8424	$5.9651

	Cust/Conn	1,204	1,204	1,201
	kWh	1,356,160	1,040,149	643,599
	kW	3,764	2,865	1,849
	Revenues from Fixed	$7,657	$7,802	$7,923
	Revenues from Variable	$21,646	$16,741	$11,027
Total	Cust/Conn	6,905	6,853	6,787
	kWh	143,806,220	140,355,207	141,525,131
	kW	721,161	720,982	860,017
	Revenues from Fixed	$648,024	$647,159	$783,879
	Revenues from Variable	$898,972	$892,536	$779,344
	Total	$1,546,996	$1,539,695	$1,563,222

The utility's revenues per class and overall revenues have also been historically steady.

Table 5 - Historical Bill Impacts

Year	2014	2015	2016	2017
	CoS	IRM	IRM	IRM
	800kWh	800kWh	800kWh	750kWh
Res Monthly Charge	$7.06	$7.17	$9.60	$11.90
Res Volumetric	$0.0096	$0.0098	$0.0076	$0.0051
Bill Impact	**-3.48%**	**-5.34%**	**7.66%**	**0.56%**

Bill impacts are subject to a modest increase during the years between Cost of Service (Incentive Regulation Mechanism) – in HHIs case from 2015 to 2017. It's important to note that bill impacts also include the effects of the disposition of deferral and variance accounts from the pass-through charges (regulatory assets).

4.2 Short and Long-Term Capital Spending

HHI is focused on maintaining its high-performance levels in all aspects of its capital investments and planning activities to comply with its regulatory obligations and responsibilities to the Ontario Energy Board (OEB) and the Electrical Safety Authority (ESA).

At the core of HHI's mandate, is the responsibility to deliver a trusted source of safe, efficient, and reliable power to its customers, which supports growth and accommodates economic development in the town of Hawkesbury.

HHI strives to provide safe, reliable service while minimizing the life cycle costs of assets by doing predictive and preventative work. HHI places a high priority on the upkeep and replacement of its aging infrastructure. Distribution equipment that was placed in-service over 40 years ago, in many cases, has reached its normal useful life. Therefore, HHI is faced with the ongoing replacement of this aging infrastructure. Customer expectations for reliability are high and can only be met with a well-maintained distribution system. Thus, investment in replacement equipment along with its associated operational costs has become a continuous reality for HHI as it commits to satisfying the essential community needs.

Table 6 – Table of Major Capital Projects for 2018-2022

Forecast period	2018	2019	2020	2021	2022	Total
Replace Poles	$81,500	$87,700	$88,100	$88,100	$90,000	$435,400
3/0 wire upgrade	$10,000	$15,000	$15,000	$15,855	$18,000	$73,855
44kV Station	$0	$0	$340,000	$0	$0	$340,000
Porcelain Insulator replacement	$17,930	$13,125	$27,750	$27,750	$14,000	$100,555
L/A replacement	$8,350	$16,000	$17,500	$17,500	$17,500	$76,850

2017-2018 Capital Planning

A newly developed Distribution System Plan forms the basis for the utility's capital and maintenance programs. The Distribution System Plan reflects the latest performance priorities of the distribution system and serves as a placeholder for the longer-term projects recommended from the condition (age risk ratings) assessments.

Priorities and strategies for budget development include the following:

- **2017** 115kV MTS upgrade: This project represents the cost of upgrading the existing 115kV MTS. This project installs a 15/20/25 MVA transformer as well as transformer pads and electrical connections. This work is the work that was first identified in EB-2011-0173. **$3,525,000**

- **2017** Pole replacement: As part of its asset management program, poles are tested when they are within 5 years of their forecast depreciation end of life. The testing program identified the poles that needed to be replaced. This project captures the cost of doing the replacement work. **$60,000**

- **2018** Pole replacement: As part of its asset management program, poles are tested when they are within 5 years of their forecast depreciation end of life. The testing program identified the poles that needed to be replaced. This project captures the cost of doing the replacement work. **$81,500**

5-10 Year Capital Planning to Accommodate Growth and Aging Infrastructure

Under a 5-10-year capital investment plan, the company has embarked on a prudent course to maintain the utility's equipment assets.

HHI places a high priority on balancing its obligations to accommodate growth while addressing the upkeep and replacement of its aging infrastructure. The following are the actions that HHI plans to take over the next 5-10 years to bring about the desired future.

- Priority will be given to HHI's legislated/mandatory requirements; for example:
  - System access including the obligation to connect customers – mostly Residential, but Commercial as well.
  - Accommodate City, Region, Ministry, etc. mandatory project requirements.
  - Meet the OEB's – and other regulatory bodies' – quality, reliability, health, safety, environmental, etc. performance standards.
- To safeguard the major investments already made in its critical assets and continue to maintain and upgrade as necessary.
- Continue to invest prudently in modern information technology to provide customers with clear, meaningful bills that can assist them in managing their electricity usage.
- Optimal life extension, for example:
  - Intensify condition monitoring to minimize uncertainty regarding decisions relating to equipment maintenance, renewal, and replacement.
  - Where economically viable, refurbish cables and equipment in-situ to extend their reliable useful lives.

2019 Smart meter replacement
This item provides for Meters for new residential accounts and replacement of defective meters. This item also provides for Smart Meter testing and replacement. **$56,000**

Pole replacement: As part of its asset management program, poles are tested when they are within 5 years of their forecast depreciation end of life. The testing program identified the poles that needed to be replaced. This project captures the cost of doing the replacement work.

- ✓ **2019**: $87,700
- ✓ **2020**: $88,100
- ✓ **2021**: $88,100
- ✓ **2022**: $90,000

2020 44 kV MS Alterations: It is proposed that the two transformers at the MS site will be reconfigured so that they can each supply load without being in parallel.
$340,000

4.3 Operational Costs

HHI's Operations strategy is to provide safe, reliable service at an appropriate level of quality throughout the licensed service areas.

HHI continually reviews its business and operational goals against its workforce needs, its financial strength and the impact on its customers. HHI recognizes the importance and value of maintaining a skilled and engaged workforce, where all employees are customer focused and enjoy working for the utility. HHI's analyzes its operation budget monthly to make sure that it does not stray far from its budgets thus ensuring that its ROE stays within range of its approved ROE. The utility is very mindful that every dollar of increase in operation costs means that a dollar more is collected from the customers. Therefore, operational planning focuses mainly on efficiency and finding reductions wherever possible. Historical and projected costs are shown in Table 6 below.

Table 6 – Operating Costs

	Board Approved	**2014**	**2015**	**2016**	**2017**	**2018**
Operations	$96,550	$51,300	$55,990	$68,472	$113,406	$95,593
Maintenance	$205,700	$181,555	$179,949	$168,399	$194,970	$204,514
Billing and Collecting	$426,315	$395,636	$409,354	$418,864	$462,696	$476,632
Community Relations	$200	$0	$0	$0	$0	$0
Administrative and General	$397,976	$342,177	$299,046	$341,082	$422,354	$433,375
Total	$1,126,741	$970,668	$944,340	$996,817	$1,193,426	$1,210,114
%Change (year over year)		-13.9%	-2.7%	5.6%	19.7%	1.4%

4.4 Return on Equity

The actual Return on Equity for 2016 is 17.63% which indicates an over earning when compared to the Board Approved 2014 rate of return. Further information on the topic of Return on Equity can be found in Section 7.

4.5 Target Performance

This section summarizes the projected performance of the utility taking into consideration the long-term perspective of the health and age of the distribution assets. It captures the results of HHI's expected PEG performance, Rate Base and projected revenues based on its priorities for capital investments and operational expenditures.

Table 7 - PEG Target Performance (Stretch Factor)

	2017	2018
Stretch Factor Cohort - Annual Result	1	1

Table 8 - Target Cost Performance Results

	2017	2018
Cost Benchmarking Summary		
Actual Total Cost	1,843,842	1,858,136
Predicted Total Cost	2,890,836	3,029,427
Difference	(1,046,994)	(1,171,291)
Percentage Difference (Cost Performance)	**-45.0%**	**-48.88%**
Stretch Factor Cohort - Annual Result	1	1

Table 9 - Proposed Capital Additions for 2017-2018

	2017	2018
Capital Additions	$1,706,996	$150,205

Table 10 - Proposed Revenues by Class

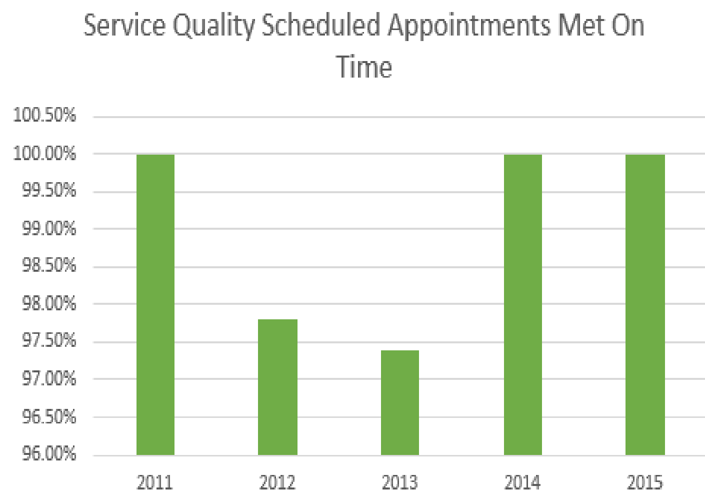
	Year	2017	2018 CDM Adjusted
Residential	Fixed	$11.90	$15.39
	Variable	$0.0051	$0.0028
	Cust/Conn	4,830	4,836
	kWh	50,145,146	48,228,553
	Revenues from Fixed	$689,720	$893,103
	Revenues from Variable	$255,740	$134,736
General Service < 50 kW	Fixed	$15.47	$15.47
	Variable	$0.0061	$0.0073
	Cust/Conn	613	618
	kWh	18,864,553	18,143,532
	Revenues from Fixed	$113,845	$114,640
	Revenues from Variable	$115,074	$133,249
General Service > 50 kW - 4999 kW	Fixed	$100.99	$100.99
	Variable	$2.0470	$2.2602
	Cust/Conn	88	89
	kWh	84,241,267	81,021,489
	kW	188,567	211,046
Transformer Allowance	kW	189,205	189,205
	$	$0.60	$0.60
	Revenues from Fixed	$106,545	$107,668
	Revenues from Variable	$272,474	$363,476
Unmetered Scattered Load	Fixed	$6.63	$7.29
	Variable	$0.0039	$0.0043
	Cust/Conn	8	10
	kWh	293,553	429,307
	Revenues from Fixed	$651	$838
	Revenues from Variable	$1,145	$1,840
Sentinel Lighting	Fixed	$1.66	$1.83
	Variable	$3.2940	$3.6222

	Cust/Conn	58	57
	kWh	88,568	84,029
	kW	265	238
	Revenues from Fixed	$1,157	$1,243
	Revenues from Variable	$873	$863
Streetlighting	Fixed	$0.55	$0.67
	Variable	$5.9651	$7.2372
	Cust/Conn	1,206	1,211
	kWh	643,599	641,942
	kW	1,849	1,844
	Revenues from Fixed	$7,959	$9,700
	Revenues from Variable	$11,027	$13,344
Total	Cust/Conn	6,803	6,820
	kWh	154,276,687	148,548,851
	kW	994,896	1,221,709
	Revenues from Fixed	$919,877	$1,127,191
	Revenues from Variable	$656,333	$647,507
	Total	$1,576,210	*$1,774,699*

4.6 Scorecard Results and Analysis

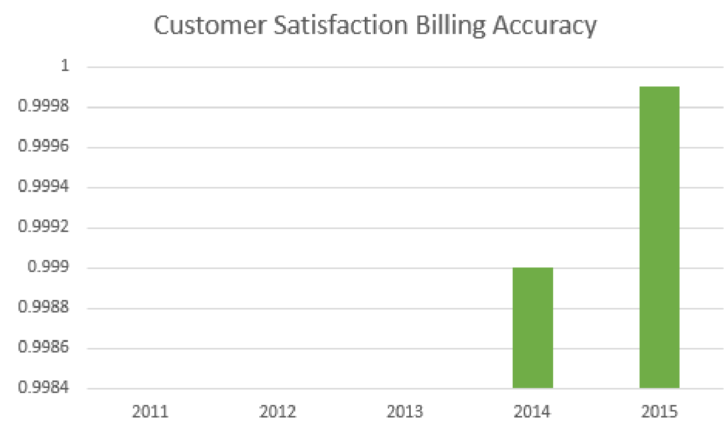
Service Quality

From the period of 2011-2014, the utility 's results were recorded as 100%; Despite its perfect results, the utility along with neighbouring utilities has implemented new process in place. HHI expects that over time its results should remain strong.



Customer Satisfaction

HHI conducted its bi-annual customer satisfaction survey in December 2016 and then again in the spring of 2017 in advance of the Cost of Service. The results are resented at Section 1.8 of this Exhibit. Customers are generally satisfied with HHI as reported in the Customer Satisfaction Survey (not yet reported on the Scorecards), which show a satisfaction rate of 84%. While HHI manages less than 15% of the total customer bill, it continues its efforts to maintain appropriate cost control while providing a safe and reliable delivery of power to its customers. First Contact resolution has remained high over the period of 2014-2015 as has the Billing Accuracy with results of 99.99% in 2015 and 99.99% in 2016.

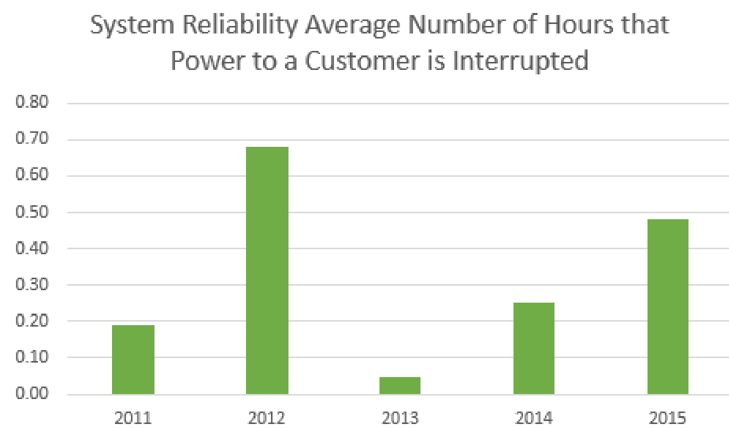


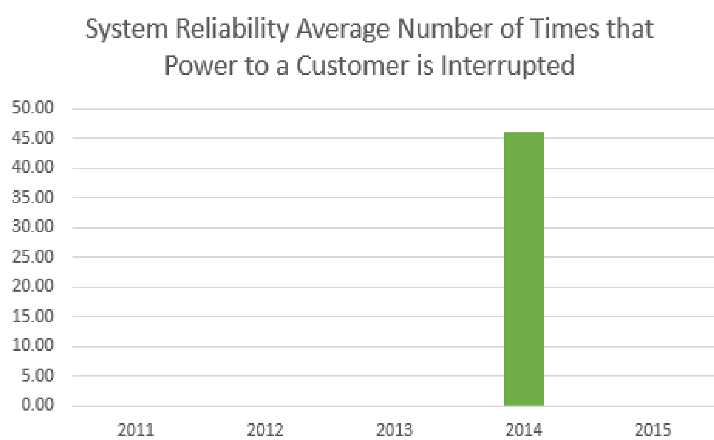
Safety

Safety remains a core attribute of HHI's as it delivers power to its employees and customers daily. HHI continues to strive to communicate on safety throughout our distribution system through various methods including safety orientations, on-line, outreach, and telephone. Results over the past 5 years shows no Serious Electrical Incident Index.

System Reliability

The reliability of the system remains a cornerstone of HHI with attention distribution system infrastructure. Most interruptions continue to be because of increased storm activity. 2011 showed abnormally high indicators however, 2012-2015 show excellent results.



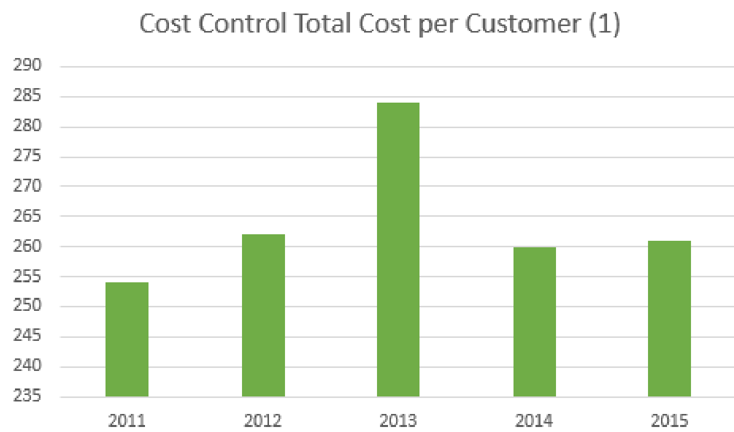


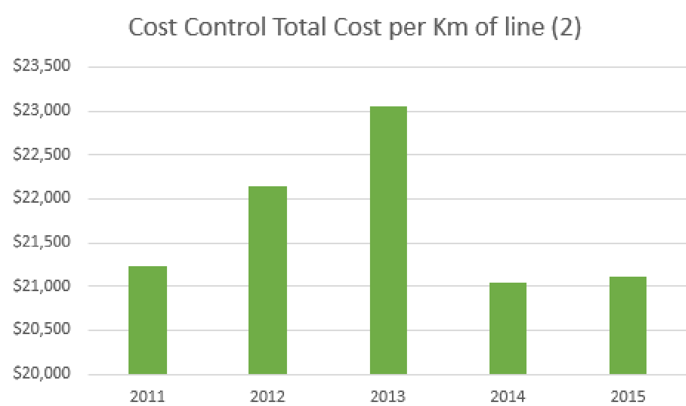
Asset Management

The Distribution System Plan detailing the utility's historical and projected capital plan can be found in Exhibit 2 of this application.

Cost Control

HHI has maintain its group 1 efficiency assessment report for many years (since 2006). Despite having achieved the highest efficiency grouping, HHI continues to strive to achieve greater efficiency through productivity improvements and cost control, without compromising safety and reliability. The utility intends on maintaining its Group 1 efficiency form the next rate period.





Conservation & Demand Management

Under the new regulations, HHI has developed a CDM plan to meet the 2015-2020 energy targets under the Conservation First Framework. HHI has submitted and received approval from the IESO on the Conservation First Framework 2015- 2020 CDM Plan. The CDM plan has being filed in conjunction with this application.

Connection of Renewable Generation

HHI has maintained 100% timely connection of renewable installations. HHI will continue to provide the staff resources to maintain an efficient and effective methodology to connect renewable installations. Details on renewable installations can be found in Exhibit 2 of this application.

Financial Ratios

HHI financial ratios are discussed in detail at Section 7 of this Business Plan.

4.7 Future Outlook

HHI strives to Institute a culture of continuous improvement identifying areas where the effectiveness of the organization can be improved.

In 2016, HHI took steps to weave reliability and sustainability into all aspects of its operations – from the power supply to encouraging and helping customers incorporate green features into their homes and businesses. Even though HHI is a small utility, planning is something it has always done well and will continue to do so in the coming years.

HHI also set out to leverage technology to improve the customer experience. Since then, the utility has launched a series of technology enhancements to increase communication with its customers and upgrade its website to include capital projects and educational tools about the industry and regulatory processes.

HHI will continue to monitor its business objectives to ensure that they are aligned with the OEB scorecard and actively drive cost reductions and productivity improvement.

Crafting the herein Business Plan has been a worthwhile exercise in that it assisted HHI in thinking about how to plan and implement quick wins, mid-term improvements, and longer-term improvements.

Some of the self-assessment measures which informed HHI's Business Plan include;

- ✓ Reviewing its mission statement to ensure that it informs the direction of the utility and serve as a guide for long-term growth/development.
- ✓ Detailing specific long-term goals and short-term objectives by developing an action plan for each goal and objective.
- ✓ Reviewing and updated its company history. It is especially important to document the motivation (vision) of the utility and its shareholder.
- ✓ Reviewing its current management structure, including the roles and responsibilities management team and employees. In doing so, CWH review areas for improvement in the current management structure to better understand its obstacles.

- ✓ Analyzing its economic conditions to better understand its effect on business strategy – including consideration for load forecast, predicted capital and operational costs, resources.
- ✓ Analyzing its strengths and weaknesses to identify where it is the most vulnerable.

5. Strategy and Implementation Summary

5.1 SWOT Analysis

The use of the SWOT (strengths, weaknesses, opportunities, and threats) analysis is new to the utility, however it has already proven to be a valuable management tool that has helped HHI review key aspects of the utility to identify factors that will drive performance and decision making going forward.

Strengths and Weaknesses are associated with internal factors such as:

- ✓ Financial resources, such as funding and ability to meet its financial obligations.
- ✓ Physical resources, such as the utility's location, facilities, and equipment.
- ✓ Human resources, such as employees, volunteers, and target audiences
- ✓ Access to natural resources, trademarks, patents and copyrights
- ✓ Current processes, such as employee programs, department hierarchies, and software systems

Opportunities and Threats are associated with external factors such as:

- ✓ Market trends such as new products and technology or shifts in audience needs
- ✓ Economic trends, such as local, national and international financial trends
- ✓ Funding, such as donations, legislature, and other sources
- ✓ Demographics, such as a target audience's age, race, gender and culture
- ✓ Political, environmental and economic regulations.

5.2 HHI Strengths

✓ **Ranked the most cost-efficient utility in Ontario since 2006**

The utility’s most noticeable strength is that it has been ranked as the most cost-efficient utility in the province since the issuance of the OEB Report EB-2009-0392 Report_2010_Stretch_Factor_Updates.pdf issued on February 17, 2010 which covers the years 2006 to 2008. The utility has managed to maintain its #1 ranking.

✓ **Lowest rates in the province**

HHI is proud of the fact that it has had the lower rates in Ontario for over 10 years. There are over 80 local distribution companies in Ontario, and over half charge between $180 and $195 for 1,000kWh of power. The difference between a rural Hydro One customer and one in Hawkesbury, both of who used 1,000 kWh, is $85.05, or $1020.96 a year, respectively. (*excerpt from Financial Post news article published October 25, 2016*)

1. **Hydro Hawkesbury Inc.:** $173.74
2. **E.L.K Energy Inc. (Essex):** $174.24
3. **Thunder Bay Hydro Electricity Distribution Inc.:** $177.81
4. **PUC Distribution Inc. (Sault Ste. Marie):** $178.26
5. **Kitchener-Wilmot Hydro Inc.:** $178.38
6. **Niagara-on-the-Lake Hydro Inc.:** $179.35
7. **Kingston Hydro Corporation:** $180.53
8. **Energy Plus Inc. (Cambridge and North Dumfries):** $180.53
9. **PowerStream Inc. (Barrie):** $182.17
10. **Ottawa River Power Corporation:** $182.29

Hydro One (low density): $258.82
Hydro One (medium density): $226.58

- ✓ **Small LDC in a small town**

While the values of top management have a significant impact on the performance of businesses of all sizes, in small businesses, social performance is more directly and personally shaped by management. A smaller town with a smaller utility such as HHI is more socially and economically embedded within the community in which they operate than are managers of big utilities. Managers of a small utility are more likely to live in the city or town where they conduct business. They are long term residents. Their children attend local schools and play in local parks. Their families personally benefit from safe streets and vital community. The absence of an infrastructure that exists in larger cities increases the business 'motivation to work for general community betterment. Long-term residence in a town is associated with knowing a greater number of other residents, interacting with them in multiple venues (as church members, employees, neighbours, and friends), and knowing more residents beyond the acquaintanceship level. Each relationship represents a potential personal invitation to get involved in a community organization and to engage with customers. If the community has a pattern of residents working together to promote community betterment, the more people a business owner knows, the greater the likelihood he or she will be personally invited to get involved in community projects or this case, have a voice and an opinion that is sure to be heard. In smaller towns such as Hawkesbury, customer engagement is not always done at the utility's head office; it is often done at while waiting in line at the grocery store, bank or the gas pump.

The most important feature of a small town is that they provide a sense of community. The community is much more than belonging to something. It's about doing something together that makes belonging matter. They actively participate in their community by joining a volunteer fire departments and social associations. They have small summer fairs where people can directly talk to staff and give their inputs. It is the active engagement of individuals that create a sense of belonging.

- ✓ **Employees**

HHI cares about its employees always ensuring a safe work environment, with opportunities for personal growth and development, and fair remuneration and management practices.

HHI's management team also strives to lead by example. What this means is that active participation by the general manager promotes and encourages employee learning, engagement, and participation. HHI understand that having the right team in place is critical to the success of the business and such dynamics can only be achieved when a utility invests in its employees. Studies show that high levels of employee engagement in an organization are linked to superior business performance, including increased employee retention & profitability, customer excellence, and safety performance.

Going forward, the utility will continue to identify the key gaps between the talent in place and the talent required to drive business success and provides clear expectations and feedback to manage performance.

- ✓ **Forward Looking**

HHI analyses budgets, trends and performances monthly and makes decisions that help manage the cost, reliability, and availability of electricity supply to its customers on the long term.

- ✓ **Value and Financial Health**

HHI is focused on value for money for its customers (who are also the shareholders.) They strive to provide their services in the most efficient and cost-effective manner possible. HHI's team consistently seeks opportunities to improve its service offering to deliver greater value.

5.3 HHI Weaknesses

- ✓ **Dependency on third party assistance to meet its regulatory requirements.**

HHI has statutory obligations and responsibilities to the Ontario Energy Board (OEB) and the Electrical Safety Authority (ESA). Both regulator issue comprehensive OEB codes and guidelines that come with compliance and reporting requirements. As a small utility with only five administrative employees, it can be difficult to conform to an ever-changing regulatory environment. Planning and budgeting for the unexpected can be difficult – especially with the current five-year rate rebasing period. HHI is also finding that much of the new requirements require expertise which goes beyond those of its current staff and as such, the utility must often turn to third-party experts (such is the case for the DSP) to bring external expertise to meet the requirements and level of standards which regulators expect. Under those circumstances, the utility will often "shop around" and negotiate rates and costs to find the best value for money.

- ✓ **Managing unexpected costs beyond the utility's control.**

  As mentioned in the section above, planning and budgeting for the unexpected can be difficult – especially with the current five-year rate rebasing period. For the most part, the utility plans for significant investments well in advance, however, unexpected costs can arise as a result of a change in legislation or new regulatory requirements. Most larger utilities can absorb these costs without much impact on rates or performance. However, as smaller utility, HHI can be materially affected when faced with cost pressures that are beyond its control or ability to plan for.

5.4 HHI Opportunities

- ✓ To form strategic alliances with like-minded LDCs to realize greater efficiencies and integrate new ideas that improve operations and ensure sustainability in an evolving energy sector.
- ✓ To drive down operating costs as much as possible.
- ✓ To meet and monitor the utility's allocated Conservation targets as closely as possible.
- ✓ To position the utility as, reliable and customer-focused LDC, with high levels of trust
- ✓ To disaffirm negative perceptions that prevail, particularly in respect to energy increases
- ✓ To build a stronger presence within the community.
- ✓ To engage current and prospective employees and partnerships; inspire them, build trust and position HHI as a great place to work or as a great partner.

5.5 HHI Threats

In addition to its many regulatory responsibilities, the business of distributing electricity has several basic risk considerations that must be managed successfully to ensure business continuity.

The following areas of exposure were identified and evaluated as part of the HHI risk profile:

- ✓ **Reliability**

  Although the utility's reliability metrics are well above the OEB's standards, customers have very high service expectations, and any system interruptions should be handled quickly and professionally. Reputational risks can occur when incidents and outages are not perceived to be addressed in a quick and efficient manner. Customers accept the occasional power outage, but confidence is eroded when they cannot get access to timely information on the nature of the incident and an estimate of restoration times.

  If an unplanned outage occurs within HHI's service area, HHI will immediately contact its operations personnel or contractors and escalate the issues. If an issue occurs where the utility suspects that it is outside of its territory, the utility will contact Hydro One in VanKleek Hill to let them know that the HHI service area is out. For planned outage, the customers affected will be contacted at least 48 hours before by phone, by either mail or newspapers.

For all outages, HHI personnel updates its social medias and attempts to give as much details as possible to its customers regarding the location, area affected and timing of the restoration of power.

✓ Succession Planning

Within the next 8 years, HHI may see the leave of its current General Manager due to his eligibility to retire. The utility recognizes that finding a candidate with industry specific competencies in smaller rural LDCs is tough. As such, over the past year, HHI has put substantive effort into its succession planning which involves training its employees on every aspect of the utility. Documenting processes have also become a priority.

✓ Mandated Consolidation

The Drummond Report is a document commissioned by the provincial government to look at ways the province can balance its books over the next six years. It was released in early 2012. The province's Drummond Commission recommends the consolidation of Ontario's 80 local distribution companies into regional centres to create economies of scale. A sector review panel which followed the Drummond Report's recommendation stated that forced consolidation is the key that would see the existing utility companies reduced to 8-12 regional utilities under the umbrella of Hydro One. Although the Association of Municipalities of Ontario (AMO) and the Electricity Distributors Association have opposed the recommendation to consolidate the local utilities and for the time being, the report has been shelved, the utility is mindful that the proposition could be resurrected in future years.

✓ Cross-fuel competition

Historically, utilities haven’t been directly subject to price competition for products due to geographic franchise arrangements—although cross-fuel competition in many areas could be quite fierce.

Investment in utility infrastructure is projected to increase as growth in sales is declining. At the same time, alternatives to the grid are becoming more widespread and cost competitive. Also, the rates for delivering power are almost always volume-based, which means that defections of customers can have a large impact on unit rates. Thus, attracting and retaining customers to keep prices affordable is more important than ever.

Queen’s Park has called upon the Ontario Energy Board (OEB), the provincial energy regulator, to look for ways to expand the gas distribution grid to parts of the province. These are mostly rural and northern communities which could hurt the utility’s rates going forward.

6. Personnel Plan

HHI is facing the same challenges the electricity industry is about its aging demographics and infrastructure. Matching the resource capability with the work demands in the electricity sector requires planning which is what HHI is currently executing. Numerous contributing factors are impacting workforce planning, including a shortage of proficiently skilled labour, and increased work demands, therefore, HHI has opted to invest instead in its current staff members on the various aspects of running a utility.

HHI currently employs one General Manager, and Accountant, two customer service representatives and a Billing Clerk. HHI also currently employs two linesmen who are both scheduled to retire in 2018.
HHI does not plan to hire additional staff in 2017 and 2018 and instead, will outsource the linesmen's functions to a third-party contract company. HHI notes that employee pay raises reflect the rate of inflation, HHI must also rely on third party contractors and consultants, mainly for the maintenance of the distribution system and assistance with meeting its regulatory requirements.

HHI continually reviews its business and operational goals against; its workforce needs, its financial strength and the impact on its customers. HHI recognizes the importance and value of maintaining a highly skilled and engaged workforce, where all employees are customer focused and proud to work for the utility.

Table 11 - FTE Employment

Trades & Technical Positions	Current #'s	Minimum #'s	2017 Projection	2018 Projections
General Manager	1	1	1	1
Customer Service Rep	2	2	2	2
Billing Clerk	1	1	1	1
Accountant	1	1	1	1

7. Financial Results

HHI's financial results have been somewhat unpredictable since the utility's last Board Approved Cost of service. HHI was subject to financial pressures as a result of having to fund the 110KV project without drawing down on IO funds until late in the project cycle. This caused the ROE to show overearnings as the utility adopted a more conservative attitude towards its spending. The utility reported and ROE of 12.48% in 2014 and 19.72% in 2015.

By the end of 2017, HHI will be under-earning due mainly to the increase in capital spending related to the 44Kv substation. Details of the substation are presented in the utility's Distribution System Plan, and details relating to one-time costs, such as regulatory costs are explained in the utility's Cost of the Service application, specifically throughout Exhibit 4. The rate or return for 2018 is expected to be 8.78% as prescribed by the OEB.

Table 12 – Financial Ratios from Scorecards

Financial Ratios

	Liquidity: Current Ratio (Current Assets/Current Liabilities)	Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	Profitability (Approved ROE)	Regulatory Return on Equity (Achieved ROE)
2011	1.12	0.17	8.01%	20.35%
2012	1.18	0.31	8.01%	7.69%
2013	0.97	0.43	8.01%	1.00%
2014	0.95	0.39	9.36%	12.48%
2015	1.00	0.35	9.36%	19.72%

7.1 Important Assumptions

Load forecasting affects all aspects of the utility's future including supply capacity of the distribution system and revenue requirements. The load forecast also the potential to be significantly impacted by Conservation and Demand Management targets. Each LDC has a target to reduce its annual energy supplied (kWh). HHI's target is 7,920,000 kWh in energy reduction 2015-2020.

Since expenses and revenues are often closely tied to the utility's customer count and load, it is important to go over the utility's historical and projected load before discussing financial results. HHI's customer growth is primarily in the Residential Class. The utility projects a small yet steady increase in the GS<50 class and virtually no change in the Unmetered Scattered Load, Sentinel Lighting, Street Light. Overall, the trend table shows a slow yet stable growth in customers. HHI's load and customer projections support the Economic Outlook Summary which indicates that population growth is expected to remain modest in 2017 and 2018. The second important assumption is the stability of operating costs. Table 13 below shows the utility historical operating costs and projected costs for 2017.

Table 13 - Load and Customer Forecast Table

	Year	2014	2015	2016	2017	2018	2018 CDM Adjusted
Residential	Cust/Conn	4,901	4,859	4,824	4,830	4,836	4,836
	kWh	51,395,624	49,584,777	48,033,529	50,145,146	48,571,399	48,228,465
	kW				-	-	-
General Service < 50 kW	Cust/Conn	629	623	609	613	618	618
	kWh	18,998,367	19,208,911	18,569,272	18,864,553	18,272,511	18,143,499
	kW				-	-	-
General Service > 50 to 4999 kW	Cust/Conn	95	90	87	88	89	89
	kWh	71,672,278	70,137,954	73,896,610	84,241,267	81,597,452	81,021,342
	kW	189,092	186,098	188,567	188,567	212,547	211,046
USL	Cust/Conn	5	5	7	8	10	10
	kWh	281,727	281,352	293,553	293,553	432,358	429,306
	kW	-	-	-	-	-	-
Sentinel	Cust/Conn	72	72	60	58	57	57
	kWh	102,064	102,064	88,568	88,568	84,626	84,029
	kW	300	300	265	265	240	238
					-	-	0
Street Lighting	Cust/Conn	314	273	173	164	155	155
	kWh	1,356,160	1,040,149	643,599	643,599	608,280	603,985
	kW	3,764	2,865	1,849	1,849	1,747	1,735
					-	-	0
					-	-	0
					-	-	-
Total	**Cust/Conn**	**6,015**	**5,921**	**5,760**	**5,761**	**5,764**	**5,764**
	kWh	**143,806,220**	**140,355,207**	**141,525,131**	**154,276,687**	**149,566,626**	**148,510,626**
	kW	**193,156**	**189,263**	**190,681**	**190,681**	**214,534**	**213,019**

HHI's 2018 Test Year operating costs are projected to be $1,210,114 which represents an increase of $83,373 from its 2014 Cost of Service or 7.41%. These operating costs are necessary to comply with the Distribution System Code, environmental requirements, and government direction. The marginal increase in OM&A in 2018 from the 2014 Board Approved are attributed to billing and collecting costs and administrative costs (costs (approx. $50K and $33K respectively). An increase in bad debt, collection charges and costs associated with the billing system. The increase in Administrative Costs is for the most part related to an increase in Regulatory Costs necessary to comply with new policies and requirements.

Table 14 - Operation Costs Table

	Board Approved	2014	2015	2016	2017	2018
Operations	$96,550	$51,300	$55,990	$68,472	$113,406	$95,593
Maintenance	$205,700	$181,555	$179,949	$168,399	$194,970	$204,514
Billing and Collecting	$426,315	$395,636	$409,354	$418,864	$462,696	$476,632
Community Relations	$200	$0	$0	$0	$0	$0
Administrative and General	$397,976	$342,177	$299,046	$341,082	$422,354	$433,375
Total	$1,126,741	$970,668	$944,340	$996,817	$1,193,426	$1,210,114

7.2 Actual Return vs. Allowed Return

✓ **Liquidity: Current Ratio (Current Assets/Current Liabilities)**

HHI's current ratio increased slightly from 1.12 in 2011 to 1.18 in 2012 and declined to 0.97, 0.95 and 1.00 in 2013, 2014 and 2015 respectively. HHI's ratios are indicator of good financial health. HHI expects is liquidity to remain stable if not improve going forward.

✓ **Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio**

By Board policy, the utility used a deemed capital structure of 60% debt, 40% equity when establishing rates. In early 2017, the utility incurred a long-term debt to finance the 110Kv substation. The utility is borrowing $1,550,000 over a period of 20 years at a fixed rate of 3.29%. The remainder of the cost related to the 110Kv substation is funded through the utility's cash reserve.

✓ **Profitability: Regulatory Return on Equity – Deemed (included in current rates) and Achieved**

HHI's current distribution rates were rebased and approved by the OEB in 2014 and included an expected (deemed) regulatory return on equity of 9.36%. The OEB allows a distributor to earn within +/- 3% of the expected return on equity. The actual return on equity for 2016 is 17.63% which indicates an overearning when compared to the Board Approved 2014 rate of return. With staffing issues being resolved and the utility's substation in service, HHI expects that with an approved ROE of 8.78%, the utility will maintain its profitability at the approved level going forward.

Table 15 - Return on Equity Table

	2014 BA	2014	2015	2016
Return on Equity	9.36%	12.48%	19.72%	17.63%

7.3 Profit and Loss

Outlined below, and in the following table, are some of the essential components of the projected profit and loss for HHI:

- ✓ Operating Revenues for 2017 and 2018 are forecast to be $1,798,682 and $1,774,699.
- ✓ Cost and Expenses for 2017 and 2018 are predicted to be $1,193,426 and $1,210,114.
- ✓ Taxes for 2017 and 2018 are predicted to be $23,703 and $9,717 respectively.
- ✓ The net profit for 2017 and 2018 is forecast to be $362,0955 and $302,560, respectively.

HHI anticipates that due to the completion of the 110kV substation in 2017 and new rates only coming into effect on January 1, 2018 – the utility will be able to maintain its utility income at the level approved by its regulator.

Table 16 - Profit and Loss Table

	Board Approved	Actual	Actual	Actual	Projected	Projected
Derivation of Utility Income	**2014**	**2014**	**2015**	**2016**	**2017**	**2018**
Operating Revenues						
Distribution Revenues	1,590,641	1,511,202	1,554,361	1,583,395	1,798,682	1,774,699
Other Revenue	140,139	132,749	134,567	213,537	206,859	207,894
Total Operating Revenues	1,730,780	1,643,950	1,688,928	1,796,932	2,005,541	1,982,593
OM&A Expenses	1,126,741	970,668	944,340	996,817	1,193,426	1,210,114
Depreciation & Amortization	206,119	178,036	188,834	194,087	204,766	280,878
Total Costs & Expenses	1,332,860	1,148,704	1,133,174	1,190,904	1,398,192	1,490,993
Deemed Interest Expenses						
Total Expenses	146,295	6,452	7,110	-4,963	221,551	179,324
	1,479,155	1,155,156	1,140,285	1,185,942	1,619,743	1,670,316
Utility Income before Income Taxes / PILs	251,625	488,794	548,643	610,991	385,798	312,277
PILs / Income Taxes	12,526	115,926	125,340	143,120	23,703	9,717
Adjustments for FS purposes (donations)						
Utility Income	**239,099**	**372,868**	**423,304**	**467,871**	**362,095**	302,560
Refund of over-collection (110KV project)		-$74,565	-$75,832	-$77,046	-$77,046	
Normalized Utility Income		**298,303**	**347,472**	**390,825**	**285,049**	

7.4 Rate Base and Revenue Deficiency

As shown in the following table, HHI's revenue deficiency has steadily grown indicating that it is time for the utility to re-establish its rates based on its costs. The revenue sufficiency growing over time, is largely because the 110V costs were in rates but not included in the year Rate Base.

The revenue sufficiency for 2014, 2015 and 2016 was $38,174, $39,629, $159,769 respectively. The utility expects the revenue deficiency/sufficiency to be 0 for both 2017 and 2018.

Table 17 - Table of Rate Base and Revenue Deficiency

	Board Approved	Actual	Actual	Actual	Projected	Projected
	2014	2014	2015	2016	2017	2018
Utility Income	239,099	-372,868	-423,304	-467,871	360,556	302,155
Gross Fixed Assets (year end)	7,129,008	6,956,532	7,483,103	7,328,320	7,112,824	7,007,776
Capital Expenditures (additions)	1,560,990	845,104	519,213	1,496,257	905,096	175,830
Accum Depreciation	-2,261,013	-2,257,966	-2,454,157	-599,499	-782,929	-1,063,807
Remove Non-Distribution Assets (2180)		1,511,809	1,653,353	2,807,257	0	0
Net Fixed Assets	4,867,996	3,186,758	3,375,593	3,605,238	7,112,824	7,007,776
Average Net Fixed Assets	4,094,283	4,500,475	4,958,217	5,764,503	6,762,659	7,060,300
Utility Rate Base	6,386,211	6,111,377	6,477,488	7,299,206	9,671,336	8,615,028
Deemed Equity Portion of Rate Base	2,554,484	2,444,551	2,590,995	2,919,682	3,868,534	3,446,011
Income/(Equity Portion of Rate Base)	9.36%	-16.49%	-16.34%	-23.29%	9.36%	8.78%
Indicated Rate of Return	6.03%	6.71%	6.65%	9.22%	6.03%	5.59%
Approved Rate of Return	6.03%	6.03%	6.03%	6.03%	6.03%	5.59%
Sufficiency / (Deficiency) in Return	(0.00%)	0.68%	0.61%	3.18%	0.00%	0.00%
Equity	40%	40%	40%	40%	40%	40%
Short Term Debt	4%	4%	4%	4%	4%	4%
Long Term Debt	56%	56%	56%	56%	56%	56%
Equity Return	9.36%	9.36%	9.36%	9.36%	9.36%	8.78%
Short Debt Return	2.11%	2.11%	2.11%	2.11%	2.11%	1.76%
Long Debt Return	3.94%	3.94%	3.94%	3.94%	3.94%	3.72%
Tax Rate	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
Net Revenue Sufficiency / (Deficiency)	-1	38,174	39,629	159,769	0	0

1.3 ADMINISTRATIVE

1.3.1 CONTACT INFORMATION[3]

Application contact information is as follows:

Applicants Name:	Hydro Hawkesbury Inc.
Applicants Address:	850 Tupper St, Hawkesbury, ON K6A 3S7
HHI's Contact Info.	Michel Poulin General Manager mpoulin@hydrohawkesbury.ca 613-632-6689
HHIs Counsel:	Michael Buonaguro[4] Email: Michael Buonaguro <mrb@mrb-law.com> Phone: 416-767-1666

1.3.2 CONFIRMATION OF INTERNET ADDRESS[5]

The application is posted on HHI's website address at www.hydrohawkesbury.ca, and a message to that effect was posed on the utility's website and Twitter site.

[3] MFR - Primary contact information (name, address, phone, fax, email)
[4] MFR - Identification of legal (or other) representation
[5] MFR - Applicant's internet address for viewing of application and any social media accounts used by the applicant to communicate with customers

1.3.3 STATEMENT OF PUBLICATION[6]

Upon receiving the Letter of Direction and the Notice of Application and Hearing from the Board, the OEB will arrange to have the Notice of Application and Hearing for this proceeding published in the following local community not-paid-for newspaper which has the highest circulation in its service area.

- ✓ Le Carillon, 1100 Aberdeen, Hawkesbury, ON And/or
- ✓ Le Régional, 124 Main St. East, Hawkesbury, ON

Once the Notice of Application and Hearing has been published in the above listed newspapers, HHI will file an Affidavit of Publication.

[6] MFR - Statement identifying where notice should be published and why.

1.3.4 LEGAL APPLICATION

In the matter of; the Ontario Energy Board Act, 1998; S.O. 1998, c.15, Schedule B, as amended; and in the matter of; an Application by Hydro Hawkesbury Inc. for an Order or Orders approving or fixing just and reasonable distribution rates effective January 1, 2018.[7]

HHI is a fully licensed distributor of electricity under distribution license ED-2003-0027 issued by the Ontario Energy Board (the "OEB" or the "Board") under the Ontario Energy Board Act, 1998 (the "Act").

HHI hereby applies to the Board pursuant to section 78 of the Act for an Order or Orders approving or fixing just and reasonable distribution rates effective January 1, 2018.[8]

This Application is made in accordance with the Board's Chapter 2 of the Board's Filing Requirements for Transmission and Distribution Applications dated January 2, 2014. HHI accordingly applies to the Board for the following Order or Orders:

1) Approval to charge distribution rates effective January 1, 2018 to recover a service revenue requirement of $1,774,699 which includes a revenue deficiency of $180,736 using the Service Revenue Requirement as detailed in Exhibit 6. The schedule of proposed rates is set out in Exhibit 8.;
2) Approval of the Distribution System Plan as outlined in Exhibit 2 Section 2.5.2.
3) Approval of a revised MicroFit monthly service charge as outlined in Exhibit 3 and 8.
4) Approval to adjust the Retail Transmission Rates – Network and Connection as detailed in Exhibit 8.
5) Approval of the proposed loss factors as detailed in Exhibit 8.

[7] MFR - Statement identifying all deviations from Filing Requirements; identify concerns with models or changes to models
[8] MFR - Requested effective date

6) Approval to continue to charge Wholesale Market and Rural Rate Protection Charges approved in the Board Decision and Order in the matter of HHI 2017 Distribution Rates (EB-2016-0079).
7) Approval of the rate riders for a one-year disposition of the Group 1 and Group 2 and Other Deferral and Variance Accounts as detailed in Exhibit 9.
8) Approval to dispose of balances in the LRAM variance account as presented in Exhibit 9.
9) Such other approvals that HHI may request and that the OEB accepts.

A full list of approvals is presented in PDF format at Appendix G of this Exhibit.

Certification of accuracy and completeness of application:

HHI hereby certifies that the application has been reviewed and approved by the General Manager. HHI confirms that its Board of Director has been kept informed throughout the preparation of the budget and application. HHI and confirms that the information and evidence presented herein is accurate to the best of HHI's knowledge. [9]

Confidential Information:

HHI confirms that the application does not include any confidential information.[10]

Align rate year with fiscal year:

HHI aligned its rate year with its fiscal year as part of its 2014 Cost of Service. Therefore, no further adjustments are required in that respect.[11]

HHI notes that it has no special conditions in its license.

[9] MFR - Certification by a senior officer that the evidence filed is accurate, consistent and complete
[10] MFR - Confidential Information - Practice Direction has been followed
[11] MFR - Aligning rate year with fiscal year - request for proposed alignment
MFR - List of approvals requested (and relevant section of legislation), including accounting orders - a PDF copy of Appendix 2-A should be provided in this section

1.3.5 BILL IMPACTS[12]

The 2018 distribution rates proposed by HHI will result in overall bill impacts for residential at 750kWh of -2.13% (TOU) and GS<50 at 2000kWh customer classes of -3.64% (TOU) as detailed in Table 1 below. A full list of the bill impacts applicable to all customer classes is found in Exhibit 8, Section 8.1.15 of this application. All HHI's customers will be affected by this application.[13]

[12] MFR - Bill impacts - distribution only impacts for 750 kWh residential and 2000 kWh GS<50 (sub-total A of Tariff Schedule and Bill Impact Spreadsheet Model) to be used for notice

[13] MFR - Statement identifying customers materially affected by the application including any change to any rate or charge and specific statement of what individual customer or customer groups would be affected by the proposed change

1 **Table 1- Total Bill Impacts**

RATE CLASSES / CATEGORIES (eg: Residential TOU, Residential Retailer)	**Units**	**Usage**	**Sub-Total**						**Total**	
			A		B		C		A + B + C	
			$	%	$	%	$	%	$	%
RESIDENTIAL SERVICE CLASSIFICATION – TOU	kWh	339	$1.98	14.53%	$0.75	4.58%	$1.06	5.20%	$1.02	1.83%
RESIDENTIAL SERVICE CLASSIFICATION – RPP	kWh	339	$1.98	14.53%	$0.75	4.58%	$1.06	5.20%	$1.15	1.91%
RESIDENTIAL SERVICE CLASSIFICATION - TOU	kWh	750	$0.15	0.95%	-$2.88	-13.71%	-$2.21	-7.48%	-$2.59	2.13%
RESIDENTIAL SERVICE CLASSIFICATION - RPP	kWh	750	$0.15	0.95%	-$2.88	-13.71%	-$2.21	-7.48%	-$2.59	-2.19%
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION - RPP	kWh	2000	-$1.31	-4.70%	-$11.20	-27.15%	-$9.60	-15.52%	-$11.09	-3.64%
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION - RPP	kWh	2000	-$1.30	-4.70%	-$11.20	-27.15%	-$9.60	-15.52%	-$11.09	-3.54%
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION - Non-RPP (Other)	kW	240	-$135.73	-22.92%	-$717.13	-85.90%	-$623.54	-34.78%	-$704.60	-13.94%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION - Non-RPP (Other)	kWh	4600	-$6.28	-25.57%	-$31.45	-56.15%	-$27.76	-26.85%	-$31.92	-4.86%
SENTINEL LIGHTING CLASSIFICATION - Non-RPP (Other)	kWh	123	$379.54	9.93%	$378.57	9.90%	$379.01	9.90%	$428.28	9.87%
STREET LIGHTING SERVICE CLASSIFICATION - Non-RPP (Retailer)	kW	313	$479.52	15.31%	$86.18	2.58%	$553.41	12.88%	$625.35	8.95%

Subtotal A: represents the distributor's fixed and variable charges
Subtotal B: represents Subtotal A plus low voltage charges and deferral and variance rate riders
Subtotal C: represents Subtotal B network connection and transmission charge
Total Bill impacts includes Subtotal C and administrative charges, pass-through charges, commodity and taxes.

1.3.6 STATEMENT AS TO THE FORM OF HEARING REQUESTED[14]

This Application is supported by written evidence. The written evidence will be pre-filed and may be amended from time to time, prior to the Board's final decision on the Application.

HHI requests that pursuant to Section 34.01 of the Board's Rules of Practice and Procedure, this proceeding be conducted by way of written hearing in an effort to minimize costs but understands that if certain issues remain unsettled post settlement, the utility may be asked to participate in an oral hearing.

1.3.7 PROPOSED ISSUES LIST[15]

In establishing the overall appropriateness of the proposed rates, HHI anticipates that the following issues will be addressed by the Board and interveners.

Planning

Capital

Is the level of planned capital expenditures appropriate and is the rationale for planning and pacing choices appropriately and adequately explained, giving due consideration to:

- ✓ customer feedback and preferences
- ✓ productivity
- ✓ benchmarking of costs
- ✓ reliability and service quality
- ✓ impact on distribution rates
- ✓ trade-offs with OM&A spending
- ✓ government-mandated obligations, and
- ✓ the objectives of the Applicant and its customers.

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[14] MFR - Form of hearing requested and why
[15] MFR - List of approvals requested (and relevant section of legislation), including accounting orders - a PDF copy of Appendix 2-A should be provided in this section

OM&A

Is the level of planned OM&A expenditures appropriate and is the rationale for planning choices appropriate and adequately explained, giving due consideration to:

- ✓ customer feedback and preferences
- ✓ productivity
- ✓ benchmarking of costs
- ✓ reliability and service quality
- ✓ impact on distribution rates
- ✓ trade-offs with capital spending
- ✓ government-mandated obligations, and
- ✓ the objectives of the Applicant and its customers.

Revenue Requirement

- ✓ Are all elements of the Revenue Requirement reasonable, and have they been appropriately determined in accordance with OEB policies and practices?
- ✓ Has the Revenue Requirement been accurately determined based on these elements?

Load Forecast, Cost Allocation, and Rate Design

- ✓ Are the proposed load and customer forecast, loss factors, CDM adjustments and resulting billing determinants appropriate, and, to the extent applicable, are they an appropriate reflection of the number and energy and demand requirements of the applicant's customers?
- ✓ Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios appropriate?
- ✓ Are the applicant's proposals, including the proposed fixed/variable splits, for rate design appropriate?

Are the proposed Retail Transmission Service Rates and Low Voltage Service Rates appropriate?

Accounting

- ✓ Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified and recorded, and is the rate-making treatment of each of these impacts appropriate?
- ✓ Are the applicant's proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, and the continuation of existing accounts appropriate?

Other

- ✓ Is the proposed MicroFit rate appropriate?

1.3.8 STATEMENT OF DEVIATION OF FILING REQUIREMENTS[16]

Except where specifically identified in the Application, HHI followed Chapter 2 of the OEB's "Filing Requirements for Electricity Transmission and Distribution Applications," dated July 21, 2016 (the "Filing Requirements") in order to prepare this application. The Excel version of the complete 2018 Cost of Service checklist is being filed in conjunction with this application.

1.3.9 CHANGES IN METHODOLOGIES[17]

The projections for the 2018 Test Year were prepared in accordance with HHI's budget process as described in Section 1.5 of this Exhibit. All processes are in compliance with policies, directives and rules and guidelines from the Ontario Energy Board and other regulators.

1.3.10 BOARD DIRECTIVE FROM PERVIOUS DECISIONS

At the date of this submission, HHI is not aware of any Board Directives from any previous Board Decisions and/or Orders that require addressing in this Application. [18]

1.3.11 CONDITIONS OF SERVICE

HHI's conditions of service were partially updated in the spring of 2016 however, with staffing issues (detailed in Exhibit 4) and issues related to the substation (detailed in Exhibit 2), the utility was not able to complete the update process which involves posting changes to the Conditions of Service to the public and seek feedback. HHI intends to complete this process in the fall of 2017 and have updated Conditions of Service in place by January 1, 2018. In the meantime, the utility's 2011 Conditions of Service are accessible on the utility's website at www.hydrohawkesbury.ca. HHI confirms that that the conditions of service do not purport to

[16] MFR - Statement identifying all deviations from Filing Requirements; identify concerns with models or changes to models
[17] MFR - Statement identifying and describing any changes to methodologies used vs previous applications
[18] MFR - Identification of OEB directions from any previous OEB Decisions and/or Orders. The applicant must clearly indicate how these are being addressed in the current application (e.g., filing of a study as directed in a previous decision)

establish any charges that are not approved as part of the posted tariff sheet Conditions of Service but that the tariff sheet is posted on the utility's website.[19]

[19] MFR - Reference to Conditions of Service - LDC does not need to file Conditions of Service, but must provide reference to website and confirm version is current; identify if there are changes to Conditions of Service (a) since last CoS application or (b) as a result of the current application. Confirmation that there are no rates and charges linked in the Conditions of Service that are not in the distributor's Tariff of Rates and Charges must be provided

1.3.12 ACCOUNTING STANDARDS FOR REGULATORY AND FINANCIAL REPORTING

Changes in Tax Status:[20]

HHI is a corporation incorporated pursuant to the Ontario Business Corporations Act and has not had a change in tax status since its last Cost of Service Application.

Existing/Proposed Accounting Orders[21]

The Accounting Standard Board ("AcSB") adopted of MIFRS for qualifying rate-regulated entities on January 1, 2015. In accordance with a Board's letter of July 17, 2013, electricity distributors electing to remain on CGAAP were required to implement regulatory accounting changes for depreciation expenses and capitalization policies by January 1, 2013.

HHI confirms it implemented the regulatory accounting changes for depreciation in 2013 and that its 2014 Cost of Service application was approved on the basis of these new changes to depreciations expenses. The 2018 Cost of Service Application is being filed based on the MIFRS accounting basis.

Accounting Standard used in Application

HHI confirms that it made the required changes to its depreciation rates in 2013 such that they were embedded in the last rebasing year. HHI adopted MIFRS in January of 2015. The details with respect to these changes are provided in Exhibit 2 and Exhibit 4. Details with respect to the new useful lives applied to capital assets and the resulting impact on depreciation are shown in Exhibit 4.

[20] Any change in tax status
[21] Accounting Standards used for financial statements and when adopted

In accordance with the Filing Requirements, HHI has provided information for the historical years using modified CGAAP presentation for 2014 and MIFRS for 2015. HHI has provided the 2017 Bridge Year based on MIFRS and the 2018 Test Year is presented on an MIFRS basis.[22]

Employee Pension and Benefits.

HHI does not have any Employee Future Benefits ("EFB") and as such, has not recorded any costs in OM&A in USoA 5645. HHI notes that Appendix 2-YA is not applicable in this case.

Compliance with the Uniform System of Accounts[23]

HHI has followed the accounting principles and main categories of accounts as stated in the OEB's Accounting Procedures Handbook (the "APH") and the Uniform System of Accounts ("USoA") in the preparation of this Application.

The useful lives proposed by HHI in this Application are consistent with the useful lives in the Kinectrics Report commissioned by the OEB dated July 8, 2010. HHI's accounting methodology change in this regard took effect in 2013 pursuant to Board policy.

HHI has never capitalized administration and other general overhead costs, which is, in any event, no longer permitted under MIFRS.

HHI has also adopted the various account changes prescribed by the Board in relation to the USoA (Article 210 – Chart of Accounts and Account 220 – Account Descriptions). Consistent with recent applications to the Board, HHI no longer includes PST in its OM&A cost estimates. Regulatory costs and one-time incremental costs for 2018 have been normalized by allocating one fifth of those costs to the 2018 Test Year.

HHI is not proposing other changes in methodology. The OEB Appendix 2-Y below shows that the 2018 Revenue Requirement under MIFRS is identical to the scenario under NEWCGAAP.

[22] MFR - State accounting standard(s) used in historical, bridge and test years. Provide a summary of changes to its accounting policies made since the applicant's last cost of service filing. Identify all material changes or confirm no material changes in the adoption of IFRS. Appendix 2-Y

[23] Existing accounting orders and departures from the accounting orders and USoA

Table 2 – OEB Appendix 2-Y Summary of Impacts to Revenue Requirement from Transition to MIFRS

Revenue Requirement Component	2018	2018	Difference	Reasons why the revenue requirement
	MIFRS	NEWCGAAP		component is different under MIFRS
Closing NBV 2017	7,112,824	7,112,824	0	No change
Closing NBV 2018	7,007,776	7,007,776	0	No change
Average NBV	7,060,300	7,060,300	0	No change
Working Capital	1,554,729	1,554,729	0	No change
Rate Base	8,615,028	8,615,028	0	No change
Return on Rate Base	$481,883	$481,883	0	No change
OM&A	$1,210,114	$1,210,114	0	No change
Depreciation	$280,878	$280,878	0	No change
PILs or Income Taxes	$9,717	$9,717	0	No change
Less: Revenue Offsets	-$207,894	-$207,894	0	No change
Total Base Revenue Requirement	$1,774,699	$1,774,699	0	No change

Monthly Billing[24]

HHI confirms that all its customers are billed on a monthly basis as of 2013 and increased costs related to the transition were approved in the 2014 Cost of Service.

1.3.13 ACCOUNTING TREATMENT OF NON-UTILITY RELATED BUSINESS

HHI is engaged in the delivery of the Independent Electricity System Operator's ("IESO") (previously before amalgamation it was the Ontario Power Authority) conservation and demand management programs. The accounting for these activities is segregated from HHI's rate regulated activities in accordance with the Board's Accounting Procedures Handbook for Electricity Distributors.

Apart from the above and the sale of electricity to its customers, HHI engages in no other business activities.[25]

1.3.14 OPERATING ENVIRONMENT

The utility's operating environment has not changed since its last Cost of Service in 2014. A description of the operating environment and ownership description is presented in section 1.5 of the Business Plan and duplicated below for ease of reference.

> *HHI is licensed by the Board to distribute electricity to the inhabitants of the Town of Hawkesbury.*
>
> *The sole Shareholder of The Applicant is the Town of Hawkesbury. The population of the Municipality of Hawkesbury is approximately 10,500. The distribution service area within the Town of Hawkesbury is bounded by the township of Champlain, East Hawkesbury, and the province of Quebec. HHI's customers totals approximately 5,500 and is comprised of over 85% residential customers while 12% are small business or industrial based. The balance of the*

[24] MFR - Statement confirming that the distributor will have implemented monthly billing for all customers by December 31, 2016
[25] MFR - Confirmation that accounting treatment of any non-utility business has segregated activities from rate regulated activities

utility's customer base is comprised of Sentinel Lighting, Street Lights and Unmetered Scattered Load. HHI's operating environment has not changed since its last rebasing in 2014.

1.3.15 CORPORATE ORGANIZATION

HHI employs a workforce of 8 people.

- ✓ A General Manager,
- ✓ An Accountant
- ✓ Two customer service representatives
- ✓ One billing clerk
- ✓ Two linemen (until the mid-2018)

The above relationships are shown in the Utility Organization Chart at the next page.

The General Manager is responsible for the following activities.

- ✓ designing and planning the utility's distribution system; along with implementing other emerging distribution technologies;
- ✓ ensuring that employees, contractors and public remain safe when interfacing with the distribution system;
- ✓ ensuring the reliable operation – including maintenance and repair – of the distribution system; and
- ✓ ensuring that customer requests for electricity service are provided promptly and according to code.
- ✓ responsible for external communications with customers, public and media; providing a single point of contact for customer enquiries;

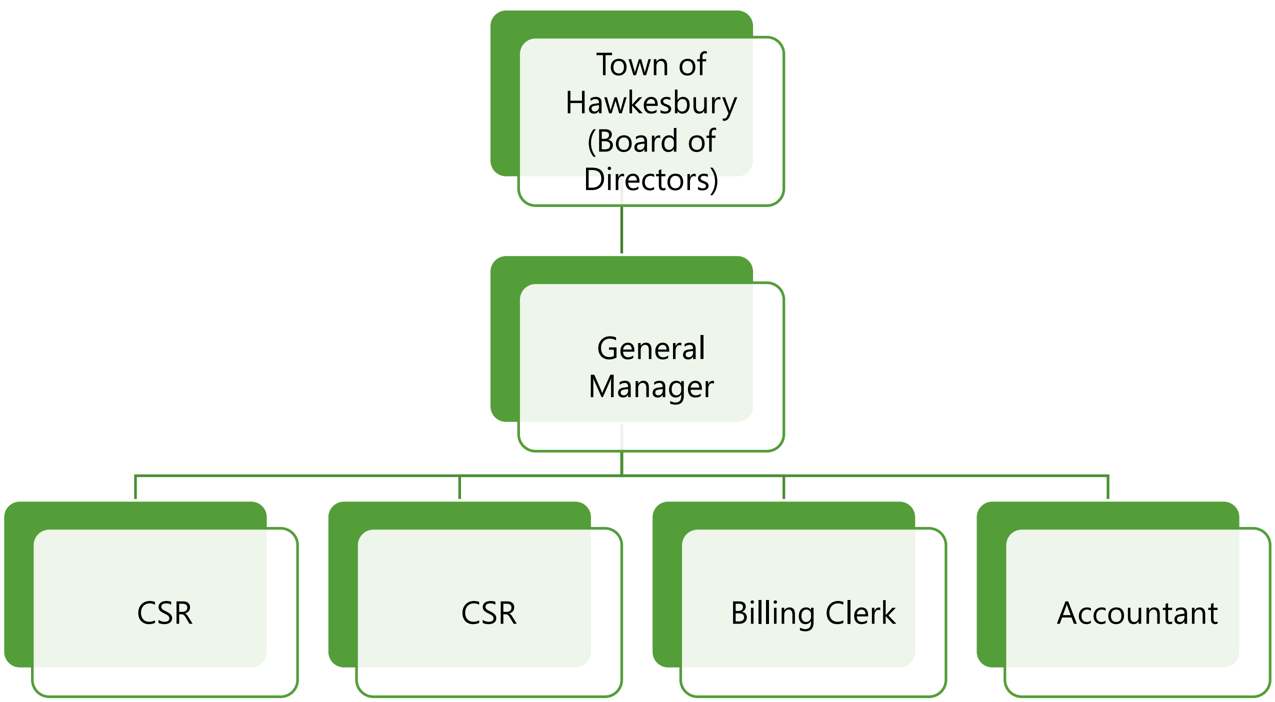
The General Manager is also responsible for providing human resource support including salary and benefit services; maintaining effective communications throughout the company; and ensuring that operations and office staff have access to the highest quality information and training to allow them to perform their work safely and efficiently.

The Accountant, although still in training, is responsible for all internal and external financial activities of the company including liaison with banks and other financial institutions;

providing financial reports to the holding company, Shareholder and the senior management team; guiding the development of budgets and tracking the company's progress towards achieving approved financial targets; metering, information systems and customer billing; liaison with regulatory bodies including the OEB and legal counsel; purchasing and stores; and conservation and demand management.

HHI does not conduct any non-utility businesses such as generation and does not have any affiliates.

Table 3 - Organizational and Corporate Structure Chart (at end of 2018)

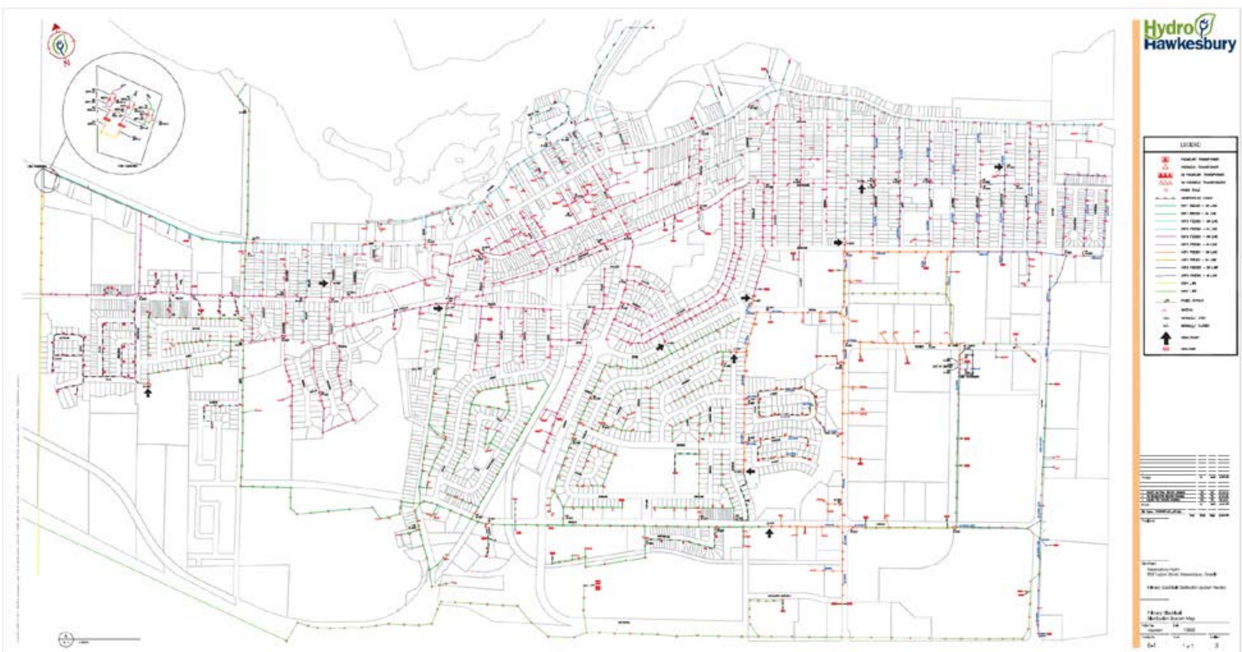


1.4 DISTRIBUTION SYSTEM OVERVIEW

1.4.1 APPLICANT OVERVIEW[26]

HHI's service area is an embedded utility completely contained within the municipal boundaries of the town of Hawkesbury therefore the utility only serves the community of Hawkesbury. The area is embedded within the Hydro One Networks Inc. The map below shows the utility's service area.[27] A more detailed PDF version of the map can be found at Appendix G.

Table 4 - Map of Service Area



HHI relies on approximately 69 km of circuits deliver approximately 141,525,042 kWh of energy and 190,557 kW of power to 5,500 customers. The circuits can be broken down into roughly 57 km of overhead lines and 12 km of underground conductor. The distribution system is comprised of 43 km of 3-phases circuits and 26 km of single phase circuits.

[26] MFR - Description of whether the distributor is a host distributor and/or embedded distributor. Identification of embedded and/or host distributors; if partially embedded provide %load from host distributor. If the distributor is a host, the applicant should identify whether there is a separate Embedded Distributor customer class or if any embedded distributors are included in other customer classes such as GS > 50 kW

[27] MFR - Description of Service Area (including map, communities served)

HHI's service territory is surrounded by Hydro One Networks Inc. HHI is directly connected to Hydro One's transmission system at 115 KV and 44KV and is not an embedded LDC that takes delivery of electricity from another LDC.

HHI does not host any utilities within its service area, nor have any embedded utilities within its service area.

HHI is a registered Market Participant dealing directly with the IESO. Details of the utility's capital assets are presented in the Distribution System Plan in Exhibit 2.

Table 5 - Utility Description

Service Area	Description of Applicant (as of end of 2016)
Community Served	Hawkesbury
# of Metered Customers	4836 Residential
	609 General Service
	87 Over 50
	9 USL
	72 Sentinel
	1197 Streetlights
Total Service Area	8 Sq km
Rural Service Area	0 Sq km
System Peak- Max	30875 kW
System Peak - 2016	30875 kW
Host Distributor	Hydro One/IESO
Load provided by host	Hydro One/IESO

Economic Overview

HHI's economic overview is also presented in section 2.1 of the Business Plan and duplicated below for ease of reference.

> *Hawkesbury is a town in the Eastern portion of Southern Ontario, located on the south shore of the Ottawa River near the Quebec-Ontario border, halfway between downtown Ottawa and downtown Montreal in Prescott and Russell Counties. The Long-Sault Bridge links Hawkesbury to Grenville, Quebec to the north. Hawkesbury is touted as the third most bilingual town in Ontario, with about 70% of its inhabitants being fluent in English and French, the two official languages of Canada. (Sturgeon Falls is first with 73.4% followed by Hearst at 71%.) 89% of the population is made up of French speaking Franco-Ontarians.* *(ref: Hawkesbury, Ontario - Wikipedia." Insert Name of Site in Italics. N.p., n.d. Web. 30 Jun. 2017 https://en.wikipedia.org/wiki/Hawkesbury,_Ontario).*
>
> *Hawkesbury is part of the larger Russell Township in Prescott and Russell United Counties. In 2011 (the year of the most recent census), the population of Hawkesbury census agglomeration (CA) was 12,128, representing a percentage change of -1.1% from 2006. This compares to the national growth of 5.9% and the average growth among all CAs of 4.2%.* *(ref: Focus on Geography Series, 2011 Census - Census ..." Insert Name of Site in Italics. N.p., n.d. Web. 30 Jun. 2017 <https://www12.statcan.gc.ca/census-recensement/2011/as-sa/fogs-spg/Facts-cma-eng>.)*
>
> *In Hawkesbury, the land area is 12.27 square kilometers with a population density of 988.3 persons per square kilometer. The town was first built in 1798 mainly for its access to the Ottawa River which was used to transport lumber to places like Chicago, New York and Boston as those cities were expanding.*
>
> *The Median Personal Gross Income in Hawkesbury which considers residents on government assistance is $22,504.00. The Median Employment Income is $38,665.00. The Median Family Income is $54,385.00 which considers all families in Hawkesbury. The Median Household Gross Income is $39,981.00. The Median Household After-Tax Income is $36,446.00. The report attributed the low income*

to the closing of the paper plant, as well as the manufacturing plants. It also reported that that a large part of the Hawkesbury population is either retired or elderly individuals who have very little income.

With respect to climate, the average temperature for winter is -5.9 degrees celsius, and for summer its 12.25 degrees celsius. The average annual rainfall in Hawkesbury is 1417 mm. (ref: Discovering Hawkesbury, ontario - Climate & physical landscape." Insert Name of Site in Italics. N.p., n.d. Web. 30 Jun. 2017 <http://hawkesburyontario.weebly.com/>.)

Hawkesbury does not foresee nor plan for significant growth in its service area.The population of most western municipalities of the United Counties of Prescott and Russell has grown since 2011, while growth was generally slower in eastern municipalities in the counties.

The Nation Municipality has been growing quickly, with the population of the municipality increasing by almost 10 per cent between 2011 and 2016. Russell Township's population also jumped, increasing by 8.3 per cent since 2011.

The United Counties of Prescott and Russell, as a whole, grew in population by 4.6 per cent, compared with 2 per cent growth in Stormont, Dundas and Glengarry.

Hawkesbury's population has decreased by 2.7% per cent since 2011.

These population statistics are the first data available from the 2016 census, and were published by Statistics Canada on February 8. (Ref: The Nation, Russell see highest population growth in ..." Insert Name of Site in Italics. N.p., n.d. Web. 30 Jun. 2017 <https://thereview.ca/2017/02/09/the-nation-russell-see-highest-population-growth>.)

1.4.2 HOST /EMBEDDED DISTRIBUTOR

HHI is an embedded distributor who receives electricity at distribution level voltages from Hydro One Networks Inc. HHI also purchases power from the IESO.

HHI does not have any embedded distributors within its territory. [28]

1.4.3 TRANSMISSION OR HIGH VOLTAGE ASSETS

Per ANSI standard C84.1-1989, "Low" voltage is described as 600V and below. "Medium" voltage is 2.4kV through 69kV. "High" voltage is 115kV through 230kV and "Extra-High" voltage is 345kV to 765kV, while "Ultra-high" voltage is 1.1MV. The higher voltage of the transformer (primary or secondary) is the voltage on which the transformer is designated.

HHI currently operates a 44KV substation and a 110KV substation, which based on the definition above, could be classified as “high-voltage.”[29]

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[28] MFR - Identification of embedded and/or host distributors; if partially embedded provide %load from host distributor. If the distributor is a host, the applicant should identify whether there is a separate Embedded Distributor customer class or if any embedded distributors are included in other customer classes such as GS > 50 kW

[29] MFR - Statement as to whether or not the distributor has had any transmission or high voltage assets deemed by the OEB as distribution assets and whether or not there are any such assets the distributor is seeking approval for in this application

1.5 APPLICATION SUMMARY

This section is devoted to defining each element of HHI's 2018 cost-of-service, explaining how each element is determined and explaining the relationship between the various components. The major components covered in this application summary are as follows:

- ✓ Budgeting Assumptions
- ✓ Revenue Requirement
- ✓ Rate Base and Capital Planning
- ✓ Overview of Operation Maintenance and Administrative Costs
- ✓ Load Forecast Summary
- ✓ Statement of Cost of Capital Parameters
- ✓ Overview of Cost Allocation and Rate Design
- ✓ Overview of Deferral and Variance Account Disposition
- ✓ Overview of Bill Impacts

Budgeting and Economic Assumptions[30]

HHI compiles budget information for the three major components of the budgeting process: (1) revenue forecasts; (2) operating, maintenance and administration ("OM&A"); and (3) capital costs.

Revenue Forecast

The revenue forecasts are based on throughput volume and existing rates for the 2017 Bridge Year and HHI's proposed rates for the 2014 Test Year. The forecasted volumes have been weather normalized and consider such factors as new customer additions and load for all classes of customers. Details are presented in Section 3.1.4. of Exhibit 3. The forecast has been adjusted to reflect the CDM initiatives currently undertaken by the applicant.

[30] MFR - Budgeting and Accounting Assumptions - economic overview and identification of accounting standard used for test year and brief explanation of impacts arising from any change in standards

OM&A Costs

OM&A costs presented in Exhibit 4 show HHI's maintenance and customer focused activity needed to meet public and employee objectives. These costs are essential in order to comply with the Distribution System Code, environmental requirements, and government direction, and to maintain distribution service quality and reliability at targeted performance levels. OM&A costs also include providing services to customers connected to HHI's distribution system and meeting the requirements of the OEB's Standard Supply Code and Retail Settlement Code.

The proposed OM&A cost expenditures for the 2018 Test Year are the result of planning and work prioritization process that ensures that the most appropriate, cost effective solutions are put in place.

Capital Costs

In managing its capital assets, HHI's primary objectives are to optimize asset performance cost-effectively, enhance safety, protect the environment, improve operational efficiency, maintain high standards of reliability, adhere to regulation and meet customer demand. HHI develops capital programs on both a short and longer-term basis and prepares annual budgets and forecasts as the basis for capital investments. HHI's approach to managing its distribution system is comprised of the following two key strategies:

System Planning; add new assets and/or replace assets that are at or nearing the end of their useful life. This includes consideration for:

- ✓ Capital Investment
- ✓ Contingency Planning
- ✓ Managing and Sustaining Existing Assets;

HHI's approach to managing its distribution assets is described in more detail in HHI's Distribution System Plan.

Capital costs in Exhibit 2 have been developed with the key strategies above in mind.

Overall Budgeting Process

The capital and operating budgets are prepared annually by management and reviewed and approved by the Board of Directors. Once approved, the budget is only revised if a material change in plan is required. In such cases, the revised budget is once again approved by the Board of Directors.

HHI continues to deliver its operating and capital plans on target and on a budget.

Revenue Requirement[31]

The table below shows HHI's revenue requirement from the last Cost of Service in 2014 up to the proposed 2018 revenue requirement.

The proposed Revenue Requirement for the 2018 test year of $1,774,699 reflects an increase of $184,058 or 11.57% higher than the 2014 Board Approved. The revenue requirement between 2014 and 2016 has increased at a steady rate representing a deliberate pace of capital and operational investment. The marginal increase in 2017 and 2018 is largely due to a) the increase in the Regulated Return on Capital due to the capital addition of the 110KV Substation to Rate Base, b) an increase in billing and collecting costs related to bad debts, and c) an increase in Regulatory Costs. Regulatory costs are also projected to be higher for 2018 due to provisions for an oral hearing and the drafting of the Distribution System Plan by a third-party engineering firm. Year over year variances in OM&A are explained throughout Exhibit 4 and Revenue Offsets and explained in detail at Exhibit 3.

[31] MFR - Revenue Requirement - service RR, increase ($ and %) from change from previously approved, main drivers

Table 6 - 2018 Proposed Revenue Requirements

Particular	Last Board Approved	2014	2015	2016	2017	2018	Var from 2014BA
OM&A Expenses	$1,126,741	$970,668	$944,340	$996,817	$1,193,426	$1,210,114	$83,373
Depreciation Expense	$206,119	$178,036	$188,834	$194,087	$204,766	$280,878	$74,759
Property Taxes	$0	$0	$0	$14,843	$0	$0	$0
							$0
Total Distribution Expenses	$1,332,860	$1,148,704	$1,133,174	$1,205,747	$1,398,192	$1,490,993	$158,133
							$0
Regulated Return on Capital	$385,394	$341,251	$390,903	$440,492	$583,646	$481,883	$96,489
							$0
Grossed up PILs	$12,526	$115,926	$125,340	$143,120	$23,703	$9,717	-$2,809
Service Revenue Requirement	$1,730,780	$1,605,881	$1,649,417	$1,789,360	$2,005,541	$1,982,593	$251,813
							$0
Less: Revenue Offsets	-$140,139	-$132,749	-$134,567	-$213,537	-$206,859	-$207,894	-$67,755
							$0
Base Revenue Requirement	$1,590,641	$1,473,132	$1,514,851	$1,575,823	$1,798,682	$1,774,699	$184,058
Year over year variance	-117,509.22	41,718.79	46,129.20	237,702.06	-23,414.48	$1,210,114	$83,373

Rate Base and Capital Planning[32]

The proposed Rate Base for the 2018 test year of $8,615,028 reflects an increase of $2,228,828 from the 2014 Board Approved. The increase suggests a prudent and reasonable investment in the distribution assets and is necessary in order to meet other regulatory requirements such as "obligation to connect" new growth and the need to maintain the highest electrical safety standards. Capital priorities in 2017 include the completion and energizing of the 110kV substation, which came into service in the spring of 2017, ensuring that an adequate supply of electricity will continue to power the city's growth for years to come. It also includes the replacement of poles and transformers as they show sign of deterioration and the installation of distributions assets to power new subdivisions.

[32] MFR - Rate Base and DSP - major drivers of DSP, rate base for test year, change from last approved ($ and %), capital expenditures requested for the test year, change in capital expenditures from last approved ($ and %), summary of costs requested for renewable energy connections/expansions, any O.Reg 339/09 planned recovery, capex for test year, change from last approved, costs for any REG-related, smart grid, regional planning projects

The utility is not proposing to recover any costs from any rate class for renewable energy connections/expansions, smart grid, and regional planning initiatives. The table below shows the change in Rate Base from the last Cost of Service in 2014 to the proposed 2018 Cost of Service.

Table 7 - Rate Base

	NEWCGAAP	NEWCGAAP	MIFRS	MIFRS	MIFRS	MIFRS	
Particulars	**Last OEB Board Approved**	**2014**	**2015**	**2016**	**2017**	**2018**	**Var from 2014BA**
Net Capital Assets in Service:							
Opening Balance	3,320,570	3,288,222	4,799,922	5,116,512	6,412,494	7,112,824	3,792,254
Ending Balance	4,867,995	4,799,922	5,116,512	6,412,494	7,112,824	7,007,776	2,139,781
Average Balance	4,094,282	4,044,072	4,958,217	5,764,503	6,762,659	7,060,300	2,966,017
Working Capital Allowance	2,291,918	1,610,643	1,519,271	1,534,703	2,908,677	1,554,729	-737,190
Total Rate Base	6,386,201	5,654,714	6,477,488	7,299,206	9,671,336	8,615,028	2,228,828
Year over year variance		-731,487	822,774	821,718	2,372,130	-1,056,308	

Table 8 - Working Capital Allowance

	NEWCGAAP	NEWCGAAP	MIFRS	MIFRS	MIFRS	MIFRS	
Expenses for Working Capital	**Last OEB Board Approved**	**2014**	**2015**	**2016**	**2017**	**2018**	**Var from 2014BA**
3500-Distribution Expenses - Operation	96,550	51,300	55,990	68,472	113,406	95,593	-957
3550-Distribution Expenses - Maintenance	205,700	181,555	179,949	168,399	194,970	204,514	-1,186
3650-Billing and Collecting	426,315	395,636	409,354	418,864	462,696	476,632	50,317
3700-Community Relations	200	-	-	-	-	-	-200
3800-Administrative and General Expenses	395,900	340,177	299,046	341,082	422,354	433,375	37,475
6105-Taxes other than Income Taxes	-	15,264	15,126	14,843	-	-	-
6205-Sub-account LEAP Funding	2,000						-2,000
Total Eligible Distribution Expenses	1,126,665	983,932	959,466	1,011,660	1,193,426	1,210,114	83,449
3350-Power Supply Expenses	16,503,476	11,405,626	10,727,236	10,793,747	21,181,013	19,519,602	3,016,126
Total Expenses for Working Capital	17,630,141	12,389,558	11,686,701	11,805,407	22,374,439	20,729,716	3,099,576
Working Capital factor	13.0%	13.0%	13.0%	13.0%	13.0%	7.5%	-0
Total Working Capital	2,291,918	1,610,643	1,519,271	1,534,703	2,908,677	1,554,729	-737,190

HHI has, for many years, strictly followed the best practices of the electricity distribution industry. This has included adhering to the Ontario Energy Board's (OEB) Distribution System Code that sets out, among others, good utility practice and performance standards for the industry in Ontario, and minimum inspection requirements for distribution equipment.

Consistent with best practices, over the years HHI has replaced or upgraded equipment when economically viable. The net result has been that while the average age of the system has increased slightly, the reliability of the system has steadily improved to meet the expectations of HHI's customers. This has been achieved with only a moderate long-term increase in customers' bills.

Details of historical and projected capital expenses are summarized in the table below

Table 9 - Capital Expenditure Summary

	NEWGAAP	**MIFRS**	**MIFRS**	**MIFRS**	**MIFRS**
	2014	2015	2016	2017	2018
Sub-Total System Access	-$43,596	-$160	$39,670	$51,669	$36,800
Sub-Total System Renewal	$98,282	$449,412	$247,921	$3,619,584	$117,780
Sub-Total System Service					$10,000
Sub-Total General Plant	$29,030	-$80,426	$47,017	$41,100	$11,250
Contribution		-$93,493	-$17,741		
Total Capital Expenditures	83,716	368,826	334,608	3,712,353	175,830

Major capital cost drivers 2014

- Repairs and inspection of the 43T1 transformer $42,750
- Pole replacement $24,310
- Replace 3/0 primary wire $31,221

Major capital cost drivers 2015

- 44kV MS transformer repair. $320,188
- Pole replacement $88,560

Major capital cost drivers 2016

- 115 kV MTS new protection installation $59,244
- 44kV MS commissioning of rebuilt transformer $54,101
- Pole replacement program $69,572
- Line Conductor replacement $69,003

- Building $52,500

Major capital cost drivers 2017

- 115kV MTS upgrade $3,525,000
- Pole replacement $60,000
- Porcelain Insulator replacement $21,720
- Software: North Star system upgrade $31,000

Major capital cost drivers 2018

- Pole replacement $81,500
- 3/0 Conductor upgrade $10,000
- Porcelain insulator replacement $17,930
- Close Loops on u/g radial feeds $10,000

Details of each of these programs are presented in Exhibit 2 as well as the Distribution System Plan.

Overview of Operation, Maintenance, and Administrative Costs[33]

The increase of $83,373 in OM&A spending from its 2014 (BA) Cost of Service to the 2018 Test Year can be attributed to several factors. Operation and Maintenance costs are for the most part aimed at HHI's distribution system substations and its protective equipment, along with general maintenance on overhead and underground assets. The costs related to operations and maintenance accounts decreased between 2014 and 2016 as a result of issues related to the building of the 110kV substation however the level of spending projected for 2017 and 2018 are marginally higher than the ones approved in the 2014 Cost of Service. Administrative Costs include inflationary increases in salaries, increased costs in billing services and bad debts and an increase in regulatory costs all of which are discussed in Exhibit 4. Major costs drivers are presented at the next page.

Table 10 - Summary of Recoverable OM&A Expenses

	Board Approved	2014	2015	2016	2017	2018	Var from 2014 BA
Operations	$96,550	$51,300	$55,990	$68,472	$113,406	$95,593	-$957
Maintenance	$205,700	$181,555	$179,949	$168,399	$194,970	$204,514	-$1,186
SubTotal	$302,250	$232,855	$235,940	$236,871	$308,376	$300,107	-$2,143
%Change (year over year)		-23.0%	1.3%	0.4%	30.2%	-2.7%	0
%Change (Test Year vs Last Rebasing Year - Actual)						28.9%	0
Billing and Collecting	$426,315	$395,636	$409,354	$418,864	$462,696	$476,632	$50,317
Community Relations	$200	$0	$0	$0	$0	$0	-$200
Administrative and General+LEAP	$397,976	$342,177	$299,046	$341,082	$422,354	$433,375	$35,399
SubTotal	$824,491	$737,813	$708,401	$759,946	$885,050	$910,007	$85,516
%Change (year over year)		-10.5%	-4.0%	7.3%	16.5%	2.8%	0
%Change (Test Year vs Last Rebasing Year - Actual)						10.4%	0
Total	$1,126,741	$970,668	$944,340	$996,817	$1,193,426	$1,210,114	83,373
%Change (year over year)		-13.9%	-2.7%	5.6%	19.7%	1.4%	7.4%

[33] MFR - OM&A Expense - OM&A for test year and change from last approved ($ and %), summary of drivers, inflation assumed, total compensation for test year and change from last approved ($ and %).

Table 11 – OEB Appendix 2-JB – Recoverable OM&A Cost Driver Table

Reporting Basis	**NEWGAAP**	**MIFRS**	**MIFRS**	**MIFRS**	**MIFRS**
OM&A	**2014**	**2015**	**2016**	**2017**	**2018**
Opening Balance	$1,126,741.00	$970,668.00	$944,340.00	$996,817.00	$1,193,426.00
5014-Transformer Station Equipment - Operation Labour			$12,013	$36,131	-$20,536
5015-Transformer Station Equipment - Operation Supplies and Expenses			-$10,348		
5016-Distribution Station Equipment - Operation Labour	-$11,740				
5065-Meter Expense	-$15,903				
5125-Maintenance of Overhead Conductors and Devices		$10,961			
5130-Maintenance of Overhead Services			-$17,929	$12,252	
5135-Overhead Distribution Lines and Feeders - Right of Way				$10,099	
5310-Meter Reading Expense	-$10,576				
5315-Customer Billing			$24,170		
5335-Bad Debt Expense	-$14,954	$19,293		$31,125	
5610-Management Salaries and Expenses		-$37,014			
5610-Management Salaries and Expenses			-$15,683		
5610-Management Salaries and Expenses				$33,837	
5620-Office Supplies and Expenses	-$12,614				
5630-Outside Services Employed		$17,264	$32,970	$25,562	-$24,100
5655-Regulatory Expenses		-$16,302	$12,499	$15,079	$27,022
5675-Maintenance of General Plant	-$19,379				
Other decreases <10K	-$87,375	-$55,202	-$31,326		
Other decreases <10K	$16,468	$34,672	$46,111	$32,524	$34,303
Closing Balance	$970,668	$944,340	$996,817	$1,193,426	$1,210,115

HHI did not experience any variances in excess of the materiality threshold during the 2014 to 2018 period; however, HHI felt that the variances noted below were worth explaining.

5014-Transformer Station Equipment - Operation Labour

2016-2017 - An increase of $36,131.

HHI incurred O&M costs related to the transformer (55T1). Costs include testing and maintenance to ensure that the transformer can be used as a backup for the 110KV station. Costs also include spare parts for the circuit switcher for future use and in case of emergency failure.

5315-Customer Billing

2015-2016 - The increase of $24,170 is due to HHI hiring a third-party company to assist in billing function while a customer service representative was on maternity leave.

5335-Bad Debt Expense

2016-2017 - The increase of $31,125 is related to collection costs and bad debt following a new legislation in place where a utility cannot disconnect residential customers before April 30 of the calendar year.

5610-Management Salaries and Expenses

2016-2017 - The increase of $33,837 is due to the normalizing of costs after the loss of one of its executive employees. The increase in 2017 represents the costs associated with that position being filled.

5630-Outside Services Employed

2014-2015 - An increase of $17,264

- HHI hired a third-party company to train a current employee to be able to perform certain accounting functions previously done by the Assistant Manager/VP of Finance on sick leave. ($5,000)
- HHI also increased its use of Deloitte in the absence of Assistant Manager/VP of Finance. ($11,000)
- HHI saw a small increase in its IT fees which are performed by the United Counties of Prescott and Russell. ($1,400)

2015-2016 - An increase of $32,970

- With the Assistant Manager/VP of Finance on sick leave, HHI hired Alba for book keeping services in advance of the yearly audit. ($12,550)
- HHI incurred additional costs from Deloitte in work done to produce financial statements in MIFRS.

2016-2017 - An increase of $25,562.

- Similar to 2015-2016, HHI hired Alba for book keeping services in advance of the yearly audit and incurred additional costs from Deloitte.

5655-Regulatory Expenses

2017-2018 - The increase of $27,022 is due to costs related to developing the Distribution System Plan, legal review of this cost of service application, assistance in the upcoming settlement conference, provision for the costs of a oral hearing and two interveners. Note that all regulatory costs have been amortized over a period of 5 years. Details of the proposed Regulatory Costs are presented in Section 4.6.3 of Exhibit 4.

The inflation factor used for budgeting purposes is 2%. Total Compensation is shown in the table below and discussed in detail in Section 4.4 of Exhibit 4.

Table 12 – OEB Appendix 2-K Total Compensation included in OM&A

	2014	2015	2016	2017	2018
					Number of Employees (FTEs including Part-Time)[1]
Management (including executive)					
Non-Management (union and non-union)					
Total	-	-	-	-	-
					Total Salary and Wages including overtime and incentive pay
Management (including executive)	$171,387	$172,839	$118,126	$156,833	$161,238
Non-Management (union and non-union)	$291,459	$253,263	$229,423	$257,551	$265,278
Total	$462,846	$426,101	$347,549	$414,383	$426,516
					Benefits
Management (including executive)	$747	$764	$452	$810	$834
Non-Management (union and non-union)	$1,338	$1,214	$1,259	$1,297	$1,335
Total	$2,084	$1,978	$1,711	$2,107	$2,169
					Total Compensation (Salary, Wages, & Benefits)
Management (including executive)	$172,133	$173,603	$118,579	$157,643	$162,072
Non-Management (union and non-union)	$292,797	$254,477	$230,681	$258,848	$266,613
Total	$464,930	$428,079	$349,260	$416,490	$428,685

Load Forecast Summary[34]

The load forecast for 2018 is based on a methodology which predicts class specific consumption using a multiple regression analysis that relates historical monthly wholesale kWh usage to monthly historical heating degree days and cooling degree days.

In HHI's case, variation in monthly electricity consumption is influenced by four main factors – weather (e.g. heating and cooling), which is by far the most dominant effect on most systems, the number of days per month and an "Employment" factor. Specifics relating to each variable used in the regression analysis are presented in the next section.

- ✓ Wholesale Purchases (main)

[34] MFR - Load Forecast Summary - load and customer growth, % change in kWh and customer numbers, methodology description

- o Heating Degree Days (included)
- o Cooling Degree Days (included)
- o Unemployment (included)
- o Days per month(included)
- o Daylight hours

Weather normalized values are determined by using the regression equation with a "10-year average monthly degree days (2007-2016)". The 10-year average is consistent with recent years' weather and has been used in other electricity distribution rate applications and has been accepted by the Board.

Allocation to specific weather sensitive rate classes (Residential, GS<50, GS>50) is based on the average share of each classes' actual retail kWh (exclusive of distribution losses) of actual wholesale kWh for the 2007 to 2016 period.

The 2018 Load Forecast is presented on the next page, and detailed explanations of the load forecast can be found in Exhibit 3.

Table 13 - Load Forecast

	2014 Board Approved	2014 Board Approved	2014 Board Approved	2018	2018	2018
Customer Class Name	**Customer**	**kWh**	**Kw**	**Customers**	**Kw**	**kWh**
Residential	4,950	54,009,078	0	4,836	48,228,553	0
General Service < 50 kW	634	19,278,522	0	618	18,143,532	0
General Service > 50 to 4999 kW	98	80,885,161	201,575	89	81,021,489	211,046
Unmetered Scattered Load	5	221,145	0	10	429,307	0
Sentinel Lighting	21	104,882	293	57	84,029	238
Street Lighting	1,215	1,139,294	3,218	1,211	641,942	1,844
TOTAL	6,923	155,638,082	205,086	6,820	148,548,851	213,128

Statement of Cost of Capital Parameters[35]

HHI has followed the Report of the Board on Cost of Capital for Ontario's Regulated Utilities, December 11, 2009, in determining the cost of capital.

In this application, HHI seeks to recover a weighted average cost of capital of 5.59% through rates in the 2018 Test Year. HHI has followed the Report of the Board on Cost of Capital for Ontario's Regulated Utilities, December 11, 2009, as well as the Review of the Existing Methodology of the Cost of Capital for Ontario's Regulated Utilities, January 14, 2016, in determining the applicable cost of capital.

In calculating the applicable cost of capital, HHI has used the OEB's deemed capital structure of 56% long-term debt, 4% short-term debt, and 40% equity, and Cost of Capital parameters in the OEB's letter of October 27, 2016, for the allowed return on equity ("ROE"). HHI is not seeking any changes in its Capital Structure from its 2014 Board Approved Structure. HHI notes that consistent with Board policy, it used the actual long-term debt rate of 3.59% as opposed to the deemed debt rate of 3.72% for its newly incurred third-party debt.

Table 14 - Overview of Capital Structure

Particulars	**Cost Rate**		**Return**	
	(%)	($)	(%)	($)
Debt				
Long-term Debt	56.00%	$4,824,416	3.59%	$173,259
Short-term Debt	4.00%	$344,601	1.76%	$6,065
Total Debt	60.0%	$5,169,017	3.47%	$179,324
Equity				
Common Equity	40.00%	$3,446,011	8.78%	$302,560
Preferred Shares		$ -		$ -
Total Equity	40.0%	$3,446,011	8.78%	$302,560
	100.0%	$8,615,028	5.59%	$481,883

*2018 Rate Base

[35] MFR - Cost of Capital - Statement regarding use of OEB's cost of capital parameters; summary of any deviations

HHI commits to updating its Cost of Capital forecast in accordance with applicable OEB updates to the Board's cost of capital parameters.

Overview of Cost Allocation and Rate Design[36]

The main objectives of a Cost Allocation study are to provide information on any apparent cross-subsidization among a distributor's rate.

HHI has prepared and is filling a cost allocation information filing consistent with the utility's understanding of the Directions, the Guidelines, the Model and the Instructions issued by the Board back in November of 2006 and all subsequent updates.

HHI has prepared a Cost Allocation Study for 2018 based on an allocation of the 2018 test year costs (i.e., the 2018 forecast revenue requirement) to the various customer classes using allocators that are based on the forecast class loads (kW and kWh) by class, customer counts, etc.

HHI has used the most recent Board-approved Cost Allocation Model and followed the instructions and guidelines issued by the Board to enter the 2018 data into this model.

Two of the classes' revenue to cost ratios fell outside the Board range. For those two classes, the utility proposes reallocation of revenues to reduce the impact on the bills. The table below shows the utility's proposed Revenue to Cost reallocation based on an analysis of the proposed results from the Cost Allocation Study vs. the Board imposed floor and ceiling ranges. Further details on Cost Allocation can be found in Exhibit 7.

Table 15 - Proposed Allocation

					Target Range		
Customer Class Name	Calculated R/C Ratio	Proposed R/C Ratio	Variance		Floor	Ceiling	
Residential	1.01	1.01	0.00		0.85	1.15	
General Service < 50 kW	1.07	1.07	0.00		0.80	1.20	
General Service > 50 to 4999 kW	0.95	0.95	-0.00		0.80	1.20	

[36] MFR - Cost Allocation & Rate Design - summary of any deviations from OEB methodologies, significant changes and summary of proposed mitigation plans

Unmetered Scattered Load	0.97	0.97	0.00		0.80	1.20	
Sentinel Lighting	1.00	1.00	0.00		0.80	1.20	
Street Lighting	0.73	0.80	-0.07		0.80	1.20	

In mid-year 2015, OEB introduced a new policy for all-fixed distribution rates for residential customers. Until now, distribution rates for the residential class have been a blend of fixed and variable rates as shown below. To reduce the impact on customer bills, HHI has implemented a four-year phase-in period for the move to an all-fixed monthly service charge. This application represents year 3 of 4.

For all other classes, distribution revenues are derived from a combination of fixed monthly charges and volumetric charges based either on consumption (kWh) or demand (kW). Commodity Charges and deferral and variance rate riders, along with HHI specific other adders are added to the distribution rates to arrive at a final all-encompassing bill.

The table below shows HHIs existing rates in comparison to the 2018 proposed rates. As can be seen, the fixed charge for the Residential class is increasing while the variable charge is decreasing. Details can be found in Exhibit 8.

Table 16 - Proposed Rates

	Proposed Rates			**Proposed Rates**		
Customer Class Name	Fixed Rate	Variable Rate		Fixed %	Variable %	per
Residential	$15.39	$0.0028		86.89%	13.11%	kWh
General Service < 50 kW	$15.47	$0.0073		46.25%	53.75%	kWh
General Service > 50 to 4999 kW	$100.99	$2.2602		22.85%	77.15%	kW
Unmetered Scattered Load	$7.29	$0.0043		31.28%	68.72%	kWh
Sentinel Lighting	$1.82	$3.6222		59.01%	40.99%	kW
Street Lighting	$0.67	$7.2372		42.09%	57.91%	kW

Overview of Deferral and Variance Account Disposition[37]

HHI proposes to dispose of a credit of $542,103 related to Group 1 and a debit of $46,085 for Group 2 Variance/Deferral Accounts. The balances in Group 1 and Group 2 balances are as of December 1, 2016 and are consistent with the utility's audited financial statements.

A net debit balance of $39,402 recorded in account 1568 being the Lost Revenue Adjustment Mechanism Variance Account.

Group 1 and Group 2 DVA balances are proposed to be disposed of over one year.

HHI confirms that it has followed the OEB's guidance as provided in the OEB's Electricity Distributor's Disposition of Variance Accounts Reporting Requirements Report.

Table 17 - Account and Balances sought for disposition/recovery

		Year End balances 2016	Allocator
LV Variance Account	1550	186,384	kWh
Smart Metering Entity Charge Variance Account	1551	(977)	# of Customers
RSVA - Wholesale Market Service Charge	1580	(345,244)	kWh
RSVA - Retail Transmission Network Charge	1584	132,817	kWh
RSVA - Retail Transmission Connection Charge	1586	151,496	kWh
RSVA - Power (excluding Global Adjustment)	1588	(723,802)	kWh
RSVA - Global Adjustment	1589	103,140	Non-RPP kWh
Disposition and Recovery/Refund of Regulatory Balances (2013)	1595	43,346	kWh
Disposition and Recovery/Refund of Regulatory Balances (2014)	1595	(19,620)	kWh
Disposition and Recovery/Refund of Regulatory Balances (2015)	1595	33,496	kWh
Total of Group 1 Accounts (excluding 1589)		**(542,103)**	
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	23,786	kWh
Retail Cost Variance Account - Retail	1518	11,136	kWh
Retail Cost Variance Account - STR	1548	11,163	kWh
Total of Group 2 Accounts		**46,085**	
LRAM Variance Account	1568	**39,402**	kWh
Total of Group 1 Accounts (1550, 1551, 1584, 1586 and 1595)		**527,920**	
Total of Account 1580 and 1588 (not allocated to WMPs)		**(1,069,046)**	
Balance of Account 1589 Allocated to Non-WMPs		**103,140**	

[37] MFR - Deferral and Variance Accounts - total disposition (RPP and non-RPP), disposition period, new accounts requested

Group 2 Accounts (including 1592, 1532)	**46,085**	

Refund of over-collection related to the 110KV	**304,488**	

Overview of Bill Impacts[38]

A summary of the bill impacts by class is presented below. Detailed explanations of the bill impacts are presented in Exhibit 8.

The bill impacts for the Residential class decrease for all consumption levels except for the Residential at 10th percentile which increases by of 1.83%. Both General Service classes decrease in bill impacts, as did the USL class (-4.63%). The Street Lighting and Sentinel Lights classes increased by 9.87% and 8.95% respectively. The bill impact for each class is shown in the Table below. No bill impacts for any classes increase by more than 10% therefore no rate mitigation plan is required.

Although the overall bill impacts have increased for some classes, HHI's proposed 2018 revenue requirement is needed to remain in compliance with its regulators and meet its mandate and commitment to providing safe, reliable, cost-effective services and products achieving sustainable growth while respecting the community and the environment.

Table 18 - Bill Impacts associated with Revenue Requirement

Customer Class Name	**Commodity**	**Consumption**	**Bill Impacts**
Residential	TOU	339	1.83%
Residential	TOU	750	-2.13%
Residential	TOU	1000	-3.09%
Residential	TOU	2000	-4.65%
General Service < 50 kW	TOU	2,000	-3.64%
General Service > 50 to 4999 kW	RPP	33,000	-13.94%
Unmetered Scattered Load	RPP	300	-4.63%
Sentinel Lighting	RPP	20000	9.87%
Street Lighting	RPP	20,000	8.95%

[38] MFR - Bill Impacts - total impacts ($ and %) for all classes for typical customers

The impact is further adjusted by overall credit rate riders to dispose of the significant balances owed to ratepayers that have accumulated in certain variance accounts. Decreases in rates for retail transmission service and wholesale market service also contribute to reducing the utility's distribution rates further.

1.6 MATERIALITY THRESHOLD

The Minimum Filing Requirements state that a distributor with a distribution revenue requirement less than $10 million must use $50,000 as a materiality threshold. With a proposed base revenue requirement of $1,774,699, HHI has used this amount as a materiality threshold throughout this application.[39]

[39] MFR - Materiality threshold; additional details beyond the threshold if necessary

1.7 CUSTOMER ENGAGEMENT

1.7.1 OVERVIEW OF CUSTOMER ENGAGEMENT

In keeping with the requirements of the Renewed Regulatory Framework for Electricity which contemplates enhanced engagement between distributors and their customers to better align a distributor's operational plans with its customers' needs and expectations. In response, HHI is increasing its efforts in engaging customers to understand their needs better. HHI always has, and will continue to focus on its customers by striving to provide superior service to its customer base. The utility is investing time and effort in new capabilities, programs, and technologies that allow it to communicate more effectively and efficiently with our customers. Some of HHI's current and future initiatives include.[40]

- ✓ Improved Communication with Customers during calls.
- ✓ Customer satisfaction survey
- ✓ Use of Bill Insert to communicate various newsletter and promote e-billing
- ✓ Outage Notification – Planned and unplanned
- ✓ Increase Use of Social Media, contests, promotions, etc.
- ✓ Overhaul of the utility's website
    - New educational section of the website
    - Major Project
    - Promotion of Conservation and Demand Management Programs

Improved Communication with the Customers during calls: HHI's Customer Engagement Strategy focuses on achieving goals such as engaging customers using a variety of methods and channels to understand their needs and preferences; enhancing the customer service experience

[40] MFR - Overview of customer engagement activities; description of plans and how customer needs, preferences and expectations have been reflected in the application.

for HHI's customers by offering services that meet or exceed their expectations; improving efficiency thereby lowering costs where possible and increase consumer energy literacy.

While **reliable service** and **value** continue to be key drivers of satisfaction, HHI believes that a customer's evaluation of their utility is also determined by the quality of their **customer service experience**.

Among the three major drivers of customer satisfaction, **reliability**, given its already high levels, offers little incremental room for improvement, and customers' perception of "**value**" is inherently subject to distributor bill impacts as well as the overall price of energy. The clear implication is that utilities seeking to make a meaningful impact on customer satisfaction should turn their focus to **customer service**.

Most customer interactions revolve around outages, cost of electricity, or other issues with a negative connotation. Despite this negative connotation, HHI believes that these incidents often represent utilities' best opportunity to drive important business outcomes, from improved customer satisfaction, to lower cost to serve, to greater cross-promotion of new services such as CDM programs.

One idea would be to create an overload of new customer touchpoints, however conventional approaches to customer engagement can be expensive and can also lead to information fatigue. HHI, therefore, believes that a more nuanced approach to customer engagement that prioritizes quality over quantity is appropriate in its case.

HHI has identified key moments in the customer lifecycle that apply to HHI's customer interactions. HHI believes that these key moments represent the best opportunity to drive specific, measurable outcomes such as improved satisfaction. The identifiable key moments include the following;

- Move in / move out
- Billing inquiries
- Technical issues
- Loss of supply (outage)

- Home renovations and upgrade
- Rate Change

Customers generally contact their utility for very predictable reasons. Knowing this, HHI's team is looking to capitalize on the highest-leverage opportunities for engaging with its customers. The key moments listed above represent the best opportunity to drive specific, measurable outcomes such as improved satisfaction, obtain feedback and recommendations from customers and enhanced cross-promotion of new services, all of which align with fundamental objectives of customer engagement.

Customer satisfaction survey: HHI conducted its bi-annual Customer Satisfaction Survey in December of 2016 and then again in the Spring of 2017 in advance of the Cost of Service. The survey and results are discussed in the next Section (1.7.2) of this Exhibit.

Newsletter: The utility sent out a 2-page summary of its 2017 and 2018 proposed capital budget. The 2-page newsletter was sent via email to 750 customers, and as a bill inserts to all customers. The newsletter is presented in Appendix E of this Exhibit. [41] [42] [43] [44]

Outage Notification – Planned and unplanned: HHI has increased its communication with its customers with respect to planned and unplanned outage notification. The utility now posts its outages and as much detail regarding the timing, location, and length of the outage on its website, Twitter, and via Mail Chimp. Planned outages are communicated directly to the affected customers.

Use of Social Media, contests, promotions, etc.: Social Media is a useful and powerful tool that can be used effectively to help address challenges and reinforce activities undertaken by the utility. HHI has recently activated a Twitter account. The utility intends on communicating

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[41] MFR - Discussion on how customers were informed of the proposals being considered for inclusion in the application and the value of those proposals to customers i.e. costs, benefits, and the impact on rates

[42] MFR - Reference to any other communication sent to customers about the application i.e. bill inserts, town hall meetings or other forms of out reach and the feedback received from customers through these engagement activities

[43] MFR - Discussion on how customers were informed of the proposals being considered for inclusion in the application and the value of those proposals to customers i.e. costs, benefits, and the impact on rates

[44] MFR - Discussion of any feedback provided by customers and how the feedback shaped the final application

important information with its customers through twitter and Mail chimp as well as local newspapers.

Overhaul of the Utility's Website: HHI has recently launched a new and refreshed website. The new website is part of a broader strategy to engage in new ways with HHI's customers and partners and to position the company as a more mature utility with innovative and industry-leading business practices. New features of the website include:

- ✓ **New educational section of the website:** The utility has incorporated a new "Electricity 101" section of the website where information of the electricity industry and rate process is presented and explained.
- ✓ **Major Projects:** The new website also includes an "Information" section where the customer can find a list and details of current capital projects.
- ✓ **Promotion of Conservation and Demand Management Programs:** HHI has been providing Conservation and Demand Management programs since 2010, actively working with the IESO (formerly the OPA), consultants, government and other agencies, surrounding regional distributors and customers. Consultations will continue throughout the plan years.

Table 19 - OEB Appendix 2-AC – Customer Engagement Activities[45]

Provide a list of customer engagement activities	Provide a list of customer needs and preferences identified through each engagement activity	Actions taken to respond to identified needs and preferences. If no action was taken, explain why.
Newsletter	No comments received	No action required
Information posted on the Website	No comments on proposed capital budget.	No action required
Customer Satisfaction Survey	List of comments is presented at Appendix D of this Exhibits	Comments were address on the utility's website and notice posted on social media.

[45] MFR - Complete Appendix 2-AC Customer Engagement Activities Summary - identify how outcomes have shaped the application

1.7.2 CUSTOMER SATISFACTION SURVEY

As part of a commitment to provide customers with reliable and quality utility services that meet current and future needs, HHI surveyed its customers in December of 2016 and again in June of 2017 after receiving little response in its attempt in December. The 2016/17 survey is the second bi-annual survey conduction by the utility. The first survey was conducted in 2014.

The objectives of the survey included measuring;

- ✓ Utility's overall performance.
- ✓ Reliability.
- ✓ Billing and Payment Options
- ✓ The quality of service provided by customer care.
- ✓ The quality of service provided by field employees.
- ✓ Customer awareness and usage of the department's online services.
- ✓ Customer support for greater use of renewable energy.
- ✓ Customer opinions regarding how aggressively sustainable practices should be pursued.
- ✓ Cost of Electricity
- ✓ Overall Performance

The survey was developed in-house back in 2014 through a collaborative effort of, Hearst Power Distribution Company Limited Inc. Hydro Hawkesbury Inc., Hydro 2000 Inc., Hydro Hawkesbury, Chapleau Public Utilites. ("The Group"). (Note that Chapleau was not involved in the drafting of the survey but is now using it as their bi-annual survey)

The main purpose of the collaborative effort was to minimize the cost of the survey by the sharing of intellect and resources.

In preparation for its 2016/2017 survey, HHI briefly contemplated using 3rd party company to conduct the survey but felt that the survey conducted by the 3rd party firm was unjustifiably limiting its sample to a select group of 300-400 customers; HHI felt all its customer should have equal opportunity to complete the survey, rather than a random sample.

Developing an in-house survey gives the utility more control and flexibility surrounding the delivery of the survey. For example, back in 2014, HHI received feedback that although the survey was appreciated, it was also too long. Therefore, in preparation for its 2016/2017 survey, the utility cut down the number of questions from 54 to 32. The utility also included educational questions where if the customer answered in a certain manner, they could follow a link to the educational section of the website.

The utility used Survey Monkey to publish its survey and posted it on its website. A bill insert communicating the survey and prize was included in all bills. The utility established that the desired sampling margin of error (confidence interval) was to be no greater than (+/-) 5 percentage points at a 95% confidence level. With those parameters, the recommended sample size was determined to be 360. The margin of error is a measure of the precision of a sample estimate of the population value. It uses probability to substantite the precision of a sample estimate by providing a range of values in which a sample value would be expected to fall. In general, margin of error provides a 95% confidence interval. The utility received 135 responses. The utility understand that the results may not be entirely representative of the customer's opinion and the utility commits to trying to improve its response rate in future surveys, however the utility submits that the 135 responses are the best results the utility could get given the fact that it's been understaffed for 18 months. In 2014 the Utility actively called and surveyed their customers over the phone and over the counter, encouraging them to participate in the survey. Being understaffed from mid-2015 to early 2017, the Utility couldn't invest the same time and effort in the survey, however, going forward, the utility expects to focus its efforts on improving its communication with its customers.

The survey was conducted between December 4 and 24, 2016 and unfortunately, the utility received very few responses; accordingly a second attempt was made in June of 2017 where the utility achieved a greater rate of response. A summary of the results is presented on the next page, and the complete report is provided as an Appendix D to this Exhibit.

The utility intends on continuing surveying its customers on a bi-annual basis in an effort monitor and assess residential and commercial customer knowledge, perceptions and satisfaction regarding utility services.

1 **Table 20 – Calculation of Overall Customer Satisfaction**

Rating	**Responses to French survey**		**Responses to English Survey**				
Answer Options	Response Percent	Response Count	Response Percent	Response Count	Max Value	Actual Total Value	%
Excellent	47.22%	51	33.33%	9	4	240	
Good	45.37%	49	62.96%	17	3	198	
Fair	4.63%	5	3.70%	1	2	12	
Poor	2.78%	3	0.00%	0	1	3	
answered question		108		27	540	453	83.89%
		4					

2

1.8 LETTERS OF COMMENT

1.8.1 LETTER OF COMMENT

The utility received a few comments back from its customers regarding the capital costs included in the herein application. Two of the comments were neutral in that they expressed satisfaction with the utility's performance. Another comment was received in the form of a letter and stated that the overall costs of electricity in Ontario were too high. The last comment received in the form of a letter is reproduced below. The utility has categorized comments received in the survey and have presented them as part of the Customer Satisfaction Survey results at Appendix D. [46]

LETTER OF COMMENT:

Over how many years will each of these CAPITAL INVESTMENTS be amortized (20 or 50 years). What is the estimated Annual expense to each home owner, before allowing for new clients? Seniors will take little more reductions in their cash flow, before they leave this over taxed town.

Thank you very much for your reply.

RESPONSE:

The big expenditure in 2017 is related to the substation on Main St. This station feeds 75% of Hawkesbury and has reached end of life. This expenditure is amortized over 45 years. The estimated annual portion of this amortization is approximately $16 per customer per year.

Hydro Hawkesbury has planned for many years to revamp this station to supply its customers. Service reliability and safety are the major factors that were considered. If this important asset is not renewed and goes out of service, the impact on each customer would be enormous in terms of cost and loss of supply.

If you have more comments, please feel free to reply to this e-mail. Again, I thank you for your concern.

[46] MFR - All responses to matters raised in letters of comment filed with the OEB.

1.9 SCORECARD ANALYSIS

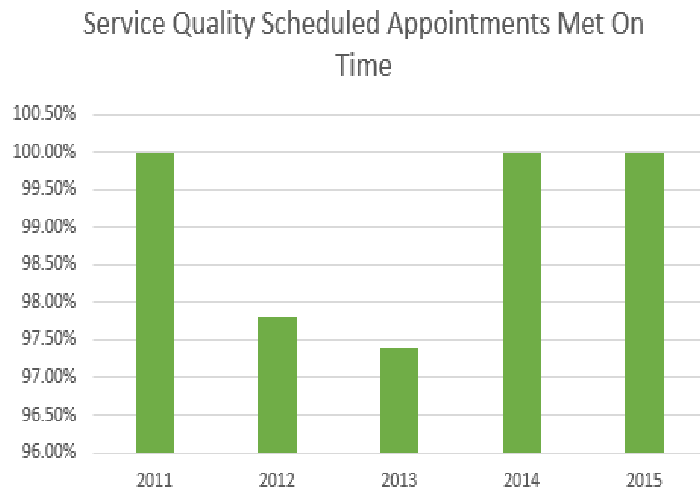
1.9.1 SCORECARD RESULTS AND ANALYSIS[47]

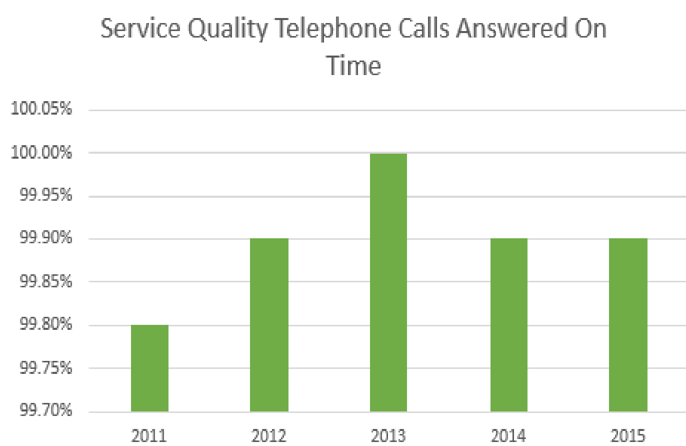
Discussion of performance of each of HHI's scorecard measures over the last five years is presented in Section 4.6 of the Business Plan and replicated below for ease of reference.

Service Quality

From the period of 2011-2014, the utility has reported results of 100%. HHI has recently implemented new tracking processes to ensure that results are accurate. With new process in place, HHI expects results to remain strong going forward.

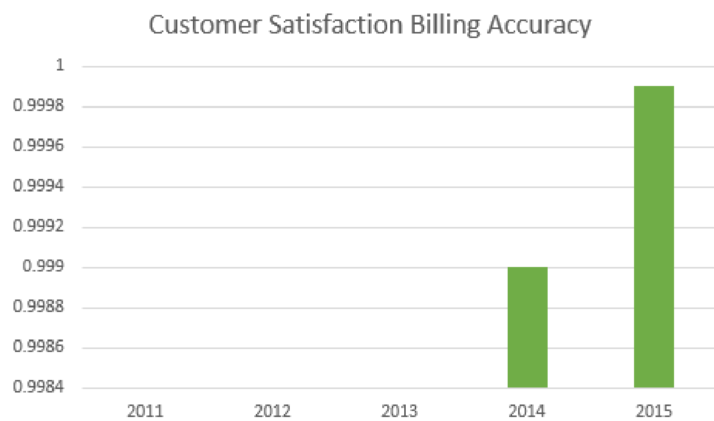
[47] MFR - Discussion of performance for each of the distributor's scorecard measures over the last five years; drivers for its performance, plans for continuous improvement, identify performance improvement targets, forecast of efficiency assessment using the PEG forecasting model for the test year, discussion on how distributor's self-assessment has informed its business plan and the application





Customer Satisfaction

HHI conducted its bi-annual customer satisfaction survey in December 2016 and then again in the spring of 2017 in advance of the Cost of Service. The results are resented at Section 1.8 of this Exhibit. Customers are generally satisfied with HHI as reported in the Customer Satisfaction Survey (not yet reported on the Scorecards), which show a satisfaction rate of 84%. While HHI manages less than 15% of the total customer bill, it continues its efforts to maintain appropriate cost control while providing a safe and reliable delivery of power to its customers. First Contact resolution has remained high over the period of 2014-2015 as has the Billing Accuracy with results of 99.99% in 2015 and 99.99% in 2016.

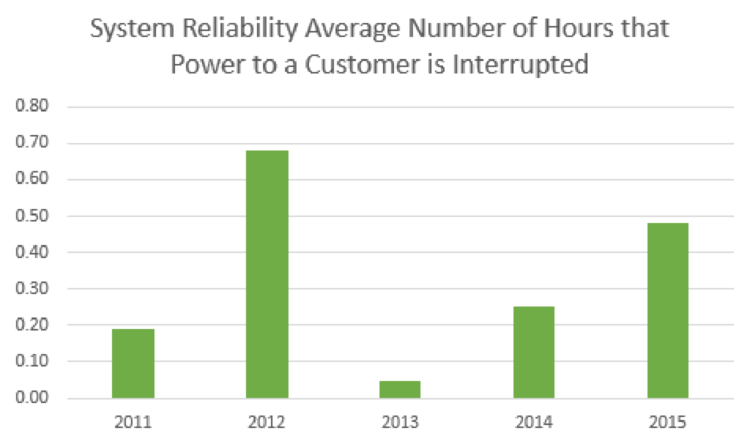


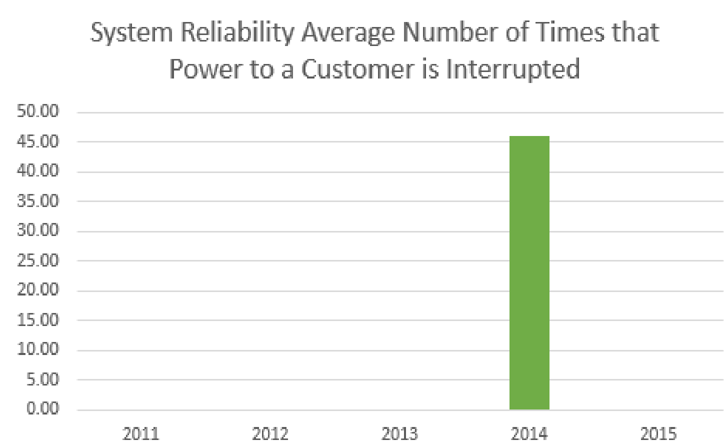
Safety

Safety remains a core attribute of HHI's as it delivers power to its employees and customers daily. HHI continues to strive to communicate on safety throughout our distribution system through various methods including safety orientations, on-line, outreach, and telephone. Results over the past five years shows no Serious Electrical Incidents.

System Reliability

The reliability of the system remains a cornerstone of HHI with attention to vegetation management (mostly tree trimming), and re-investment in the distribution system infrastructure. Most interruptions continue to be because of increased storm activity. 2011 showed abnormally high indicators however, 2012-2015 show excellent results.



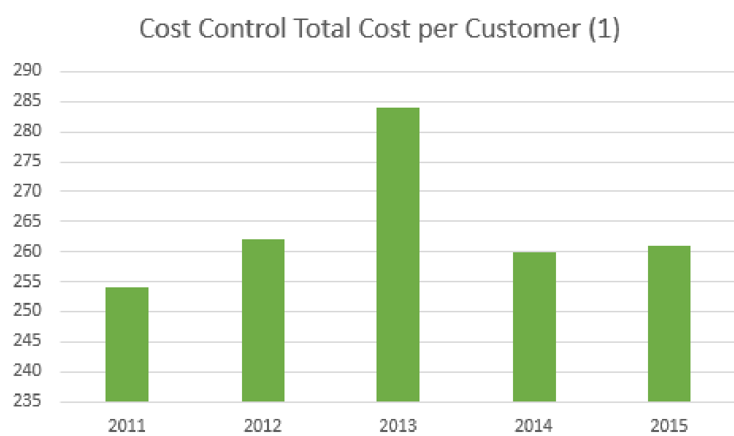


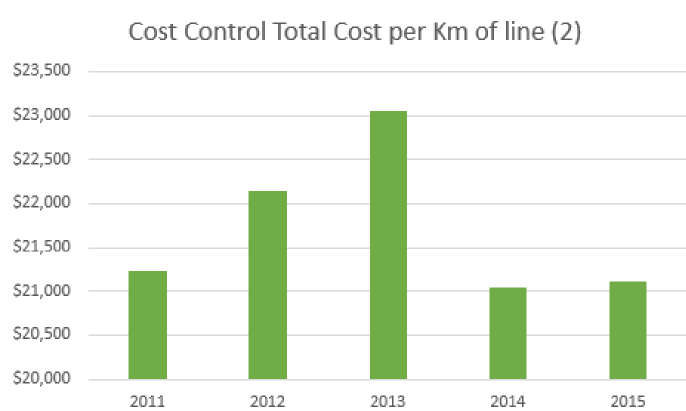
Asset Management

The Distribution System Plan detailing the utility's historical and projected capital plan can be found in Exhibit 2 of this application.

Cost Control

HHI has for several years, been part of Group 1 under the PEG efficiency assessment report. Despite having achieved the highest efficiency grouping, HHI continues to strive to achieve greater efficiency through productivity improvements and cost control, without compromising safety and reliability. The utility intends on maintaining its Group 1 efficiency form the next rate period.





Conservation & Demand Management

Under the new regulations, HHI has developed a CDM plan to meet the 2015-2020 energy targets under the Conservation First Framework. HHI has submitted and received approval from the IESO on the Conservation First Framework 2015- 2020 CDM Plan. The CDM plan has being filed in conjunction with this application.

Connection of Renewable Generation

HHI has maintained 100% timely connection of renewable installations. HHI will continue to provide the staff resources to maintain an efficient and effective methodology to connect renewable installations. Details on renewable installations can be found in Exhibit 2 of this application.

Financial Ratios

HHI financial ratios are discussed in detail at Section 7 of this Business Plan.

Overall

HHI has continued to reflect a customer focused, financially sound, safe and reliable Local Distribution Company. Customer satisfaction and feedback inform and influence HHI's operations, which are reflected in the continued low number of dissatisfied customers. HHI continues to be a financially strong company that re-invests in technology that will bring improvements to customer interactions, system reliability, and safety.

The table below shows the current Scorecard on the OEB website.

Scorecard - Hydro Hawkesbury Inc.

9/29/2016

										Target	
Performance Outcomes	**Performance Categories**	**Measures**		**2011**	**2012**	**2013**	**2014**	**2015**	**Trend**	**Industry**	**Distributor**
Customer Focus Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential/Small Business Services Connected on Time		100.00%	100.00%	100.00%	100.00%	100.00%		90.00%	
		Scheduled Appointments Met On Time		100.00%	97.80%	97.40%	100.00%	100.00%		90.00%	
		Telephone Calls Answered On Time		99.80%	99.90%	100.00%	99.90%	99.90%		65.00%	
	Customer Satisfaction	First Contact Resolution					94%	94%			
		Billing Accuracy					99.99%	99.99%		98.00%	
		Customer Satisfaction Survey Results					92%	92%			
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public Awareness						78.00%			
		Level of Compliance with Ontario Regulation 22/04 [1]		C	C	C	C	C			C
		Serious Electrical Incident Index	Number of General Public Incidents	0	0	0	0	0			0
			Rate per 10, 100, 1000 km of line	0.000	0.000	0.000	0.000	0.000			0.000
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted [2]		0.19	0.76	1.09	0.13	1.11			0.67
		Average Number of Times that Power to a Customer is Interrupted [2]		0.19	0.69	0.47	0.25	0.48			0.50
	Asset Management	Distribution System Plan Implementation Progress					46%	In progress			
	Cost Control	Efficiency Assessment			1	1	1	1			
		Total Cost per Customer [3]		$254	$262	$284	$260	$261			
		Total Cost per Km of Line [3]		$21,240	$22,134	$23,045	$21,050	$21,120			
Public Policy Responsiveness Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	Conservation & Demand Management	Net Cumulative Energy Savings [4]						14.68%			7.92 GWh
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time		100.00%							
		New Micro-embedded Generation Facilities Connected On Time					100.00%			90.00%	
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)		1.12	1.18	0.97	0.95	1.00			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio		0.17	0.31	0.43	0.39	0.35			
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	8.01%	8.01%	8.01%	9.36%	9.36%			
			Achieved	20.35%	7.69%	1.00%	12.48%	19.72%			

1. Compliance with Ontario Regulation 22/04 assessed: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).
2. The trend's arrow direction is based on the comparison of the current 5-year rolling average to the fixed 5-year (2010 to 2014) average distributor-specific target on the right. An upward arrow indicates decreasing reliability while downward indicates improving reliability.
3. A benchmarking analysis determines the total cost figures from the distributor's reported information.
4. The CDM measure is based on the new 2015-2020 Conservation First Framework. This measure is under review and subject to change in the future.

Legend:
5-year trend: up, down, flat
Current year: target met, target not met

1

1.10 FINANCIAL INFORMATION

The OEB's RRFE for electricity distributors includes Financial Performance as one of the performance measurements. The four-financial metrics included are liquidity, leverage, deemed return on equity and achieved a return on equity. HHI'S metrics for historical years 2011 to 2015, the 2016 Bridge Year and the 2017 Test Year are discussed in detail in Section 8 of the Business Plan. HHI has replicated the information below for ease of reference.

Table 21 – Financial Ratios from Scorecards

Financial Ratios

	Liquidity: Current Ratio (Current Assets/Current Liabilities)	Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	Profitability (Approved ROE)	Regulatory Return on Equity (Achieved ROE)
2011	1.12	0.17	8.01%	20.35%
2012	1.18	0.31	8.01%	7.69%
2013	0.97	0.43	8.01%	1.00%
2014	0.95	0.39	9.36%	12.48%
2015	1.00	0.35	9.36%	19.72%

1.10.1 FINANCIAL RESULTS

HHI's financial performance over the past four years is reflective of the staffing issues it encountered from July 2015 to January 2017 as well as delays with its 110KV substation the utility encountered from 2014 to 2017.

By the end of 2017, HHI predicts that its revenue sufficiency/deficiency will be 0. The reason for the significant variance between 2016 and 2017 is due to the financing and energizing of its 110KV substation. Details of the substation are presented in the utility's Distribution System Plan, and details relating to one-time costs are explained in the utility's Cost of the Service application, specifically throughout Exhibit 4. The rate or return for 2018 is expected to be 8.78% as prescribed by the OEB.

Actual Return vs. Allowed Return

Liquidity: Current Ratio (Current Assets/Current Liabilities)

HHI’s current ratio increased slightly from 1.12 in 2011 to 1.18 in 2012 and declined to 0.97, 0.95 and 1.00 in 2013, 2014 and 2015 respectively. HHI’s ratios are indicator of good financial health. HHI expects liquidity to remain stable if not improve going forward.

Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio

By Board policy, the utility used a deemed capital structure of 60% debt, 40% equity when establishing rates. In early 2017, the utility incurred a long-term debt to finance the 110Kv substation. The utility is borrowing $1,550,000 over a period of 20 years at a fixed rate of 3.29%. The remainder of the cost related to the 110Kv substation is funded through the utility’s cash reserve.

Profitability: Regulatory Return on Equity – Deemed (included in current rates) vs Achieved (2016)

HHI's current distribution rates were approved by the OEB in 2014 and included an expected (deemed) regulatory return on equity of 9.36%. The OEB allows a distributor to earn within +/- 3% of the expected return on equity. The actual return on equity for 2016 is 17.63% which indicates an overearning when compared to the Board Approved 2014 rate of return. With staffing issues being resolved and the utility’s substation in service, HHI expects that with an approved ROE of 8.78%, the utility will maintain its profitability at the approved level going forward.

Table 22 - Return on Equity Table

	2014 BA	2014	2015	2016
Deemed	9.36%	9.36%	9.36%	9.36%
Actual	9.36%	12.48%	19.72%	17.63%

Profit and Loss

Outlined below, and in the following table, are some of the essential components of the projected profit and loss for HHI:

- ✓ Operating Revenues for 2017 and 2018 are forecast to be $1,798,682 and $1,774,6993.
- ✓ Cost and Expenses for 2017 and 2018 are predicted to be $1,193,426 and $1,210,114.
- ✓ Taxes for 2017 and 2018 are predicted to be $23,703 and $9,717 respectively.
- ✓ The net profit for 2017 and 2018 is forecast to be $362,095 and $302,560, respectively.
    - o Note that the utility is proposing to refund over-collected revenues related to the 110KV for the period of 2014 to 2017 thus reducing the utility income.

HHI anticipates that due to the completion of the 110kV substation in 2017 and new rates only coming into effect on January 1, 2018 – the utility will be able to maintain its utility income at the level approved by its regulator.

Table 23 - Profit and Loss Table

	Board Approved	**Actual**	**Actual**	**Actual**	**Projected**	**Projected**
Derivation of Utility Income	**2014**	**2014**	**2015**	**2016**	**2017**	**2018**
Operating Revenues						
Distribution Revenues	1,590,641	1,511,202	1,554,361	1,583,395	1,798,682	1,774,699
Other Revenue	140,139	132,749	134,567	213,537	206,859	207,894
Total Operating Revenues	1,730,780	1,643,950	1,688,928	1,796,932	2,005,541	1,981,877
OM&A Expenses	1,126,741	970,668	944,340	996,817	1,193,426	1,210,114
Depreciation & Amortization	206,119	178,036	188,834	194,087	204,766	280,878
Total Costs & Expenses	1,332,860	1,148,704	1,133,174	1,190,904	1,398,192	1,490,993
Deemed Interest Expenses						
Total Expenses	146,295	6,452	7,110	-4,963	221,551	179,324
	1,479,155	1,155,156	1,140,285	1,185,942	1,619,743	1,670,316
Utility Income before Income Taxes / PILs	251,625	488,794	548,643	610,991	385,798	312,277
PILs / Income Taxes	12,526	115,926	125,340	143,120	23,703	9,717
Adjustments for FS purposes (donations)						
Utility Income	**239,099**	**372,868**	**423,304**	**467,871**	**362,095**	**302,560**

Refund of over-collection (110KV project)		-$74,565	-$75,832	-$77,046	-$77,046	
Normalized Utility Income		**298,303**	**347,472**	**390,825**	**285,049**	

RATE BASE AND REVENUE DEFICIENCY

As shown in the following table, HHI's revenue deficiency has steadily grown indicating that it is time for the utility to re-establish its rates based on its costs. The revenue sufficiency growing over time, is largely because the 110V costs were in rates but not included in the year Rate Base.

The revenue sufficiency for 2014, 2015 and 2016 was $38,174, $39,629, $159,769 respectively. The utility expects the revenue deficiency/sufficiency to be 0 for both 2017 and 2018.

Table 24 - Table of Rate Base and Revenue Deficiency

	Board Approved 2014	**Actual 2014**	**Actual 2015**	**Projected 2016**	**Projected 2017**	**Projected 2018**
Utility Income	**239,099**	**-372,868**	**-423,304**	**-467,871**	**362,095**	**302,881**
Gross Fixed Assets (year end)	7,129,008	6,956,532	7,483,103	7,328,320	7,112,824	7,007,776
Capital Expenditures (additions)	**1,560,990**	**845,104**	**519,213**	**1,496,257**	**905,096**	**175,830**
Accum Depreciation	-2,261,013	-2,257,966	-2,454,157	-599,499	-782,929	-1,063,807
Remove Non-Distribution Assets (2180) / WIP (2055)		1,511,809	1,653,353	2,807,257	0	0
Net Fixed Assets	4,867,996	3,186,758	3,375,593	3,605,238	7,112,824	7,007,776
Average Net Fixed Assets	4,094,283	4,044,072	4,958,217	3,490,416	6,762,659	7,060,300
Utility Rate Base	6,386,211	5,652,990	6,475,522	5,023,189	9,671,336	8,615,028
Deemed Equity Portion of Rate Base	2,554,484	2,261,196	2,590,209	2,009,276	3,868,534	3,446,011
Income/(Equity Portion of Rate Base)	9.36%	-16.49%	-16.34%	-23.29%	9.36%	8.78%
Indicated Rate of Return	6.03%	6.71%	6.65%	9.22%	6.03%	5.59%
Approved Rate of Return	6.03%	6.03%	6.03%	6.03%	6.03%	5.59%
Sufficiency / (Deficiency) in Return	(0.00%)	0.68%	0.61%	3.18%	0.00%	0.00%
Equity	*40%*	*40%*	*40%*	*40%*	*40%*	*40%*
Short Term Debt	*4%*	*4%*	*4%*	*4%*	*4%*	*4%*
Long Term Debt	*56%*	*56%*	*56%*	*56%*	*56%*	*56%*
Equity Return	*9.36%*	*9.36%*	*9.36%*	*9.36%*	*9.36%*	*8.78%*
Short Debt Return	*2.11%*	*2.11%*	*2.11%*	*2.11%*	*2.11%*	*1.76%*
Long Debt Return	*3.94%*	*3.94%*	*3.94%*	*3.94%*	*3.94%*	*3.72%*
Tax Rate	*15.50%*	*15.50%*	*15.50%*	*15.50%*	*15.50%*	*15.50%*
Net Revenue Sufficiency / (Deficiency)	**-1**	**38,174**	**39,629**	**159,769**	**0**	**0**

HHI strives to be financially responsible in controlling capital and OM&A expenditures to provide a rate of return within the OEB allowed a return on equity is thereby meeting the shareholder's expectations while continuing to reinvest in its distribution system to meet customer expectations and operational efficiencies for the safe and reliable delivery of electricity.

1.10.1 HISTORICAL FINANCIAL STATEMENTS

The following attachments are presented in this next section. [48]

- ✓ Appendix A Year ended 31 December 2016
- ✓ Appendix B Year ended 31 December 2015

1.10.2 RECONCILIATION BETWEEN FINANCIAL STATEMENTS AND RESULTS FIELD[49]

A detailed reconciliation between the financial results shown in HHI's RRR filings, Audited Financial Statements and with the regulatory financial results filed in the application is presented in Appendix C of this Exhibit. All variances are as a result of the audit of account 1595 which still ongoing as at the time of the filing.

[48] MFR - Non-consolidated Audited Financial Statements for 2 most recent years (i.e. 3 years of historical actuals)
[49] MFR - Detailed reconciliation of AFS with regulatory financial results filed in the application, with identification of any deviations that are being proposed

1.10.3 ANNUAL REPORT

HHI does not publish an annual report to its shareholders. [50]

1.10.4 PROSPECTUS AND RECENT DEBT/SHARE ISSUANCE UPDATE

HHI does not issue debt or share nor do they publish any prospectus.[51]

1.10.5 OTHER RELEVANT INFORMATION

Distributor Consolidation

HHI is not currently contemplating selling its utility or amalgamating with other utilities. [52]

The utility does not have any additional or relevant information other than what is being filed in this application.

[50] MFR - Annual Report and MD&A for most recent year of distributor and parent company, if applicable
[51] MFR - Rating Agency Reports, if available; Prospectuses, etc. for recent and planned public issuances
[52] MFR - If a distributor has acquired or amalgamated with another distributor, identify any incentives that formed part of the acquisition or amalgamation transaction if the incentive represents costs that are being proposed to remain or enter rate base and/or revenue requirement.

APPENDICES

Appendix A	Financial Statements 2015 / 2016
Appendix B	Financial Statements 2015 / 2014
Appendix C	Reconciliation for RRR to FS 2015/2016
Appendix D	Survey Results (French and English)
Appendix E	Newsletter
Appendix F	PDF of List of Approvals
Appendix G	Map of Service Area

Appendix A Financial Statements 2015 / 2016

Financial statements of
États financiers de

Hawkesbury Hydro Inc.
Hydro Hawkesbury Inc.

December 31, 2016
31 décembre 2016

Hawkesbury Hydro Inc.
December 31, 2016

Hydro Hawkesbury Inc.
31 décembre 2016

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Deloitte LLP
300 McGill Street
Hawkesbury, Ontario
K6A 1P8

Tel.: 613-632-4178
Fax: 613-632-7703
www.deloitte.ca

Independent Auditor's Report

To the Directors of
Hawkesbury Hydro Inc.

We have audited the accompanying financial statements of Hawkesbury Hydro Inc. (the "Corporation"), which comprise the balance sheet as at December 31, 2016, the statements of income, changes in equity and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants

March 27, 2017

Deloitte.

Deloitte S.E.N.C.R.L./s.r.l.
300, rue McGill
Hawkesbury, Ontario
K6A 1P8

Tél. : 613-632-4178
Téléc. : 613-632-7703
www.deloitte.ca

Rapport de l'auditeur indépendant

Aux administrateurs de
Hydro Hawkesbury Inc.

Nous avons effectué l'audit des états financiers ci-joints de Hydro Hawkesbury Inc. (la « Société »), qui comprennent le bilan au 31 décembre 2016, et les états du résultat, des variations des capitaux propres et le tableau des flux de trésorerie pour l'exercice clos à cette date, ainsi qu'un résumé des principales méthodes comptables et d'autres informations explicatives.

Responsabilité de la direction pour les états financiers

La direction est responsable de la préparation et de la présentation fidèle de ces états financiers conformément aux Normes internationales d'information financière, ainsi que du contrôle interne qu'elle considère comme nécessaire pour permettre la préparation d'états financiers exempts d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs.

Responsabilité de l'auditeur

Notre responsabilité consiste à exprimer une opinion sur les états financiers, sur la base de notre audit. Nous avons effectué notre audit selon les normes d'audit généralement reconnues du Canada. Ces normes requièrent que nous nous conformions aux règles de déontologie et que nous planifiions et réalisions l'audit de façon à obtenir l'assurance raisonnable que les états financiers ne comportent pas d'anomalies significatives.

Un audit implique la mise en œuvre de procédures en vue de recueillir des éléments probants concernant les montants et les informations fournis dans les états financiers. Le choix des procédures relève du jugement de l'auditeur, et notamment de son évaluation des risques que les états financiers comportent des anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs. Dans l'évaluation de ces risques, l'auditeur prend en considération le contrôle interne de l'entité portant sur la préparation et la présentation fidèle des états financiers afin de concevoir des procédures d'audit appropriées aux circonstances, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne de l'entité. Un audit comporte également l'appréciation du caractère approprié des méthodes comptables retenues et du caractère raisonnable des estimations comptables faites par la direction, de même que l'appréciation de la présentation d'ensemble des états financiers.

Nous estimons que les éléments probants que nous avons obtenus sont suffisants et appropriés pour fonder notre opinion d'audit.

Opinion

À notre avis, les états financiers donnent, dans tous leurs aspects significatifs, une image fidèle de la situation financière de la Société au 31 décembre 2016, ainsi que de sa performance financière et de ses flux de trésorerie pour l'exercice clos à cette date, conformément aux Normes internationales d'information financière.

Deloitte S.E.N.C.R.L./s.r.l.

Comptables professionnels agréés
Experts-comptables autorisés

Le 27 mars 2017

Hawkesbury Hydro Inc.
Balance sheet
as at December 31, 2016

Hydro Hawkesbury Inc.
Bilan
au 31 décembre 2016

	2016	2015	
	$	$	
Assets			**Actif**
Current assets			À court terme
Cash	**1,074,609**	1,141,731	Encaisse
Accounts receivable (Note 5)	**2,084,564**	1,637,207	Débiteurs (note 5)
Inventories	**95,423**	97,756	Stocks
Unbilled revenues	**1,304,769**	1,092,117	Revenus non facturés
Prepaid expenses	**13,110**	29,402	Frais payés d'avance
	4,572,475	3,998,213	
Property, plant and equipment (Note 6)	**6,700,010**	5,384,533	Immobilisations corporelles (note 6)
Intangible assets (Note 7)	**28,811**	38,939	Immobilisations incorporelles (note 7)
Deferred tax assets (Note 21)	**87,302**	-	Actif d'impôts différés (note 21)
	11,388,598	9,421,685	
Regulatory deferral account debit balances (Note 8)	**285,898**	192,805	Soldes débiteurs des comptes de report réglementaires (note 8)
	11,674,496	9,614,490	
Liabilities			**Passif**
Current liabilities			À court terme
Construction loan	**1,432,533**	723,795	Emprunt pour construction
Accounts payable and accrued liabilities (Note 9)	**3,417,190**	3,063,044	Créditeurs et charges à payer (note 9)
Income taxes (Note 21)	**70,585**	2,889	Impôts sur les bénéfices (note 21)
Current portion of long-term debt (Note 11)	**663,216**	683,850	Tranche à court terme de la dette à long terme (note 11)
Current portion of other financial liabilities (Note 12)	**162,633**	195,771	Tranche à court terme des autres passifs financiers (note 12)
	5,746,157	4,669,349	
Provision for sick leave benefits	**67,259**	66,829	Provision pour congés de maladie
Other financial liabilities (Note 12)	**396,733**	382,686	Autres passifs financiers (note 12)
Deferred revenues	**316,326**	306,960	Revenus reportés
Deferred tax liabilities (Note 21)	**-**	1,076	Passif d'impôts différés (note 21)
	6,526,475	5,426,900	
Contingencies and commitments (Notes 19 and 20)			Éventualités et engagements (notes 19 et 20)
Shareholder's equity			**Capitaux propres**
Share capital (Note 13)	**1,689,346**	1,689,346	Capital-actions (note 13)
Retained earnings	**2,777,228**	2,393,825	Bénéfices non répartis
	4,466,574	4,083,171	
	10,993,049	9,510,071	
Regulatory deferral account credit balances (Note 14)	**681,447**	104,419	Soldes créditeurs des comptes de report réglementaires (note 14)
	11,674,496	9,614,490	

The accompanying notes are an integral part of the financial statements.

Les notes complémentaires font partie intégrante des états financiers.

Approved by the Board — Au nom du conseil

Director ______________________ administrateur

Director ______________________ administrateur

Hawkesbury Hydro Inc.
Statement of income
year ended December 31, 2016

Hydro Hawkesbury Inc.
État du résultat
de l'exercice clos le 31 décembre 2016

	2016	2015	
	$	$	
Revenues			**Revenus**
Energy (Note 15)	**11,277,635**	11,475,093	Énergie (note 15)
Distribution (Note 15)	**1,583,395**	1,554,361	Distribution (note 15)
Other operating revenues	**464,400**	342,466	Autres revenus d'exploitation
	13,325,430	13,371,920	
Cost of power	**10,792,163**	11,199,154	Coût de l'énergie
	2,533,267	2,172,766	
Expenses (Note 16)			**Charges (note 16)**
Administrative and general	**339,082**	297,046	Administratives et générales
Depreciation and amortization	**194,087**	194,918	Amortissement
Billing and collecting	**418,864**	409,354	Facturation et perception
Distribution - operation and maintenance	**236,871**	235,940	Distribution - exploitation et entretien
Interest	**(12,116)**	2,402	Intérêts
Property taxes	**14,843**	15,126	Impôts fonciers
Other (Note 16)	**261,554**	221,643	Autres (note 16)
	1,453,185	1,376,429	
Income before regulatory items and income tax	**1,080,082**	796,337	Résultat avant éléments réglementaires et impôts
Net movement in regulatory deferral accounts	**483,935**	268,906	Variations nettes des comptes de report réglementaires
Income tax expense (Note 21)	**128,277**	110,214	Impôts sur le résultat (note 21)
	612,212	379,120	
Net income	**467,870**	417,217	**Résultat net**

The accompanying notes are an integral part of the financial statements.

Les notes complémentaires font partie intégrante des états financiers.

Hawkesbury Hydro Inc.
Statement of changes in equity
year ended December 31, 2016

Hydro Hawkesbury Inc.
État des variations des capitaux propres
de l'exercice clos le 31 décembre 2016

	2016	2015	
	$	$	
Retained earnings, beginning of year	**2,393,825**	2,061,075	**Bénéfices non répartis au début**
Net income	**467,870**	417,217	Résultat net
Dividend on Class A shares	**(84,467)**	(84,467)	Dividende sur les actions de catégorie A
Retained earnings, end of year	**2,777,228**	2,393,825	**Bénéfices non répartis à la fin**

Hawkesbury Hydro Inc.
Statement of cash flows
year ended December 31, 2016

Hydro Hawkesbury Inc.
Tableau des flux de trésorerie
de l'exercice clos le 31 décembre 2016

	2016	2015	
	$	$	
Operating activities			**Activités d'exploitation**
Net income	**467,870**	417,217	Résultat net
Items not affecting cash:			Éléments sans effet sur la trésorerie :
Depreciation and amortization of capital assets	**194,087**	194,918	Amortissement des immobilisations
Loss on sale of property, plant and equipment	**6,187**	7,705	Perte à la cession d'immobilisations corporelles
Net movement in regulatory deferral accounts	**483,935**	268,906	Variations nettes des comptes de report réglementaires
Provision for sick leave benefits	**430**	(11,825)	Provision pour congés de maladie
Deferred tax	**(88,378)**	(35,856)	Impôts différés
Net change in non-cash operating working capital items (Note 23)	**(313,920)**	386,481	Variation nette des éléments hors caisse du fonds de roulement (note 23)
	750,211	1,227,546	
Investing activities			**Activités d'investissement**
Purchase of capital assets	**(1,419,620)**	(624,731)	Acquisition d'immobilisations corporelles
Financing activities			**Activités de financement**
Construction loan	**708,738**	-	Emprunt pour construction
Repayment of long-term debt	**(20,634)**	(19,838)	Remboursement de la dette à long terme
Decrease in other financial liabilities	**(19,091)**	(36,026)	Diminution des autres passifs financiers
Contributions received for property, plant and equipment	**17,741**	93,493	Contributions reçues pour immobilisations corporelles
Dividend paid	**(84,467)**	(84,467)	Dividende payé
	602,287	(46,838)	
Net (decrease) increase in cash	**(67,122)**	555,977	(Diminution) augmentation nette de l'encaisse
Cash, beginning of year	**1,141,731**	585,754	Encaisse au début
Cash, end of year	**1,074,609**	1,141,731	**Encaisse à la fin**

The accompanying notes are an integral part of the financial statements.

Les notes complémentaires font partie intégrante des états financiers.

See additional information presented in Note 23.

Voir les renseignements complémentaires présentés à la note 23.

1. Description of the business

Hawkesbury Hydro Inc. (the "Corporation") was incorporated on October 25, 2000, under the Ontario Business Corporations Act and is wholly owned by the Corporation of the Town of Hawkesbury. The Corporation is incorporated and domiciled in Canada with its head and registered office located at 850 Tupper Street, Hawkesbury, Ontario, K6A 3S7.

The principal activity of the Corporation is distribution of electricity in the service areas of the Town of Hawkesbury in the Province of Ontario, under a license issued by the Ontario Energy Board (OEB). The Corporation is regulated under the OEB and adjustments to the distribution rates require OEB approval.

As a condition of its distribution license, the Corporation is required to meet specified Conservation and Demand Management (CDM) targets for reductions in electricity consumption and peak electricity demand. As part of this initiative, the Corporation is delivering Ontario Power Authority (OPA) funded programs in order to meet its targets.

Under the Green Energy and Green Economy Act, 2009, the Corporation and other Ontario electricity distributors have new opportunities and responsibilities to generate renewable energy.

2. Basis of preparation

(a) Statement of compliance

These financial statements were prepared by the management of the Corporation in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB).

These financial statements for the year ended December 31, 2016 were approved by the board of directors on March 27, 2017.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis.

(c) Presentation currency

The financial statements are presented in Canadian dollars, which is also the Corporation's functional currency.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the amounts reported and disclosed in the financial statements. Estimates and underlying assumptions are continually reviewed and are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

1. Description de l'entreprise

Hydro Hawkesbury Inc. (la « Société »), constituée le 25 octobre 2000, en vertu de la Loi sur les sociétés par actions de l'Ontario, est détenue à 100% par la Corporation de la ville de Hawkesbury. La Société a été incorporée et est résidente du Canada avec son siège social situé au 850, rue Tupper, Hawkesbury, Ontario, K6A 3S7.

L'activité principale de la Société est la distribution d'électricité dans les zones de service de la Ville de Hawkesbury dans la province de l'Ontario, en vertu d'une licence délivrée par la Commission de l'énergie de l'Ontario (CÉO). La Société est régie par la CÉO et les modifications aux tarifs de distribution nécessitent l'approbation de la CÉO.

Comme condition de sa licence de distribution, la Société est tenue de rencontrer des objectifs de conservation et de gestion de la demande (CGD) pour réduire la consommation d'électricité et la demande de pointe. Dans le cadre de cette initiative, la Société offre des programmes financés par l'Office de l'électricité de l'Ontario (OPA) dans le but d'atteindre ses objectifs.

En vertu de la Loi de 2009 sur l'énergie verte et l'économie verte, la Société et d'autres distributeurs d'électricité de l'Ontario ont de nouvelles opportunités et responsabilités quant à la génération d'énergie renouvelable.

2. Base de préparation

(a) Déclaration de conformité

Ces états financiers ont été préparés par la direction de la Société conformément aux Normes internationales d'information financière (IFRS) telles que publiées par l'« International Accounting Standards Board » (IASB).

Ces états financiers pour l'exercice clos le 31 décembre 2016 ont été approuvés par le conseil d'administration le 27 mars 2017.

(b) Base d'évaluation

Les états financiers ont été préparés sur la base du coût historique.

(c) Monnaie de présentation

Les états financiers sont présentés en dollars canadiens, ce qui est également la monnaie fonctionnelle de la Société.

(d) Utilisation d'estimations et jugements

La préparation d'états financiers, conformément aux IFRS exige que la direction ait recours à des estimations, des hypothèses et des jugements qui ont une incidence sur l'application des méthodes comptables, les montants déclarés et présentés dans les états financiers. Les estimations et les hypothèses sous-jacentes sont continuellement examinées et sont basées sur l'expérience historique et d'autres facteurs qui sont considérés comme pertinents. Les résultats réels pourraient différer de ces estimations.

2. Basis of preparation (continued)

(d) Use of estimates and judgments (continued)

Significant sources of estimation uncertainty, assumptions and judgments include the following:

(i) Unbilled revenue

The measurement of unbilled revenue is based on an estimate of the amount of electricity delivered to customers between the date of the last bill and the end of the year.

(ii) Useful lives of depreciable assets

Depreciation and amortization expense is based on estimates of the useful lives of property, plant and equipment and intangible assets. The Corporation estimates the useful lives of its property, plant and equipment and intangible assets based on management's judgment, historical experience and an asset study conducted by an independent consulting firm.

(iii) Cash Generating Units (CGU)

Determining CGU's for impairment testing is based on Management's judgment. The impairment testing requires an estimation of the value in use. The value in use calculation requires an estimate of the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value.

The Corporation has only one CGU.

(iv) Valuation of financial instruments

As described in Note 24, the Corporation uses the discounted cash flow model to estimate the fair value of the financial instruments for disclosure purposes.

(v) Other areas

There are a number of other areas in which the Corporation makes estimates; these include the allowance for doubtful accounts and income taxes. These amounts are reported based on the amounts expected to be recovered/refunded and an appropriate allowance has been provided based on the Corporation's best estimate of unrecoverable amounts.

3. Significant accounting policies

The Corporation's financial statements are the representations of management, prepared in accordance with IFRS. The accounting policies set out below have been applied consistently to all years presented in these financial statements, unless otherwise indicated.

2. Base de préparation (suite)

(d) Utilisation d'estimations et jugements (suite)

Des sources importantes d'estimation d'incertitude, les hypothèses et les jugements sont les suivants :

(i) Revenus non facturés

La mesure des revenus non facturés est basée sur une estimation de la quantité d'électricité livrée aux clients entre la date de la dernière facture et la fin de l'exercice.

(ii) Durée de vie utile des actifs amortissables

La charge d'amortissement est basée sur des estimations de la vie utile des immobilisations corporelles et des actifs incorporels. La Société estime la durée de vie utile de ses immobilisations corporelles et des actifs incorporels selon le jugement de la direction, l'expérience historique et une étude d'actifs menée par un cabinet de conseil indépendant.

(iii) Unités génératrices de trésorerie (UGT)

La détermination des UGT pour le test de dépréciation est basée sur le jugement de la direction. Le test de dépréciation nécessite une estimation de la valeur d'utilité. La valeur d'utilité nécessite une estimation des flux de trésorerie futurs attendus de l'UGT et un taux d'actualisation approprié pour calculer la valeur actuelle.

La Société à une seule UGT.

(iv) Évaluation des instruments financiers

Comme il est décrit à la note 24, la Société utilise le modèle de flux de trésorerie actualisés pour estimer la juste valeur des instruments financiers à des fins de présentation.

(v) Autres domaines

Il y a un certain nombre d'autres domaines dans lesquels la Société fait des estimations; ceux-ci comprennent la provision pour créances douteuses et les impôts sur les bénéfices. Ces montants sont présentés en fonction des montants qui devraient être recouvrés/remboursés et une provision a été calculée selon la meilleure estimation de la Société des montants non recouvrables.

3. Principales conventions comptables

Les états financiers de la Société sont les déclarations de la direction, préparés conformément aux IFRS. Les méthodes comptables présentées ci-dessous ont été appliquées de manière cohérente à tous les exercices présentés dans ces états financiers, sauf indication contraire.

3. Significant accounting policies (continued)

The financial statements reflect the following significant accounting policies:

(a) Rate regulation

The Ontario Energy Board Act, 1998 gave the OEB increased powers and responsibilities to regulate the electricity industry. These powers and responsibilities include the power to approve or fix rates for the transmission and distribution of electricity, the power to provide continued rate protection for rural and remote electricity customers and the responsibility for ensuring that distribution companies fulfill obligations to connect and service customers. The OEB may prescribe license requirements and conditions including, among other things, specified accounting records, regulatory accounting principles, and filing process requirements for rate-setting purposes.

The Corporation recognizes revenue when electricity is delivered to customers based on OEB approved rates. Operating costs and expenses are recorded when incurred, unless such costs qualify for recognition as part of an item of property, plant and equipment or as an intangible asset.

As prescribed by the OEB, on a monthly basis, the Corporation compares its energy revenues and expenses and puts the difference in its regulatory deferral account debit/credit balances. Being an electricity distributor, the Corporation is not allowed to make any profit on the sale of energy. The Corporation also has to transfer to its regulatory deferral account debit/credit balances, when directed by OEB, expenses which were not considered in the cost of services. Carrying charges are also calculated on the regulatory deferral account debit/credit balances on a monthly basis at a prescribed rate determined by OEB.

(b) Revenue recognition

(i) Electricity distribution and sale

Revenue from the sale and distribution of electricity is recorded on the basis of cyclical billings based on electricity usage and also includes unbilled revenue accrued in respect of electricity delivered but not yet billed. Revenue is generally comprised of the following:

- Electricity Price and Related Rebates:
  The electricity price and related rebates represent a pass through of the commodity cost of electricity.
- Distribution Rate:
  The distribution rate is designed to recover the costs incurred by the Corporation in delivering electricity to customers, as well as the ability to earn the OEB allowed rate of return. Distribution charges are regulated by the OEB and typically comprise a fixed charge and a usage-based (consumption) charge.

3. Principales conventions comptables (suite)

Les états financiers reflètent les principales conventions comptables suivantes :

(a) Tarifs réglementés

La Loi de 1998 sur la Commission de l’énergie de l’Ontario a donné à la CÉO des pouvoirs accrus et des responsabilités pour réglementer l’industrie de l’électricité. Ces pouvoirs et responsabilités comprennent le pouvoir d’approuver ou de fixer les taux de transmission et de distribution d’électricité, le pouvoir de fournir une protection tarifaire continue pour les clients ruraux et éloignés et la responsabilité de veiller à ce que les sociétés de distribution remplissent leurs obligations de brancher et servir les clients. La CÉO peut imposer des exigences de licence et des conditions, y compris, entre autres, des registres comptables appropriés, des principes comptables réglementaires et des exigences pour le processus d’établissement des tarifs.

La Société constate les revenus lorsque l’électricité est livrée aux clients basés sur les tarifs établis par la CÉO. Les coûts et les charges d’exploitation sont constatés lorsqu’ils sont engagés, à moins que ces coûts soient admissibles en tant qu’immobilisation corporelle ou immobilisation incorporelle.

Tel que requis par la CÉO, sur une base mensuelle, la Société doit comparer ses revenus et charges d’énergie et mettre la différence dans les soldes débiteurs/créditeurs des comptes de report réglementaires. Étant un distributeur d’énergie, la Société ne peut pas faire de profit sur les ventes d’énergie. La Société doit également transférer dans ses soldes débiteurs/créditeurs des comptes de report réglementaires, lorsqu’exigés par la CÉO, des charges non considérées dans le coût de service. Des frais financiers sont également calculés sur les soldes débiteurs/créditeurs des comptes de report réglementaires sur une base mensuelle au taux prescrit établi par la CÉO.

(b) Constatation des revenus

(i) Distribution et vente d’électricité

Les revenus provenant de la vente et la distribution d’électricité sont enregistrés selon le cycle de facturation en fonction de la consommation et comprennent également des revenus non facturés à l’égard de l’électricité livrée mais non encore facturée. Les revenus sont composés des éléments suivants :

- Prix de l’électricité et rabais connexes :
  Le prix de l’électricité et les rabais connexes représentent les coûts réels.
- Tarifs de distribution :
  Les tarifs de distribution sont conçus pour récupérer les coûts encourus par la Société pour fournir l’électricité aux clients, ainsi qu’un taux de rendement autorisé par la CÉO. Les tarifs de distribution sont réglementés par la CÉO et comprennent une charge fixe et une charge basée sur la consommation.

3. Significant accounting policies (continued)

(b) Revenue recognition (continued)

(i) Electricity distribution and sale (continued)

- Retail Transmission Rate:
  The retail transmission rate represents a pass through of costs charged to the Corporation for the transmission of electricity from generating stations to the Corporation's service area. Retail transmission rates are regulated by the OEB.

- Wholesale Market Service Charge:
  The wholesale market service charge represents a pass through of various wholesale market support costs charged by Hydro One, a supplier.

(ii) Other revenue

Other revenue includes revenue from the sale of other services and interest revenues.

Revenue related to the sale of other services is recognized as services are rendered.

Certain items of property, plant and equipment are acquired or constructed with financial assistance in the form of contributions from developers or customers ("customer contributions"). Such contributions, whether in cash or in-kind, are recognized as deferred revenue and amortized into income over the life of the related assets. Contributions in-kind are valued at their fair value at the date of their contribution.

Government grants under CDM programs are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(c) Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for based on their classification as loans and receivables or as other liabilities. Transaction costs for financial assets classified as loans and receivables and financial liabilities classified as other liabilities are capitalized as part of the carrying value at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, such financial assets are carried at amortized cost using the effective interest rate method, less any impairment losses. Losses are recognized in net income when the loans and receivables are derecognized or impaired.

3. Principales conventions comptables (suite)

(b) Constatation des revenus (suite)

(i) Distribution et vente d'électricité (suite)

- Tarifs de transmission de detail :
  Les tarifs de transmission de détail représentent les coûts pour la transmission de l'électricité à partir des stations de production d'électricité jusqu'aux zones de services exploitées par la Société. Les tarifs de transmission de détail sont réglementés par la CÉO.

- Frais de service du marché en gros :
  Les frais de service du marché en gros représentent les coûts facturés par Hydro One, un fournisseur, pour divers coûts de support.

(ii) Autres revenus

Les autres revenus comprennent les revenus provenant de la vente de services et les revenus d'intérêts.

Les revenus liés à la vente d'autres services sont comptabilisés lorsque les services sont rendus.

Certaines immobilisations corporelles sont acquises ou construites avec l'aide financière de développeurs ou clients sous forme de contributions. Ces contributions, en espèces ou en nature, sont comptabilisées à titre de revenus reportés et sont amorties sur la durée de vie utile des immobilisations corporelles correspondantes. Les contributions en nature sont évaluées à leur juste valeur à la date de leur contribution.

Les subventions au titre des programmes de CGD sont comptabilisées lorsqu'il existe une assurance raisonnable que la subvention sera reçue et que toutes les conditions attachées seront respectées. Lorsque la subvention est liée à un élément de charge, elle est comptabilisée comme revenu au même rythme que les charges correspondantes sont comptabilisées.

(c) Instruments financiers

Les actifs et passifs financiers sont initialement comptabilisés à la juste valeur et sont subséquemment comptabilisés selon leur classification comme prêts et créances ou comme autres passifs. Les coûts de transaction pour les actifs financiers classés comme prêts et créances et les passifs financiers classés comme autres passifs sont capitalisés comme la valeur comptable à la comptabilisation initiale.

(i) Prêts et créances

Les prêts et créances sont des actifs financiers non dérivés à paiements fixes ou déterminables qui ne sont pas côtés sur un marché actif. Après la comptabilisation initiale, ces actifs financiers sont comptabilisés au coût après amortissement selon la méthode du taux d'intérêt effectif, déduction faite des pertes de valeur. Les pertes sont comptabilisées dans le résultat net lorsque les prêts et créances sont décompta-bilisés ou dépréciés.

3. Significant accounting policies (continued)

(c) Financial instruments (continued)

(i) Loans and receivables (continued)

Loans and receivables are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and the loss event has had a negative effect on estimated future cash flows of the asset which are reliably measureable.

Loans and receivables are comprised of cash, accounts receivable and unbilled revenue.

(ii) Other liabilities

All non-derivative financial liabilities are classified as other liabilities. Subsequent to initial recognition, other liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are derecognized when either the Corporation is discharged from its obligation, the obligation expires, or the obligation is cancelled or replaced by a new financial liability with substantially modified terms.

Financial liabilities are further classified as current or non-current depending on whether they will fall due within twelve months after the balance sheet date or beyond.

Other liabilities are comprised of construction loan, accounts payable and accrued liabilities, long-term debt and other financial liabilities.

(d) Property, plant and equipment

Property, plant and equipment (PP&E) is measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset and includes contracted services, cost of materials, direct labour and borrowing costs incurred in respect of qualifying assets. When parts of an item of PP&E have different useful lives, they are accounted for as separate components of PP&E.

Major spare parts and standby equipment are recognized as items of PP&E.

When items of PP&E are disposed of, a gain or loss on disposal is determined by comparing the proceeds from disposal with the carrying amount of the item and is included in net income.

Depreciation of PP&E is recognized on a straight-line basis over the estimated useful life of each component of PP&E. The estimated useful lives are as follows:

Building	15 to 50 years
Distribution equipment	15 to 60 years
Transmission equipment	45 years

3. Principales conventions comptables (suite)

(c) Instruments financiers (suite)

(i) Prêts et créances (suite)

Les prêts et créances sont évalués à chaque date de clôture afin de déterminer s’il y a des preuves de dépréciation. Un actif financier est déprécié si des preuves objectives démontrent qu’un événement s’est produit après la constatation initiale de l’actif et que l’événement, qui peut être mesuré de manière fiable, a eu un effet négatif sur les flux de trésorerie futurs estimés.

Les prêts et créances sont composés de l’encaisse, des débiteurs et des revenus non facturés.

(ii) Autres passifs

Les passifs non dérivés sont classés comme autres passifs. Après la comptabilisation initiale, les autres passifs sont évalués au coût amorti selon la méthode du taux d’intérêt effectif.

Les passifs financiers sont décomptabilisés lorsque la Société est déchargée de son obligation, l’obligation prend fin, ou l’obligation est annulée ou remplacée par un nouveau passif financier avec des termes sensiblement modifiés.

Les passifs financiers sont classés comme courant ou non courant selon qu’ils arriveront à échéance dans les douze mois après la date de clôture du bilan ou plus tard.

Les autres passifs sont composés de l’emprunt pour construction, des créditeurs et charges à payer, la dette à long terme et les autres passifs financiers.

(d) Immobilisations corporelles

Les immobilisations corporelles sont évaluées au coût moins l’amortissement cumulé et les pertes de valeur cumulées. Le coût comprend les charges qui sont directement attribuables à l’acquisition de l’actif qui inclut les services contractuels, le coût des matériaux, de la main-d’œuvre directe et les coûts d’emprunt encourus à l’égard des actifs qualifiés. Lorsque des portions d’une immobilisation corporelle ont des durées de vie utile différentes, elles sont divisées par composantes.

Les pièces de rechange principales et le matériel de secours sont reconnus comme des éléments des immobilisations corporelles.

Lorsque des immobilisations corporelles sont disposées, le gain ou la perte sur disposition est déterminé en comparant le produit de disposition à la valeur comptable et est comptabilisé dans le résultat net.

L’amortissement des immobilisations corporelles est comptabilisé selon la méthode linéaire sur la durée de vie utile estimative de chaque composante. Les durées de vie utile estimées sont les suivantes :

Immeuble	15 à 50 ans
Équipement de distribution	15 à 60 ans
Équipement de transmission	45 ans

3. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

Other assets

Computer hardware	5 years
Vehicles	8 years
Tools and equipment	8 to 10 years
Office equipment and furniture	10 years

Where an asset is composed of several significant components having different useful lives or providing economic benefits at a different pace, each component is accounted for separately, and each component is amortized on the duration of amortization of its own.

Depreciation methods and useful lives are reviewed at each financial year-end and any changes are adjusted prospectively.

(e) Intangible assets

Intangible assets include computer software. They are measured at cost less accumulated amortization and accumulated impairment losses.

Computer software are amortized on a straight-line basis over the estimated useful lives from the date that they are available for use. The estimated useful life is five years.

Amortization methods and useful lives are reviewed at each financial year-end and adjusted prospectively.

Intangible assets also include land rights which are measured at cost and are not amortized.

(f) Impairment of non-financial assets

The carrying amounts of the Corporation's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and fair value less costs of disposal. Value in use is calculated as the present value of the estimated future cash flows expected to be derived from an asset or CGU.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows that are largely independent of those from other assets or CGU.

Impairment losses are recognized in net income. Impairment losses relating to CGU are allocated to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. No impairment loss was recognized during the year.

3. Principales conventions comptables (suite)

(d) Immobilisations corporelles (suite)

Autres actifs

Matériel informatique	5 ans
Véhicules	8 ans
Outils et équipement	8 à 10 ans
Matériel et mobilier de bureau	10 ans

Lorsqu'une immobilisation corporelle est composée de plusieurs éléments significatifs ayant des durées d'utilité différentes ou procurant des avantages économiques selon un rythme différent, chaque élément est comptabilisé séparément, et chacune des composantes sont amorties selon la durée d'amortissement qui lui est propre.

Les méthodes d'amortissement et les durées de vie sont révisées annuellement et les ajustements sont comptabilisés de façon prospective.

(e) Immobilisations incorporelles

Les immobilisations incorporelles incluent les logiciels informatiques. Ils sont évalués au coût moins l'amortissement cumulé et les pertes de valeur cumulées.

Les logiciels informatiques sont amortis linéairement sur la durée de vie estimative à compter de la date à laquelle ils sont disponibles pour utilisation. La durée de vie estimée est de 5 ans.

Les méthodes d'amortissement et les durées de vie sont révisées annuellement et les ajustements sont comptabilisés de façon prospective.

Les immobilisations incorporelles incluent aussi les droits de passage qui sont évalués au coût et ne sont pas amortis.

(f) Dépréciation d'actifs non financiers

La valeur comptable des actifs non financiers de la Société, sont examinés à chaque date de clôture afin de déterminer s'il existe un indice de perte de valeur. Si une telle indication existe, la valeur recouvrable de l'actif est estimée. Une perte de valeur est comptabilisée si la valeur comptable d'un actif ou d'une UGT excède sa valeur recouvrable.

La valeur recouvrable d'un actif ou d'une UGT est le plus élevé de sa valeur d'utilité et la juste valeur diminuée des coûts de sortie. La valeur d'utilité est calculée comme la valeur actuelle des flux de trésorerie futurs estimatifs susceptibles de découler d'un actif ou d'une UGT.

Aux fins du test de dépréciation, les actifs sont regroupés dans le plus petit groupe d'actifs qui génère des entrées de trésorerie largement indépendantes de celles d'autres actifs ou d'une UGT.

Les pertes de valeur sont comptabilisées dans le résultat net. Les pertes de valeur ayant rapport à une UGT sont réparties pro rata afin de réduire la valeur comptable des autres actifs de cette UGT. Aucune perte de valeur n'a été comptabilisée au cours de l'exercice.

3. Significant accounting policies (continued)

(f) Impairment of non-financial assets (continued)

In respect of other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Leases

Leases in which the Corporation assumes substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Payments under finance leases are apportioned between interest expense and a reduction of the outstanding liability.

Other leases are operating leases and are not recognized in the Corporation's balance sheet. Payments made under operating leases are recognized as an expense on a straight-line basis over the term of the lease.

(h) Payment in lieu of corporate income taxes (PILs)

Under the Electricity Act, 1998, the Corporation is required to make payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation (OEFC). The payments in lieu of taxes are calculated on a basis as if the Corporation was a taxable company under the Income Tax Act (Canada) and the Taxation Act, 2007 (Ontario).

Income tax expense comprises current and deferred tax and is recognized in net income except to the extent that it relates to items recognized directly in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized, using the liability method, on temporary differences arising between the carrying amount of balance sheet items and their corresponding tax basis, using the substantively enacted income tax rates for the years in which the differences are expected to reverse.

In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognized for deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized.

3. Principales conventions comptables (suite)

(f) Dépréciation d'actifs non financiers (suite)

En ce qui concerne les autres actifs, une perte de valeur n'est reprise que dans la mesure où la valeur comptable de l'actif ne dépasse pas la valeur comptable qui aurait été déterminée, nette des amortissements, si aucune perte de valeur n'avait été reconnue.

(g) Contrats de location

Les baux pour lesquels la Société assume la quasi-totalité des risques et avantages inhérents à la propriété sont classés comme des contrats de location-financement. Lors de la comptabilisation initiale, l'actif loué est évalué à un montant égal au moindre de sa juste valeur et la valeur actualisée des paiements minimaux. Après la comptabilisation initiale, l'actif est comptabilisé conformément à la méthode comptable applicable à cet actif. Les paiements au titre de contrats de location-financement sont ventilés entre les charges d'intérêts et une réduction de la dette.

D'autres baux sont des locations simples et ne sont pas comptabilisés dans le bilan de la Société. Les paiements effectués en vertu de contrats de location-exploitation sont comptabilisés en charges sur une base linéaire sur la durée du bail.

(h) Paiement en remplacement d'impôts sur le bénéfice (PILs)

En vertu de la Loi de 1998 sur la Société financière de l'industrie de l'électricité de l'Ontario (SFIEO), la Société est tenue d'effectuer des paiements en remplacement d'impôts sur le bénéfice. Les paiements en remplacement d'impôts sur le bénéfice sont calculés comme si la Société était une société imposable en vertu de la Loi de l'impôt sur le revenu (Canada) et la Loi de 2007 sur les impôts (Ontario).

La charge d'impôt sur le résultat inclut l'impôt exigible et différé et est comptabilisée en résultat net, sauf dans la mesure où elle se rapporte à des éléments comptabilisés directement dans les autres éléments du résultat étendu.

L'impôt exigible est le montant des impôts à payer ou à recevoir sur le revenu imposable ou de la perte de l'exercice, selon les taux en vigueur à la date de clôture, ainsi que tout ajustement de l'impôt dû au titre des exercices précédents.

L'impôt différé est comptabilisé selon la méthode des impôts futurs, sur les différences temporaires entre la valeur comptable des éléments du bilan et leur valeur fiscale, en utilisant les taux d'imposition pratiquement en vigueur pour les exercices où les écarts devraient se résorber.

En outre, l'impôt différé n'est pas reconnu pour les différences temporelles imposables liées à la comptabilisation initiale de l'achalandage.

Un actif d'impôt différé est comptabilisé pour les différences temporelles déductibles, dans la mesure où il est probable qu'un bénéfice imposable futur sera disponible pour être appliqué contre ces montants.

3. Significant accounting policies (continued)

(i) Provision for sick leave benefits

Employees earn one day of sick leave benefit for every month worked. Unused benefits, which can accrue to a maximum of 130 days, are payable at 50% upon retirement. Accrued benefits above 130 days are payable at 50% at the beginning of the following year.

(j) Customers' deposits

Deposits are taken to guarantee the payment of utility bills or ensure contract performance by the counter-party.

3. Principales conventions comptables (suite)

(i) Provision pour congés de maladie

Les employé(e)s accumulent une journée de maladie pour chaque mois travaillé. Les journées non utilisées, qui peuvent être accumulées jusqu'à un maximum de 130 jours, sont payables à la retraite à 50%. Les journées accumulées au-delà de 130 jours sont payables à 50% au début de l'exercice suivant.

(j) Dépôts de clients

Des dépôts sont pris en garantie de paiement des factures de services publics ou assurer l'exécution du contrat par la contrepartie.

4. Future accounting changes

There are new standards, amendments to standards and interpretations which have not been applied in preparing these financial statements. In particular, this includes IFRS 9 *Financial Instruments* which is tentatively effective from periods beginning on or after January 1st, 2018 and amendments to IFRS 7 which are effective at the date of adoption of IFRS 9. The Corporation has not yet assessed the impact of this new standard.

IFRS 15, Revenue from Contracts with customers is a new standard on revenue recognition, superseding IAS 18, Revenue, IAS II, Construction Contracts, and related interpretations. IFRS 15 specifies how and when an entity will recognize revenue and additional disclosure requirements. This new standard is effective on January 1st, 2018. The Corporation has not yet assessed the impact of this new standard.

IFRS 16, Leases, which supersedes IAS 17, provides a model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. This new standard is effective on January 1st, 2019. The Corporation has not yet assessed the impact of this new standard.

4. Modifications comptables futures

Il y a de nouvelles normes, modifications de normes et interprétation qui ne sont pas appliquées dans la préparation de ces états financiers. En particulier, cela inclus IFRS 9 « Instruments financiers », qui est provisoirement en vigueur pour les exercices ouverts à compter du 1er janvier 2018 et des modifications à IFRS 7 qui seront en vigueur à la date d'adoption d'IFRS 9. La Société n'a pas encore évalué l'incidence de cette nouvelle norme.

IFRS 15 « Revenus de contrats avec des clients », est une nouvelle norme sur la comptabilisation des revenus, qui remplace la norme IAS 18 « Revenu », IAS 11 « Contrats de construction », et les interprétations afférentes. IFRS 15 précise comment et quand une entité va comptabiliser les revenus et les exigences de présentation supplémentaires. Cette nouvelle norme sera en vigueur à compter du 1er janvier 2018. La Société n'a pas encore évalué l'incidence de cette nouvelle norme.

IFRS 16 « Contrats de location », qui remplace IAS 17, fournit un modèle pour l'identification des contrats de location et de leur traitement dans les états financiers du preneur et du bailleur. Cette nouvelle norme est en vigueur le 1er janvier 2019. La Société n'a pas encore évalué l'incidence de cette nouvelle norme.

5. Accounts receivable / 5. Débiteurs

	2016	2015	
	$	$	
Electrical energy	**1,882,652**	1,506,634	Énergie électrique
Town of Hawkesbury	**110,724**	82,419	Ville de Hawkesbury
Commodity taxes receivable	**88,810**	34,924	Taxes à la consommation à recevoir
Energy and global adjustment variances	**43,305**	78,588	Variances d'énergie et d'ajustement global
Debt retirement charge	**-**	142	Redevance de liquidation de la dette
Other	**16,529**	14,663	Autres
	2,142,020	1,717,370	
Allowance for doubtful accounts	**(57,456)**	(80,163)	Provision pour créances douteuses
	2,084,564	1,637,207	

6. Property, plant and equipment / 6. Immobilisations corporelles

	Land/ Terrain	Building/ Immeuble	Distribution equipment/ Équipement de distribution	Transmission equipment/ Équipement de transmission	Other assets/ Autres actifs	Construction in progress/ Construction en cours	Total	
	$	$	$	$	$	$	$	
Cost								**Coût**
Balance as at December 31, 2014	48,300	622,821	1,566,283	1,349,795	46,459	1,511,809	5,145,467	Solde au 31 décembre 2014
Additions	-	-	135,960	322,135	7,254	141,544	606,893	Acquisitions
Disposals	-	-	(8,843)	-	-	-	(8,843)	Dispositions
Balance as at December 31, 2015	48,300	622,821	1,693,400	1,671,930	53,713	1,653,353	5,743,517	Solde au 31 décembre 2015
Additions	**-**	**52,500**	**181,991**	**113,345**	**8,259**	**1,153,904**	**1,509,999**	**Acquisitions**
Disposals	**-**	**-**	**(7,746)**	**-**	**-**	**-**	**(7,746)**	**Dispositions**
Balance as at December 31, 2016	**48,300**	**675,321**	**1,867,645**	**1,785,275**	**61,972**	**2,807,257**	**7,245,770**	**Solde au 31 décembre 2016**
Accumulated depreciation								**Amortissement cumulé**
Balance as at December 31, 2014	-	33,825	96,102	37,767	10,811	-	178,505	Solde au 31 décembre 2014
Depreciation expense	-	34,271	97,062	39,652	10,632	-	181,617	Amortissement
Disposals	-	-	(1,138)	-	-	-	(1,138)	Dispositions
Balance as at December 31, 2015	-	68,096	192,026	77,419	21,443	-	358,984	Solde au 31 décembre 2015
Depreciation expense	**-**	**34,446**	**99,037**	**46,148**	**8,704**	**-**	**188,335**	**Amortissement**
Disposals	**-**	**-**	**(1,559)**	**-**	**-**	**-**	**(1,559)**	**Dispositions**
Balance as at December 31, 2016	**-**	**102,542**	**289,504**	**123,567**	**30,147**	**-**	**545,760**	**Solde au 31 décembre 2016**
Net carrying amounts								Valeur comptable nette
As at December 31, 2015	48,300	554,725	1,501,374	1,594,511	32,270	1,653,353	5,384,533	Au 31 décembre 2015
As at December 31, 2016	**48,300**	**572,779**	**1,578,141**	**1,661,708**	**31,825**	**2,807,257**	**6,700,010**	**Au 31 décembre 2016**

7. Intangible assets / 7. Immobilisations incorporelles

	Computer software/ Logiciel informatique	Land rights/ Droits de passage	Total	
	$	$	$	
Cost				**Coût**
Balance as at December 31, 2014	66,759	5,980	72,739	Solde au 31 décembre 2014
Additions	5,813	-	5,813	Acquisitions
Balance as at December 31, 2015	72,572	5,980	78,552	Solde au 31 décembre 2015
Additions	**3,999**	**-**	**3,999**	**Acquisitions**
Balance as at December 31, 2016	**76,571**	**5,980**	**82,551**	**Solde au 31 décembre 2016**
Accumulated amortization				**Amortissement cumulé**
Balance as at December 31, 2014	19,751	-	19,751	Solde au 31 décembre 2014
Amortization expense	19,862	-	19,862	Amortissement
Balance as at December 31, 2015	39,613	-	39,613	Solde au 31 décembre 2015
Amortization expense	**14,127**	**-**	**14,127**	**Amortissement**
Balance as at December 31, 2016	**53,740**	**-**	**53,740**	**Solde au 31 décembre 2016**
Net carrying amounts				Valeur comptable nette
As at December 31, 2015	32,959	5,980	38,939	Au 31 décembre 2015
As at December 31, 2016	**22,831**	**5,980**	**28,811**	**Au 31 décembre 2016**

8. Regulatory deferral account debit balances / 8. Soldes débiteurs des comptes de report réglementaires

	2016	2015	
	$	$	
Low voltage charges	**184,379**	62,823	Distribution à faible tension
Other regulatory assets	**44,804**	41,648	Autres actifs réglementés
Amounts recoverable from clients	**56,715**	88,334	Montants récupérables des clients
	285,898	192,805	

9. Accounts payable and accrued liabilities / 9. Créditeurs et charges à payer

	2016	2015	
	$	$	
Accounts payable - energy purchases	**3,008,385**	2,711,825	Créditeurs - achats d'énergie
Debt retirement charge payable - Ontario Electricity Financial Corporation	**52,146**	79,183	Redevance de liquidation de la dette à payer - Société financière de l'industrie de l'électricité de l'Ontario
Payroll payable	**86,899**	101,843	Rémunération à payer
Customer receivables in credit balances	**57,375**	71,416	Clients à recevoir avec soldes créditeurs
Town of Hawkesbury	**6,967**	6,734	Ville de Hawkesbury
Other accounts payable and accrued liabilities	**205,418**	92,043	Autres créditeurs et charges à payer
	3,417,190	3,063,044	

10. Bank loan

The Corporation has an authorized line of credit of $ 1,000,000 ($ 1,000,000 as at December 31, 2015), at prime rate, which remained unused as at December 31, 2016 and 2015.

There are no covenants to be met.

10. Emprunt bancaire

La Société dispose d'une marge de crédit de 1 000 000 $ (1 000 000 $ au 31 décembre 2015), au taux préférentiel, dont la totalité est inutilisée au 31 décembre 2016 et 2015.

Il n'y a pas de ratios à respecter.

11. Long-term debt / **11. Dette à long terme**

	2016	2015	
	$	$	
Loan, 3.94%, payable until June 2037 in monthly instalments of $ 3,934 including interest, secured by a general security agreement over all the assets of the Corporation	**663,216**	683,850	Emprunt, 3,94%, remboursable jusqu'en juin 2037 par versements mensuels de 3 934 $ incluant les intérêts, garanti par un contrat de sûreté générale sur tous les actifs de la Société
Current portion	**(663,216)**	(683,850)	Tranche à court terme
	-	-	

If debts continues with the same terms, rates and conditions as the ones existing at year-end, principal payments required in each of the next five years are as follows:

Si les dettes continuent avec les mêmes termes, taux et conditions qui existaient en fin d'exercice, les versements de capital requis au cours des cinq prochains exercices sont les suivants :

	$
2017	21,462
2018	22,323
2019	23,218
2020	24,150
2021	25,119

Under the terms of the loan agreement, the Corporation must satisfy certain restrictive covenants as to minimum financial ratios, regarding the disposal of capital assets, must not increase the line of credit or the letter of guarantee, must not invest in subsidiary and must not distribute to the shareholder more than the permitted annual distribution limit. The Corporation is in default regarding its current ratio, therefore, the debt has been presented in current liabilities.

Selon les conditions rattachées à l'emprunt, la Société est soumise à certaines clauses restrictives en ce qui concerne le maintien de ratios financiers minimums, au sujet de la disposition d'immobilisations corporelles, ne doit pas augmenter sa marge de crédit ou sa lettre de garantie, ne doit pas investir dans des filiales, et ne doit pas distribuer à l'actionnaire plus que la limite annuelle permise. La Société est en défaut concernant le ratio de liquidité générale, donc la dette a été présentée dans le passif à court terme.

12. Other financial liabilties / **12. Autres passifs financiers**

	2016	2015	
	$	$	
Customers' deposits	**559,366**	578,457	Dépôts des clients
Current portion	**(162,633)**	(195,771)	Tranche à court terme
	396,733	382,686	

13. Share capital / **13. Capital-actions**

Authorized share capital:

An unlimited number of shares in each of the following categories:

Voting Class A shares

Voting Class B shares, non-participating

Non-voting Class C shares, non-participating

Informations sur le capital-actions autorisé :

Un nombre illimité d'actions de chacune des catégories suivantes :

Actions de catégorie A, avec droit de vote

Actions de catégorie B, avec droit de vote, non participantes

Actions de catégorie C, sans droit de vote, non participantes

13. Share capital (continued) / 13. Capital-actions (suite)

Issued / *Émis*

	2016	2015	
	$	$	
1 Class A share	**1,689,346**	1,689,346	1 action de catégorie A

14. Regulatory deferral account credit balances / 14. Soldes créditeurs des comptes de report réglementaires

	2016	2015	
	$	$	
Smart meters	**7,173**	7,092	Compteurs intelligents
Retail settlement variance account	**674,274**	97,327	Écart de prix avec les détaillants
	681,447	104,419	

15. Revenues / 15. Revenus

	2016	2015	
	$	$	
Energy			*Énergie*
Residential	**5,452,010**	4,953,619	Résidentiel
General < 50 KW	**1,974,873**	1,814,864	Général < 50 KW
General > 50 KW	**1,178,223**	1,917,300	Général > 50 KW
Street lights	**8,883**	27,064	Éclairage des rues
Sentinel	**9,059**	10,137	Sentinelle
Retailers	**161,731**	320,697	Détaillants
Regulatory charges	**2,492,856**	2,431,412	Frais réglementés
	11,277,635	11,475,093	
Distribution			*Distribution*
Residential	**920,062**	903,398	Résidentiel
General < 50 KW	**227,924**	228,151	Général < 50 KW
General > 50 KW	**398,621**	379,507	Général > 50 KW
Street lights	**18,280**	24,680	Éclairage des rues
Sentinel	**2,017**	2,292	Sentinelle
Regulatory charges	**16,491**	16,333	Frais réglementés
	1,583,395	1,554,361	

16. Expenses / 16. Charges

	2016	2015	
	$	$	
Salaries and benefits	**455,486**	535,612	Salaires et avantages sociaux
Contract/consulting	**160,861**	212,053	Contrat/consultant
Materials	**654,867**	431,444	Matériaux
Depreciation and amortization of capital assets	**194,087**	194,918	Amortissement des immobilisations
Interest	**(12,116)**	2,402	Intérêts
	1,453,185	1,376,429	

16. Expenses (continued)

16. Charges (suite)

	2016	2015	
	$	$	
Other expenses			Autres charges
Energy conservation programs	**223,798**	190,333	Programmes de conservation d'énergie
Jobs for clients	**26,810**	16,039	Travaux pour des clients
Other	**10,946**	15,271	Autres
	261,554	221,643	

17. Insurance

With respect to liability insurance, the Corporation is a member of the Municipal Electricity Association Reciprocal Insurance Exchange (MEARIE). A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other. MEARIE is licensed to provide general liability insurance to its members.

Insurance premiums charged to each member consist of a levy per thousands of dollars of service revenue subject to a credit or surcharge based on each member's claims experience. The maximum coverage is $ 24,000,000 for liability insurance, including directors and officers and $ 15,000,000 for rolling stock insurance.

17. Assurance

En ce qui concerne l'assurance responsabilité, la Société est membre du « Municipal Electricity Association Reciprocal Insurance Exchange » (MEARIE). Un échange d'assurance réciproque peut être défini comme un groupe de personnes formées dans le but d'échanger des contrats réciproques d'indemnisation ou d'assurance avec l'autre. MEARIE est autorisé à fournir une assurance de responsabilité civile générale à ses membres.

Les primes d'assurance facturées à chaque membre se composent d'un prélèvement par millier de dollars de revenus de services sujet à un crédit ou un supplément basé sur l'expérience des réclamations de chaque membre. La couverture maximale pour l'assurance responsabilité, incluant les administrateurs et officiers, est de 24 000 000 $ et 15 000 000 $ pour le matériel roulant.

18. Pension plan

The Corporation makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of 7 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2016 is $ 33,753 ($ 41,565 in 2015) for current service and is included as an expense in the statement of income.

18. Régime de retraite

La Société contribue au régime de retraite des employés municipaux de l'Ontario (RREMO), qui est un régime interemployeurs, pour 7 membres de son personnel. Il s'agit d'un régime à prestations déterminées qui prévoit le niveau de pension à être reçu par les employés en se basant sur les années de service et le niveau salarial.

Le montant contribué à RREMO en 2016 est de 33 753 $ (41 565 $ en 2015) pour services courants et est inclus dans les charges à l'état du résultat.

19. Contingencies

Letter of guarantee

A letter of guarantee in the amount of $ 399,528 was issued in favour of the Independent Electricity System Operator and is renewable in September 2017. The Corporation of the Town of Hawkesbury endorsed this letter of guarantee.

19. Éventualités

Lettre de garantie

Une lettre de garantie au montant de 399 528 $ a été émise en faveur de « Independent Electricity System Operator » et est renouvelable en septembre 2017. La Corporation de la Ville de Hawkesbury a endossé cette lettre de garantie.

20. Commitments

The Corporation signed contracts for the upgrade of a substation. The amounts for services or equipment not received at year-end are $ 761,467.

20. Engagements

La Société a signé des contrats pour la mise à jour d'une sous-station. Les montants pour les services ou l'équipement non reçus à la fin d'exercice sont de 761 467 $.

21. Income tax / 21. Impôts sur les bénéfices

(a) Income tax expense / *(a) Impôts sur le résultat*

PILs recognized in net income include the following: / Les PILs constatés dans le résultat net inclus :

	2016	2015	
	$	$	
Current tax	**216,655**	146,070	Impôts exigibles
Deferred tax	**(88,378)**	(35,856)	Impôts différés
Income tax expense	**128,277**	110,214	Impôts sur le résultat

(b) Reconciliation of effective tax rate / *(b) Rapprochement du taux d'imposition*

The income tax expense differs from the amount that would have been recorded using the combined Canadian federal and provincial statutory income tax rates. The reconciliation between the statutory and effective tax rates is as follows:

La charge d'impôt diffère de celle qui sera établie avec le taux statutaires combiné fédéral et provincial. Le rapprochement entre les taux statutaires et les taux effectifs est comme suit :

	2016	2015	
	$	$	
Income before taxes	**596,147**	527,431	Résultat avant impôts
Statutory Canadian federal and provincial income tax rates	**26.5%**	26.5%	Taux d'impôt statutaires canadien fédéral et provincial
Expected tax provision on income at statutory rates	**157,979**	139,769	Provision attendue sur le résultat aux taux statutaires
Decrease in income taxes resulting from:			Réduction des impôts résultant de :
Small business deduction	**(28,676)**	(29,555)	Déduction accordée aux petites entreprises
Other	**(1,026)**	-	Autres
Total income tax expense	**128,277**	110,214	Impôts sur le résultat total

Statutory Canadian income tax rates for the current year comprise 15% (15% in 2015) for federal corporate tax and 11.5% (11.5% in 2015) for corporate tax in Ontario.

Les taux d'impôts statutaires canadiens pour l'exercice courant sont 15% (15% en 2015) pour l'impôt des sociétés fédéral et 11,5% (11,5% en 2015) pour l'impôt des sociétés en Ontario.

(c) Deferred tax / *(c) Impôts différés*

Deferred tax (assets) liabilities are attributable to the following:

Les (actifs) passifs d'impôts différés sont attribuables à :

	2016	2015	
	$	$	
Property, plant and equipment	**(10,791)**	(16,903)	Immobilisations corporelles
Intangible assets	**2,598**	4,279	Immobilisations incorporelles
Regulatory deferral account	**(79,109)**	13,700	Comptes de report réglementaires
	(87,302)	1,076	

Movement in deferred tax balances during the year were as follows:

Les variations des soldes des impôts afférés au cours de l'exercice sont comme suit:

	2016	2015	
	$	$	
Balance as at January 1st	**1,076**	36,932	Solde au 1er janvier
Recognized in net income	**(88,378)**	(35,856)	Constaté dans le résultat net
Balance as at December 31	**(87,302)**	1,076	Solde au 31 décembre

22. Related party balances and transactions

22. Soldes et transactions avec les parties liées

(a) Balances and transactions with shareholder

(a) Soldes et transactions avec l'actionnaire

The amounts (receivable from) payable to shareholder are presented in Notes 5 and 9.

Les montants (recevables de) payables à l'actionnaire sont présentés aux notes 5 et 9.

Significant related party transactions with the shareholder not otherwise disclosed separately in the financial statements, are summarized below:

Les transactions importantes avec l'actionnaire, qui ne sont pas présentées séparément dans les états financiers, sont résumées ci-dessous :

	2016	2015	
	$	$	
Revenues			Revenus
Energy and distribution	**1,090,423**	1,033,255	Énergie et distribution
Expenses			Charges
Distribution	**6,684**	6,560	Distribution
Property taxes	**14,843**	15,126	Impôts fonciers
	21,527	21,686	

These transactions are in the normal course of operations and are recorded at the exchange amount.

Ces transactions sont dans le cours normal des operations et sont constatées à la valeur d'échange.

(b) Key management personnel compensation

(b) Rémunération des principaux dirigeants

Key management personnel are comprised of the Corporation's manager and the members of board of directors. The compensation paid or payable to key management personnel is as follows:

Les principaux dirigeants sont le gérant de la Société et les membres du conseil d'administration. La rémunération versée ou payable aux principaux dirigeants est comme suit :

Salaries and short-term employment benefits	**121,140**	117,650	Salaires et avantages sociaux à court terme

23. Net change in non-cash operating working capital items

23. Variation nette des éléments hors caisse du fonds de roulement

	2016	2015	
	$	$	
Accounts receivable	**(447,357)**	158,746	Débiteurs
Inventories	**2,333**	(504)	Stocks
Unbilled revenues	**(212,652)**	127,498	Revenus non facturés
Prepaid expenses	**16,292**	(5,500)	Frais payés d'avance
Accounts payable and accrued liabilities	**259,768**	246,533	Créditeurs et charges à payer
Income taxes	**67,696**	(140,292)	Impôts sur les bénéfices
	(313,920)	386,481	

Non-cash transactions

Opérations sans effets sur la trésorerie

During the year, capital assets were acquired at an aggregate cost of $ 1,513,998 ($ 612,706 in 2015), of which $ 94,378 (Nil in 2015) were paid after year-end and $ 1,419,620 ($ 612,706 in 2015) were paid during the year.

Au cours de l'exercice, des immobilisations ont été acquises pour un coût total de 1 513 998 $ (612 706 $ en 2015), dont 94 378 $ (nul en 2015) ont été payées après la fin de l'exercice et 1 419 620 $ (612 706 $ en 2015) ont été payées au cours de l'exercice.

24. Financial instruments and risk management

(a) Fair value of financial instruments

The Corporation's accounting policies relating to the recognition and measurement of financial instruments are disclosed in Note 3(c).

The carrying amount of cash, accounts receivable, unbilled revenues, construction loan and accounts payable and accrued liabilities approximates fair value because of the short maturity of these instruments. The carrying value and fair value of the Corporation's other financial instruments are as follows:

24. Instruments financiers et gestion des risques

(a) Juste valeur des instruments financiers

Les conventions comptables de la Société relatives à la comptabilisation et l'évaluation des instruments financiers sont présentées à la note 3(c).

La valeur comptable de l'encaisse, des débiteurs, des revenus non facturés, de l'emprunt pour construction et des créditeurs et charges à payer sont près de la juste valeur en raison de l'échéance rapprochée de ces instruments. La valeur comptable et la juste valeur des autres instruments financiers de la Société sont les suivants :

	2016		2015		
Description	**Carrying value/ Valeur comptable**	**Fair value/ Juste valeur**	Carrying value/ Valeur comptable	Fair value/ Juste valeur	**Description**
	$	**$**	$	$	
Liabilities					Passif
Long-term debt	**663,216**	**663,000**	683,850	684,000	Dette à long terme
Other financial liabilities	**559,366**	**559,000**	578,457	578,000	Autres passifs financiers

The carrying amounts shown in the table are included in the balance sheet under the indicated title.

Les valeurs comptables démontrées dans le tableau sont inclus au bilan sous la rubrique indiquée.

24. Financial instruments and risk management (continued)

(a) Fair value of financial instruments (continued)

Financial instruments which are disclosed at fair value are to be classified using a three - level hierarchy. Each level reflects the inputs used to measure the fair values disclosed of the financial liabilities, and are as follows:

- Level 1: inputs are unadjusted quoted prices of identical instruments in active markets;
- Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the assets or liabilities that are not based on observable market data.

The fair value hierarchy is classified as Level 2 for long-term debt and other financial liabilities. The classification for disclosure purposes has been determined in accordance with generally accepted pricing models, based on discounted cash flow analysis. The most significant inputs are the contractual terms of the instrument discounted, and the market discount rates that reflects the credit risk of counterparties.

(b) Risk factors

The Corporation understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Corporation's exposure to a variety of risks such as credit risk and liquidity risk as well as related mitigation strategies have been discussed below. However, the risks described below are not exhaustive of all the risks nor will the mitigation strategies eliminate the Corporation's exposure to all risks listed.

(c) Credit risk

The Corporation's credit risk is primarily attributable to its accounts receivable and unbilled revenues. The amounts disclosed in the balance sheet are net of allowance for doubtful accounts, estimated by the management of the Corporation based on previous experience and its assessment of the current economic environment. In order to reduce its risk, management has adopted credit policies that include regular review of credit limits. The Corporation does not have significant exposure to any individual customer and has not incurred any significant bad debts during the year. The credit risk on cash is limited because the counterparties are chartered banks with high credit-ratings assigned by national credit-rating agencies.

24. Instruments financiers et gestion des risques (suite)

(a) Juste valeur des instruments financiers (suite)

Les instruments financiers qui sont présentés à la juste valeur doivent être classés selon une hiérarchie à trois niveaux. Chaque niveau reflète les données utilisées pour évaluer les justes valeurs des passifs financiers et sont comme suit :

- Niveau 1 : évaluation fondée sur les prix non rajustés, sur le marché, pour des actifs ou passifs identiques;
- Niveau 2 : les données autres que les prix cotés visés au niveau 1, qui sont observables pour l'actif ou le passif, directement ou indirectement; et
- Niveau 3 : données pour les actifs ou passifs qui ne sont pas fondées sur les données de marché observables.

La hiérarchie de la juste valeur de la dette à long terme et des autres passifs financiers est classée au niveau 2. La classification à des fins de divulgation a été déterminée conformément aux modèles d'évaluation généralement reconnus, fondés sur l'analyse des flux de trésorerie actualisés. Les données principales sont les conditions contractuelles de l'instrument escompté et les taux d'actualisation du marché qui reflètent le risque de crédit des contreparties.

(b) Facteurs de risque

La Société comprend les risques inhérents à son domaine d'activité et les définit comme étant tout ce qui pourrait influer sur sa capacité à réaliser ses objectifs stratégiques. L'exposition de la Société à une variété de risques tels que le risque de crédit et le risque de liquidité ainsi que les stratégies d'atténuation connexes ont été discutés ci-dessous. Cependant, les risques décrits ci-dessous ne sont pas exhaustifs et les stratégies d'atténuation n'élimineront pas l'exposition de la Société à tous les risques énumérés.

(c) Risque de crédit

Le risque de crédit de la Société est principalement imputable à ses débiteurs et ses revenus non facturés. Les montants présentés dans le bilan ont été réduits de la provision pour créances douteuses, laquelle a fait l'objet d'une estimation par la direction de la Société en fonction de l'expérience antérieure et de son évaluation de la conjoncture économique actuelle. Afin de réduire le risque, la direction a adopté des politiques de crédit qui comprennent une révision régulière des limites de crédit. La Société n'est exposée à aucun risque important à l'égard d'un client particulier et n'a eu aucune créance irrécouvrable importante au cours de l'exercice. Le risque de crédit lié à l'encaisse est limité puisque les contreparties sont des banques à charte jouissant de cotes de solvabilité élevées attribuées par des agences de notation nationales.

24. Financial instruments and risk management (continued)

(c) Credit risk (continued)

As at December 31, 2016, the aging of accounts receivable was as follow:

24. Instruments financiers et gestion des risques (suite)

(c) Risque de crédit (suite)

Au 31 décembre 2016, le classement par échéance des débiteurs était le suivant :

	2016		2015		
	$	**%**	$	%	
Trade					Clients
Current	**2,033,225**	**95**	1,611,590	94	Courant
Aged between 31 and 90 days	**31,650**	**1**	23,698	1	Entre 31 et 90 jours
Aged greater than 90 days	**77,145**	**4**	82,082	5	Plus de 90 jours
	2,142,020	**100**	1,717,370	100	
Allowance for doubtful accounts	**(57,456)**	**3**	(80,163)	5	Provision pour créances douteuses
	2,084,564	**97**	1,637,207	95	

24. Financial instruments and risk managements (continued)

24. Instruments financiers et gestion des risques (suite)

d) Liquidity risk

The Corporation's objective is to have sufficient liquidity to meet its liabilities when due. The Corporation monitors its cash balances and cash flows generated from operations to meet its requirements. The Corporation has the following financial liabilities as at December 31:

d) Risque de liquidité

Le risque de liquidité est le risque que la Société ne soit pas en mesure de remplir ses obligations financières à leur échéance. La Société surveille le solde de son encaisse et ses flux de trésorerie qui découlent de son exploitation pour être en mesure de respecter ses engagements. Au 31 décembre, les passifs financiers de la Société étaient les suivants :

December 31, 2016	**Carrying amount/ Valeur/ comptable**	**2017**	**2018-2022**	**2023-2027**	**After/Après 2027**	**Au 31 décembre 2016**
	$	**$**	**$**	**$**	**$**	
Construction loan	**1,432,533**	**1,432,533**	**-**	**-**	**-**	Emprunt pour construction
Accounts payable and accrued liabilities	**3,417,190**	**3,417,190**	**-**	**-**	**-**	Créditeurs et charges à payer
Long-term debt	**663,216**	**21,462**	**120,936**	**147,222**	**373,596**	Dette à long terme
Other financial liabilities	**559,366**	**162,633**	**396,733**	**-**	**-**	Autres passifs financiers
	6,072,305	**5,033,818**	**517,669**	**147,222**	**373,596**	

December 31, 2015	Carrying amount/ Valeur/ comptable	2016	2017-2021	2022-2026	After/Après 2026	31 décembre 2015
	$	$	$	$	$	
Construction loan	723,795	723,795	-	-	-	Emprunt pour construction
Accounts payable and accrued liabilities	3,063,044	3,063,044	-	-	-	Créditeurs et charges à payer
Long-term debt	683,850	20,634	116,272	141,543	405,401	Dette à long terme
Other financial liabilities	578,457	195,771	382,686	-	-	Autres passifs financiers
	5,049,146	4,003,244	498,958	141,543	405,401	

25. Rate regulation

The Ontario Energy Board Act, 1998 gave the OEB increased powers and responsibilities to regulate the electricity industry. These powers and responsibilities include the power to approve or fix rates for the transmission and distribution of electricity, the power to provide continued rate protection for rural and remote electricity customers and the responsibility for ensuring that distribution companies fulfill obligations to connect and service customers. The OEB may prescribe license requirements and conditions including, among other things, specified accounting records, regulatory accounting principles, and filing process requirements for rate-setting purposes.

Every five years, each electricity distributor must go through an extensive review of their distribution costs which is called a cost of service.

On an annual basis, between each cost of service, each distributors go through a less extensive review. There are three rate-setting methods under this category: 4th generation incentive rate-setting (Price Cap IR), Custom incentive rate-setting (Custom IR) and Annual incentive rate-setting index (Annual IR Index).

On an annual basis, each distributors must go through another process to recover regulatory deferral account balances (debits and credits). This process is called Incentive rate-setting mechanism (IRM). Every five years, this process is addressed through the cost of service.

For all of those rate setting mechanism, there are different applications, models and reports which must be submitted by the distributors to OEB. Consumer groups and other affected groups may also take part in the process and provide comments. The OEB decides whether or not to approve any or all of the application and then sets the rates for the distributors to charge.

In order to meet OEB's requirements, the Corporation must record some amounts in regulatory deferral accounts. Those amounts will be recovered from or reimbursed to clients over a period of time agreed in the rate-setting process. Amounts recorded in regulatory accounts includes the difference between various energy revenues and expenses components (Retail settlement variance account and Low voltage charges) and expenses (Other regulatory assets) which are not considered in the actual rates because they were unknown or could not be evaluated when the cost of service was approved.

25. Réglementation des tarifs

La Loi de 1998 sur la Commission de l'énergie de l'Ontario a donné à la CÉO des pouvoirs accrus et des responsabilités pour réglementer l'industrie de l'électricité. Ces pouvoirs et responsabilités comprennent le pouvoir d'approuver ou de fixer les taux de transmission et de distribution d'électricité, le pouvoir de fournir une protection tarifaire continue pour les clients ruraux et éloignés et la responsabilité de veiller à ce que les sociétés de distribution remplissent leurs obligations de brancher et servir les clients. La CÉO peut imposer des exigences de licence et des conditions, y compris, entre autres, des registres comptables appropriés, des principes comptables réglementaires et des exigences pour le processus d'établissement des tarifs.

Tous les cinq ans, chaque distributeur d'électricité doit subir un examen plus approfondi de ses coûts de distribution qui est appelé un coût de service.

Chaque distributeur doit subir un examen moins approfondi sur une base annuelle entre les coûts de service. Dans cette catégorie, il existe trois méthodes pour fixer les taux : l'établissement des taux incitatifs de 4e génération, l'établissement des taux d'incitation personnalisés et l'indice annuel d'établissement des taux d'incitation.

Sur une base annuelle, chaque distributeur doit passer par un autre procédé afin de récupérer les soldes de comptes de report réglementaires (débiteurs et créditeurs). Ce mécanisme est appelé mécanisme d'établissement des taux incitatif. Tous les cinq ans, ce processus est inclus dans le coût de service.

Pour tous ces mécanismes d'établissement des taux, il existe différentes applications, modèles et rapports qui doivent être soumis par les distributeurs à la CÉO. Les groupes de consommateurs et d'autres groupes concernés peuvent également prendre part au processus et fournir des commentaires. La CÉO décide d'approuver ou non, l'ensemble ou une portion de l'application et fixe les taux que les distributeurs doivent facturer.

Afin de répondre aux exigences de la CÉO, la Société doit enregistrer certains montants dans les comptes de report réglementaires. Ces montants seront récupérés ou remboursés aux clients sur une période de temps convenue dans le processus d'approbation des tarifs. Les montants inscris dans les comptes de report réglementaires comprennent la différence entre diverses composantes des revenus et charges d'énergie (écarts de prix avec les détaillants et distribution à faible tension) et les dépenses (autres actifs réglementés) qui ne sont pas prises en compte dans les taux courants parce qu'ils étaient inconnus ou ne pouvaient pas être déterminés lorsque le coût de service a été approuvé.

25. Rate regulation (continued)

When the regulatory deferral account balances are approved for disposal (to be recovered from or remitted to clients) in the IRM or cost of service, the approved rates are based on a number of clients and a level of consumption. The portion expected to be recovered or remitted with a fixed charge, will vary with the number of clients over the recovery or remittance period. The portion expected to be recovered or remitted with a usage charge, will vary with the consumption over the recovery or remittance period. The remaining balance between the amounts approved and the amounts recovered or remitted over the approved period, will be considered in a future IRM or cost of service.

Carrying charges are calculated on the regulatory deferral account balances. They are calculated on a monthly basis, at a rate established by OEB, on the balances at the beginning of the month. Carrying charges are calculated on the capital amounts only, not on the accumulated carrying charges.

25. Réglementation des tarifs (suite)

Lorsque les soldes de comptes de report réglementaires sont approuvés pour être disposés (récupérés ou remis aux clients) lors du mécanisme d'établissement des taux incitatif ou lors du coût de service, les tarifs approuvés sont basés sur un nombre de clients et un niveau de consommation. La portion qui devrait être récupérée ou remboursée par une charge fixe variera en fonction du nombre de clients au cours de la période de récupération ou de remboursement. La portion qui devrait être récupérée ou remboursée par des frais d'utilisation variera en fonction de la consommation des clients au cours de la période de récupération ou de remboursement. Le solde entre les montants approuvés et les montants récupérés ou remboursés au cours de la période approuvée sera considéré lors d'un mécanisme d'établissement des taux incitatif ou lors d'un coût de service futur.

Des frais financiers sont calculés sur les soldes de comptes de report réglementaires. Ils sont calculés sur une base mensuelle, avec un taux établi par la CÉO, sur les soldes au début du mois. Les frais financiers sont calculés sur les montants de capital et non sur les frais financiers cumulés.

25. Rate regulation (continued)

25. Réglementation des tarifs (suite)

The following table represents a summary of the transactions in the regulatory deferral account balances:

Le tableau qui suit repré-sente un sommaire des transactions dans les soldes de comptes de report régle-mentaires :

2016

	Opening balance/ Solde au début	Approved by OEB/ Appouvés par la CÉO	Carrying charges/ Frais financiers	Current variances/ Variations courantes	Remitted (recovered)/ Remises (recouvrement)	Adjustments/ Ajustements	Ending balance/ Solde à la fin	
	$	$	$	$	$	$	$	
Low voltage charges	62,823	-	1,395	120,161	-	-	184,379	Distribution à faible tension
Other regulatory assets	41,648	-	294	2,862	-	-	44,804	Autres actifs réglementés
Smart meters	(7,092)	-	(81)	-	-	-	(7,173)	Compteurs intelligents
Retail settlement variance account	(97,327)	-	(3,854)	(573,093)	-	-	(674,274)	Écart de prix avec les détaillants
Amounts receivable from clients	88,334	-	723	-	(32,342)	-	56,715	Montants à récupérer des clients
	88,386	-	(1,523)	(450,070)	(32,342)	-	(395,549)	

2015

	Opening balance/ Solde au début	Approved by OEB/ Appouvés par la CÉO	Carrying charges/ Frais financiers	Current variances/ Variations courantes	Remitted (recovered)/ Remises (recouvrement)	Adjustments/ Ajustements	Ending balance/ Solde à la fin	
	$	$	$	$	$	$	$	
Low voltage charges	54,479	(41,560)	445	49,459	-	-	62,823	Distribution à faible tension
Other regulatory assets	38,553	(3,646)	266	6,475	-	-	41,648	Autres actifs réglementés
Smart meters	(7,004)	-	(88)	-	-	-	(7,092)	Compteurs intelligents
Retail settlement variance account	229,978	(329,127)	(2,236)	4,058	-	-	(97,327)	Écart de prix avec les détaillants
Amounts receivable from clients	41,286	374,333	1,880	-	(329,165)	-	88,334	Montants à récupérer des clients
	357,292	-	267	59,992	(329,165)	-	88,386	

26. Capital structure / objectives

The Corporation's main objectives in the management of capital are to:

(i) Ensure that there is access to various funding options at the lowest possible rates for the various capital initiatives and working capital requirements necessary for the rate-regulated business;
(ii) Consistently maintain a high credit rating for the Corporation;
(iii) Deliver appropriate financial returns to the shareholder.

26. Structure du capital et objectifs

Les principaux objectifs de la Société dans la gestion de son capital sont :

(i) S'assurer d'avoir accès à des sources de financement variées à des taux raisonnables pour ses diverses initiatives et un fonds de roulement nécessaire au fonctionnement de ses activités réglementées;
(ii) Maintenir une excellente évaluation de crédit pour la Société;
(iii) Rapporter un rendement financier satisfaisant à l'actionnaire.

Appendix B Financial Statements 2014 / 2015

Financial statements of
États financiers de

Hawkesbury Hydro Inc.
Hydro Hawkesbury Inc.

December 31, 2015
31 décembre 2015

Hawkesbury Hydro Inc.
December 31, 2015

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31 décembre 2015

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Deloitte LLP
300 McGill Street
Hawkesbury, Ontario
K6A 1P8

Tel.: 613-632-4178
Fax: 613-632-7703
www.deloitte.ca

Independent Auditor's Report

To the Directors of Hawkesbury Hydro Inc.

We have audited the accompanying financial statements of Hawkesbury Hydro Inc. (the "Corporation"), which comprise the balance sheet as at December 31, 2015, the statements of income, changes in equity and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Comparative Information

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that the Corporation adopted International Financial Reporting Standards on January 1st, 2015 with a transition date of January 1st, 2014. These standards were applied retrospectively by management to the comparative information in these financial statements, including the balance sheets as at December 31, 2014 and January 1st, 2014, and the statements of income, changes in equity and of cash flows for the year ended December 31, 2014 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants

May 31, 2016

Deloitte.

Deloitte S.E.N.C.R.L./s.r.l.
300, rue McGill
Hawkesbury, Ontario
K6A 1P8

Tél. : 613-632-4178
Téléc. : 613-632-7703
www.deloitte.ca

Rapport de l'auditeur indépendant

Aux administrateurs de Hydro Hawkesbury Inc.

Nous avons effectué l'audit des états financiers ci-joints de Hydro Hawkesbury Inc. (la « Société »), qui comprennent le bilan au 31 décembre 2015, et les états du résultat, des variations des capitaux propres et le tableau des flux de trésorerie pour l'exercice clos à cette date, ainsi qu'un résumé des principales méthodes comptables et d'autres informations explicatives.

Responsabilité de la direction pour les états financiers

La direction est responsable de la préparation et de la présentation fidèle de ces états financiers conformément aux Normes internationales d'information financière, ainsi que du contrôle interne qu'elle considère comme nécessaire pour permettre la préparation d'états financiers exempts d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs.

Responsabilité de l'auditeur

Notre responsabilité consiste à exprimer une opinion sur les états financiers, sur la base de notre audit. Nous avons effectué notre audit selon les normes d'audit généralement reconnues du Canada. Ces normes requièrent que nous nous conformions aux règles de déontologie et que nous planifiions et réalisions l'audit de façon à obtenir l'assurance raisonnable que les états financiers ne comportent pas d'anomalies significatives.

Un audit implique la mise en œuvre de procédures en vue de recueillir des éléments probants concernant les montants et les informations fournis dans les états financiers. Le choix des procédures relève du jugement de l'auditeur, et notamment de son évaluation des risques que les états financiers comportent des anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs. Dans l'évaluation de ces risques, l'auditeur prend en considération le contrôle interne de l'entité portant sur la préparation et la présentation fidèle des états financiers afin de concevoir des procédures d'audit appropriées aux circonstances, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne de l'entité. Un audit comporte également l'appréciation du caractère approprié des méthodes comptables retenues et du caractère raisonnable des estimations comptables faites par la direction, de même que l'appréciation de la présentation d'ensemble des états financiers.

Nous estimons que les éléments probants que nous avons obtenus sont suffisants et appropriés pour fonder notre opinion d'audit.

Opinion

À notre avis, les états financiers donnent, dans tous leurs aspects significatifs, une image fidèle de la situation financière de la Société au 31 décembre 2015, ainsi que de sa performance financière et de ses flux de trésorerie pour l'exercice clos à cette date, conformément aux Normes internationales d'information financière.

Informations comparatives

Sans pour autant modifier notre opinion, nous attirons l'attention sur la note 2 des états financiers, qui indique que la Société a adopté les Normes internationales d'information financière le 1er janvier 2015 et que sa date de transition était le 1er janvier 2014. Ces normes ont été appliquées rétrospectivement par la direction aux informations comparatives contenues dans ces états financiers, y compris les bilans au 31 décembre 2014 et au 1er janvier 2014, et les états du résultat, des variations des capitaux propres et le tableau des flux de trésorerie pour l'exercice clos le 31 décembre 2014 ainsi que les informations connexes. Nous n'avions pas pour mission de faire rapport sur les informations comparatives retraitées, de sort qu'elles n'ont pas été auditées.

Deloitte S.E.N.C.R.L./s.r.l.

Comptables professionnels agréés
Experts-comptables autorisés

Le 31 mai 2016

Hydro Hawkesbury

Hawkesbury Hydro Inc.
Balance sheet
as at December 31, 2015

Hydro Hawkesbury Inc.
Bilan
au 31 décembre 2015

	December 31,/ 31 décembre 2015	December 31,/ 31 décembre 2014	January 1st,/ 1er janvier 2014	
	$	$ Unaudited/ Non audité (Note 27)	$ Unaudited/ Non audité (Note 27)	
Assets				**Actif**
Current assets				À court terme
Cash	**1,141,731**	585,754	447,360	Encaisse
Accounts receivable (Note 5)	**1,637,207**	1,795,953	1,789,550	Débiteurs (note 5)
Inventories	**97,756**	97,252	93,493	Stocks
Unbilled revenues	**1,092,117**	1,219,615	1,348,371	Revenus non facturés
Prepaid expenses	**29,402**	23,902	28,640	Frais payés d'avance
	3,998,213	3,722,476	3,707,414	
Property, plant and equipment (Note 6)	**5,384,533**	4,966,962	4,368,502	Immobilisations corporelles (note 6)
Intangible assets (Note 7)	**38,939**	52,988	58,955	Immobilisations incorporelles (note 7)
	9,421,685	8,742,426	8,134,871	
Regulatory deferral account debit balances (Note 8)	**192,805**	364,296	835,760	Soldes débiteurs des comptes de report réglementaires (note 8)
	9,614,490	9,106,722	8,970,631	
Liabilities				**Passif**
Current liabilities				À court terme
Construction loan	**723,795**	723,795	723,795	Emprunt pour construction
Accounts payable and accrued liabilities (Note 9)	**3,063,044**	2,828,536	2,810,884	Créditeurs et charges à payer (note 9)
Income taxes (Note 21)	**2,889**	143,181	37,308	Impôts sur les bénéfices (note 21)
Current portion of long-term debt (Note 11)	**683,850**	703,688	19,073	Tranche à court terme de la dette à long terme (note 11)
Current portion of other financial liabilities (Note 12)	**195,771**	213,619	251,912	Tranche à court terme des autres passifs financiers (note 12)
	4,669,349	4,612,819	3,842,972	
Provision for sick leave benefits	**66,829**	78,654	87,780	Provision pour congés de maladie
Long-term debt (Note 11)	**-**	-	703,688	Dette à long terme (note 11)
Other financial liabilities (Note 12)	**382,686**	400,864	364,778	Autres passifs financiers (note 12)
Deferred revenues	**306,960**	220,028	226,430	Revenus reportés
Deferred tax liabilities (Note 21)	**1,076**	36,932	80,485	Passif d'impôts différés (note 21)
	5,426,900	5,349,297	5,306,133	
Contingencies and commitments (Notes 19 and 20)				Éventualités et engagements (notes 19 et 20)
Shareholder's equity				**Capitaux propres**
Share capital (Note 13)	**1,689,346**	1,689,346	1,689,346	Capital-actions (note 13)
Retained earnings	**2,393,825**	2,061,075	1,778,313	Bénéfices non répartis
	4,083,171	3,750,421	3,467,659	
	9,510,071	9,099,718	8,773,792	
Regulatory deferral account credit balances (Note 14)	**104,419**	7,004	196,839	Soldes créditeurs des comptes de report réglementaires (note 14)
	9,614,490	9,106,722	8,970,631	

The accompanying notes are an integral part of the financial statements.

Les notes complémentaires font partie intégrante des états financiers.

Approved by the Board — Au nom du conseil

Director ______________________________ administrateur

Director ______________________________ administrateur

Hawkesbury Hydro Inc.
Statement of income
year ended December 31, 2015

Hydro Hawkesbury Inc.
État du résultat
de l’exercice clos le 31 décembre 2015

	2015	2014	
	$	$ Unaudited/ Non audité (Note 27)	
Revenues			**Revenus**
Energy (Note 15)	**11,475,093**	11,812,420	Énergie (note 15)
Distribution (Note 15)	**1,554,361**	1,781,274	Distribution (note 15)
Other operating revenues	**342,466**	134,079	Autres revenus d’exploitation
	13,371,920	13,727,773	
Cost of power	**11,199,154**	11,728,392	Coût de l’énergie
	2,172,766	1,999,381	
Expenses (Note 16)			**Charges (note 16)**
Administrative and general	**297,046**	340,177	Administratives et générales
Depreciation and amortization	**194,918**	184,710	Amortissement
Billing and collecting	**409,354**	395,636	Facturation et perception
Distribution - operation and maintenance	**235,940**	232,855	Distribution - exploitation et entretien
Interest	**2,402**	1,698	Intérêts
Property taxes	**15,126**	15,264	Impôts fonciers
Other	**221,643**	19,056	Autres
	1,376,429	1,189,396	
Income before regulatory items and income tax	**796,337**	809,985	Résultat avant éléments réglementaires et impôts
Net movement in regulatory deferral accounts	**268,906**	343,128	Variations nettes des comptes de report réglementaires
Income tax expense (Note 21)	**110,214**	99,628	Impôts sur le résultat (note 21)
	379,120	442,756	
Net income	**417,217**	367,229	**Résultat net**

The accompanying notes are an integral part of the financial statements.

Les notes complémentaires font partie intégrante des états financiers.

Hawkesbury Hydro Inc.

Statement of changes in equity
year ended December 31, 2015

Hydro Hawkesbury Inc.

État des variations des capitaux propres
de l'exercice clos le 31 décembre 2015

	2015	2014	
	$	$ Unaudited/ Non audité (Note 27)	
Retained earnings, beginning of year	**2,061,075**	1,778,313	**Bénéfices non répartis au début**
Net income	**417,217**	367,229	Résultat net
Dividend on Class A shares	**(84,467)**	(84,467)	Dividende sur les actions de catégorie A
Retained earnings, end of year	**2,393,825**	2,061,075	**Bénéfices non répartis à la fin**

Hawkesbury Hydro Inc.
Statement of cash flows
year ended December 31, 2015

Hydro Hawkesbury Inc.
Tableau des flux de trésorerie
de l'exercice clos le 31 décembre 2015

	2015	2014	
	$	$	
Operating activities			**Activités d'exploitation**
Net income	**417,217**	367,229	Résultat net
Items not affecting cash:			Éléments sans effet sur la trésorerie :
Depreciation and amortization of capital assets	**194,918**	184,710	Amortissement des immobilisations corporelles
Loss on sale of property, plant and equipment	**7,705**	-	Perte à la cession d'immobilisations corporelles
Net movement in regulatory deferral accounts	**268,906**	343,128	Variations nettes des comptes de report réglementaires
Provision for sick leave benefits	**(11,825)**	(9,126)	Provision pour congés de maladie
Deferred tax	**(35,856)**	(43,553)	Impôts différés
Net change in non-cash operating working capital items (Note 23)	**386,481**	234,832	Variation nette des éléments hors caisse du fonds de roulement (note 23)
	1,227,546	1,077,220	
Investing activities			**Activités d'investissement**
Purchase of capital assets	**(624,731)**	(833,079)	Acquisition d'immobilisations corporelles
Financing activities			**Activités de financement**
Repayment of long-term debt	**(19,838)**	(19,073)	Remboursement de la dette à long terme
Decrease in other financial liabilities	**(36,026)**	(2,207)	Diminution des autres passifs financiers
Contributions received for property, plant and equipment	**93,493**	-	Contributions reçues pour immobilisations corporelles
Dividend paid	**(84,467)**	(84,467)	Dividende payé
	(46,838)	(105,747)	
Net increase in cash	**555,977**	138,394	Augmentation nette de l'encaisse
Cash, beginning of year	**585,754**	447,360	Encaisse au début
Cash, end of year	**1,141,731**	585,754	**Encaisse à la fin**

The accompanying notes are an integral part of the financial statements.

Les notes complémentaires font partie intégrante des états financiers.

See additional information presented in Note 23.

Voir les renseignements complémentaires présentés à la note 23.

1. Description of the business

Hawkesbury Hydro Inc. (the "Corporation") was incorporated on October 25, 2000, under the Ontario Business Corporations Act and is wholly owned by the Corporation of the Town of Hawkesbury. The Corporation is incorporated and domiciled in Canada with its head and registered office located at 850 Tupper Street, Hawkesbury, Ontario, K6A 3S7.

The principal activity of the Corporation is distribution of electricity in the service areas of the Town of Hawkesbury in the Province of Ontario, under a license issued by the Ontario Energy Board ("OEB"). The Corporation is regulated under the OEB and adjustments to the distribution rates require OEB approval.

As a condition of its distribution license, the Corporation is required to meet specified Conservation and Demand Management ("CDM") targets for reductions in electricity consumption and peak electricity demand. As part of this initiative, the Corporation is delivering Ontario Power Authority ("OPA") funded programs in order to meet its targets.

Under the Green Energy and Green Economy Act, 2009, the Corporation and other Ontario electricity distributors have new opportunities and responsibilities to generate renewable energy.

1. Description de l'entreprise

Hydro Hawkesbury Inc. (la « Société »), constituée le 25 octobre 2000, en vertu de la Loi sur les sociétés par actions de l'Ontario, est détenue à 100% par la Corporation de la ville de Hawkesbury. La Société a été incorporée et est résidente du Canada avec son siège social situé au 850, rue Tupper, Hawkesbury, Ontario, K6A 3S7.

L'activité principale de la Société est la distribution d'électricité dans les zones de service de la Ville de Hawkesbury dans la province de l'Ontario, en vertu d'une licence délivrée par la Commission de l'énergie de l'Ontario (la « CÉO »). La Société est régie par la CÉO et les modifications aux tarifs de distribution nécessitent l'approbation de la CÉO.

Comme condition de sa licence de distribution, la Société est tenue de rencontrer des objectifs de conservation et de gestion de la demande (« CGD ») pour réduire la consommation d'électricité et la demande de pointe. Dans le cadre de cette initiative, la Société offre des programmes financés par l'Office de l'électricité de l'Ontario (l' « OPA ») dans le but d'atteindre ses objectifs.

En vertu de la Loi de 2009 sur l'énergie verte et l'économie verte, la Société et d'autres distributeurs d'électricité de l'Ontario ont de nouvelles opportunités et responsabilités quant à la génération d'énergie renouvelable.

2. Basis of preparation

(a) Statement of compliance

These financial statements are the first annual financial statements of the Corporation prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS 1 First-time Adoption of International Financial Reporting Standards ("IFRS 1") has been applied. An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Corporation is provided in Note 27.

The Corporation also early adopted IFRS 14 Regulatory deferral accounts. IFRS 14 considers regulatory assets and liabilities as assets and liabilities.

These financial statements for the year ended December 31, 2015 were approved by the board of directors on May 31, 2016.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis.

(c) Presentation currency

The financial statements are presented in Canadian dollars, which is also the Corporation's functional currency.

2. Base de préparation

(a) Déclaration de conformité

Ces états financiers sont les premiers états financiers annuels de la Société préparés conformément aux Normes internationales d'information financière (« IFRS ») et IFRS 1 « Première application des Normes internationales d'information financière » (« IFRS 1 ») a été appliqué. Une explication des impacts de la transition aux IFRS sur la situation financière, la performance financière et les flux de trésorerie de la Société est fournie à la note 27.

La Société a également adopté par anticipation IFRS 14 « Comptes de report réglementaires ». IFRS 14 considère les actifs et passifs réglementaires comme des actifs et passifs.

Ces états financiers pour l'exercice clos le 31 décembre 2015 ont été approuvés par le conseil d'administration le 31 mai 2016.

(b) Base d'évaluation

Les états financiers ont été préparés sur la base du coût historique.

(c) Monnaie de présentation

Les états financiers sont présentés en dollars canadiens, ce qui est également la monnaie fonctionnelle de la Société.

2. Basis of preparation (continued)

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the amounts reported and disclosed in the financial statements. Estimates and underlying assumptions are continually reviewed and are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant sources of estimation uncertainty, assumptions and judgments include the following:

(i) Unbilled revenue

The measurement of unbilled revenue is based on an estimate of the amount of electricity delivered to customers between the date of the last bill and the end of the year.

(ii) Useful lives of depreciable assets

Depreciation and amortization expense is based on estimates of the useful lives of property, plant and equipment and intangible assets. The Corporation estimates the useful lives of its property, plant and equipment and intangible assets based on management's judgment, historical experience and an asset study conducted by an independent consulting firm.

(iii) Cash Generating Units ("CGU")

Determining CGU's for impairment testing is based on Management's judgment. The impairment testing requires an estimation of the value in use. The value in use calculation requires an estimate of the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value.

The Corporation has only one CGU.

(iv) Valuation of financial instruments

As described in Note 24, the Corporation uses the discounted cash flow model to estimate the fair value of the financial instruments for disclosure purposes.

(v) Other areas

There are a number of other areas in which the Corporation makes estimates; these include the allowance for doubtful accounts and income taxes. These amounts are reported based on the amounts expected to be recovered/refunded and an appropriate allowance has been provided based on the Corporation's best estimate of unrecoverable amounts.

2. Base de préparation (suite)

(d) Utilisation d'estimations et jugements

La préparation d'états financiers, conformément aux IFRS exige que la direction ait recours à des estimations, des hypothèses et des jugements qui ont une incidence sur l'application des méthodes comptables, les montants déclarés et présentés dans les états financiers. Les estimations et les hypothèses sous-jacentes sont continuellement examinées et sont basées sur l'expérience historique et d'autres facteurs qui sont considérés comme pertinents. Les résultats réels pourraient différer de ces estimations.

Des sources importantes d'estimation d'incertitude, les hypothèses et les jugements sont les suivants :

(i) Revenus non facturés

La mesure des revenus non facturés est basée sur une estimation de la quantité d'électricité livrée aux clients entre la date de la dernière facture et la fin de l'exercice.

(ii) Durée de vie utile des immobilisations corporelles

La charge d'amortissement est basée sur des estimations de la vie utile des immobilisations corporelles et des actifs incorporels. La Société estime la durée de vie utile de ses immobilisations corporelles et des actifs incorporels selon le jugement de la direction, l'expérience historique et une étude d'actifs menée par un cabinet de conseil indépendant.

(iii) Unités génératrices de trésorerie (« UGT »)

La détermination des UGT pour le test de dépréciation est basée sur le jugement de la direction. Le test de dépréciation nécessite une estimation de la valeur d'utilité. La valeur d'utilité nécessite une estimation des flux de trésorerie futurs attendus de l'UGT et un taux d'actualisation approprié pour calculer la valeur actuelle.

La Société à une seule UGT.

(iv) Évaluation des instruments financiers

Comme il est décrit à la note 24, la Société utilise le modèle de flux de trésorerie actualisés pour estimer la juste valeur des instruments financiers à des fins de présentation.

(v) Autres domaines

Il y a un certain nombre d'autres domaines dans lesquels la Société fait des estimations; ceux-ci comprennent la provision pour créances douteuses et les impôts sur le revenu. Ces montants sont présentés en fonction des montants qui devraient être recouvrés/remboursés et une provision a été calculée selon la meilleure estimation de la Société des montants non recouvrables.

3. Significant accounting policies

The Corporation's financial statements are the representations of management, prepared in accordance with IFRS. The accounting policies set out below have been applied consistently to all years presented in these financial statements, unless otherwise indicated.

The financial statements reflect the following significant accounting policies:

(a) Rate regulation

The Ontario Energy Board Act, 1998 gave the OEB increased powers and responsibilities to regulate the electricity industry. These powers and responsibilities include the power to approve or fix rates for the transmission and distribution of electricity, the power to provide continued rate protection for rural and remote electricity customers and the responsibility for ensuring that distribution companies fulfill obligations to connect and service customers. The OEB may prescribe license requirements and conditions including, among other things, specified accounting records, regulatory accounting principles, and filing process requirements for rate-setting purposes.

The Corporation recognizes revenue when electricity is delivered to customers based on OEB approved rates. Operating costs and expenses are recorded when incurred, unless such costs qualify for recognition as part of an item of property, plant and equipment or as an intangible asset.

As prescribed by the OEB, on a monthly basis, the Corporation compares its energy revenues and expenses and puts the difference in its regulatory deferral account debit/credit balances. Being an electricity distributor, the Corporation is not allowed to make any profit on the sale of energy. The Corporation also has to transfer to its regulatory deferral account debit/credit balances, when directed by OEB, expenses which were not considered in the cost of services. Carrying charges are also calculated on the regulatory deferral account debit/credit balances on a monthly basis at a prescribed rate determined by OEB.

(b) Revenue recognition

(i) Electricity distribution and sale

Revenue from the sale and distribution of electricity is recorded on the basis of cyclical billings based on electricity usage and also includes unbilled revenue accrued in respect of electricity delivered but not yet billed. Revenue is generally comprised of the following:

- Electricity Price and Related Rebates. The electricity price and related rebates represent a pass through of the commodity cost of electricity.

3. Principales conventions comptables

Les états financiers de la Société sont les déclarations de la direction, préparés conformément aux IFRS. Les méthodes comptables présentées ci-dessous ont été appliquées de manière cohérente à tous les exercices présentés dans ces états financiers, sauf indication contraire.

Les états financiers reflètent les principales conventions comptables suivantes :

(a) Tarifs réglementés

La Loi de 1998 sur la Commission de l'énergie de l'Ontario a donné à la CÉO des pouvoirs accrus et des responsabilités pour réglementer l'industrie de l'électricité. Ces pouvoirs et responsabilités comprennent le pouvoir d'approuver ou de fixer les taux de transmission et de distribution d'électricité, le pouvoir de fournir une protection tarifaire continue pour les clients ruraux et éloignés et la responsabilité de veiller à ce que les sociétés de distribution remplissent leurs obligations de brancher et servir les clients. La CÉO peut imposer des exigences de licence et des conditions, y compris, entre autres, des registres comptables appropriés, des principes comptables réglementaires et des exigences pour le processus d'établissement des tarifs.

La Société constate les revenus lorsque l'électricité est livrée aux clients basés sur les tarifs établis par la CÉO. Les coûts et les charges d'exploitation sont constatés lorsqu'ils sont engagés, à moins que ces coûts soient admissibles en tant qu'immobilisation corporelle ou immobilisation incorporelle.

Tel que requis par la CÉO, sur une base mensuelle, la Société doit comparer ses revenus et charges d'énergie et mettre la différence dans les soldes débiteurs/créditeurs des comptes de report réglementaires. Étant un distributeur d'énergie, la Société ne peut pas faire de profit sur les ventes d'énergie. La Société doit également transférer dans ses soldes débiteurs/créditeurs des comptes de report réglementaires, lorsqu'exigés par la CÉO, des charges non considérées dans le coût de service. Des frais financiers sont également calculés sur les soldes débiteurs/créditeurs des comptes de report réglementaires sur une base mensuelle au taux prescrit établi par la CÉO.

(b) Constatation des revenus

(i) Distribution et vente d'électricité

Les revenus provenant de la vente et la distribution d'électricité sont enregistrés selon le cycle de facturation en fonction de la consommation et comprennent également des revenus non facturés à l'égard de l'électricité livrée mais non encore facturée. Les revenus sont composés des éléments suivants :

- Prix de l'électricité et rabais connexes. Le prix de l'électricité et les rabais connexes représentent les coûts réels.

3. Significant accounting policies (continued)

(b) Revenue recognition (continued)

(i) Electricity distribution and sale (continued)

- Distribution Rate. The distribution rate is designed to recover the costs incurred by the Corporation in delivering electricity to customers, as well as the ability to earn the OEB allowed rate of return. Distribution charges are regulated by the OEB and typically comprise a fixed charge and a usage-based (consumption) charge.

- Retail Transmission Rate. The retail transmission rate represents a pass through of costs charged to the Corporation for the transmission of electricity from generating stations to the Corporation's service area. Retail transmission rates are regulated by the OEB.

- Wholesale Market Service Charge. The wholesale market service charge represents a pass through of various wholesale market support costs charged by Hydro One, a supplier.

(ii) Other revenue

Other revenue includes revenue from the sale of other services and interest revenues.

Revenue related to the sale of other services is recognized as services are rendered.

Certain items of property, plant and equipment are acquired or constructed with financial assistance in the form of contributions from developers or customers ("customer contributions"). Such contributions, whether in cash or in-kind, are recognized as deferred revenue and amortized into income over the life of the related assets. Contributions in-kind are valued at their fair value at the date of their contribution.

Government grants under CDM programs are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(c) Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for based on their classification as loans and receivables or as other liabilities. Transaction costs for financial assets classified as loans and receivables and financial liabilities classified as other liabilities are capitalized as part of the carrying value at initial recognition.

3. Principales conventions comptables (suite)

(b) Constatation des revenus (suite)

(i) Distribution et vente d'électricité (suite)

- Tarifs de distribution. Les tarifs de distribution sont conçus pour récupérer les coûts encourus par la Société pour fournir l'électricité aux clients, ainsi qu'un taux de rendement autorisé par la CÉO. Les tarifs de distribution sont réglementés par la CÉO et comprennent une charge fixe et une charge basée sur la consommation.

- Tarifs de transmission de détail. Les tarifs de transmission de détail représentent les coûts pour la transmission de l'électricité à partir des stations de production d'électricité jusqu'aux zones de services exploitées par la Société. Les tarifs de transmission de détail sont réglementés par la CÉO.

- Frais de service du marché en gros. Les frais de service du marché en gros représentent les coûts facturés par Hydro One, un fournisseur, pour divers coûts de support.

(ii) Autres revenus

Les autres revenus comprennent les revenus provenant de la vente de services et les revenus d'intérêts.

Les revenus liés à la vente d'autres services sont comptabilisés lorsque les services sont rendus.

Certaines immobilisations corporelles sont acquises ou construites avec l'aide financière de développeurs ou clients sous forme de contributions. Ces contributions, en espèces ou en nature, sont comptabilisées à titre de revenus reportés et sont amorties sur la durée de vie utile des immobilisations corporelles correspondantes. Les contributions en nature sont évaluées à leur juste valeur à la date de leur contribution.

Les subventions au titre des programmes de CGD sont comptabilisées lorsqu'il existe une assurance raisonnable que la subvention sera reçue et que toutes les conditions attachées seront respectées. Lorsque la subvention est liée à un élément de charge, elle est comptabilisée comme revenu au même rythme que les charges correspondantes sont comptabilisées.

(c) Instruments financiers

Les actifs et passifs financiers sont initialement comptabilisés à la juste valeur et sont subséquemment comptabilisés selon leur classification comme prêts et créances ou comme autres passifs. Les coûts de transaction pour les actifs financiers classés comme prêts et créances et les passifs financiers classés comme autres passifs sont capitalisés comme la valeur comptable à la comptabilisation initiale.

3. Significant accounting policies (continued)

(c) Financial instruments (continued)

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, such financial assets are carried at amortized cost using the effective interest rate method, less any impairment losses. Losses are recognized in net income when the loans and receivables are derecognized or impaired.

Loans and receivables are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and the loss event has had a negative effect on estimated future cash flows of the asset which are reliably measureable.

Loans and receivables are comprised of cash, accounts receivable and unbilled revenue.

(ii) Other liabilities

All non-derivative financial liabilities are classified as other liabilities. Subsequent to initial recognition, other liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are derecognized when either the Corporation is discharged from its obligation, the obligation expires, or the obligation is cancelled or replaced by a new financial liability with substantially modified terms.

Financial liabilities are further classified as current or non-current depending on whether they will fall due within twelve months after the balance sheet date or beyond.

Other liabilities are comprised of construction loan, accounts payable and accrued liabilities, long-term debt and other financial liabilities.

(d) Property, plant and equipment

Property, plant and equipment ("PP&E") is measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset and includes contracted services, cost of materials, direct labour and borrowing costs incurred in respect of qualifying assets. When parts of an item of PP&E have different useful lives, they are accounted for as separate components of PP&E.

Major spare parts and standby equipment are recognized as items of PP&E.

When items of PP&E are retired or otherwise disposed of, a gain or loss on disposal is determined by comparing the proceeds from disposal with the carrying amount of the item and is included in net income.

3. Principales conventions comptables (suite)

(c) Instruments financiers (suite)

(i) Prêts et créances

Les prêts et créances sont des actifs financiers non dérivés à paiements fixes ou déterminables qui ne sont pas côtés sur un marché actif. Après la comptabilisation initiale, ces actifs financiers sont comptabilisés au coût après amortissement selon la méthode du taux d'intérêt effectif, déduction faite des pertes de valeur. Les pertes sont comptabilisées dans le résultat net lorsque les prêts et créances sont décompta-bilisés ou dépréciés.

Les prêts et créances sont évalués à chaque date de clôture afin de déterminer s'il y a des preuves de dépréciation. Un actif financier est déprécié si des preuves objectives démontrent qu'un événement s'est produit après la constatation initiale de l'actif et que l'événement, qui peut être mesuré de manière fiable, a eu un effet négatif sur les flux de trésorerie futurs estimés.

Les prêts et créances sont composés de l'encaisse, des débiteurs et des revenus non facturés.

(ii) Autres passifs

Les passifs non dérivés sont classés comme autres passifs. Après la comptabilisation initiale, les autres passifs sont évalués au coût amorti selon la méthode du taux d'intérêt effectif.

Les passifs financiers sont décomptabilisés lorsque la Société est déchargée de son obligation, l'obligation prend fin, ou l'obligation est annulée ou remplacée par un nouveau passif financier avec des termes sensiblement modifiés.

Les passifs sont classés comme courant ou non courant selon qu'ils arriveront à échéance dans les douze mois après la date de clôture du bilan ou plus tard.

Les autres passifs sont composés de l'emprunt pour construction, des créditeurs et charges à payer, la dette à long terme et les autres passifs financiers.

(d) Immobilisations corporelles

Les immobilisations corporelles sont évaluées au coût moins l'amortissement cumulé et les pertes de valeur cumulées. Le coût comprend les charges qui sont directement attribuables à l'acquisition de l'actif qui inclut les services contractuels, le coût des matériaux, de la main-d'œuvre directe et les coûts d'emprunt encourus à l'égard des actifs qualifiés. Lorsque des portions d'une immobilisation corporelle ont des durées de vie utile différentes, elles sont divisées par composantes.

Les pièces de rechange principales et le matériel de secours sont reconnus comme des éléments des immobilisations corporelles.

Lorsque des immobilisations corporelles sont disposées, le gain ou la perte sur disposition est déterminé en comparant le produit de disposition à la valeur comptable et est comptabilisé dans le résultat net.

3. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

Depreciation of PP&E is recognized on a straight-line basis over the estimated useful life of each component of PP&E. The estimated useful lives are as follows:

Building	15 to 50 years
Distribution equipment	15 to 60 years
Transmission equipment	45 years

Other assets

Computer hardware	5 years
Vehicles	8 years
Tools and equipment	8 to 10 years
Office equipment and furniture	10 years

Where an asset is composed of several significant components having different useful lives or providing economic benefits at a different pace, each component is accounted for separately, and each component is amortized on the duration of amortization of its own.

Depreciation methods and useful lives are reviewed at each financial year-end and any changes are adjusted prospectively.

(e) Intangible assets

Intangible assets include computer software. They are measured at cost less accumulated amortization and accumulated impairment losses.

Computer software are amortized on a straight-line basis over the estimated useful lives from the date that they are available for use. The estimated useful life is five years.

Amortization methods and useful lives are reviewed at each financial year-end and adjusted prospectively.

(f) Impairment of non-financial assets

The carrying amounts of the Corporation's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and fair value less costs of disposal. Value in use is calculated as the present value of the estimated future cash flows expected to be derived from an asset or CGU.

3. Principales conventions comptables (suite)

(d) Immobilisations corporelles (suite)

L'amortissement des immobilisations corporelles est comptabilisé selon la méthode linéaire sur la durée de vie utile estimative de chaque composante. Les durées de vie utile estimées sont les suivantes :

Immeuble	15 à 50 ans
Équipement de distribution	15 à 60 ans
Équipement de transmission	45 ans

Autres actifs

Matériel informatique	5 ans
Véhicules	8 ans
Outils et équipement	8 à 10 ans
Matériel et mobilier de bureau	10 ans

Lorsqu'une immobilisation corporelle est composée de plusieurs éléments significatifs ayant des durées d'utilité différentes ou procurant des avantages économiques selon un rythme différent, chaque élément est comptabilisé séparément, et chacune des composantes sont amorties selon la durée d'amortissement qui lui est propre.

Les méthodes d'amortissement et les durées de vie sont révisées annuellement et les ajustements sont comptabilisés de façon prospective.

(e) Immobilisations incorporelles

Les immobilisations incorporelles incluent les logiciels informatiques. Ils sont évalués au coût moins l'amortissement cumulé et les pertes de valeur cumulées.

Les logiciels sont amortis linéairement sur la durée de vie estimative à compter de la date à laquelle ils sont disponibles pour utilisation. La durée de vie utile a été établie à 5 ans.

Les méthodes d'amortissement et les durées de vie sont révisées annuellement et les ajustements sont comptabilisés de façon prospective.

(f) Dépréciation d'actifs non financiers

La valeur comptable des actifs non financiers de la Société, sont examinés à chaque date de clôture afin de déterminer s'il existe un indice de perte de valeur. Si une telle indication existe, la valeur recouvrable de l'actif est estimée. Une perte de valeur est comptabilisée si la valeur comptable d'un actif ou d'une UGT excède sa valeur recouvrable.

La valeur recouvrable d'un actif ou d'une UGT est le plus élevé de sa valeur d'utilité et la juste valeur diminuée des coûts de sortie. La valeur d'utilité est calculée comme la valeur actuelle des flux de trésorerie futurs estimatifs susceptibles de découler d'un actif ou d'une UGT.

3. Significant accounting policies (continued)

(f) Impairment of non-financial assets (continued)

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows that are largely independent of those from other assets or CGU.

Impairment losses are recognized in net income. Impairment losses relating to CGU are allocated to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. No impairment losses were recognized during the year.

In respect of other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Leases

Leases in which the Corporation assumes substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Payments under finance leases are apportioned between interest expense and a reduction of the outstanding liability.

Other leases are operating leases and are not recognized in the Corporation's balance sheet. Payments made under operating leases are recognized as an expense on a straight-line basis over the term of the lease.

(h) Payment in lieu of corporate income taxes ("PILs")

Under the Electricity Act, 1998, the Corporation is required to make payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation ("OEFC"). The payments in lieu of taxes are calculated on a basis as if the Corporation was a taxable company under the Income Tax Act (Canada) and the Taxation Act, 2007 (Ontario).

Income tax expense comprises current and deferred tax and is recognized in net income except to the extent that it relates to items recognized directly in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

3. Principales conventions comptables (suite)

(f) Dépréciation d'actifs non financiers (suite)

Aux fins du test de dépréciation, les actifs sont regroupés dans le plus petit groupe d'actifs qui génère des entrées de trésorerie largement indépendantes de celles d'autres actifs ou d'une UGT.

Les pertes de valeur sont comptabilisées dans le résultat net. Les pertes de valeur ayant rapport à une UGT sont réparties pro rata afin de réduire la valeur comptable des autres actifs de cette UGT. Aucune perte de valeur n'a été comptabilisée au cours de l'exercice.

En ce qui concerne les autres actifs, une perte de valeur n'est reprise que dans la mesure où la valeur comptable de l'actif ne dépasse pas la valeur comptable qui aurait été déterminée, nette des amortissements, si aucune perte de valeur n'avait été reconnue.

(g) Contrats de location

Les baux pour lesquels la Société assume la quasi-totalité des risques et avantages inhérents à la propriété sont classés comme des contrats de location-financement. Lors de la comptabilisation initiale, l'actif loué est évalué à un montant égal au moindre de sa juste valeur et la valeur actualisée des paiements minimaux. Après la comptabilisation initiale, l'actif est comptabilisé conformément à la méthode comptable applicable à cet actif. Les paiements au titre de contrats de location-financement sont ventilés entre les charges d'intérêts et une réduction de la dette.

D'autres baux sont des locations simples et ne sont pas comptabilisés dans le bilan de la Société. Les paiements effectués en vertu de contrats de location-exploitation sont comptabilisés en charges sur une base linéaire sur la durée du bail.

(h) Paiement en remplacement d'impôts sur le bénéfice ("PILs")

En vertu de la Loi de 1998 sur la Commission de l'énergie de l'Ontario, la Société est tenue d'effectuer des paiements en remplacement d'impôts sur le bénéfice. Les paiements en remplacement d'impôts sur le bénéfice sont calculés comme si la Société était une société imposable en vertu de la Loi de l'impôt sur le revenu (Canada) et la Loi de 2007 sur les impôts (Ontario).

La charge d'impôt sur le résultat inclut l'impôt exigible et différé et est comptabilisée en résultat net, sauf dans la mesure où elle se rapporte à des éléments comptabilisés directement dans les autres éléments du résultat étendu.

L'impôt exigible est le montant des impôts à payer ou à recevoir sur le revenu imposable ou de la perte de l'exercice, selon les taux en vigueur à la date de clôture, ainsi que tout ajustement de l'impôt dû au titre des exercices précédents.

3. Significant accounting policies (continued)

(h) Payment in lieu of corporate income taxes ("PILs") (continued)

Deferred tax is recognized, using the liability method, on temporary differences arising between the carrying amount of balance sheet items and their corresponding tax basis, using the substantively enacted income tax rates for the years in which the differences are expected to reverse.

In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognized for deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized.

(i) Provision for sick leave benefits

Employees earn one day of sick leave benefit for every month worked. Unused benefits, which can accrue to a maximum of 130 days, are payable at 50% upon retirement. Accrued benefits above 130 days are payable at 50% at the beginning of the following year.

(j) Customers' deposits

Deposits are taken to guarantee the payment of utility bills or ensure contract performance by the counter-party.

4. Future accounting changes

There are new standards, amendments to standards and interpretations which have not been applied in preparing these financial statements. In particular, this includes IFRS 9 *Financial Instruments* which is tentatively effective from periods beginning on or after January 1st, 2018 and amendments to IFRS 7 which are effective at the date of adoption of IFRS 9. The Corporation has not yet assessed the impact of this new standard.

IFRS 15, Revenue from Contracts with customers is a new standard on revenue recognition, superseding IAS 18, Revenue, IAS II, Construction Contracts, and related interpretations. IFRS 15 specifies how and when an entity will recognize revenue and additional disclosure requirements. This new standard is effective on January 1st, 2017. The Corporation has not yet assessed the impact of this new standard.

IFRS 16, Leases, which supersedes IAS 17, provides a model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. This new standard is effective on January 1st, 2019. The Corporation has not yet assessed the impact of this new standard.

3. Principales conventions comptables (suite)

(h) Paiement en remplacement d'impôts sur le bénéfice ("PILs") (suite)

L'impôt différé est comptabilisé selon la méthode des impôts futurs, sur les différences temporaires entre la valeur comptable des éléments du bilan et leur valeur fiscale, en utilisant les taux d'imposition pratiquement en vigueur pour les exercices où les écarts devraient se résorber.

En outre, l'impôt différé n'est pas reconnu pour les différences temporelles imposables liées à la comptabilisation initiale de l'achalandage.

Un actif d'impôt différé est comptabilisé pour les différences temporelles déductibles, dans la mesure où il est probable qu'un bénéfice imposable futur sera disponible pour être appliqué contre ces montants.

(i) Provision pour congés de maladie

Les employé(e)s accumulent une journée de maladie pour chaque mois travaillé. Les journées non utilisées, qui peuvent être accumulées jusqu'à un maximum de 130 jours, sont payables à la retraite à 50%. Les journées accumulées au-delà de 130 jours sont payables à 50% au début de l'exercice suivant.

(j) Dépôts de clients

Des dépôts sont pris en garantie de paiement des factures de services publics ou assurer l'exécution du contrat par la contrepartie.

4. Modifications comptables futures

Il y a de nouvelles normes, modifications de normes et interprétation qui ne sont pas appliquées dans la préparation de ces états financiers. En particulier, cela inclus IFRS 9 « Instruments financiers », qui est provisoirement en vigueur pour les exercices ouverts à compter du 1er janvier 2018 et des modifications à IFRS 7 qui seront en vigueur à la date d'adoption d'IFRS 9. La Société n'a pas encore évalué l'incidence de cette nouvelle norme.

IFRS 15 « Revenus de contrats avec des clients », est une nouvelle norme sur la comptabilisation des revenus, qui remplace la norme IAS 18 « Revenu », IAS 11 « Contrats de construction », et les interprétations afférentes. IFRS 15 précise comment et quand une entité va comptabiliser les revenus et les exigences de présentation supplémentaires. Cette nouvelle norme sera en vigueur à compter du 1er janvier 2017. La Société n'a pas encore évalué l'incidence de cette nouvelle norme.

IFRS 16 « Contrats de location », qui remplace IAS 17, fournit un modèle pour l'identification des contrats de location et de leur traitement dans les états financiers du preneur et du bailleur. Cette nouvelle norme est en vigueur le 1er janvier 2019. La Société n'a pas encore évalué l'incidence de cette nouvelle norme.

5. Accounts receivable / 5. Débiteurs

	December 31,/ 31 décembre 2015	December 31,/ 31 décembre 2014	January 1st,/ 1er janvier 2014	
	$	$	$	
Electrical energy	**1,506,634**	1,628,339	1,462,698	Énergie électrique
Town of Hawkesbury	**82,419**	101,310	83,331	Ville de Hawkesbury
Commodity taxes receivable	**34,924**	15,681	23,987	Taxes à la consommation à recevoir
Energy and global adjustment variances	**78,588**	97,388	273,778	Variances d'énergie et d'ajustement global
Debt retirement charge	**142**	-	-	Redevance de liquidation de la dette
Other	**14,663**	21,046	17,299	Autres
	1,717,370	1,863,764	1,861,093	
Allowance for doubtful accounts	**(80,163)**	(67,811)	(71,543)	Provision pour créances douteuses
	1,637,207	1,795,953	1,789,550	

6. Property, plant and equipment

6. Immobilisations corporelles

	Land/ Terrain	Building/ Immeuble	Distribution equipment/ Équipement de distribution	Transmission equipment/ Équipement de transmission	Other assets/ Autres actifs	Construction in progress/ Construction en cours	Total	
	$	$	$	$	$	$	$	
Cost								**Coût**
Balance as at January 1st, 2014	48,300	609,435	1,554,347	1,307,045	44,598	804,777	4,368,502	Solde au 1er janvier 2014
Additions	-	13,386	66,291	42,750	1,861	707,032	831,320	Acquisitions
Reclassifications	-	-	(54,355)	-	-	-	(54,355)	Reclassifications
Balance as at December 31, 2014	48,300	622,821	1,566,283	1,349,795	46,459	1,511,809	5,145,467	Solde au 31 décembre 2014
Additions	**-**	**-**	**135,960**	**322,135**	**7,254**	**141,544**	**606,893**	**Acquisitions**
Disposals	**-**	**-**	**(8,843)**	**-**	**-**	**-**	**(8,843)**	**Dispositions**
Balance as at December 31, 2015	**48,300**	**622,821**	**1,693,400**	**1,671,930**	**53,713**	**1,653,353**	**5,743,517**	**Solde au 31 décembre 2015**
Accumulated depreciation								**Amortissement cumulé**
Balance as at January 1st, 2014	-	-	-	-	-	-	-	Solde au 1er janvier 2014
Depreciation expense	-	33,825	88,958	37,767	10,811	-	171,361	Amortissement
Reclassifications	-	-	7,144	-	-	-	7,144	Reclassifications
Balance as at December 31, 2014	-	33,825	96,102	37,767	10,811	-	178,505	Solde au 31 décembre 2014
Depreciation expense	**-**	**34,271**	**97,062**	**39,652**	**10,632**	**-**	**181,617**	**Amortissement**
Disposals	**-**	**-**	**(1,138)**	**-**	**-**	**-**	**(1,138)**	**Dispositions**
Balance as at December 31, 2015	**-**	**68,096**	**192,026**	**77,419**	**21,443**	**-**	**358,984**	**Solde au 31 décembre 2015**
Net carrying amounts								Valeur comptable nette
As at January 1st, 2014	48,300	609,435	1,554,347	1,307,045	44,598	804,777	4,368,502	Au 1er janvier 2014
As at December 31, 2014	48,300	588,996	1,470,181	1,312,028	35,648	1,511,809	4,966,962	Au 31 décembre 2014
As at December 31, 2015	**48,300**	**554,725**	**1,501,374**	**1,594,511**	**32,270**	**1,653,353**	**5,384,533**	**Au 31 décembre 2015**

7. Intangible assets / 7. Immobilisations incorporelles

	Computer software/ Logiciel informatique	Land rights/ Droits de passage	Total	
	$	$	$	
Cost				**Coût**
Balance as at January 1st, 2014	52,975	5,980	58,955	Solde au 1er janvier 2014
Additions	13,784	-	13,784	Acquisitions
Balance as at December 31, 2014	66,759	5,980	72,739	Solde au 31 décembre 2014
Additions	**5,813**	**-**	**5,813**	**Acquisitions**
Balance as at December 31, 2015	**72,572**	**5,980**	**78,552**	**Solde au 31 décembre 2015**
Accumulated amortization				**Amortissement cumulé**
Balance as at January 1st, 2014	-	-	-	Solde au 1er janvier 2014
Amortization expense	19,751	-	19,751	Amortissement
Balance as at December 31, 2014	19,751	-	19,751	Solde au 31 décembre 2014
Amortization expense	**19,862**	**-**	**19,862**	**Amortissement**
Balance as at December 31, 2015	**39,613**	**-**	**39,613**	**Solde au 31 décembre 2015**
Net carrying amounts				Valeur comptable nette
As at January 1st, 2014	52,975	5,980	58,955	Au 1er janvier 2014
As at December 31, 2014	47,008	5,980	52,988	Au 31 décembre 2014
As at December 31, 2015	**32,959**	**5,980**	**38,939**	**Au 31 décembre 2015**

8. Regulatory deferral account debit balances / 8. Soldes débiteurs des comptes de report réglementaires

	December 31,/ 31 décembre 2015	December 31,/ 31 décembre 2014	January 1st,/ 1er janvier 2014	
	$	$	$	
Low voltage charges	**62,823**	54,479	89,694	Distribution à faible tension
Other regulatory assets	**41,648**	38,553	-	Autres actifs réglementés
Retail settlement variance account	**-**	229,978	567,705	Écart de prix avec les détaillants
Amounts recoverable from clients	**88,334**	41,286	178,361	Montants récupérables des clients
	192,805	364,296	835,760	

9. Accounts payable and accrued liabilities / 9. Créditeurs et charges à payer

	December 31,/ 31 décembre 2015	December 31,/ 31 décembre 2014	January 1st,/ 1er janvier 2014	
	$	$	$	
Accounts payable - energy purchases	**2,711,825**	2,459,039	2,479,078	Créditeurs - achats d'énergie
Debt retirement charge payable - Ontario Electricity Financial Corporation	**79,183**	83,210	87,953	Redevance de liquidation de la dette à payer - Société Financière de l'industrie de l'électricité de l'Ontario
Payroll payable	**101,843**	93,119	90,517	Rémunération à payer
Commodity taxes payable	**-**	6,220	-	Taxes à la consommation à payer
Customer receivables in credit balances	**71,416**	131,127	76,182	Clients à recevoir avec soldes créditeurs
Town of Hawkesbury	**6,734**	190	5,951	Ville de Hawkesbury
Other accounts payable and accrued liabilities	**92,043**	55,631	71,203	Autres créditeurs et charges à payer
	3,063,044	2,828,536	2,810,884	

10. Bank loan

The Corporation has an authorized line of credit of $ 1,000,000 ($ 1,000,000 as at December 31, 2014 and $ 1,000,000 as at January 1st, 2014), at prime rate, which remained unused as at December 31, 2015 and 2014 and as at January 1st, 2014.

There are no covenants to be met.

10. Emprunt bancaire

La Société dispose d'une marge de crédit de 1 000 000 $ (1 000 000 $ au 31 décembre 2014 et 1 000 000 $ au 1er janvier 2014), au taux préférentiel, dont la totalité est inutilisée au 31 décembre 2015 et 2014 et au 1er janvier 2014.

Il n'y a pas de ratios à respecter.

11. Long-term debt / 11. Dette à long terme

	December 31,/ 31 décembre 2015	December 31,/ 31 décembre 2014	January 1st,/ 1er janvier 2014	
	$	$	$	
Loan, 3.94%, payable until June 2037 in monthly instalments of $ 3,934 including interest, secured by a general security agreement over all the assets of the Corporation	**683,850**	703,688	722,761	Emprunt, 3,94%, remboursable jusqu'en juin 2037 par versements mensuels de 3 934 $ incluant les intérêts, garanti par un contrat de sûreté générale sur tous les actifs de la Société
Current portion	**683,850**	703,688	19,073	Tranche à court terme
	-	-	703,688	

If debts continues with the same terms, rates and conditions as the ones existing at year-end, principal payments required in each of the next five years are as follows:

Si les dettes continuent avec les mêmes termes, taux et conditions qui existaient en fin d'exercice, les versements de capital requis au cours des cinq prochains exercices sont les suivants :

	$
2016	20,634
2017	21,462
2018	22,323
2019	23,218
2020	24,150

Under the terms of the loan agreement, the Corporation must satisfy certain restrictive covenants as to minimum financial ratios, regarding the disposal of capital assets, must not increase the line of credit or the letter of guarantee, must not invest in subsidiary and must not distribute to the shareholder more than the permitted annual distribution limit. The Corporation is in default regarding a financial ratio, therefore, the debt has been presented in current liabilities.

Selon les conditions rattachées à l'emprunt, la Société est soumise à certaines clauses restrictives en ce qui concerne le maintien de ratios financiers minimums, au sujet de la disposition d'immobilisations corporelles, ne doit pas augmenter sa marge de crédit ou sa lettre de garantie, ne doit pas investir dans des filiales, et ne doit pas distribuer à l'actionnaire plus que la limite annuelle permise. La Société est en défaut concernant un ratio financier, donc la dette a été présentée dans le passif à court terme.

12. Other financial liabilties / **12. Autres passifs financiers**

	December 31,/ 31 décembre 2015	December 31,/ 31 décembre 2014	January 1st,/ 1er janvier 2014	
	$	$	$	
Customers' deposits	**578,457**	614,483	616,690	Dépôts des clients
Current portion	**195,771**	213,619	251,912	Tranche à court terme
	382,686	400,864	364,778	

13. Share capital / **13. Capital-actions**

Authorized share capital: / *Informations sur le capital-actions autorisé :*

An unlimited number of shares in each of the following categories: / Un nombre illimité d'actions de chacune des catégories suivantes :

Voting Class A shares / Actions de catégorie A, avec droit de vote

Voting Class B shares, non-participating / Actions de catégorie B, avec droit de vote, non participantes

Non-voting Class C shares, non-participating / Actions de catégorie C, sans droit de vote, non participantes

Issued / *Émis*

	December 31,/ 31 décembre 2015	December 31,/ 31 décembre 2014	January 1st,/ 1er janvier 2014	
	$	$	$	
1 Class A share	**1,689,346**	1,689,346	1,689,346	1 action de catégorie A

14. Regulatory deferral account credit balances / **14. Soldes créditeurs des comptes de report réglementaires**

	December 31,/ 31 décembre 2015	December 31,/ 31 décembre 2014	January 1st,/ 1er janvier 2014	
	$	$	$	
Other regulatory liabilities	**-**	-	196,839	Autres passifs réglementés
Smart meters	**7,092**	7,004	-	Compteurs intelligents
Retail settlement variance account	**97,327**	-	-	Écart de prix avec les détaillants
	104,419	7,004	196,839	

15. Revenues / 15. Revenus

	2015	2014	
	$	$	
Energy			*Énergie*
Residential	**4,953,619**	4,709,379	Résidentiel
General < 50 KW	**1,814,864**	1,649,474	Général < 50 KW
General > 50 KW	**1,917,300**	2,430,275	Général > 50 KW
Street lights	**27,064**	45,638	Éclairage des rues
Sentinel	**10,137**	8,667	Sentinelle
Retailers	**320,697**	537,247	Détaillants
Regulatory charges	**2,431,412**	2,431,740	Frais réglementés
	11,475,093	11,812,420	
Distribution			*Distribution*
Residential	**903,398**	1,029,456	Résidentiel
General < 50 KW	**228,151**	265,029	Général < 50 KW
General > 50 KW	**379,507**	432,104	Général > 50 KW
Street light	**24,680**	35,755	Éclairage des rues
Sentinel	**2,292**	2,671	Sentinelle
Regulatory charges	**16,333**	16,259	Frais réglementés
	1,554,361	1,781,274	

16. Expenses / 16. Charges

	2015	2014	
	$	$	
Salaries and benefits	**535,612**	586,327	Salaires et avantages sociaux
Contract/consulting	**212,053**	72,545	Contrat/consultant
Materials	**431,444**	344,116	Matériaux
Depreciation and amortization of capital assets	**194,918**	184,710	Amortissement des immobilisations corporelles
Interest	**2,402**	1,698	Intérêts
	1,376,429	1,189,396	

17. Insurance

With respect to liability insurance, the Corporation is a member of the Municipal Electricity Association Reciprocal Insurance Exchange (“MEARIE”). A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other. MEARIE is licensed to provide general liability insurance to its members.

17. Assurance

En ce qui concerne l'assurance responsabilité, la Société est membre du « Municipal Electricity Association Reciprocal Insurance Exchange (« MEARIE ») ». Un échange d’assurance réciproque peut être défini comme un groupe de personnes formées dans le but d’échanger des contrats réciproques d’indemnisation ou d’assurance avec l’autre. MEARIE est autorisé à fournir une assurance de responsabilité civile générale à ses membres.

17. Insurance (continued)

Insurance premiums charged to each member consist of a levy per thousands of dollars of service revenue subject to a credit or surcharge based on each member's claims experience. The maximum coverage is $ 24,000,000 for liability insurance, including directors and officers and $ 15,000,000 for rolling stock insurance.

17. Assurance (suite)

Les primes d'assurance facturées à chaque membre se composent d'un prélèvement par millier de dollars de revenus de services sujet à un crédit ou un supplément basé sur l'expérience des réclamations de chaque membre. La couverture maximale pour l'assurance responsabilité, incluant les administrateurs et officiers, est de 24 000 000 $ et 15 000 000 $ pour le matériel roulant.

18. Pension plan

The Corporation makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of 7 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2015 is $ 41,565 ($ 45,314 in 2014) for current service and is included as an expense in the statement of income.

18. Régime de retraite

La Société contribue au régime de retraite des employés municipaux de l'Ontario (RREMO), qui est un régime interemployeurs, pour 7 membres de son personnel. Il s'agit d'un régime à prestations déterminées qui prévoit le niveau de pension à être reçu par les employés en se basant sur les années de service et le niveau salarial.

Le montant contribué à RREMO en 2015 est de 41 565 $ (45 314 $ en 2014) pour services courants et est inclus dans les charges à l'état du résultat.

19. Contingencies

Letter of guarantee

A letter of guarantee in the amount of $ 399,528 was issued in favour of the Independent Electricity System Operator and is renewable in September 2016. The Corporation of the Town of Hawkesbury endorsed this letter of guarantee.

19. Éventualités

Lettre de garantie

Une lettre de garantie au montant de 399 528 $ a été émise en faveur de « Independent Electricity System Operator » est renouvelable en septembre 2016. La Corporation de la Ville de Hawkesbury a endossé cette lettre de garantie.

20. Commitments

The Corporation signed contracts for the upgrade of a substation. The amounts payable on these contracts at year-end are $ 346,193.

20. Engagements

La Société a signé des contrats pour la mise à jour d'une sous-station. Les montants à payer sur ces contrats à la fin d'exercice s'élèvent à 346 193 $.

21. Income tax

21. Impôts

(a) Income tax expense

(a) Impôts sur le résultat

PILs recognized in net income include the following:

Les PILs constatés dans le résultat net inclus :

	2015	2014	
	$	$	
Current tax	**146,070**	143,181	Impôts exigibles
Deferred tax	**(35,856)**	(43,553)	Impôts différés
Income tax expense	**110,214**	99,628	Impôts sur le résultat

(b) Reconciliation of effective tax rate

(b) Rapprochement du taux d'imposition

The income tax expense differs from the amount that would have been recorded using the combined Canadian federal and provincial statutory income tax rates. The reconciliation between the statutory and effective tax rates is as follows:

La charge d'impôt diffère de celle qui sera établie avec le taux statutaires combiné fédéral et provincial. Le rapprochement entre les taux statutaires et les taux effectifs est comme suit :

	2015	2014	
	$	$	
Income before taxes	**527,431**	466,857	Résultat avant impôts
Statutory Canadian federal and provincial income tax rates	**26.5 %**	26,5 %	Taux d'impôt statutaires canadien fédéral et provincial
Expected tax provision on income at statutory rates	**139,769**	123,717	Provision attendue sur le résultat aux taux statutaires
Decrease in income taxes resulting from:			Réduction des impôts résultant de :
Small business deduction	**(29,555)**	(24,089)	Déduction accordée aux petites entreprises
Total income tax expense	**110,214**	99,628	Impôts sur le résultat total

Statutory Canadian income tax rates for the current year comprise 15% (15% in 2014) for federal corporate tax and 11.5% (11.5% in 2014) for corporate tax in Ontario.

Les taux d'impôts statutaires canadiens pour l'exercice courant sont 15% (15% en 2014) pour l'impôt des sociétés fédéral et 11,5% (11,5% en 2014) pour l'impôt des sociétés en Ontario.

(c) Deferred tax

(c) Impôts différés

Deferred tax assets (liabilities) are attributable to the following:

Les actifs (passifs) d'impôts différés sont attribuables à :

	December 31,/ 31 décembre 2015	December 31,/ 31 décembre 2014	January 1st,/ 1er janvier 2014	
	$	$	$	
Property, plant and equipment	**(16,903)**	(24,188)	(24,296)	Immobilisations corporelles
Intangible assets	**4,279**	5,740	5,748	Immobilisations incorporelles
Regulatory deferral account	**13,700**	55,380	99,033	Comptes de report réglementaires
	1,076	36,932	80,485	

21. Income tax (continued)

21. Impôts (suite)

(c) Deferred tax (continued)

(c) Impôts différés (suite)

Movement in deferred tax balances during the year were as follows:

Les variations des soldes des impôts afférés au cours de l'exercice sont comme suit:

	2015	2014	
	$	$	
Balance as at January 1st	**36,932**	80,485	Solde au 1er janvier
Recognized in net income	**(35,856)**	(43,553)	Constaté dans le résultat net
Balance as at December 31	**1,076**	36,932	Solde au 31 décembre

22. Related party balances and transactions

22. Soldes et transactions avec les parties liées

(a) Balances and transactions with shareholder

(a) Soldes et transactions avec l'actionnaire

The amounts payable to (receivable from) shareholder are presented in Notes 5 and 9.

Les montants payables à (recevables de) l'actionnaire sont présentés aux notes 5 et 9.

Significant related party transactions with the shareholder not otherwise disclosed separately in the financial statements, are summarized below:

Les transactions importantes avec l'actionnaire, qui ne sont pas présentées séparément dans les états financiers, sont résumées ci-dessous :

	2015	2014	
	$	$	
Revenues			Revenus
Energy and distribution	**1,032,153**	1,033,255	Énergie et distribution
Expenses			Charges
Distribution	**6,560**	6,927	Distribution
Property taxes	**15,126**	15,264	Impôts fonciers
	21,686	22,191	

These transactions are in the normal course of operations and are recorded at the exchange amount.

Ces transactions sont dans le cours normal des opérations et sont constatées à la valeur d'échange.

(b) Key management personnel compensation

(b) Rémunération des principaux dirigeants

Key management personnel are comprised of the Corporation's manager and the members of board of directors. The compensation paid or payable to key management personnel is as follows:

Les principaux dirigeants sont le gérant de la Société et les membres du conseil d'adminis-tration. La rémunération versée ou payable aux principaux dirigeants est comme suit :

	2015	2014	
Salaries and short-term employment benefits	**117,650**	115,282	Salaires et avantages sociaux à court terme

23. Net change in non-cash operating working capital items

23. Variation nette des éléments hors caisse du fonds de roulement

	2015	2014	
	$	$	
Accounts receivable	**158,746**	(6,403)	Débiteurs
Inventories	**(504)**	(3,759)	Stocks
Unbilled revenues	**127,498**	128,756	Revenus non facturés
Prepaid expenses	**(5,500)**	4,738	Frais payés d'avance
Accounts payable and accrued liabilities	**246,533**	5,627	Créditeurs et charges à payer
Income taxes	**(140,292)**	105,873	Impôts sur les bénéfices
	386,481	234,832	

Non-cash transactions

During the year, capital assets were acquired at an aggregate cost of $ 606,893 ($ 845,104 in 2014), of which Nil ($ 12,025 in 2014) were paid after year-end and $ 606,893 ($ 833,079 in 2014) were paid during the year. An amount of Nil ($ 61,499 in 2014) of stranded meters was also transferred from property, plant and equipment to regulatory deferral account balances.

Opérations sans effets sur la trésorerie

Au cours de l'exercice, des immobilisations corporelles ont été acquises pour un coût total de 606 893 $ (845 104 $ en 2014), dont nul (12 025 $ en 2014) ont été payées après la fin de l'exercice et 606 893 $ (833 079 $ en 2014) ont été payées au cours de l'exercice. Un montant de nul (61 499 $ en 2014) pour des compteurs désuets a aussi été transféré des immobilisations corporelles aux soldes des comptes de report réglementaires.

24. Financial instruments and risk management

(a) *Fair value of financial instruments*

The Corporation's accounting policies relating to the recognition and measurement of financial instruments are disclosed in Note 3(c).

The carrying amount of cash, accounts receivable, unbilled revenues, temporary loan and accounts payable and accrued liabilities approximates fair value because of the short maturity of these instruments. The carrying value and fair value of the Corporation's other financial instruments are as follows:

24. Instruments financiers et gestion des risques

(a) *Juste valeur des instruments financiers*

Les conventions comptables de la Société relatives à la comptabilisation et l'évaluation des instruments financiers sont présentées à la note 3 (c).

La valeur comptable de l'encaisse, des débiteurs, des revenus non facturés, de l'emprunt temporaire et des créditeurs et charges à payer sont près de la juste valeur en raison de l'échéance rapprochée de ces instruments. La valeur comptable et la juste valeur des autres instruments financiers de la Société sont les suivants :

	December 31, 2015/ 31 décembre 2015		December 31, 2014/ 31 décembre 2014		January 1st, 2014/ 1er janvier 2014		
Description	**Carrying value/ Valeur comptable**	**Fair value/ Juste valeur**	Carrying value/ Valeur comptable	Fair value/ Juste valeur	Carrying value/ Valeur comptable	Fair value/ Juste valeur	**Description**
	$	**$**	$	$	$	$	
Liabilities							Passif
Long-term debt	**683,850**	**684,000**	703,688	704,000	722,761	723,000	Dette à long terme
Other financial liabilities	**578,457**	**578,000**	614,483	614,000	616,690	617,000	Autres passifs financiers

The carrying amounts shown in the table are included in the balance sheet under the indicated title.

Les valeurs comptables démontrées dans le tableau sont inclus au bilan sous la rubrique indiquée.

24. Financial instruments and risk management (continued)

(a) Fair value of financial instruments (continued)

Financial instruments which are disclosed at fair value are to be classified using a three - level hierarchy. Each level reflects the inputs used to measure the fair values disclosed of the financial liabilities, and are as follows:

- Level 1: inputs are unadjusted quoted prices of identical instruments in active markets,
- Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3: inputs for the assets or liabilities that are not based on observable market data.

The fair value hierarchy is classified as Level 2 for long-term debt and other financial liabilities. The classification for disclosure purposes has been determined in accordance with generally accepted pricing models, based on discounted cash flow analysis. The most significant inputs are the contractual terms of the instrument discounted, and the market discount rates that reflects the credit risk of counterparties.

(b) Risk factors

The Corporation understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Corporation's exposure to a variety of risks such as credit risk and liquidity risk as well as related mitigation strategies have been discussed below. However, the risks described below are not exhaustive of all the risks nor will the mitigation strategies eliminate the Corporation's exposure to all risks listed.

(c) Credit risk

The Corporation's credit risk is primarily attributable to its accounts receivable and unbilled revenues. The amounts disclosed in the balance sheet are net of allowance for doubtful accounts, estimated by the management of the Corporation based on previous experience and its assessment of the current economic environment. In order to reduce its risk, management has adopted credit policies that include regular review of credit limits. The Corporation does not have significant exposure to any individual customer and has not incurred any significant bad debts during the year. The credit risk on cash is limited because the counterparties are chartered banks with high credit-ratings assigned by national credit-rating agencies.

24. Instruments financiers et gestion des risques (suite)

(a) Juste valeur des instruments financiers (suite)

Les instruments financiers qui sont présentés à la juste valeur doivent être classés selon une hiérarchie à trois niveaux. Chaque niveau reflète les données utilisées pour évaluer les justes valeurs des passifs financiers et sont comme suit :

- Niveau 1 : évaluation fondée sur les prix non rajustés, sur le marché, pour des actifs ou passifs identiques,
- Niveau 2 : les données autres que les prix cotés visés au niveau 1, qui sont observables pour l'actif ou le passif, directement ou indirectement, et
- Niveau 3 : données pour les actifs ou passifs qui ne sont pas fondées sur les données de marché observables.

La hiérarchie de la juste valeur de la dette à long terme et des autres passifs financiers est classée au niveau 2. La classification à des fins de divulgation a été déterminée conformément aux modèles d'évaluation généralement reconnus, fondés sur l'analyse des flux de trésorerie actualisés. Les données principales sont les conditions contractuelles de l'instrument escompté et les taux d'actualisation du marché qui reflètent le risque de crédit des contreparties.

(b) Facteurs de risque

La Société comprend les risques inhérents à son domaine d'activité et les définit comme étant tout ce qui pourrait influer sur sa capacité à réaliser ses objectifs stratégiques. L'exposition de la Société à une variété de risques tels que le risque de crédit et le risque de liquidité ainsi que les stratégies d'atténuation connexes ont été discutés ci-dessous. Cependant, les risques décrits ci-dessous ne sont pas exhaustifs et les stratégies d'atténuation n'élimineront pas l'exposition de la Société à tous les risques énumérés.

(c) Risque de crédit

Le risque de crédit de la Société est principalement imputable à ses débiteurs et ses revenus non facturés. Les montants présentés dans le bilan ont été réduits de la provision pour créances douteuses, laquelle a fait l'objet d'une estimation par la direction de la Société en fonction de l'expérience antérieure et de son évaluation de la conjoncture économique actuelle. Afin de réduire le risque, la direction a adopté des politiques de crédit qui comprennent une révision régulière des limites de crédit. La Société n'est exposée à aucun risque important à l'égard d'un client particulier et n'a eu aucune créance irrécouvrable importante au cours de l'exercice. Le risque de crédit lié à l'encaisse est limité puisque les contreparties sont des banques à charte jouissant de cotes de solvabilité élevées attribuées par des agences de notation nationales.

24. Financial instruments and risk managements (continued)

(c) Credit risk (continued)

As at December 31, 2015, the aging of accounts receivable was as follow:

24. Instruments financiers et gestion des risques (suite)

(c) Risque de crédit (suite)

Au 31 décembre 2015, le classement par échéance des débiteurs était le suivant :

	December 31,/ 31 décembre 2015		December 31,/ 31 décembre 2014		January 1st,/ 1er janvier 2014		
	$	**%**	$	%	$	%	
Trade							Clients
Current	**1,611,590**	**94**	1,761,684	94	1,759,929	95	Courant
Aged between 31 and 90 days	**23,698**	**1**	29,618	2	77,185	4	Entre 31 et 90 jours
Aged greater than 90 days	**82,082**	**5**	72,462	4	23,979	1	Plus de 90 jours
	1,717,370	**100**	1,863,764	100	1,861,093	100	
Allowance for doubtful accounts	**(80,163)**	**5**	(67,811)	4	(71,543)	4	Provision pour créances douteuses
	1,637,207	**95**	1,795,953	96	1,789,550	96	

24. Financial instruments and risk managements (continued)

d) Liquidity risk

The Corporation's objective is to have sufficient liquidity to meet its liabilities when due. The Corporation monitors its cash balances and cash flows generated from operations to meet its requirements. The Corporation has the following financial liabilities as at December 31:

24. Instruments financiers et gestion des risques (suite)

d) Risque de liquidité

Le risque de liquidité est le risque que la Société ne soit pas en mesure de remplir ses obligations financières à leur échéance. La Société surveille le solde de son encaisse et ses flux de trésorerie qui découlent de son exploitation pour être en mesure de respecter ses engagements. Au 31 décembre, les passifs financiers de la Société étaient les suivants :

December 31, 2015	**Carrying amount/ Valeur/ comptable**	**2016**	**2017-2021**	**2022-2026**	**After/Après 2026**	**Au 31 décembre 2015**
	$	**$**	**$**	**$**	**$**	
Construction loan	**723,795**	**723,795**	**-**	**-**	**-**	Emprunt pour construction
Accounts payable and accrued liabilities	**3,063,044**	**3,063,044**	**-**	**-**	**-**	Créditeurs et charges à payer
Long-term debt	**683,850**	**20,634**	**116,272**	**141,543**	**405,401**	Dette à long terme
Other financial liabilities	**578,457**	**195,771**	**382,686**	**-**	**-**	Autres passifs financiers
	5,049,146	**4,003,244**	**498,958**	**141,543**	**405,401**	

December 31, 2014	Carrying amount/ Valeur/ comptable	2015	2016-2020	2021-2025	After/Après 2025	31 décembre 2014
	$	$	$	$	$	
Construction loan	723,795	723,795	-	-	-	Emprunt pour construction
Accounts payable and accrued liabilities	2,828,536	2,828,536	-	-	-	Créditeurs et charges à payer
Long-term debt	703,688	19,838	111,787	136,084	435,979	Dette à long terme
Other financial liabilities	614,483	213,619	400,864	-	-	Autres passifs financiers
	4,870,502	3,785,788	512,651	136,084	435,979	

24. Financial instruments and risk managements (continued)

24. Instruments financiers et gestion des risques (suite)

d) Liquidity risk (continued)

d) Risque de liquidité (suite)

January 1st, 2014	Carrying amount/ Valeur/ comptable	2014	2015-2019	2020-2024	After/Après 2024	1er janvier 2014
	$	$	$	$	$	
Construction loan	723,795	723,795	-	-	-	Emprunt pour construction
Accounts payable and accrued liabilities	2,810,884	2,810,884	-	-	-	Créditeurs et charges à payer
Long-term debt	722,761	19,073	107,475	130,835	465,378	Dette à long terme
Other financial liabilities	616,690	251,912	364,778	-	-	Autres passifs financiers
	4,874,130	3,805,664	472,253	130,835	465,378	

25. Rate regulation

The Ontario Energy Board Act, 1998 gave the OEB increased powers and responsibilities to regulate the electricity industry. These powers and responsibilities include the power to approve or fix rates for the transmission and distribution of electricity, the power to provide continued rate protection for rural and remote electricity customers and the responsibility for ensuring that distribution companies fulfill obligations to connect and service customers. The OEB may prescribe license requirements and conditions including, among other things, specified accounting records, regulatory accounting principles, and filing process requirements for rate-setting purposes.

Every five years, each electricity distributor must go through an extensive review of their distribution costs which is called a cost of service.

On an annual basis, between each cost of service, each distributors go through a less extensive review. There are three rate-setting methods under this category: 4th generation incentive rate-setting (Price Cap IR), Custom incentive rate-setting (Custom IR) and Annual incentive rate-setting index (Annual IR Index).

On an annual basis, each distributors must go through another process to recover regulatory deferral account balances (debits and credits). This process is called Incentive rate-setting mechanism (IRM). Every five years, this process is addressed through the cost of service.

For all of those rate setting mechanism, there are different applications, models and reports which must be submitted by the distributors to OEB. Consumer groups and other affected groups may also take part in the process and provide comments. The OEB decides whether or not to approve any or all of the application and then sets the rates for the distributors to charge.

In order to meet OEB's requirements, the Corporation must record some amounts in regulatory deferral accounts. Those amounts will be recovered from or reimbursed to clients over a period of time agreed in the rate-setting process. Amounts recorded in regulatory accounts includes the difference between various energy revenues and expenses components (Retail settlement variance account and Low voltage charges) and expenses (Other regulatory assets) which are not considered in the actual rates because they were unknown or could not be evaluated when the cost of service was approved.

25. Réglementation des tarifs

La Loi de 1998 sur la Commission de l'énergie de l'Ontario a donné à la CÉO des pouvoirs accrus et des responsabilités pour réglementer l'industrie de l'électricité. Ces pouvoirs et responsabilités comprennent le pouvoir d'approuver ou de fixer les taux de transmission et de distribution d'électricité, le pouvoir de fournir une protection tarifaire continue pour les clients ruraux et éloignés et la responsabilité de veiller à ce que les sociétés de distribution remplissent leurs obligations de brancher et servir les clients. La CÉO peut imposer des exigences de licence et des conditions, y compris, entre autres, des registres comptables appropriés, des principes comptables réglementaires et des exigences pour le processus d'établissement des tarifs.

Tous les cinq ans, chaque distributeur d'électricité doit subir un examen plus approfondi de ses coûts de distribution qui est appelé un coût de service.

Chaque distributeur doit subir un examen moins approfondi sur une base annuelle entre les coûts de service. Dans cette catégorie, il existe trois méthodes pour fixer les taux : l'établissement des taux incitatifs de 4e génération, l'établissement des taux d'incitation personnalisés et l'indice annuel d'établissement des taux d'incitation.

Sur une base annuelle, chaque distributeur doit passer par un autre procédé afin de récupérer les soldes de comptes de report réglementaires (débiteurs et créditeurs). Ce mécanisme est appelé mécanisme d'établissement des taux incitatif. Tous les cinq ans, ce processus est inclus dans le coût de service.

Pour tous ces mécanismes d'établissement des taux, il existe différentes applications, modèles et rapports qui doivent être soumis par les distributeurs à la CÉO. Les groupes de consommateurs et d'autres groupes concernés peuvent également prendre part au processus et fournir des commentaires. La CÉO décide d'approuver ou non, l'ensemble ou une portion de l'application et fixe les taux que les distributeurs doivent facturer.

Afin de répondre aux exigences de la CÉO, la Société doit enregistrer certains montants dans les comptes de report réglementaires. Ces montants seront récupérés ou remboursés aux clients sur une période de temps convenue dans le processus d'approbation des tarifs. Les montants inscris dans les comptes de report réglementaires comprennent la différence entre diverses composantes des revenus et charges d'énergie (écarts de prix avec les détaillants et distribution à faible tension) et les dépenses (autres actifs réglementés) qui ne sont pas prises en compte dans les taux courants parce qu'ils étaient inconnus ou ne pouvaient pas être déterminés lorsque le coût de service a été approuvé.

25. Rate regulation (continued)

When the regulatory deferral account balances are approved for disposal (to be recovered from or remitted to clients) in the IRM or cost of service, the approved rates are based on a number of clients and a level of consumption. The portion expected to be recovered or remitted with a fixed charge, will vary with the number of clients over the recovery or remittance period. The portion expected to be recovered or remitted with a usage charge, will vary with the consumption over the recovery or remittance period. The remaining balance between the amounts approved and the amounts recovered or remitted over the approved period, will be considered in a future IRM or cost of service.

Carrying charges are calculated on the regulatory deferral account balances. They are calculated on a monthly basis, at a rate established by OEB, on the balances at the beginning of the month. Carrying charges are calculated on the capital amounts only, not on the accumulated carrying charges.

25. Réglementation des tarifs (suite)

Lorsque les soldes de comptes de report réglementaires sont approuvés pour être disposés (récupérés ou remis aux clients) lors du mécanisme d'établissement des taux incitatif ou lors du coût de service, les tarifs approuvés sont basés sur un nombre de clients et un niveau de consommation. La portion qui devrait être récupérée ou remboursée par une charge fixe variera en fonction du nombre de clients au cours de la période de récupération ou de remboursement. La portion qui devrait être récupérée ou remboursée par des frais d'utilisation variera en fonction de la consommation des clients au cours de la période de récupération ou de remboursement. Le solde entre les montants approuvés et les montants récupérés ou remboursés au cours de la période approuvée sera considéré lors d'un mécanisme d'établissement des taux incitatif ou lors d'un coût de service futur.

Des frais financiers sont calculés sur les soldes de comptes de report réglementaires. Ils sont calculés sur une base mensuelle, avec un taux établi par la CÉO, sur les soldes au début du mois. Les frais financiers sont calculés sur les montants de capital et non sur les frais financiers cumulés.

25. Rate regulation (continued)

25. Réglementation des tarifs (suite)

The following table represents a summary of the transactions in the regulatory deferral account balances:

Le tableau qui suit représente un sommaire des transactions dans les soldes de comptes de report réglementaires :

2015

	December 31,/ 31 décembre 2014	**Approved by OEB/ Appouvés par la CÉO**	**Carrying charges/ Frais financiers**	**Current variances/ Variations courantes**	**Remitted (recovered)/ Remises (recouvrement)**	**Adjustments/ Ajustements**	**December 31,/ 31 décembre 2015**	
	$	**$**	**$**	**$**	**$**	**$**	**$**	
Low voltage charges	54,479	**(41,560)**	**445**	**49,459**	**-**	**-**	**62,823**	Distribution à faible tension
Other regulatory assets	38,553	**(3,646)**	**266**	**6,475**	**-**	**-**	**41,648**	Autres actifs réglementés
Smart meters	(7,004)	**-**	**(88)**	**-**	**-**	**-**	**(7,092)**	Compteurs intelligents
Retail settlement variance account	229,978	**(329,127)**	**(2,236)**	**4,058**	**-**	**-**	**(97,327)**	Écart de prix avec les détaillants
Amounts receivable from clients	41,286	**374,333**	**1,880**	**-**	**(329,165)**	**-**	**88,334**	Montants à récupérer des clients
	357,292	-	**267**	**59,992**	**(329,165)**	**-**	**88,386**	

25. Rate regulation (continued) / **25. Réglementation des tarifs (suite)**

2014								
	January 1st,/ 1er janvier	Approved by OEB/ Appouvés par la CÉO	Carrying charges/ Frais financiers	Current variances/ Variations courantes	Remitted (recovered)/ Remises (recouvrement)	Adjustments/ Ajustements	December 31,/ 31 décembre	
	$	$	$	$	$	$	$	
Low voltage charges	89,694	(48,843)	894	12,734	-	-	54,479	Distribution à faible tension
Other regulatory assets (liabilities)	(196,839)	8,447	68	5,909	(47,461)	268,429	38,553	Autres actifs (passifs) réglementés
Smart meters	-	-	378	-	(68,881)	61,499	(7,004)	Compteurs intelligents
Retail settlement variance account	567,705	(243,810)	2,375	(96,292)	-	-	229,978	Écart de prix avec les détaillants
Amounts receivable from clients	178,361	284,206	878	-	(153,730)	(268,429)	41,286	Montants à récupérer des clients
	638,921	-	4,593	(77,649)	(270,072)	61,499	357,292	

26. Capital structure / objectives

The Corporation's main objectives in the management of capital are to:

(i) Ensure that there is access to various funding options at the lowest possible rates for the various capital initiatives and working capital requirements necessary for the rate-regulated business;
(ii) Consistently maintain a high credit rating for the Corporation;
(iii) Deliver appropriate financial returns to the shareholder.

26. Structure du capital et objectifs

Les principaux objectifs de la Société dans la gestion de son capital sont :

(i) S'assurer d'avoir accès à des sources de financement variées à des taux raisonnables pour ses diverses initiatives et un fonds de roulement nécessaire au fonctionnement de ses activités réglementées;
(ii) Maintenir une excellente évaluation de crédit pour la Société;
(iii) Rapporter un rendement financier satisfaisant à l'actionnaire.

27. First-time adoption of IFRS

As stated in Note 2, these are the first annual financial statements of the Corporation prepared in accordance with IFRS. The Corporation's financial statements were previously prepared in accordance with Part V of the Canadian Generally Accepted Accounting Principles (Canadian GAAP).

The accounting policies described in Note 3 have been applied in preparing the financial statements for the year ended December 31, 2015, the comparative information provided for the year ended December 31, 2014 and in the preparation of the opening IFRS balance sheet as at January 1st, 2014 (date of transition).

Mandatory exceptions

IFRS 1 states that estimates made in accordance with IFRS at the date of transition should be consistent with estimates made under Canadian GAAP (after adjustments to reflect any differences in accounting policies). Accordingly, estimates previously made under Canadian GAAP were not revised at the date of transition except where necessary to reflect changes in accounting policies.

Elected exemptions

In preparing these financial statements in accordance with IFRS 1, the Corporation has elected a few of the optional exemptions that are available to a first-time adopter of IFRS. The optional exemptions elected by the Corporation are described below.

(i) <u>Deemed cost</u>

A first-time adopter with rate-regulated activities may hold items of PP&E or intangible assets for which the carrying amount of such items includes amounts that were determined in accordance with previous GAAP but do not qualify for capitalization under IFRS. In such cases the first-time adopter may elect to use the previous GAAP carrying amount of such an item at the date of transition as deemed cost.

27. Première application des IFRS

Comme indiqué dans la note 2, ce sont les premiers états financiers annuels de la Société préparés conformément aux IFRS. Les états financiers de la Société étaient auparavant préparés conformément à la partie V des principes comptables généralement reconnus du Canada (PCGR du Canada).

Les conventions comptables décrites à la note 3 ont été appliquées pour la préparation des états financiers de l'exercice clos le 31 décembre 2015, les informations comparatives fournies pour l'exercice clos le décembre 2014 et dans la préparation du bilan d'ouverture IFRS au 1er janvier 2014 (date de transition).

Exceptions obligatoires

IFRS 1 prévoit que les estimations faites en conformité avec les IFRS à la date de transition doivent être cohérentes avec les estimations établies selon les PCGR du Canada (après ajustement pour tenir compte des différences de méthodes comptables). En conséquence, les estimations faites précédemment selon les PCGR du Canada n'ont pas été révisées à la date de transition, sauf si nécessaire pour refléter les changements de méthodes comptables.

Exemptions facultatives

Dans la préparation de ces états financiers conformément à IFRS 1, la Société a choisi quelques-unes des exemptions facultatives qui sont disponibles pour un premier adoptant des IFRS. Les exemptions facultatives choisies par la Société sont décrites ci-dessous.

(i) <u>Coût présumé</u>

Un premier adoptant des activités à tarifs réglementés peut détenir des immobilisations corporelles ou incorporelles pour lesquels la valeur comptable de ces éléments comprend des montants qui ont été déterminés selon les PCGR antérieurs, mais qui ne sont pas admissibles à être capitalisés en vertu des IFRS. Dans ce cas, le premier adoptant peut choisir d'utiliser la valeur comptable établie selon les PCGR antérieurs comme coût présumé à la date de transition.

27. First-time adoption of IFRS (continued)

Elected exemptions (continued)

(i) <u>Deemed cost (continued)</u>

Under Canadian GAAP, the carrying amount of the Corporation's PP&E and intangible assets used in rate-regulated activities was based on historical cost but included certain amounts that would not qualify for capitalization under IFRS. The Corporation elected to use the carrying amount of these items as determined under Canadian GAAP as deemed cost on the date of transition.

The items for which the deemed cost exemption was elected are part of the Corporation's rate-regulated CGU. The rate-regulated CGU was tested for impairment at the date of transition and it was determined that the CGU was not impaired.

(ii) <u>Transfers of assets from customers</u>

The Corporation has elected to apply the transitional provisions in IFRIC 18 *Transfers of Assets from Customers.* This provision states that the effective date of this standard should be July 1st, 2009 or the date of transition to IFRS whichever is later.

The adoption of this new standard had no impact on the financial statements.

Impact of transition

In preparing its opening IFRS balance sheet, the Corporation has adjusted amounts reported previously in its financial statements prepared in accordance with Canadian GAAP. IFRS 1 requires an entity to explain how the transition from its previous GAAP to IFRS affected its reported financial position, financial performance and cash flows by providing reconciliations of shareholder's equity and cash flows for prior periods. An explanation of how the transition from Canadian GAAP to IFRS has affected the Corporation's financial position and performance is set out in the following tables and accompanying notes.

27. Première application des IFRS (suite)

Exemptions facultatives (suite)

(i) <u>Coût présumé (suite)</u>

Selon les PCGR du Canada, la valeur comptable des immobilisations corporelles et incorporelles de la Société qui sont utilisés dans les activités à tarif réglementé étaient basées sur le coût historique mais pouvaient inclure des éléments qui ne seraient pas admissibles à la capitalisation selon les IFRS. La Société a choisi d'utiliser les valeurs comptables déterminées selon les PCGR du Canada comme coût présumé à la date de transition.

Les éléments pour lesquels l'exemption a été utilisée font partie de l'UGT des activités à tarifs réglementés. Nous avons testé la dépréciation de ces immobilisations à la date de transition et aucune diminution de valeur n'a été notée.

(ii) <u>Transfert d'actifs des clients</u>

La Société a choisi d'appliquer les dispositions transitoires d'IFRIC 18 « Transferts d'actifs provenant de clients ». Cette disposition stipule que la date d'entrée en vigueur de cette norme devrait être le plus tard entre le 1er juillet 2009 et la date de transition aux IFRS.

L'adoption de cette nouvelle norme n'a eu aucun impact sur les états financiers.

Impact de la transition

Dans la préparation de son bilan d'ouverture IFRS, la Société a ajusté des montants présentés dans ces états financiers selon les PCGR du Canada. IFRS 1 exige d'expliquer les différences entre les PCGR antérieurs et les IFRS sur sa situation financière, sa performance financière et ses flux de trésorerie en expliquant les rapprochements des capitaux propres de l'action-naire et des flux de trésorerie pour les périodes antérieures. Une explication des impacts de la transition des PCGR du Canada aux IFRS sur la situation financière et la performance financière de la Société est présentée dans les tableaux suivants et les notes ci-jointes.

27. First-time adoption of IFRS (continued)

27. Première application des IFRS (suite)

Impact of transition (continued)

Impact de la transition (suite)

Reconciliation of the balance sheet as at January 1st, 2014:

Conciliation du bilan au 1er janvier 2014 :

	References/ Références	Canadian GAAP/ PCGR du Canada January 1st,/ 1er janvier 2014	Adjustments/ Ajustements	IFRS January 1st,/ 1er janvier 2014	
	$	$	$	$	
Assets					**Actif**
Current assets					À court terme
Cash		447,360	-	447,360	Encaisse
Accounts receivable		1,789,550	-	1,789,550	Débiteurs
Inventories		93,493	-	93,493	Stocks
Unbilled revenues		1,348,371	-	1,348,371	Revenus non facturés
Prepaid expenses		28,640	-	28,640	Frais payés d'avance
Current portion of regulatory assets	(b)	331,625	(331,625)	-	Tranche à court terme des actifs réglementaires
		4,039,039	(331,625)	3,707,414	
Property, plant and equipment	(a)	4,092,998	275,504	4,368,502	Immobilisations corporelles
Intangible assets	(a)	-	58,955	58,955	Immobilisations incorporelles
Regulatory assets	(b)	504,135	(504,135)	-	Actifs réglementaires
		8,636,172	(501,301)	8,134,871	
Regulatory deferral account debit balances	(b)	-	835,760	835,760	Soldes débiteurs des comptes de report réglementaires
		8,636,172	334,459	8,970,631	
Liabilities					**Passif**
Current liabilities					À court terme
Construction loan		723,795	-	723,795	Emprunt pour construction
Accounts payable and accrued liabilties	(d)	2,734,702	76,182	2,810,884	Créditeurs et charges à payer
Income taxes		37,308	-	37,308	Impôts sur les bénéfices
Other current liabilities	(d)	76,182	(76,182)	-	Autres passifs à court terme
Current portion of long-term debt		19,073	-	19,073	Tranche à court terme de la dette à long terme
Current portion of other financial liabilities		251,912	-	251,912	Tranche à court terme des autres passifs financiers
		3,842,972	-	3,842,972	
Provision for sick leave benefits		87,780	-	87,780	Provision pour congés de maladie
Long-term debt		703,688	-	703,688	Dette à long terme
Other financial liabilities	(b)	561,617	(196,839)	364,778	Autres passifs financiers
Deferred revenues	(a)	-	226,430	226,430	Revenus reportés
Deferred tax liabilities	(c)	63,740	16,745	80,485	Passif d'impôts différés
		5,259,797	46,336	5,306,133	
Shareholder's equity					**Capitaux propres**
Share capital		1,689,346	-	1,689,346	Capital-actions
Retained earnings	(a, c)	1,687,029	91,284	1,778,313	Bénéfices non répartis
		3,376,375	91,284	3,467,659	
		8,636,172	137,620	8,773,792	
Regulatory deferral account credit balances	(b)	-	196,839	196,839	Soldes créditeurs des comptes de report réglementaires
		8,636,172	334,459	8,970,631	

27. First-time adoption of IFRS (continued) | **27. Première application des IFRS (suite)**

Impact of transition (continued) | *Impact de la transition (suite)*

Reconciliation of the balance sheet as at December 31, 2014: | Conciliation du bilan au 31 décembre 2014 :

	References/ Références	Canadian GAAP/ PCGR du Canada December 31,/ 31 décembre 2014	Adjustments/ Ajustements	IFRS December 31,/ 31 décembre 2014	
	$	$	$	$	
Assets					**Actif**
Current assets					À court terme
Cash		585,754	-	585,754	Encaisse
Accounts receivable		1,795,953	-	1,795,953	Débiteurs
Inventories		97,252	-	97,252	Stocks
Unbilled revenues		1,219,615	-	1,219,615	Revenus non facturés
Prepaid expenses		23,902	-	23,902	Frais payés d'avance
Current portion of regulatory assets	(b)	418,326	(418,326)	-	Tranche à court terme des actifs réglementaires
		4,140,802	(418,326)	3,722,476	
Property, plant and equipment	(a)	4,698,567	268,395	4,966,962	Immobilisations corporelles
Intangible assets	(a)	-	52,988	52,988	Immobilisations incorporelles
Regulatory assets	(b)	47,826	(47,826)	-	Actifs réglementaires
		8,887,195	(144,769)	8,742,426	
Regulatory deferral account debit balances	(b)	-	364,296	364,296	Soldes débiteurs des comptes de report réglementaires
		8,887,195	219,527	9,106,722	
Liabilities					**Passif**
Current liabilities					À court terme
Construction loan		723,795	-	723,795	Emprunt pour construction
Accounts payable and accrued liabilties	(d)	2,697,409	131,127	2,828,536	Créditeurs et charges à payer
Income taxes		143,181	-	143,181	Impôts sur les bénéfices
Other current liabilities	(d)	131,127	(131,127)	-	Autres passifs à court terme
Current portion of long-term debt		703,688	-	703,688	Tranche à court terme de la dette à long terme
Current portion of other financial liabilities		213,619	-	213,619	Tranche à court terme des autres passifs financiers
		4,612,819	-	4,612,819	
Provision for sick leave benefits		78,654	-	78,654	Provision pour congés de maladie
Other financial liabilities	(b)	509,724	(108,860)	400,864	Autres passifs financiers
Deferred revenues	(a)	-	220,028	220,028	Revenus reportés
Deferred tax liabilities	(c)	21,221	15,711	36,932	Passif d'impôts différés
		5,222,418	126,879	5,349,297	
Shareholder's equity					**Capitaux propres**
Share capital		1,689,346	-	1,689,346	Capital-actions
Retained earnings	(a, c)	1,975,431	85,644	2,061,075	Bénéfices non répartis
		3,664,777	85,644	3,750,421	
		8,887,195	212,523	9,099,718	
Regulatory deferral account credit balances	(b)	-	7,004	7,004	Soldes créditeurs des comptes de report réglementaires
		8,887,195	219,527	9,106,722	

27. First-time adoption of IFRS (continued)

27. Première application des IFRS (suite)

Impact of transition (continued)

Impact de la transition (suite)

Reconciliation of the statement of income for the year ended December 31, 2014:

Conciliation de l'état du résultat de l'exercice clos le 31 décembre 2014 :

	References/ Références	Canadian GAAP/ PCGR du Canada December 31,/ 31 décembre 2014	Adjustments/ Ajustements	IFRS December 31,/ 31 décembre 2014	
	$	$	$	$	
Revenues					**Revenus**
Energy	(b)	11,405,626	406,794	11,812,420	Énergie
Distribution	(b)	1,511,202	270,072	1,781,274	Distribution
Other operating revenues	(b)	143,427	(9,348)	134,079	Autres revenus d'exploitation
		13,060,255	667,518	13,727,773	
Cost of power	(b)	11,405,626	322,766	11,728,392	Coût de l'énergie
		1,654,629	344,752	1,999,381	
Expenses					**Charges**
Administrative and general		340,177	-	340,177	Administratives et générales
Depreciation and amortization	(a)	178,036	6,674	184,710	Amortissement
Billing and collecting		395,636	-	395,636	Facturation et perception
Distribution - operation and maintenance		232,855	-	232,855	Distribution - exploitation et entretien
Interest	(b)	6,452	(4,754)	1,698	Intérêts
Property taxes		15,264	-	15,264	Impôts fonciers
Other		12,678	6,378	19,056	Autres
		1,181,098	8,298	1,189,396	
Income before regulatory items and income tax		473,531	336,454	809,985	Résultat avant éléments réglementaires et impôts
Net movement on regulatory deferral accounts	(b)	-	(343,128)	(343,128)	Variations nettes des comptes de report réglementaires
Income tax expense	(c)	(100,662)	1,034	(99,628)	Impôt sur le résultat
Net income		372,869	(5,640)	367,229	**Résultat net**

27. First-time adoption of IFRS (continued)

Impact of transition (continued)

Explanation of adjustments:

(a) *Property, plant and equipment*

(i) *Carrying amounts*

Through its asset management plan process, the Corporation took an inventory of the majority of its capital assets. The costs were established and the depreciation for every item were recalculated. It resulted in an increase of $ 108,029 of property, plant and equipment and retained earnings as at January 1st, 2014 and December 31, 2014. In 2014, there was also $ 6,674 more in depreciation and amortization.

(ii) *Customer contributions*

Under Canadian GAAP, customer contributions were netted against the cost of PP&E and amortized to income, as an offset to depreciation expense, on the same basis as the assets for which the customer contributions were received.

Under IFRIC 18 Transfers of Assets from Customers, customer contributions are recognized initially as deferred revenue and are amortized into income over the life of the related assets.

A credit amount of $ 226,430 was transferred from property, plant and equipment to deferred revenues as of January 1 st, 2014. An amount of $ 220,028 was transferred from property, plant and equipment to deferred revenues as of December 31, 2014.

(iii) *Software*

Software were reclassified from property, plant and equipment to intangible assets for $ 52,975 as at January 1st, 2014 and $ 47,008 as at December 31, 2014.

(iv) *Land rights*

Land rights were reclassified from property, plant and equipment to intangible assets for $ 5,980 as at January 1st, 2014 and as at December 31, 2014.

(b) *Regulatory deferral accounts*

The Corporation transferred the balances of its regulatory assets and liabilities balances to regulatory deferral account debit and credit balances. A transfer of $ 101,856 was also done between the regulatory deferral account debit and credit balances as at December 31, 2014.

27. Première application des IFRS (suite)

Impact de la transition (suite)

Explication des ajustements :

(a) *Immobilisations corporelles*

(i) *Coûts*

Avec son processus de gestion des actifs, la Société a effectué une prise d'inventaire de la majorité de ses immobilisations corporelles. Les coûts ont été établis et l'amortissement a été recalculé pour chaque item. Ceci a fait augmenter les immobilisations corporelles et les bénéfices non répartis de 108 029 $ au 1er janvier 2014 et au 31 décembre 2014. En 2014, il y a également eu 6 674 $ de plus en amortissement.

(ii) *Contributions des clients*

Selon les PCGR du Canada, les contributions des clients sont présentées en réduction des immobilisations corporelles et amorties dans les résultats, en réduction des amortissements, sur la même durée de vie que les actifs que ces contributions ont financés.

Selon IFRIC 18 « Transferts d'actifs provenant de client », les contributions reçues des clients sont comptabilisées initialement comme revenus reportés et sont amorties sur la durée de vie des immobilisations corporelles correspondantes.

Un montant créditeur de 226 430 $ a été transféré des immobilisations corporelles aux revenus reportés au 1er janvier 2014. Un montant de 220 028 $ a également été transféré des immobilisations corporelles aux revenus reportés au 31 décembre 2014.

(iii) *Logiciels*

Les logiciels ont été reclassés des immobilisations corporelles aux immobilisations incorporelles pour un montant de 52 975 $ au 1er janvier 2014 et 47 008 $ au 31 décembre 2014.

(iv) *Droits de passage*

Les droits de passage ont été reclassés des immobilisations corporelles aux immobilisations incorporelles pour un montant de 5 980 $ au 1er janvier 2014 et au 31 décembre 2014.

(b) *Comptes de report réglementaires*

La Société a transféré le solde de ses actifs et passifs réglementaires aux soldes débiteurs et créditeurs des comptes de report réglementaires. Un transfert de 101 856 $ a également été effectué entre les soldes débiteurs et créditeurs des comptes de report réglementaires au 31 décembre 2014.

27. First-time adoption of IFRS (continued)

Impact of transition (continued)

Explanation of adjustments: (continued)

(b) Regulatory deferral accounts (continued)

Amounts transferred to regulatory deferral account balances were recorded in contra accounts in the revenues and expenses. They have all been reclassified to net movement on regulatory deferral accounts. Those adjustments are summarized in the table below:

27. Première application des IFRS (suite)

Impact de la transition (suite)

Explication des ajustements: (suite)

(b) Comptes de report réglementaires (suite)

Les montants transférés aux comptes de report réglementaires ont été inscrits dans les revenus et les dépenses dans des comptes de contrepartie. Ils ont été reclassés dans la variation nette des comptes de report réglementaires. Ces ajustements sont résumés dans le tableau en bas :

For the year ended December 31:	2014	Pour l'exercice clos le 31 décembre :
	$	
Revenues		**Revenus**
Energy	406,794	Énergie
Distribution	270,072	Distribution
Other operating revenues	(9,348)	Autres revenus d'exploitation
	667,518	
Cost of power	322,766	Coût de l'énergie
Expenses		**Charges**
Interest	(4,754)	Intérêts
Other	6,378	Autres
	1,624	
Net movement in regulatory deferral accounts	(343,128)	Variations nettes des comptes de report réglementaires
Net income	-	Résultat net

(c) Deferred taxes

Due to adjustments (a), deferred taxes were adjusted. As at January 1st, 2014, the liability was increase by $ 16,745 and the retained earnings were decreased by $ 16,745. As at December 31, 2014, the liability was increased by $ 15,711 and the retained earnings were decreased by $ 16,745. In 2014, the income tax expense was increased by $ 1,034.

Under Part V of Canadian GAAP, deferred taxes were current and/or long-term while with IFRS, deferred taxes are all non-current.

(d) Other current liabilities

Other current liabilities were reclassified in accounts payable and accrued liabilities.

(c) Impôts différés

Dus aux ajustements en (a), les impôts différés ont été ajustés. Au 1er janvier 2014, le passif a augmenté de 16 745 $ et les bénéfices non répartis ont diminués de 16 745 $. Au 31 décembre 2014, le passif a été augmenté de 15 711 $ et les bénéfices non répartis ont diminué de 16 745 $. En 2014, l'impôt sur le résultat a augmenté de 1 034 $.

Selon la Partie V des PCGR du Canada, les impôts différés étaient courants et/ou à long terme tandis que selon les IFRS, les impôts différés sont tous non courants.

(d) Autres passifs à court terme

Les autres passifs à court terme ont été reclassés dans les créditeurs et charges à payer.

Appendix C Reconciliation for RRR to FS 2014/2015/2016

Hydro Hawkesbury Inc.

2014 Trial Balance mapped to Audited Financial Statements

STATEMENT OF EARNINGS - AFS		Trial Balance		
Revenues				
Energy / Sales of Electricity	**11,405,626**	(4,551,129)	4006-000	RESIDENTIAL Energy Sales
		(3,980,254)	4035-000	GENERAL <50kW Energy Sales
		(44,912)	4025-000	STREETLIGHTS Energy Sales
		(8,324)	4030-000	SENTINEL LIGHTS Energy Sales
		(528,911)	4055-000	RETAILER Energy Sales
		(739,053)	4062-000	Billed - WMS
		(993,029)	4066-000	Transmission Network Services
		(422,278)	4068-000	Transmission Connection Serv.
		(85,933)	4075-000	Billed - Low Voltage (LV) Chrg
		(51,804)	4076-000	Billed - SME Charges
		(11,405,626)		
Distribution / Revenues from Services	**1,511,202**	(1,511,202)	4080-100...	Distribution & Service Charge Revenues
		(1,511,202)		
Cost of power / Other Power Supply Expenses	**11,405,626**	9,113,529	4705-000	Power Purchased
		739,053	4708-000	Charges - WMS
		993,029	4714-000	Retail Transmission Network Ch
		422,278	4716-000	Retail Transmission Connection
		85,933	4750-000	Charges - Low Voltage (LV)
		51,804	4751-000	Charges - SME Charges
		11,405,626		
Other operating revenues	**143,427**	(6,728)	4082-000	Retail Services Revenue
		(81)	4084-000	STR Revenues
		(17,377)	4210-000	Rent from Electric Property
		(36,576)	4225-100	Late Payment Charges
		(64,182)	4235-001	Misc. Service Revenues
		-	4305-000	Regulatory Debits
		(4,939)	4325-001	Revenues from Jobbing
		(395)	4390-000	Misc. Non-Operating Income
		(13,148)	4405-000	Interest and Dividend Income
		(143,427)		
Expenses				
Distribution Expenses	**232,855**	6,522	5014-000	Transformer Station Equipment - 115KV
		8,426	5015-000	Transformer Station Equipment - 115KV
		260	5016-000	Distribution Station Equipment - 44KV
		3,069	5017-000	Distribution Station Equipment - 44KV
		10,897	5020-000	O/H Distribution Lines & Feede
		311	5025-000	O/H Distribution Lines & Feede
		6,773	5035-000	O/H Distribution Transformers
		1,652	5040-000	U/G Distribution Lines & Feede
		-	5045-000	U/G Distribution Lines & Feede
		2,105	5055-000	U/G Dist Transformers-Operatio
		10,397	5065-000	Meter Expense
		887	5095-000	O/H Distribution Lines & Feede
		6,035	5105-000	Maintenance Supervision & Eng.
		7,527	5120-000	Maint of Poles, Towers & Fixtu
		25,533	5125-000	Maintenance of Overhead Conduc
		54,612	5130-000	Maintenance of O/H Services
		60,314	5135-000	Maintenance of Right of Ways
		387	5145-000	Maintenance of U/G Conduit
		6,868	5150-000	Maintenance of U/G Conductors
		8,270	5155-000	Maintenance of U/G Services
		7,119	5160-000	Maintenance of Line Transfor.
		4,889	5175-000	Maintenance of Meters
		232,855		
Billing and collection	**395,636**	34,424	5310-000	Meter Reading Expense
		243,057	5315-000	Customer Billing
		103,101	5320-001	Collecting
		9	5325-000	Collecting - Cash Over & Short
		15,046	5335-000	Bad Debts Expense (W-Offs)
		395,636		
Community relations	**-**	**-**	5410-000	Community Relations - Sundry
Administration General Expenses	**340,177**	107,369	5605-000	Executive Salaries and Expense
		76,479	5610-000	Management Salaries & Expenses
		17,385	5620-000	Office Supplies and Expenses

		15,315	5630-000	Outside Services Employed
		4,079	5635-000	Property Insurance
		7,867	5640-000	Injuries and Damages
		6,423	5645-000	Employee Pensions & Benefits
		57,230	5655-000	Regulatory Expenses
		15,999	5665-000	Miscellaneous General Expenses
		25,621	5675-000	Maintenance of General Plant
		6,410	5680-000	Elect. Safety Authority Fees
		340,177		
Amortization of capital assets	**178,036**	**178,036**	5705-000	Amortization Expense
Interest	**6,452**	41,217	6005-001	Interest on Long Term Debt
		15,833	6035-000	Other Interest Expense
		(13,083)	6040-000	Alow. Borrowed Funds during Construction
		(37,516)	6042-000	Allow. For Other Funds during Construction
		6,452		
Property taxes	**15,264**	**15,264**	6105-001	Property Taxes
Others	**12,678**	6,728	4083-000	Retail Services Expenses
		81	4085-000	STR Expenses
		3,828	4330-001	Costs & Expenses from Jobbing
		41	4380-001	Expenses of Non-Utility Operations
		2,000	6205-001	Donations - LEAP Funding
		12,678		

Income Taxes

Current	**143,181**	**143,181**	6110-001	Income Tax Expense
Future	**(42,519)**	**(42,519)**	6115-000	FUTURE INCOME TAXES PROVISION
NET EARNINGS	**(372,868)**			

BALANCE SHEET - AFS | Trial Balance

Assets

Current Assets

Cash and term deposits	**585,754**	584,554	1005-201	Cash in Bank #351-23
		1,200	1010-000	Cash Advances and Working Fund
		-	1060-000	Term Deposits
		585,754		
Accounts receivable	**1,795,953**	1,729,649	1100-000	Customer Accounts Receivable
		134,115	1102-000	Accounts Receivable - Services
		-	1190-000	Misc Current & Accrued Assets
		(67,811)	1130-000	Acc Provision for Uncoll Acc't
		1,795,953		
Inventories	**97,252**	**97,252**	1330-000	Plant Materials & Op. Supplies
Unbilled revenue	**1,219,615**	**1,219,615**	1120-000	Accrued Utility Revenues
Income taxes receivable	**-**	**-**	2294-000	Accrual for Taxes (Pil's)
Future income taxes	**-**	**-**	2296-000	Future Income Tax - Current
Prepaid charges	**23,902**	23,902	1180-000	Prepaid Expenses
		23,902		
Capital assets	**4,698,567**	219,062	1611-000	Computer Software
		8,588	1612-000	Land Rights Distribution Plant
		10,000	1705-000	Land Transmission Plant 115Kv
		10,000	1805-000	Land Distribution Plant 44Kv
		482,802	1815-000	Transformer Station Equipment
		1,140,910	1820-000	Distribution Station Equipment
		568,998	1830-000	Poles, Towers and Fixtures
		512,972	1835-000	Overhead Conductors and Device
		113,855	1840-000	Underground Conduit
		265,913	1845-000	Underground Conductors & Devic
		428,840	1850-000	Line Transformers
		34,475	1855-000	Services
		7,931	1860-000	Meters
		632,664	1860-001	Smart Meters
		28,300	1905-000	Land General Plant
		875,715	1908-000	Buildings and Fixtures
		39,840	1915-000	Office Furniture and Equipment
		59,243	1920-000	Computer Equipment - Hardware

		189,046	1930-000	Transportation Equipment
		29,580	1940-000	Tools, Shop and Garage Equip.
		6,018	1950-000	Power Operated Equipment
		(220,028)	1995-000	Contributions and Grants - Credit
		1,511,809	2055-000	Construction Work in Progress
		(2,257,966)	2105-000	Acc Amort of Electric Plant
		4,698,567		
Other assets (Regulatory)	**466,152**	23,545	1508-004/10	Other Reg. Assets
		6,484	1518-000	RCVA Retail
		5,350	1548-000	RCVA STR
		54,479	1550-000	Low Voltage (LV) Variance Acct
		3,174	1551-000	SME CHARGE - Variance Account
		(164,314)	1580-000	RSVA WMS
		52,368	1584-000	RSVA Network Service
		(3,639)	1586-000	RSVA Connection Service
		(288,358)	1588-001	RSVA POWER
		633,921	1589-001	RSVA GLOBAL ADJUSTMENT
		41,103	1595	Disposition and Recovery of Regulatory Balances (2011)
		2,892	1595	Disposition and Recovery of Regulatory Balances (2012)
		42,334	1595	Disposition and Recovery of Regulatory Balances (2013)
		(45,042)	1595	Disposition and Recovery of Regulatory Balances (2014)
		101,856	Note 9	Long term portion - Transferred to Liabilities
		466,152		

Liabilities

Current liabilities

Temporary Loan	**723,795**	**(723,795)**	2225-000	Notes and Loans Payable
Accounts payable and accrued liabilities	**2,697,409**	-	1191-000	G.S.T. Paid
		(2,617,369)	2205-000	Accounts Payable
		(80,042)	2220-000	Misc Current & Accrued Liab.
		(2,697,409)		
Income taxes	**143,181**	**(143,181)**	2294-000	Accrual for Taxes (Pil's)
Other current liabilities	**131,127**	**(131,127)**	2208-000	Customer Credit Balances
Current portion of long term debt	**19,838**	**(19,838)**	2260-001	IO - LOAN SUB 44KV - Current Portion
Current portion of other long-term liabilities	**213,619**	**(213,619)**	2210-000	Current Portion of Customer Deposits
TOTAL CURRENT LIABILITIES		**(3,928,969)**		
Provision for sick leave benefits	**78,654**	**(78,654)**	2310-000	Vested Sick Leave Liability
Long term debt / Other Liabilities Deferred Credit	**683,850**	(683,850)	2520-000	Other Long Term Debt (IO Loan SUB 44KV)
		(683,850)	2520-000	
Regulatory and other long-term financial liabilities	**509,724**	(400,864)	2335-000	Long Term Portion of Customer Deposits
		-	1508-004/10	Other Reg. Assets
		-	1518-000	RCVA Retail
		-	1535-000	Smart Grid OM&A Deferral Account
		-	1548-000	RCVA STR
		-	1551-000	SME CHARGE - Variance Account
		(7,004)	1555-006/016	Smart Meter - Stranded Meter Cost
		(101,856)	Note 9	Long term portion - Transferred to Liabilities
		(509,724)		
Future income taxes	**21,221**	**(21,221)**	2350-000	DEFERRED TAX - Non-Current Liability
TOTAL LIABILITIES		**(5,222,419)**		

Shareholder's equity

Share capital	**1,689,346**	**(1,689,346)**	3005-000	Common Shares Issued
Retained earnings	**1,975,431**	(1,687,027)	3045-000	Retained Earnings
		(372,868)	3046-000	Net earnings
		84,467	3049-000	Dividends Payable
		(1,975,431)		

		2015 IFRS	Adjustments	2015 OEB
1005	Cash	1,140,530.76	-	1,140,530.76
1010	Cash Advances and Working Funds	1,200.00	-	1,200.00
	Cash	1,141,730.76	-	1,141,730.76
1100	Customer Accounts Receivable	1,589,053.34	-	1,589,053.34
1102	Accounts Receivable - Services	128,074.12	-	128,074.12
1130	Accumulated Provision for Uncollectible Accounts--Credit	(80,162.76)	-	(80,162.76)
2290	Commodity Taxes	241.83	-	241.83
	Accounts receivable	1,637,206.53	-	1,637,206.53
1330	Plant Materials and Operating Supplies	97,755.58	-	97,755.58
	Inventories	97,755.58	-	97,755.58
1120	Accrued Utility Revenues	1,092,117.11	-	1,092,117.11
	Unbilled revenues	1,092,117.11	-	1,092,117.11
1180	Prepayments	29,401.76	-	29,401.76
	Prepaid expenses	29,401.76	-	29,401.76
1705	Land	10,000.00	-	10,000.00
1706	Land Rights	-	8,588.00	8,588.00
1805	Land	10,000.00	-	10,000.00
1815	Transformer Station Equipment - Normally Primary above 50 kV	376,691.90	108,056.74	484,748.64
1820	Distribution Station Equipment - Normally Primary below 50 kV	1,295,238.33	165,860.00	1,461,098.33
1830	Poles, Towers and Fixtures	512,217.30	145,340.32	657,557.62
1835	Overhead Conductors and Devices	264,765.78	275,813.23	540,579.01
1840	Underground Conduit	39,269.00	74,586.12	113,855.12
1845	Underground Conductors and Devices	135,066.97	130,845.60	265,912.57
1850	Line Transformers	212,914.35	227,035.41	439,949.76
1855	Services	25,530.97	9,610.48	35,141.45
1860	Meters	503,635.16	144,976.51	648,611.67
1905	Land	28,299.70	-	28,299.70
1908	Buildings and Fixtures	622,821.00	252,893.77	875,714.77
1915	Office Furniture and Equipment	23,738.89	23,355.73	47,094.62
1920	Computer Equipment - Hardware	8,468.37	50,774.41	59,242.78
1925	Computer Software	-	224,874.87	224,874.87
1930	Transportation Equipment	6,392.00	182,653.80	189,045.80
1940	Tools, Shop and Garage Equipment	13,561.97	16,018.50	29,580.47
1950	Power Operated Equipment	1,551.99	4,466.59	6,018.58
1995	Contributions and Grants - Credit	-	(306,162.92)	(306,162.92)
2055	Construction Work in Progress--Electric	1,653,352.53	-	1,653,352.53
2105	Accumulated Amortization of Electric Utility Plan - PP&E	(358,983.01)	(2,095,174.42)	(2,454,157.43)
	Property, plant and equipment	5,384,533.20	(355,587.26)	5,028,945.94
1611	Computer Software	72,571.74	(72,571.74)	-
1612	Land Rights	5,980.00	(5,980.00)	-
2120	Accumulated Amortization of Electric Utility Plant - Intangibles	(39,613.00)	39,613.00	-
	Intangible assets	38,938.74	(38,938.74)	-
1508	Other Regulatory Assets	23,629.41	-	23,629.41
1518	RCVARetail	10,619.51	-	10,619.51
1548	RCVASTR	8,158.70	-	8,158.70
1550	LV Variance Account	62,823.24	-	62,823.24
1551	Smart Metering Entity Charge Variance Account	(760.01)	-	(760.01)
1595	Disposition and Recovery/Refund of Regulatory Balances Control Account	88,333.87	-	88,333.87
	Regulatory deferral acount debit balances	192,804.72	-	192,804.72
2225	Notes and Loans Payable	(723,794.91)	-	(723,794.91)
	Temporary loan	(723,794.91)	-	(723,794.91)
1104	Accounts Receivable - Recoverable Work	(20,016.30)	-	(20,016.30)
2205	Accounts Payable	(2,882,483.43)	-	(2,882,483.43)

2208	Customer Credit Balances	(71,415.75)	-	(71,415.75)
2220	Miscellaneous Current and Accrued Liabilities	(89,127.15)	-	(89,127.15)
	Accounts payable and accrued liabilities	(3,063,042.63)	-	(3,063,042.63)
2294	Accrual for Taxes Payments in Lieu of Taxes, Etc.	(2,889.00)	-	(2,889.00)
	Income taxes	(2,889.00)	-	(2,889.00)
2260	Current Portion of Long Term Debt	(20,633.91)	-	(20,633.91)
2520	Other Long Term Debt	(663,216.50)	-	(663,216.50)
	Current portion of long-term debt	(683,850.41)	-	(683,850.41)
2210	Current Portion of Customer Deposits	(195,770.54)	-	(195,770.54)
	Curreent portion of other financial liabilities	(195,770.54)	-	(195,770.54)
2310	Vested Sick Leave Liability	(66,828.83)	-	(66,828.83)
	Provision for sick leave benefits	(66,828.83)	-	(66,828.83)
2335	Long Term Customer Deposits	(382,686.58)	-	(382,686.58)
	Other financial liabilities	(382,686.58)	-	(382,686.58)
2440	Deferred Revenues	(306,959.92)	306,959.92	-
	Deferred revenues	(306,959.92)	306,959.92	-
2350	Future Income Tax - Non-Current	(1,076.00)	-	(1,076.00)
	Deferred tax liabilities	(1,076.00)	-	(1,076.00)
3005	Common Shares Issued	(1,689,346.00)	-	(1,689,346.00)
	Share capital	(1,689,346.00)	-	(1,689,346.00)
3045	Unappropriated Retained Earnings	(2,061,071.90)	93,649.74	(1,967,422.16)
3046	Balance Transferred From Income	(417,220.07)	(6,083.66)	(423,303.73)
3049	Dividends Payable-Common Shares	84,467.30	-	84,467.30
	Retained earnings	(2,393,824.67)	87,566.08	(2,306,258.59)
1555	Smart Meter Capital and Recovery Offset Variance Account	(7,091.69)	-	(7,091.69)
1580	RSVA - Wholesale Market Service Charge	(207,664.92)	-	(207,664.92)
1584	RSVA - Retail Transmission Network Charge	32,809.37	-	32,809.37
1586	RSVA - Retail Transmission Connection Charge	53,466.24	-	53,466.24
1588	RSVA - Power (excluding Global Adjustment)	(142,089.17)	-	(142,089.17)
1589	RSVA - Global Adjustment	166,151.26	-	166,151.26
	Regulatory deferral acount credit balances	(104,418.91)	-	(104,418.91)
		0.00	0.00	0.00
4006	Residential Energy Sales	(4,953,619.30)	60,409.82	(4,893,209.48)
4025	Street Lighting Energy Sales	(27,064.39)	6,371.96	(20,692.43)
4030	Sentinel Lighting Energy Sales	(10,137.38)	962.19	(9,175.19)
4035	General Energy Sales	(3,732,164.42)	470,192.00	(3,261,972.42)
4055	Energy Sales for Resale	(320,697.02)	7,508.13	(313,188.89)
4062	Billed WMS	(843,314.10)	162,294.17	(681,019.93)
4066	Billed NW	(1,014,563.20)	25,913.70	(988,649.50)
4068	Billed CN	(429,871.19)	11,328.70	(418,542.49)
4075	Billed - LV	(92,070.03)	2,584.95	(89,485.08)
4076	Billed – Smart Metering Entity Charge	(51,593.32)	293.05	(51,300.27)
	Energy revenues	(11,475,094.35)	747,858.67	(10,727,235.68)
4080	Distribution Services Revenue	(1,554,361.24)	-	(1,554,361.24)
	Distribution revenues	(1,554,361.24)	-	(1,554,361.24)
4082	Retail Services Revenues	(6,397.40)	6,397.40	-
4084	Service Transaction Requests (STR) Revenues	(104.25)	104.25	-
4210	Rent from Electric Property	(25,479.10)	-	(25,479.10)
4225	Late Payment Charges	(29,927.62)	-	(29,927.62)
4235	Miscellaneous Service Revenues	(68,253.77)	-	(68,253.77)

4325	Revenues from Merchandise Jobbing, Etc.	(23,398.58)	-	(23,398.58)
4375	Revenues from Non-Utility Operations	(183,521.95)	-	(183,521.95)
4390	Miscellaneous Non-Operating Income	(2,790.31)	-	(2,790.31)
4405	Interest and Dividend Income	(2,592.86)	(4,974.45)	(7,567.31)
	Other revenues	(342,465.84)	1,527.20	(340,938.64)
4705	Power Purchased	8,797,741.53	(299,503.14)	8,498,238.39
4708	Charges-WMS	681,019.93	-	681,019.93
4714	Charges-NW	1,039,259.33	(50,609.83)	988,649.50
4716	Charges-CN	488,303.51	(69,761.02)	418,542.49
4750	Charges - LV	141,529.34	(52,044.26)	89,485.08
4751	Charges – Smart Metering Entity Charge	51,300.27	-	51,300.27
	Cost of power	11,199,153.91	(471,918.25)	10,727,235.66
5605	Executive Salaries and Expenses	101,804.32	-	101,804.32
5610	Management Salaries and Expenses	39,465.20	-	39,465.20
5620	Office Supplies and Expenses	22,542.75	-	22,542.75
5630	Outside Services Employed	32,579.31	-	32,579.31
5635	Property Insurance	4,194.44	-	4,194.44
5640	Injuries and Damages	3,517.56	-	3,517.56
5645	Employee Pensions and Benefits	10,055.07	-	10,055.07
5655	Regulatory Expenses	40,927.41	-	40,927.41
5665	Miscellaneous General Expenses	17,503.15	-	17,503.15
5675	Maintenance of General Plant	19,348.43	-	19,348.43
5680	Electrical Safety Authority Fees	5,108.74	-	5,108.74
	Administrative and general	297,046.38	-	297,046.38
5705	Amortization Expense - Property Plant, and Equipment	181,616.56	14,575.34	196,191.90
5715	Amortization of Intangibles and Other Electric Plant	19,862.00	(19,862.00)	-
5740	Amortization of Deferred Charges	(6,561.00)	(797.00)	(7,358.00)
	Depreciation and amortization	194,917.56	(6,083.66)	188,833.90
5310	Meter Reading Expense	34,817.28	-	34,817.28
5315	Customer Billing	233,513.81	-	233,513.81
5320	Collecting	106,676.27	-	106,676.27
5325	Collecting- Cash Over and Short	7.85	-	7.85
5335	Bad Debt Expense	34,339.11	-	34,339.11
	Billing and collecting	409,354.32	-	409,354.32
5014	Transformer Station Equipment - Operation Labour	2,435.28	-	2,435.28
5015	Transformer Station Equipment - Operation Supplies and Expenses	17,915.53	-	17,915.53
5016	Distribution Station Equipment - Operation Labour	2,135.65	-	2,135.65
5017	Distribution Station Equipment - Operation Supplies and Expenses	2,553.50	-	2,553.50
5020	Overhead Distribution Lines and Feeders - Operation Labour	14,779.38	-	14,779.38
5025	Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	723.90	-	723.90
5035	Overhead Distribution Transformers- Operation	2,116.17	-	2,116.17
5040	Underground Distribution Lines and Feeders - Operation Labour	2,847.60	-	2,847.60
5055	Underground Distribution Transformers - Operation	2,119.94	-	2,119.94
5065	Meter Expense	7,476.26	-	7,476.26
5095	Overhead Distribution Lines and Feeders - Rental Paid	886.91	-	886.91
5105	Maintenance Supervision and Engineering	6,560.00	-	6,560.00
5120	Maintenance of Poles, Towers and Fixtures	8,772.17	-	8,772.17
5125	Maintenance of Overhead Conductors and Devices	36,494.41	-	36,494.41
5130	Maintenance of Overhead Services	53,204.39	-	53,204.39
5135	Overhead Distribution Lines and Feeders - Right of Way	56,039.18	-	56,039.18
5145	Maintenance of Underground Conduit	342.72	-	342.72
5150	Maintenance of Underground Conductors and Devices	2,699.10	-	2,699.10
5155	Maintenance of Underground Services	7,065.48	-	7,065.48
5160	Maintenance of Line Transformers	8,771.97	-	8,771.97
	Distribution - operation and maintenance	235,939.54	-	235,939.54
6005	Interest on Long Term Debt	39,220.61	-	39,220.61
6035	Other Interest Expense	15,537.29	4,708.50	20,245.79
6040	Allowance for Borrowed Funds Used During Construction--Credit	(11,850.98)	-	(11,850.98)
6042	Allowance For Other Funds Used During Construction	(40,505.01)	-	(40,505.01)

	Interest	2,401.91	4,708.50	7,110.41
6105	Taxes Other Than Income Taxes	15,125.52	-	15,125.52
	Property taxes	15,125.52	-	15,125.52
4082	Retail Services Revenues	10,433.76	(10,433.76)	-
4084	Service Transaction Requests (STR) Revenues	2,836.08	(2,836.08)	-
4330	Costs and Expenses of Merchandising Jobbing, Etc.	16,039.43	-	16,039.43
4360	Loss on Disposition of Utility and Other Property	7,704.68	-	7,704.68
4380	Expenses of Non-Utility Operations	182,627.99	-	182,627.99
6205	Donations	2,000.00	-	2,000.00
	Other expenses	221,641.94	(13,269.84)	208,372.10
4006	Residential Energy Sales	60,409.82	(60,409.82)	-
4025	Street Lighting Energy Sales	6,371.96	(6,371.96)	-
4030	Sentinel Lighting Energy Sales	962.19	(962.19)	-
4035	General Energy Sales	470,192.00	(470,192.00)	-
4055	Energy Sales for Resale	7,508.13	(7,508.13)	-
4062	Billed WMS	162,294.17	(162,294.17)	-
4066	Billed NW	25,913.70	(25,913.70)	-
4068	Billed CN	11,328.70	(11,328.70)	-
4075	Billed - LV	2,584.95	(2,584.95)	-
4076	Billed – Smart Metering Entity Charge	293.05	(293.05)	-
4082	Retail Services Revenues	(4,036.36)	4,036.36	-
4084	Service Transaction Requests (STR) Revenues	(2,731.83)	2,731.83	-
4405	Interest and Dividend Income	(4,974.45)	4,974.45	-
4705	Power Purchased	(299,503.14)	299,503.14	-
4714	Charges-NW	(50,609.83)	50,609.83	-
4716	Charges-CN	(69,761.02)	69,761.02	-
4750	Charges - LV	(52,044.26)	52,044.26	-
6035	Other Interest Expense	4,708.50	(4,708.50)	-
	Net movement in regulatory deferral accounts	268,906.28	(268,906.28)	-
6110	Income Taxes	146,070.00	-	146,070.00
6115	Provision for Future Income Taxes	(35,856.00)	-	(35,856.00)
	Income tax expense	110,214.00	-	110,214.00
		(417,220.07)	(6,083.66)	(423,303.73)

	2016 IFRS	Ajustements	2016 OEB	2016 IFRS	Ajust immos selon OEB	Contributed capital	Software	Ajust contributed capital	Land rights	Variances	RSR et STR	2016 OEB
1005 Cash	1,073,408.71	-	1,073,408.71	1,073,408.71	-	-	-	-	-	-	-	1,073,408.71
1010 Cash Advances and Working Funds	1,200.00	-	1,200.00	1,200.00	-	-	-	-	-	-	-	1,200.00
Cash	1,074,608.71	-	1,074,608.71	1,074,608.71	-	-	-	-	-	-	-	1,074,608.71
1100 Customer Accounts Receivable	1,993,375.54	-	1,993,375.54	1,993,375.54	-	-	-	-	-	-	-	1,993,375.54
1102 Accounts Receivable - Services	147,970.98	-	147,970.98	147,970.98	-	-	-	-	-	-	-	147,970.98
1130 Accumulated Provision for Uncollectible Accounts--Credit	(57,456.37)	-	(57,456.37)	(57,456.37)	-	-	-	-	-	-	-	(57,456.37)
1190 Miscellaneous Current and Accrued Assets	674.11	-	674.11	674.11	-	-	-	-	-	-	-	674.11
~~2290 Commodity Taxes~~	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	2,084,564.26	-	2,084,564.26	2,084,564.26	-	-	-	-	-	-	-	2,084,564.26
1330 Plant Materials and Operating Supplies	95,423.16	-	95,423.16	95,423.16	-	-	-	-	-	-	-	95,423.16
Inventories	95,423.16	-	95,423.16	95,423.16	-	-	-	-	-	-	-	95,423.16
1120 Accrued Utility Revenues	1,304,769.23	-	1,304,769.23	1,304,769.23	-	-	-	-	-	-	-	1,304,769.23
Unbilled revenues	1,304,769.23	-	1,304,769.23	1,304,769.23	-	-	-	-	-	-	-	1,304,769.23
1180 Prepayments	13,110.22	-	13,110.22	13,110.22	-	-	-	-	-	-	-	13,110.22
Prepaid expenses	13,110.22	-	13,110.22	13,110.22	-	-	-	-	-	-	-	13,110.22
1705 Land	10,000.00	-	10,000.00	10,000.00	-	-	-	-	-	-	-	10,000.00
1706 Land Rights	-	8,588.00	8,588.00	-	-	-	-	-	8,588.00	-	-	8,588.00
1805 Land	10,000.00	-	10,000.00	10,000.00	-	-	-	-	-	-	-	10,000.00
1815 Transformer Station Equipment - Normally Primary above 50 kV	435,935.51	108,056.74	543,992.25	435,935.51	108,056.74	-	-	-	-	-	-	543,992.25
1820 Distribution Station Equipment - Normally Primary below 50 kV	1,349,339.58	165,860.00	1,515,199.58	1,349,339.58	165,860.00	-	-	-	-	-	-	1,515,199.58
1830 Poles, Towers and Fixtures	577,789.94	148,179.60	725,969.54	577,789.94	148,179.60	-	-	-	-	-	-	725,969.54
1835 Overhead Conductors and Devices	333,768.76	275,813.23	609,581.99	333,768.76	275,813.23	-	-	-	-	-	-	609,581.99
1840 Underground Conduit	39,269.00	74,586.12	113,855.12	39,269.00	74,586.12	-	-	-	-	-	-	113,855.12
1845 Underground Conductors and Devices	146,079.99	130,845.60	276,925.59	146,079.99	130,845.60	-	-	-	-	-	-	276,925.59
1850 Line Transformers	218,610.10	227,035.41	445,645.51	218,610.10	227,035.41	-	-	-	-	-	-	445,645.51
1855 Services	25,772.45	9,610.48	35,382.93	25,772.45	9,610.48	-	-	-	-	-	-	35,382.93
1860 Meters	526,354.34	149,882.99	676,237.33	526,354.34	149,882.99	-	-	-	-	-	-	676,237.33
1905 Land	28,299.70	-	28,299.70	28,299.70	-	-	-	-	-	-	-	28,299.70
1908 Buildings and Fixtures	675,321.00	252,893.77	928,214.77	675,321.00	252,893.77	-	-	-	-	-	-	928,214.77
1915 Office Furniture and Equipment	23,738.89	23,355.73	47,094.62	23,738.89	23,355.73	-	-	-	-	-	-	47,094.62
1920 Computer Equipment - Hardware	9,311.92	50,774.41	60,086.33	9,311.92	50,774.41	-	-	-	-	-	-	60,086.33
1925 Computer Software	-	224,874.87	224,874.87	-	148,304.13	-	76,570.74	-	-	-	-	224,874.87
1930 Transportation Equipment	6,392.00	182,653.80	189,045.80	6,392.00	182,653.80	-	-	-	-	-	-	189,045.80
1940 Tools, Shop and Garage Equipment	20,977.04	16,018.50	36,995.54	20,977.04	16,018.50	-	-	-	-	-	-	36,995.54
1950 Power Operated Equipment	1,551.99	4,466.29	6,018.28	1,551.99	4,466.29	-	-	-	-	-	-	6,018.28
1995 Contributions and Grants - Credit	-	(315,321.00)	(315,321.00)	-	-	(316,326.00)	-	1,005.00	-	-	-	(315,321.00)
2055 Construction Work in Progress--Electric	2,807,256.92	-	2,807,256.92	2,807,256.92	-	-	-	-	-	-	-	2,807,256.92
2105 Accumulated Amortization of Electric Utility Plan - PP&E	(545,759.11)	(2,104,649.94)	(2,650,409.05)	(545,759.11)	(2,048,302.20)	-	(53,739.74)	-	(2,608.00)	-	-	(2,650,409.05)
Property, plant and equipment	6,700,010.02	(366,475.40)	6,333,534.62	6,700,010.02	(79,965.40)	(316,326.00)	22,831.00	1,005.00	5,980.00	-	-	6,333,534.62
1611 Computer Software	76,570.74	(76,570.74)	-	76,570.74	-	-	(76,570.74)	-	-	-	-	-
1612 Land Rights	5,980.00	(5,980.00)	-	5,980.00	-	-	-	-	(5,980.00)	-	-	-
2120 Accumulated Amortization of Electric Utility Plant - Intangibles	(53,739.74)	53,739.74	-	(53,739.74)	-	-	53,739.74	-	-	-	-	-
Intangible assets	28,811.00	(28,811.00)	-	28,811.00	-	-	(22,831.00)	-	(5,980.00)	-	-	-
1495 Deferred taxes - Non-Current Assets	87,302.00	-	87,302.00	87,302.00	-	-	-	-	-	-	-	87,302.00
Deferred tax assets	87,302.00	-	87,302.00	87,302.00	-	-	-	-	-	-	-	87,302.00
1508 Other Regulatory Assets	23,707.77	-	23,707.77	23,707.77	-	-	-	-	-	-	-	23,707.77
1518 RCVARetail	11,017.93	-	11,017.93	11,017.93	-	-	-	-	-	-	-	11,017.93
1548 RCVASTR	11,045.38	-	11,045.38	11,045.38	-	-	-	-	-	-	-	11,045.38
1550 LV Variance Account	184,378.57	-	184,378.57	184,378.57	-	-	-	-	-	-	-	184,378.57
1551 Smart Metering Entity Charge Variance Account	(966.58)	-	(966.58)	(966.58)	-	-	-	-	-	-	-	(966.58)
1595 Disposition and Recovery/Refund of Regulatory Balances Control Account	56,715.10	-	56,715.10	56,715.10	-	-	-	-	-	-	-	56,715.10
Regulatory deferral acount debit balances	285,898.17	-	285,898.17	285,898.17	-	-	-	-	-	-	-	285,898.17
2225 Notes and Loans Payable	(1,432,533.10)	-	(1,432,533.10)	(1,432,533.10)	-	-	-	-	-	-	-	(1,432,533.10)
Temporary loan	(1,432,533.10)	-	(1,432,533.10)	(1,432,533.10)	-	-	-	-	-	-	-	(1,432,533.10)
1104 ~~Accounts Receivable - Recoverable Work~~	-	-	-	-	-	-	-	-	-	-	-	-
2205 Accounts Payable	(3,276,514.46)	-	(3,276,514.46)	(3,276,514.46)	-	-	-	-	-	-	-	(3,276,514.46)
2208 Customer Credit Balances	(57,374.61)	-	(57,374.61)	(57,374.61)	-	-	-	-	-	-	-	(57,374.61)
2220 Miscellaneous Current and Accrued Liabilities	(82,257.23)	-	(82,257.23)	(82,257.23)	-	-	-	-	-	-	-	(82,257.23)
2310 Vested Sick Leave Liability	(1,043.59)	-	(1,043.59)	(1,043.59)	-	-	-	-	-	-	-	(1,043.59)
Accounts payable and accrued liabilities	(3,417,189.89)	-	(3,417,189.89)	(3,417,189.89)	-	-	-	-	-	-	-	(3,417,189.89)
2294 Accrual for Taxes Payments in Lieu of Taxes, Etc.	(70,585.00)	-	(70,585.00)	(70,585.00)	-	-	-	-	-	-	-	(70,585.00)
Income taxes	(70,585.00)	-	(70,585.00)	(70,585.00)	-	-	-	-	-	-	-	(70,585.00)

2260 Current Portion of Long Term Debt	(21,461.74)	-	(21,461.74)	(21,461.74)	-	-	-	-	-	-	-	(21,461.74)
2520 Other Long Term Debt	(641,754.76)	-	(641,754.76)	(641,754.76)	-	-	-	-	-	-	-	(641,754.76)
Current portion of long-term debt	(663,216.50)	-	(663,216.50)	(663,216.50)	-	-	-	-	-	-	-	(663,216.50)
2210 Current Portion of Customer Deposits	(162,633.18)	-	(162,633.18)	(162,633.18)	-	-	-	-	-	-	-	(162,633.18)
Curreent portion of other financial liabilities	(162,633.18)	-	(162,633.18)	(162,633.18)	-	-	-	-	-	-	-	(162,633.18)
2310 Vested Sick Leave Liability	(67,259.28)	-	(67,259.28)	(67,259.28)	-	-	-	-	-	-	-	(67,259.28)
Provision for sick leave benefits	(67,259.28)	-	(67,259.28)	(67,259.28)	-	-	-	-	-	-	-	(67,259.28)
2335 Long Term Customer Deposits	(396,732.56)	-	(396,732.56)	(396,732.56)	-	-	-	-	-	-	-	(396,732.56)
Other financial liabilities	(396,732.56)	-	(396,732.56)	(396,732.56)	-	-	-	-	-	-	-	(396,732.56)
2440 Deferred Revenues	(316,326.00)	316,326.00	-	(316,326.00)	-	316,326.00	-	-	-	-	-	-
Deferred revenues	(316,326.00)	316,326.00	-	(316,326.00)	-	316,326.00	-	-	-	-	-	-
2350 Deferred Tax - Non-Current Liability	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-
3005 Common Shares Issued	(1,689,346.00)	-	(1,689,346.00)	(1,689,346.00)	-	-	-	-	-	-	-	(1,689,346.00)
Share capital	(1,689,346.00)	-	(1,689,346.00)	(1,689,346.00)	-	-	-	-	-	-	-	(1,689,346.00)
3045 Unappropriated Retained Earnings	(2,393,824.67)	85,378.57	(2,308,446.10)	(2,393,824.67)	86,175.57	-	-	(797.00)	-	-	-	(2,308,446.10)
3046 Balance Transferred From Income	(467,870.91)	(6,418.17)	(474,289.08)	(467,870.91)	(6,210.17)	-	-	(208.00)	-	(0.00)	-	(474,289.08)
3049 Dividends Payable-Common Shares	84,467.30	-	84,467.30	84,467.30	-	-	-	-	-	-	-	84,467.30
Retained earnings	(2,777,228.28)	78,960.40	(2,698,267.88)	(2,777,228.28)	79,965.40	-	-	(1,005.00)	-	(0.00)	-	(2,698,267.88)
1555 Smart Meter Capital and Recovery Offset Variance Account	(7,172.90)	-	(7,172.90)	(7,172.90)	-	-	-	-	-	-	-	(7,172.90)
1580 RSVA - Wholesale Market Service Charge	(341,536.51)	-	(341,536.51)	(341,536.51)	-	-	-	-	-	-	-	(341,536.51)
1584 RSVA - Retail Transmission Network Charge	131,385.01	-	131,385.01	131,385.01	-	-	-	-	-	-	-	131,385.01
1586 RSVA - Retail Transmission Connection Charge	149,859.79	-	149,859.79	149,859.79	-	-	-	-	-	-	-	149,859.79
1588 RSVA - Power (excluding Global Adjustment)	(715,941.34)	-	(715,941.34)	(715,941.34)	-	-	-	-	-	-	-	(715,941.34)
1589 RSVA - Global Adjustment	101,958.97	-	101,958.97	101,958.97	-	-	-	-	-	-	-	101,958.97
Regulatory deferral acount credit balances	(681,446.98)	-	(681,446.98)	(681,446.98)	-	-	-	-	-	-	-	(681,446.98)
	(0.00)	(0.00)	(0.00)	(0.00)	0.00	-	-	-	-	(0.00)	-	(0.00)
4006 Residential Energy Sales	(5,452,010.08)	201,196.66	(5,250,813.42)	(5,452,010.08)	-	-	-	-	-	201,196.66	-	(5,250,813.42)
4025 Street Lighting Energy Sales	(8,883.13)	383.94	(8,499.19)	(8,883.13)	-	-	-	-	-	383.94	-	(8,499.19)
4030 Sentinel Lighting Energy Sales	(9,058.86)	373.03	(8,685.83)	(9,058.86)	-	-	-	-	-	373.03	-	(8,685.83)
4035 General Energy Sales	(3,153,095.58)	137,757.65	(3,015,337.93)	(3,153,095.58)	-	-	-	-	-	137,757.65	-	(3,015,337.93)
4055 Energy Sales for Resale	(161,730.55)	7,044.63	(154,685.92)	(161,730.55)	-	-	-	-	-	7,044.63	-	(154,685.92)
4062 Billed WMS	(895,076.66)	136,125.94	(758,950.72)	(895,076.66)	-	-	-	-	-	136,125.94	-	(758,950.72)
4066 Billed NW	(988,940.05)	809.35	(988,130.70)	(988,940.05)	-	-	-	-	-	809.35	-	(988,130.70)
4068 Billed CN	(466,429.10)	-	(466,429.10)	(466,429.10)	-	-	-	-	-	-	-	(466,429.10)
4075 Billed - LV	(90,976.49)	-	(90,976.49)	(90,976.49)	-	-	-	-	-	-	-	(90,976.49)
4076 Billed – Smart Metering Entity Charge	(51,434.36)	197.07	(51,237.29)	(51,434.36)	-	-	-	-	-	197.07	-	(51,237.29)
Energy revenues	(11,277,634.86)	483,888.27	(10,793,746.59)	(11,277,634.86)	-	-	-	-	-	483,888.27	-	(10,793,746.59)
4080 Distribution Services Revenue	(1,583,395.41)	-	(1,583,395.41)	(1,583,395.41)	-	-	-	-	-	-	-	(1,583,395.41)
Distribution revenues	(1,583,395.41)	-	(1,583,395.41)	(1,583,395.41)	-	-	-	-	-	-	-	(1,583,395.41)
4082 Retail Services Revenues	(5,777.00)	5,777.00	-	(5,777.00)	-	-	-	-	-	(276.40)	6,053.40	-
4084 Service Transaction Requests (STR) Revenues	(109.50)	109.50	-	(109.50)	-	-	-	-	-	(2,783.34)	2,892.84	-
4210 Rent from Electric Property	(26,790.70)	-	(26,790.70)	(26,790.70)	-	-	-	-	-	-	-	(26,790.70)
4225 Late Payment Charges	(29,444.89)	-	(29,444.89)	(29,444.89)	-	-	-	-	-	-	-	(29,444.89)
4235 Miscellaneous Service Revenues	(64,302.88)	-	(64,302.88)	(64,302.88)	-	-	-	-	-	-	-	(64,302.88)
4325 Revenues from Merchandise Jobbing, Etc.	(33,006.73)	-	(33,006.73)	(33,006.73)	-	-	-	-	-	-	-	(33,006.73)
4355 Gain on Disposition of Utility and Other Property	-	-	-	-	-	-	-	-	-	-	-	-
4360 Loss on Disposition of Utility and Other Property	6,186.81	-	6,186.81	6,186.81	-	-	-	-	-	-	-	6,186.81
4375 Revenues from Non-Utility Operations	(307,341.57)	-	(307,341.57)	(307,341.57)	-	-	-	-	-	-	-	(307,341.57)
4390 Miscellaneous Non-Operating Income	(1,269.38)	-	(1,269.38)	(1,269.38)	-	-	-	-	-	-	-	(1,269.38)
4405 Interest and Dividend Income	(2,544.12)	(5,631.18)	(8,175.30)	(2,544.12)	-	-	-	-	-	(5,631.18)	-	(8,175.30)
Other revenues	(464,399.96)	255.32	(464,144.64)	(464,399.96)	-	-	-	-	-	(8,690.92)	8,946.24	(464,144.64)
4705 Power Purchased	8,117,420.80	320,601.49	8,438,022.29	8,117,420.80	-	-	-	-	-	320,601.49	-	8,438,022.29
4708 Charges-WMS	764,307.55	(5,356.83)	758,950.72	764,307.55	-	-	-	-	-	(5,356.83)	-	758,950.72
4714 Charges-NW	1,086,460.59	(98,329.89)	988,130.70	1,086,460.59	-	-	-	-	-	(98,329.89)	-	988,130.70
4716 Charges-CN	561,599.69	(95,170.59)	466,429.10	561,599.69	-	-	-	-	-	(95,170.59)	-	466,429.10
4750 Charges - LV	211,136.79	(120,160.30)	90,976.49	211,136.79	-	-	-	-	-	(120,160.30)	-	90,976.49
4751 Charges – Smart Metering Entity Charge	51,237.29	-	51,237.29	51,237.29	-	-	-	-	-	-	-	51,237.29
Cost of power	10,792,162.71	1,583.88	10,793,746.59	10,792,162.71	-	-	-	-	-	1,583.88	-	10,793,746.59
5605 Executive Salaries and Expenses	107,566.94	-	107,566.94	107,566.94	-	-	-	-	-	-	-	107,566.94
5610 Management Salaries and Expenses	23,782.58	-	23,782.58	23,782.58	-	-	-	-	-	-	-	23,782.58

5620 Office Supplies and Expenses	21,907.16	-	21,907.16	21,907.16	-	-	-	-	-	-	-	21,907.16
5630 Outside Services Employed	65,549.30	-	65,549.30	65,549.30	-	-	-	-	-	-	-	65,549.30
5635 Property Insurance	4,200.00	-	4,200.00	4,200.00	-	-	-	-	-	-	-	4,200.00
5640 Injuries and Damages	8,523.36	-	8,523.36	8,523.36	-	-	-	-	-	-	-	8,523.36
5645 Employee Pensions and Benefits	9,882.51	-	9,882.51	9,882.51	-	-	-	-	-	-	-	9,882.51
5655 Regulatory Expenses	53,425.91	-	53,425.91	53,425.91	-	-	-	-	-	-	-	53,425.91
5665 Miscellaneous General Expenses	16,700.00	-	16,700.00	16,700.00	-	-	-	-	-	-	-	16,700.00
5675 Maintenance of General Plant	22,431.87	-	22,431.87	22,431.87	-	-	-	-	-	-	-	22,431.87
5680 Electrical Safety Authority Fees	5,112.38	-	5,112.38	5,112.38	-	-	-	-	-	-	-	5,112.38
Administrative and general	339,082.01	-	339,082.01	339,082.01	-	-	-	-	-	-	-	339,082.01
5705 Amortization Expense - Property Plant, and Equipment	188,335.05	7,916.57	196,251.62	188,335.05	7,916.57	-	-	-	-	-	-	196,251.62
5715 Amortization of Intangibles and Other Electric Plant	14,126.74	(14,126.74)	-	14,126.74	(14,126.74)	-	-	-	-	-	-	-
5740 Amortization of Deferred Charges	(8,374.61)	(208.00)	(8,582.61)	(8,374.61)	-	-	-	(208.00)	-	-	-	(8,582.61)
Depreciation and amortization	194,087.18	(6,418.17)	187,669.01	194,087.18	(6,210.17)	-	-	(208.00)	-	-	-	187,669.01
5310 Meter Reading Expense	30,816.54	-	30,816.54	30,816.54	-	-	-	-	-	-	-	30,816.54
5315 Customer Billing	257,683.45	-	257,683.45	257,683.45	-	-	-	-	-	-	-	257,683.45
5320 Collecting	105,460.11	-	105,460.11	105,460.11	-	-	-	-	-	-	-	105,460.11
5325 Collecting- Cash Over and Short	(69.10)	-	(69.10)	(69.10)	-	-	-	-	-	-	-	(69.10)
5335 Bad Debt Expense	24,973.38	-	24,973.38	24,973.38	-	-	-	-	-	-	-	24,973.38
Billing and collecting	418,864.38	-	418,864.38	418,864.38	-	-	-	-	-	-	-	418,864.38
5014 Transformer Station Equipment - Operation Labour	14,448.62	-	14,448.62	14,448.62	-	-	-	-	-	-	-	14,448.62
5015 Transformer Station Equipment - Operation Supplies and Expenses	7,567.43	-	7,567.43	7,567.43	-	-	-	-	-	-	-	7,567.43
5016 Distribution Station Equipment - Operation Labour	5,536.28	-	5,536.28	5,536.28	-	-	-	-	-	-	-	5,536.28
5017 Distribution Station Equipment - Operation Supplies and Expenses	1,270.22	-	1,270.22	1,270.22	-	-	-	-	-	-	-	1,270.22
5020 Overhead Distribution Lines and Feeders - Operation Labour	16,979.29	-	16,979.29	16,979.29	-	-	-	-	-	-	-	16,979.29
5025 Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	969.65	-	969.65	969.65	-	-	-	-	-	-	-	969.65
5035 Overhead Distribution Transformers- Operation	6,998.80	-	6,998.80	6,998.80	-	-	-	-	-	-	-	6,998.80
5040 Underground Distribution Lines and Feeders - Operation Labour	2,760.95	-	2,760.95	2,760.95	-	-	-	-	-	-	-	2,760.95
5055 Underground Distribution Transformers - Operation	1,079.81	-	1,079.81	1,079.81	-	-	-	-	-	-	-	1,079.81
5065 Meter Expense	9,407.74	-	9,407.74	9,407.74	-	-	-	-	-	-	-	9,407.74
5095 Overhead Distribution Lines and Feeders - Rental Paid	1,453.28	-	1,453.28	1,453.28	-	-	-	-	-	-	-	1,453.28
5105 Maintenance Supervision and Engineering	6,684.00	-	6,684.00	6,684.00	-	-	-	-	-	-	-	6,684.00
5120 Maintenance of Poles, Towers and Fixtures	14,590.44	-	14,590.44	14,590.44	-	-	-	-	-	-	-	14,590.44
5125 Maintenance of Overhead Conductors and Devices	44,311.51	-	44,311.51	44,311.51	-	-	-	-	-	-	-	44,311.51
5130 Maintenance of Overhead Services	35,275.63	-	35,275.63	35,275.63	-	-	-	-	-	-	-	35,275.63
5135 Overhead Distribution Lines and Feeders - Right of Way	50,484.49	-	50,484.49	50,484.49	-	-	-	-	-	-	-	50,484.49
5145 Maintenance of Underground Conduit	129.56	-	129.56	129.56	-	-	-	-	-	-	-	129.56
5150 Maintenance of Underground Conductors and Devices	6,695.22	-	6,695.22	6,695.22	-	-	-	-	-	-	-	6,695.22
5155 Maintenance of Underground Services	6,408.06	-	6,408.06	6,408.06	-	-	-	-	-	-	-	6,408.06
5160 Maintenance of Line Transformers	2,551.97	-	2,551.97	2,551.97	-	-	-	-	-	-	-	2,551.97
5175 Maintenance of Meters	1,267.77	-	1,267.77	1,267.77	-	-	-	-	-	-	-	1,267.77
Distribution - operation and maintenance	236,870.72	-	236,870.72	236,870.72	-	-	-	-	-	-	-	236,870.72
6005 Interest on Long Term Debt	42,473.35	-	42,473.35	42,473.35	-	-	-	-	-	-	-	42,473.35
6035 Other Interest Expense	11,917.86	7,153.39	19,071.25	11,917.86	-	-	-	-	-	7,153.39	-	19,071.25
6040 Allowance for Borrowed Funds Used During Construction--Credit	(15,899.62)	-	(15,899.62)	(15,899.62)	-	-	-	-	-	-	-	(15,899.62)
6042 Allowance For Other Funds Used During Construction	(50,607.77)	-	(50,607.77)	(50,607.77)	-	-	-	-	-	-	-	(50,607.77)
Interest	(12,116.18)	7,153.39	(4,962.79)	(12,116.18)	-	-	-	-	-	7,153.39	-	(4,962.79)
6105 Taxes Other Than Income Taxes	14,843.06	-	14,843.06	14,843.06	-	-	-	-	-	-	-	14,843.06
Property taxes	14,843.06	-	14,843.06	14,843.06	-	-	-	-	-	-	-	14,843.06
4082 Retail Services Revenues	6,053.40	(6,053.40)	-	6,053.40	-	-	-	-	-	-	(6,053.40)	-
4084 Service Transaction Requests (STR) Revenues	2,892.84	(2,892.84)	-	2,892.84	-	-	-	-	-	-	(2,892.84)	-
4330 Costs and Expenses of Merchandising Jobbing, Etc.	26,809.86	-	26,809.86	26,809.86	-	-	-	-	-	-	-	26,809.86
4360 Loss on Disposition of Utility and Other Property	-	-	-	-	-	-	-	-	-	-	-	-
4380 Expenses of Non-Utility Operations	223,797.72	-	223,797.72	223,797.72	-	-	-	-	-	-	-	223,797.72
6205 Donations	2,000.00	-	2,000.00	2,000.00	-	-	-	-	-	-	-	2,000.00
Other expenses	261,553.82	(8,946.24)	252,607.58	261,553.82	-	-	-	-	-	-	(8,946.24)	252,607.58
4006 Residential Energy Sales	201,196.66	(201,196.66)	-	201,196.66	-	-	-	-	-	(201,196.66)	-	-
4025 Street Lighting Energy Sales	383.94	(383.94)	-	383.94	-	-	-	-	-	(383.94)	-	-
4030 Sentinel Lighting Energy Sales	373.03	(373.03)	-	373.03	-	-	-	-	-	(373.03)	-	-
4035 General Energy Sales	137,757.65	(137,757.65)	-	137,757.65	-	-	-	-	-	(137,757.65)	-	-
4055 Energy Sales for Resale	7,044.63	(7,044.63)	-	7,044.63	-	-	-	-	-	(7,044.63)	-	-
4062 Billed WMS	136,125.94	(136,125.94)	-	136,125.94	-	-	-	-	-	(136,125.94)	-	-
4066 Billed NW	809.35	(809.35)	-	809.35	-	-	-	-	-	(809.35)	-	-
4068 Billed CN	-	-	-	-	-	-	-	-	-	-	-	-
4075 Billed - LV	-	-	-	-	-	-	-	-	-	-	-	-
4076 Billed – Smart Metering Entity Charge	197.07	(197.07)	-	197.07	-	-	-	-	-	(197.07)	-	-
4082 Retail Services Revenues	(276.40)	276.40	-	(276.40)	-	-	-	-	-	276.40	-	-
4084 Service Transaction Requests (STR) Revenues	(2,783.34)	2,783.34	-	(2,783.34)	-	-	-	-	-	2,783.34	-	-
4405 Interest and Dividend Income	(5,631.18)	5,631.18	-	(5,631.18)	-	-	-	-	-	5,631.18	-	-
4705 Power Purchased	320,601.49	(320,601.49)	-	320,601.49	-	-	-	-	-	(320,601.49)	-	-

4708	Charges-WMS	(5,356.83)	5,356.83	-	(5,356.83)	-	-	-	-	-	5,356.83	-	-
4714	Charges-NW	(98,329.89)	98,329.89	-	(98,329.89)	-	-	-	-	-	98,329.89	-	-
4716	Charges-CN	(95,170.59)	95,170.59	-	(95,170.59)	-	-	-	-	-	95,170.59	-	-
4750	Charges - LV	(120,160.30)	120,160.30	-	(120,160.30)	-	-	-	-	-	120,160.30	-	-
6035	Other Interest Expense	7,153.39	(7,153.39)	-	7,153.39	-	-	-	-	-	(7,153.39)	-	-
	Net movement in regulatory deferral accounts	483,934.62	(483,934.62)	-	483,934.62	-	-	-	-	-	(483,934.62)	-	-
6110	Income Taxes	216,655.00	-	216,655.00	216,655.00	-	-	-	-	-	-	-	216,655.00
6115	Provision for Future Income Taxes	(88,378.00)	-	(88,378.00)	(88,378.00)	-	-	-	-	-	-	-	(88,378.00)
	Income tax expense	128,277.00	-	128,277.00	128,277.00	-	-	-	-	-	-	-	128,277.00
		(467,870.91)	(6,418.17)	(474,289.08)	(467,870.91)	(6,210.17)	-	-	(208.00)	-	(0.00)	-	(474,289.08)

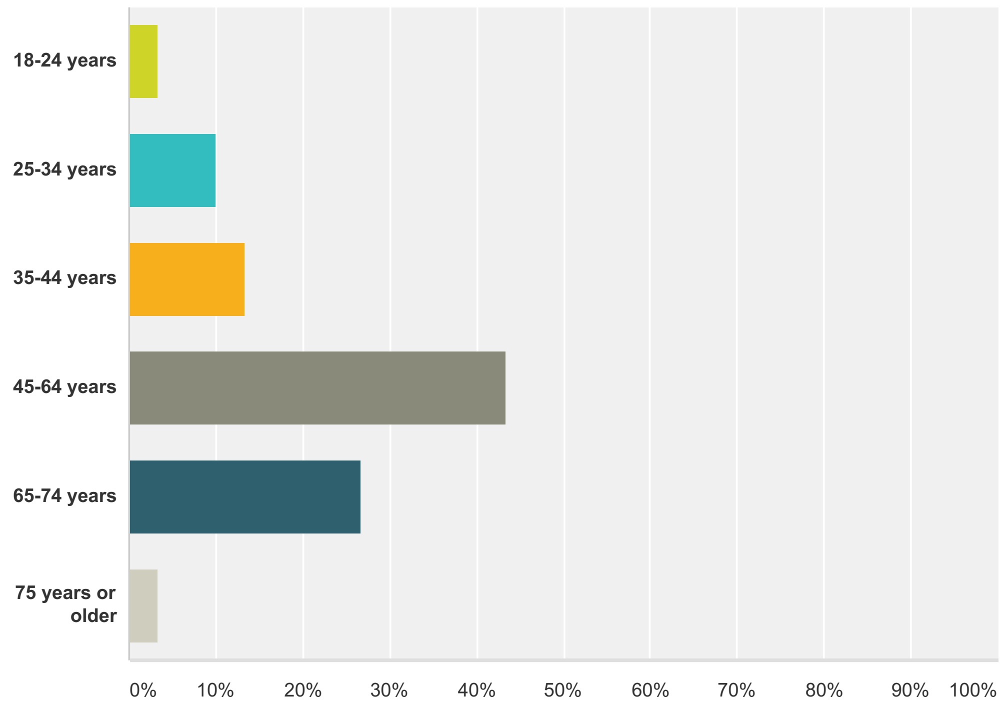
Appendix D Survey Results (English)

Q1 Please enter your account number below to have your name entered in a draw to win $100 credit on your hydro bill. To respond anonymously, please leave the input box blank.

Answered: 26   Skipped: 4

Q2 In which age category listed below do you belong in?

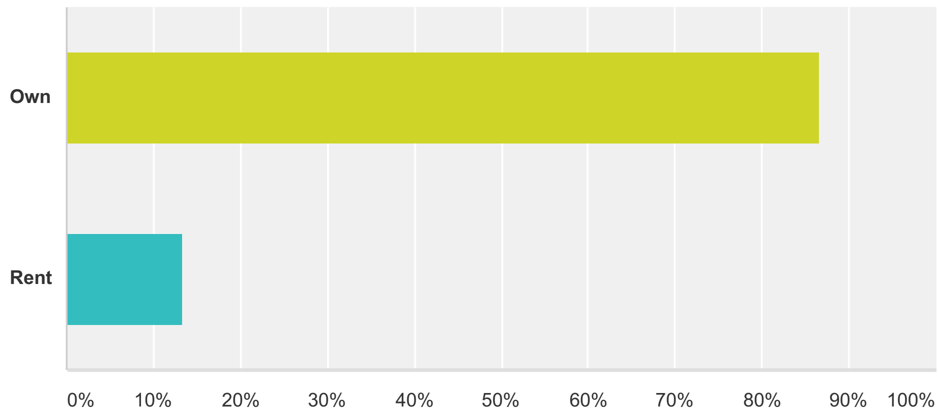
Answered: 30 Skipped: 0



Answer Choices	Responses	
18-24 years	**3.33%**	1
25-34 years	**10.00%**	3
35-44 years	**13.33%**	4
45-64 years	**43.33%**	13
65-74 years	**26.67%**	8
75 years or older	**3.33%**	1
Total		**30**

Q3 Do you currently own or rent your home?

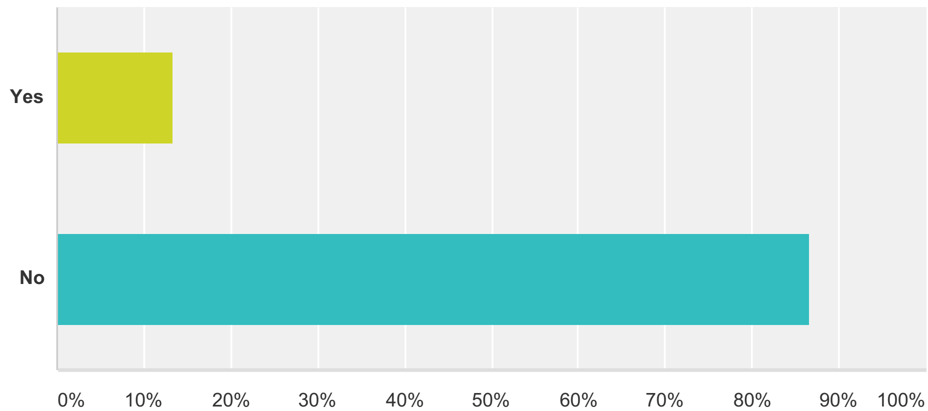
Answered: 30 Skipped: 0



Answer Choices	Responses	
Own	**86.67%**	26
Rent	**13.33%**	4
Total		**30**

Q4 Do you purchase your electricity from a retailer?

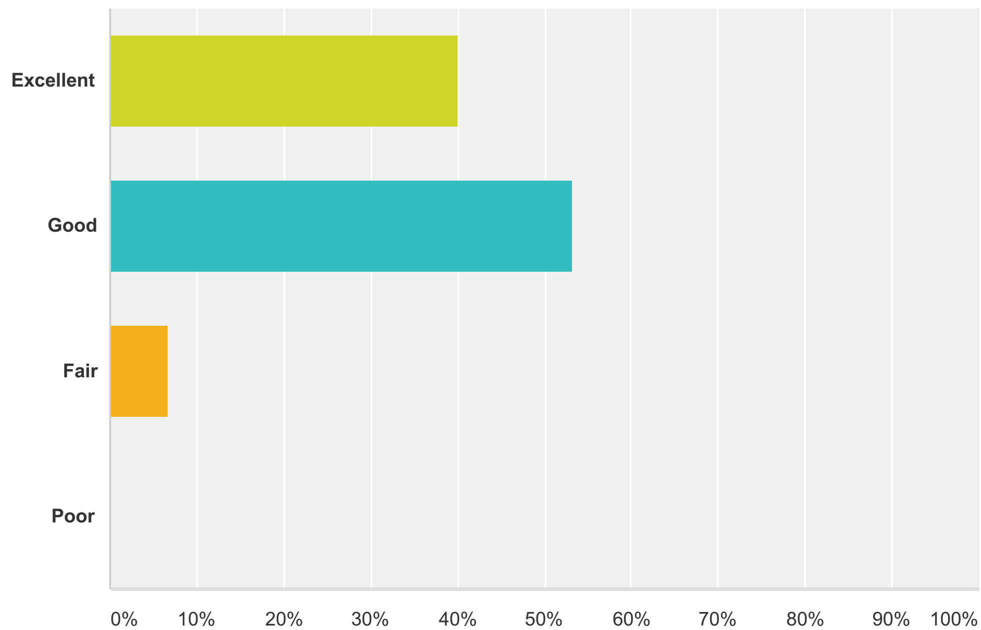
Answered: 30 Skipped: 0



Answer Choices	Responses	
Yes	**13.33%**	4
No	**86.67%**	26
Total		**30**

Q5 How would you rate Hydro Hawkesbury's ability in restoring service when a power outage occurs.

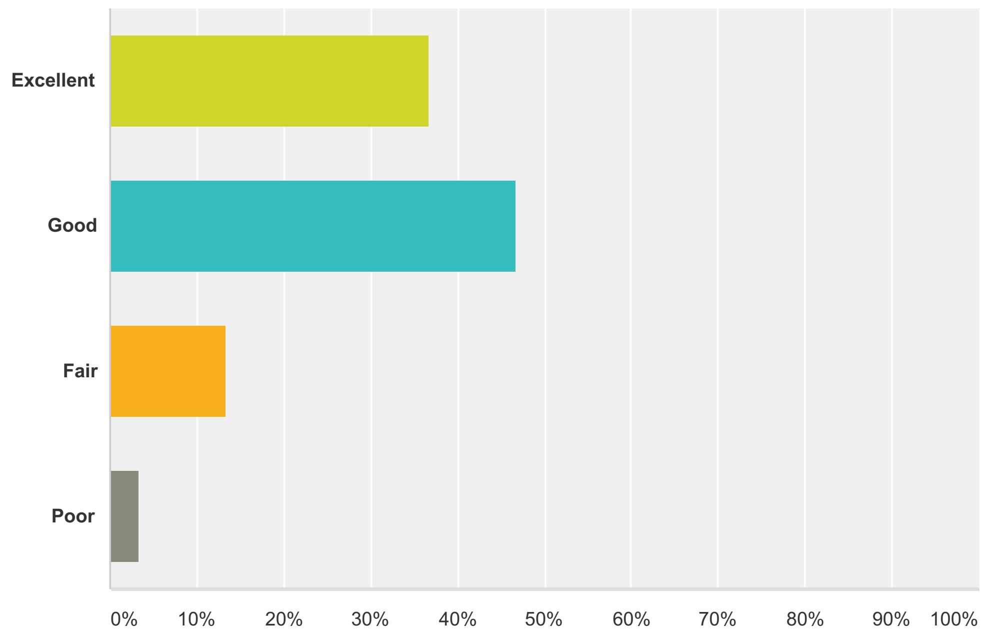
Answered: 30 Skipped: 0



Answer Choices	Responses	
Excellent	**40.00%**	12
Good	**53.33%**	16
Fair	**6.67%**	2
Poor	**0.00%**	0
Total		**30**

Q6 How would you rate Hydro Hawkesbury's ability in being reachable by telephone during an outage.

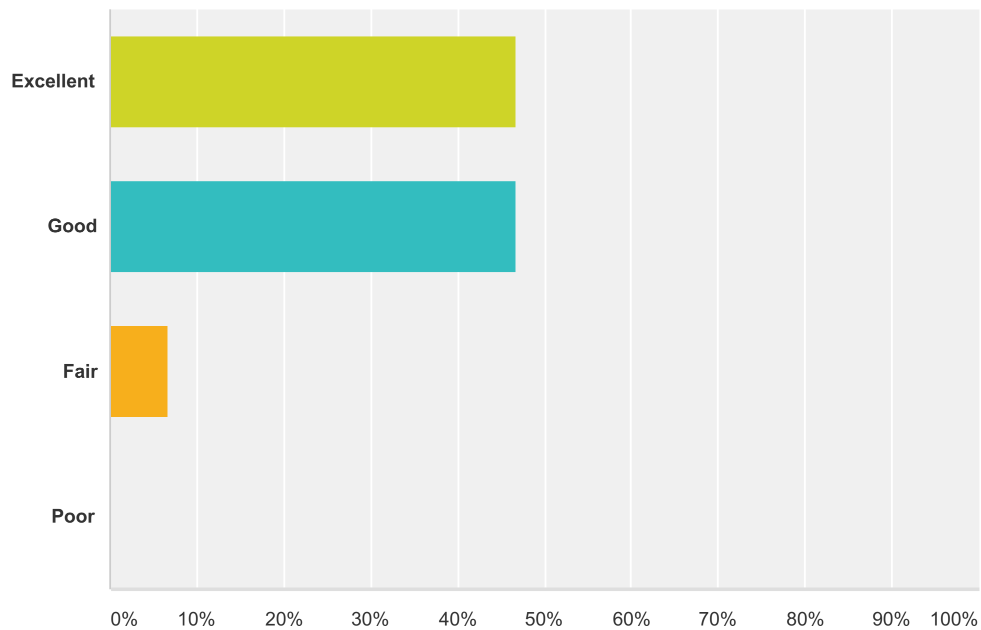
Answered: 30 Skipped: 0



Answer Choices	Responses	
Excellent	36.67%	11
Good	46.67%	14
Fair	13.33%	4
Poor	3.33%	1
Total		30

Q7 In terms of overall reliability of electric service. Would you rate it as?

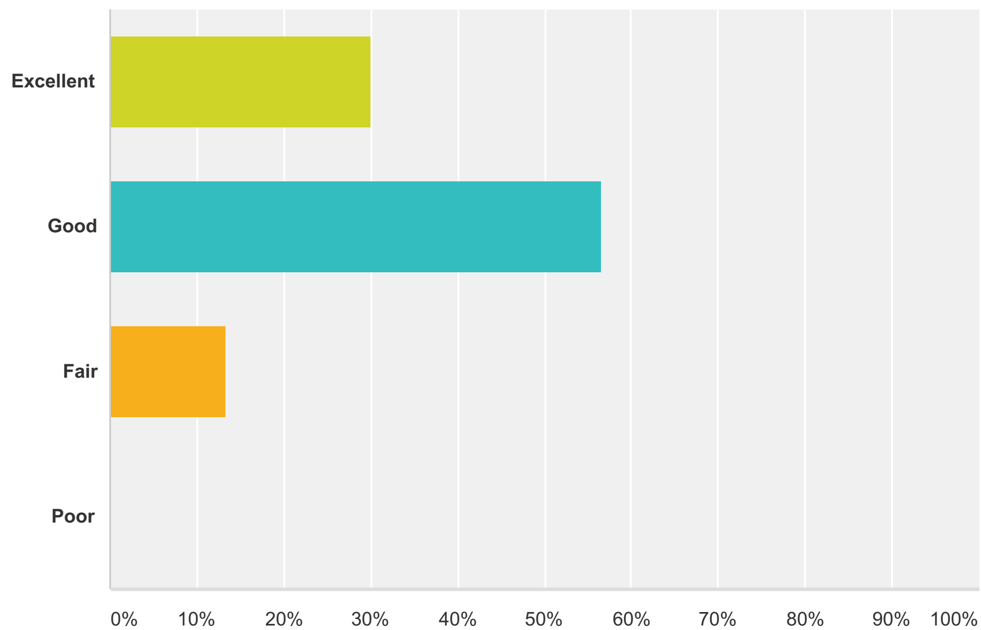
Answered: 30 Skipped: 0



Answer Choices	Responses	
Excellent	**46.67%**	14
Good	**46.67%**	14
Fair	**6.67%**	2
Poor	**0.00%**	0
Total		**30**

Q8 How would you rate the "ease of understanding your bill"?

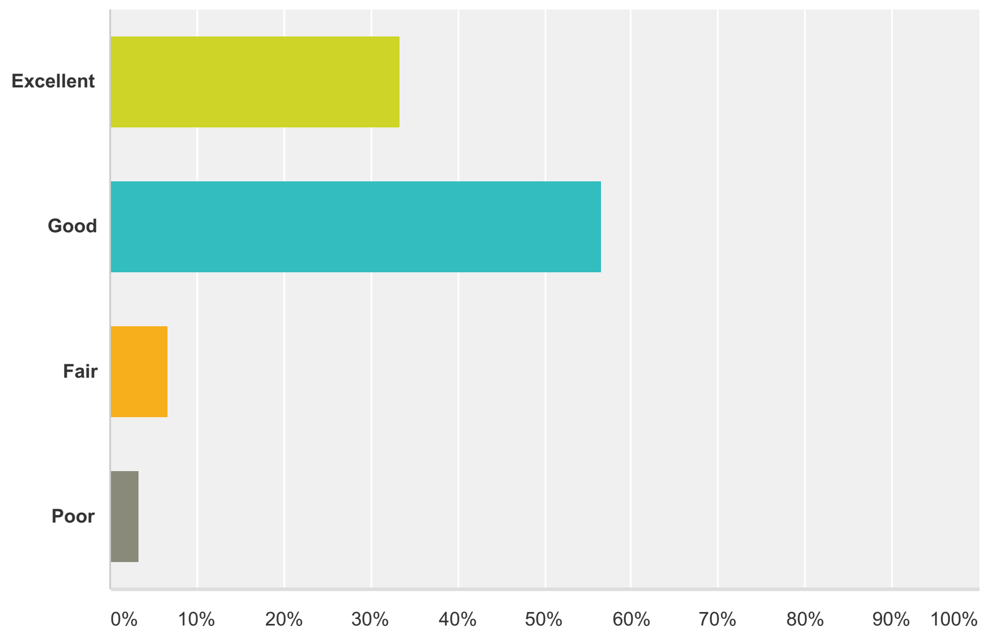
Answered: 30 Skipped: 0



Answer Choices	Responses	
Excellent	**30.00%**	9
Good	**56.67%**	17
Fair	**13.33%**	4
Poor	**0.00%**	0
Total		**30**

Q9 How would you rate the "Accuracy" of your bill?

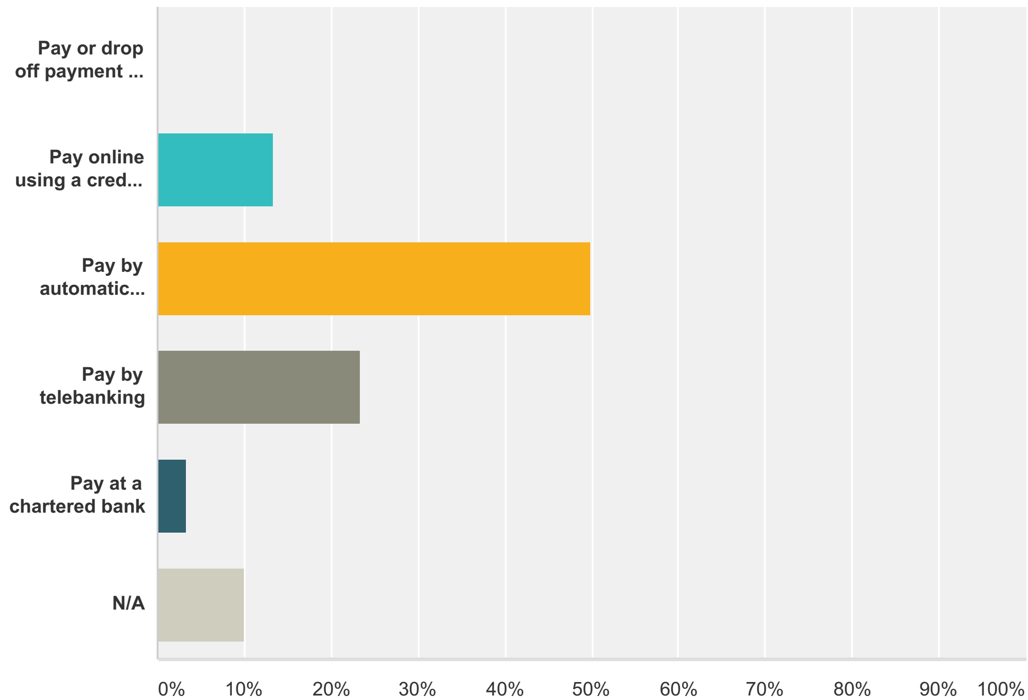
Answered: 30 Skipped: 0



Answer Choices	Responses	
Excellent	**33.33%**	10
Good	**56.67%**	17
Fair	**6.67%**	2
Poor	**3.33%**	1
Total		**30**

Q10 Hydro Hawkesbury offers its customers some alternative payment options. Please indicate which of them you were aware of prior to taking this survey.

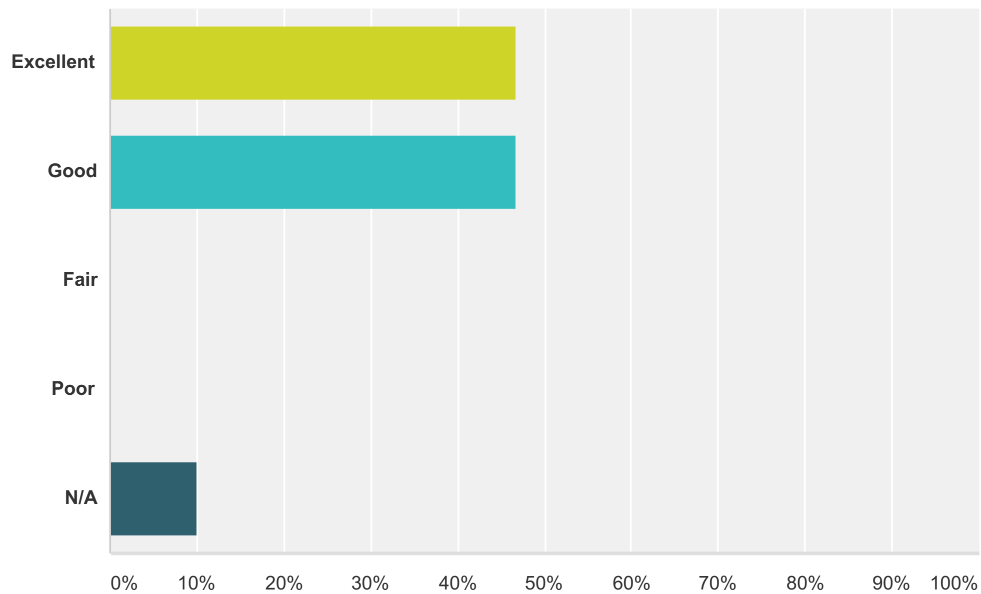
Answered: 30 Skipped: 0



Answer Choices	Responses	
Pay or drop off payment at the utility head office	**0.00%**	0
Pay online using a credit card	**13.33%**	4
Pay by automatic withdrawal from your checking or savings account	**50.00%**	15
Pay by telebanking	**23.33%**	7
Pay at a chartered bank	**3.33%**	1
N/A	**10.00%**	3
Total		**30**

Q11 Thinking about your most recent contact with Hydro Hawkesbury, how knowledgeable was the person you spoke to?

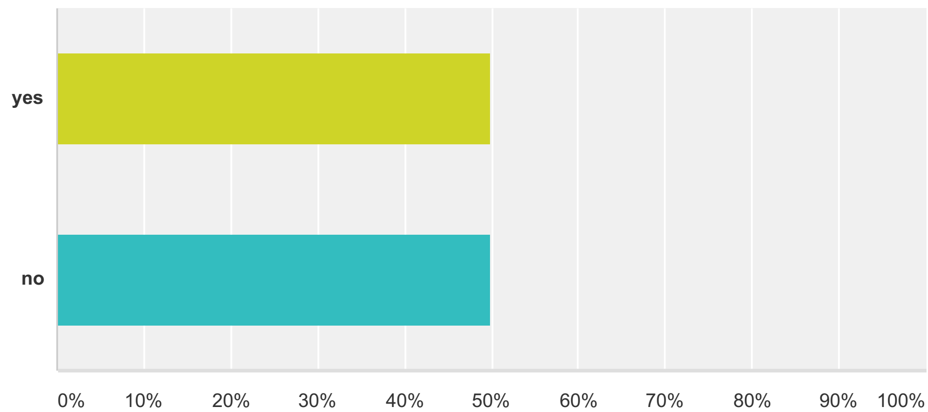
Answered: 30 Skipped: 0



Answer Choices	Responses	
Excellent	**46.67%**	14
Good	**46.67%**	14
Fair	**0.00%**	0
Poor	**0.00%**	0
N/A	**10.00%**	3
Total Respondents: 30		

Q12 During the past 12 months, have you contacted the utility's customer service for any information or assistance?

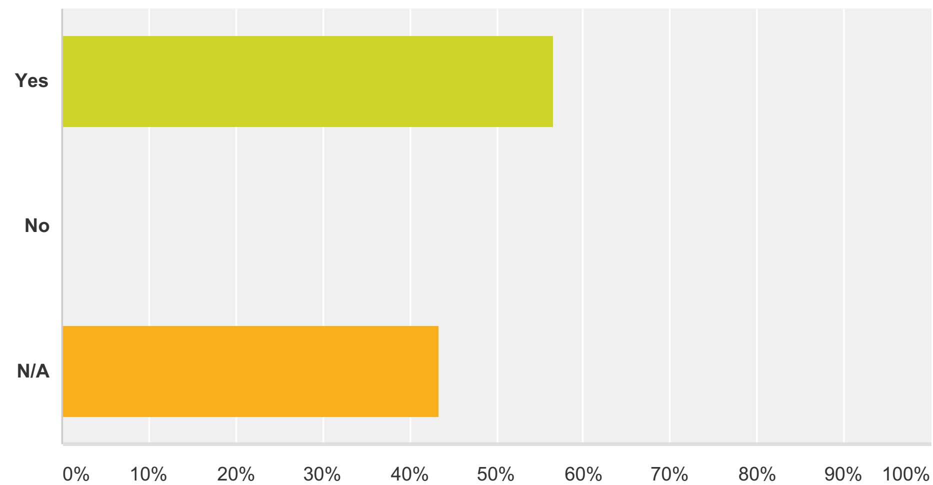
Answered: 30 Skipped: 0



Answer Choices	Responses	
yes	**50.00%**	15
no	**50.00%**	15
Total		**30**

Q13 Thinking about your most recent contact with Hydro Hawkesbury, did the customer care representative provide you with the information you needed?

Answered: 30 Skipped: 0



Answer Choices	Responses	
Yes	**56.67%**	17
No	**0.00%**	0
N/A	**43.33%**	13
Total		**30**

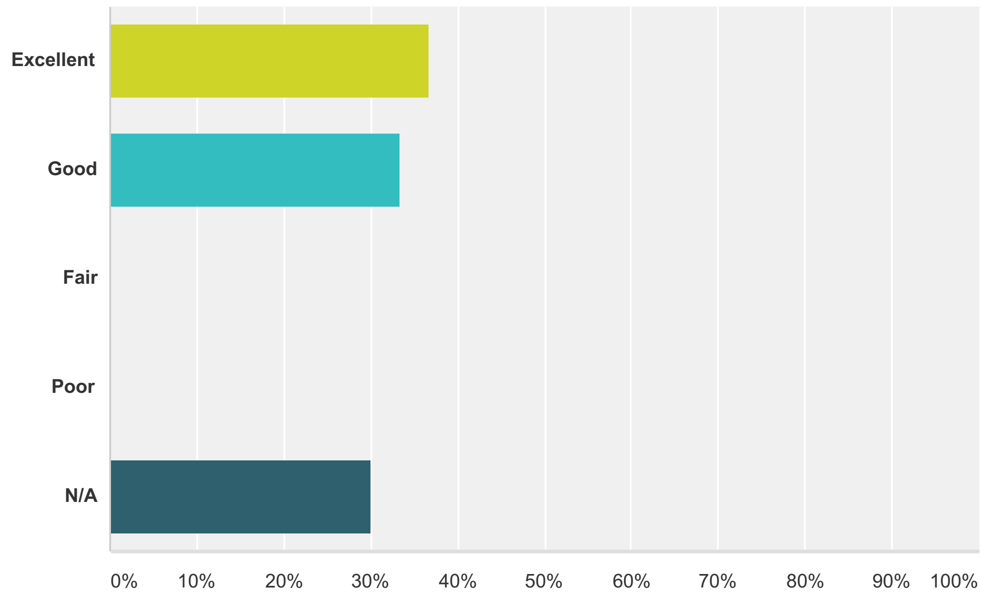
Q14 If not, what information did you need that the customer care representative did not provide?

Answered: 2 Skipped: 28

Answer Choices	Responses	
Response:	**100.00%**	2

Q15 Overall, how would you rate the customer care representative's performance in handling your request for information?

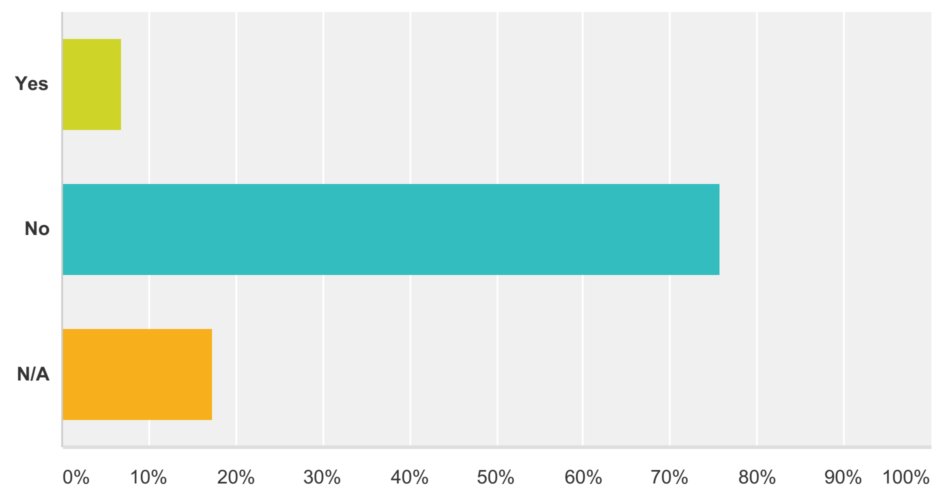
Answered: 30 Skipped: 0



Answer Choices	Responses	
Excellent	**36.67%**	11
Good	**33.33%**	10
Fair	**0.00%**	0
Poor	**0.00%**	0
N/A	**30.00%**	9
Total		**30**

Q16 Hydro Hawkesbury's field employees (or agents acting on behalf of the utility) perform tasks such as installing, maintaining and repairing utility services. During the past 12 months, have you had any contact with a field employee where you requested assistance or asked for information?

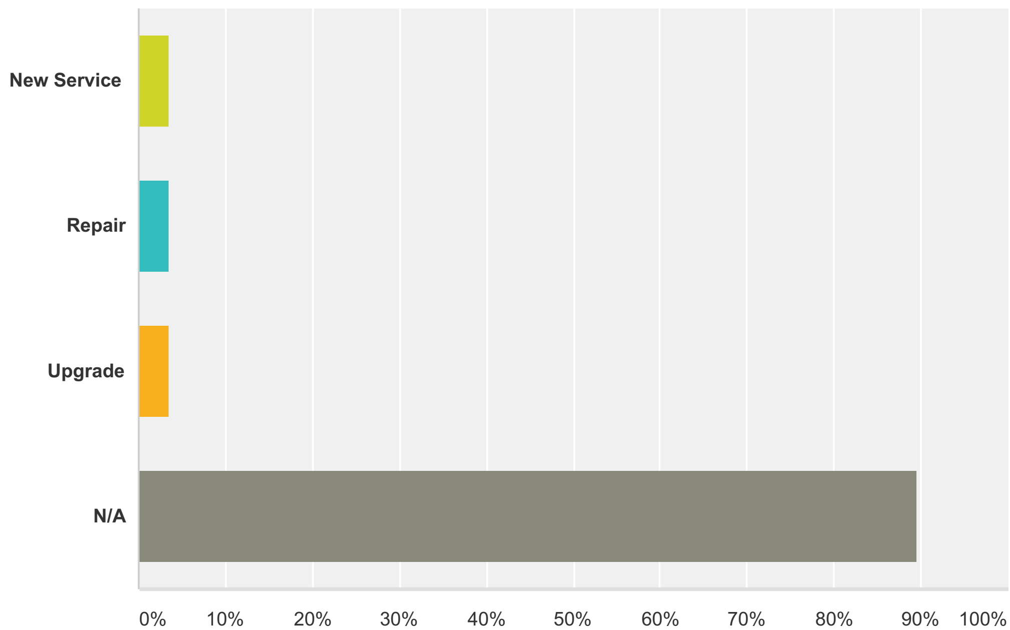
Answered: 29 Skipped: 1



Answer Choices	Responses	
Yes	**6.90%**	2
No	**75.86%**	22
N/A	**17.24%**	5
Total		**29**

Q17 Thinking about your most recent contact with a field employee, what type of utility service was this contact related to?

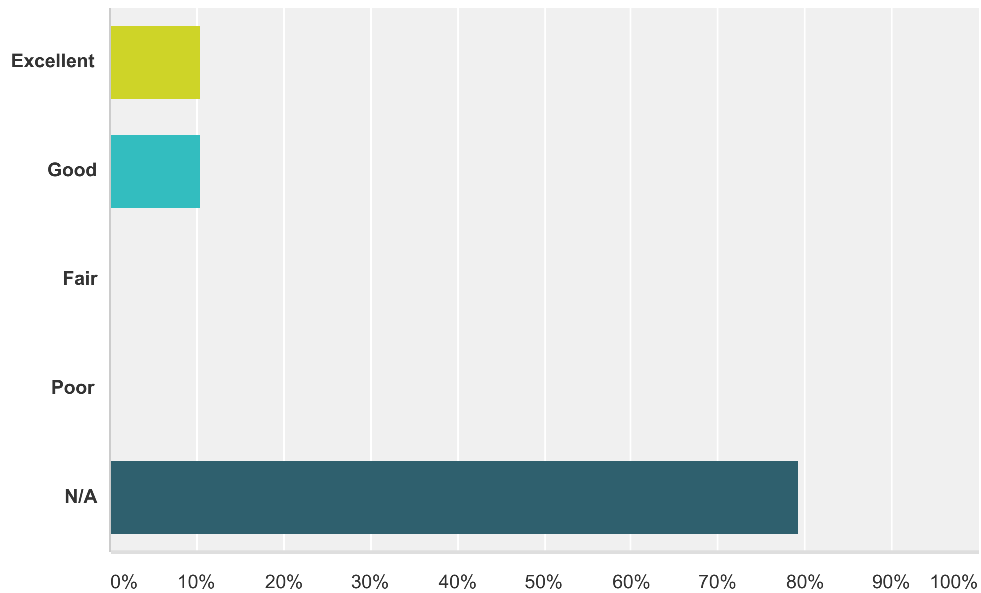
Answered: 29 Skipped: 1



Answer Choices	Responses	
New Service	**3.45%**	1
Repair	**3.45%**	1
Upgrade	**3.45%**	1
N/A	**89.66%**	26
Total		**29**

Q18 Still thinking about your most recent contact with a field employee, how would you rate the employee's knowledge?

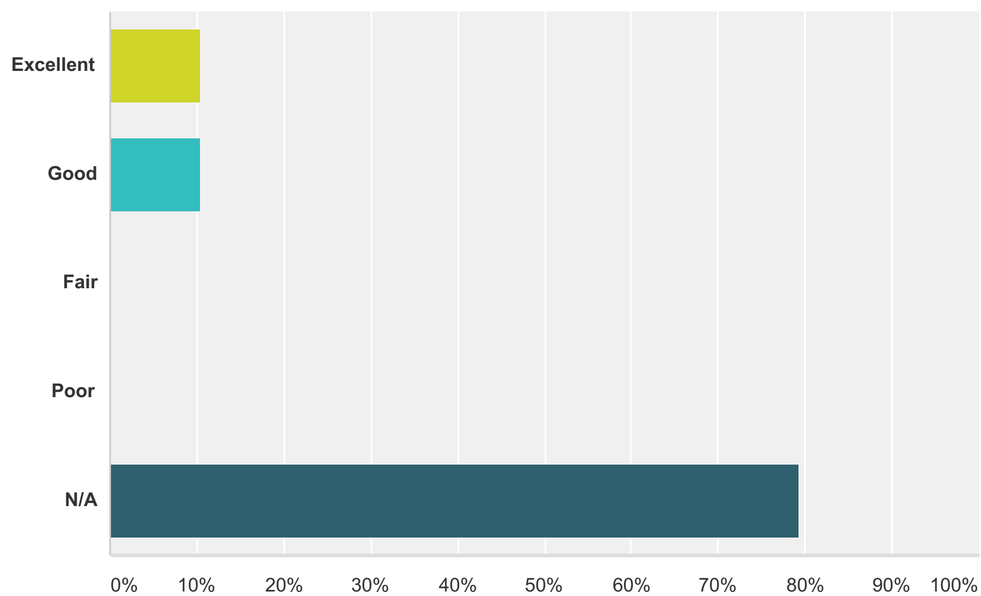
Answered: 29 Skipped: 1



Answer Choices	Responses	
Excellent	**10.34%**	3
Good	**10.34%**	3
Fair	**0.00%**	0
Poor	**0.00%**	0
N/A	**79.31%**	23
Total		**29**

Q19 Still thinking about your most recent contact with a department field employee, how would you rate your overall experience?

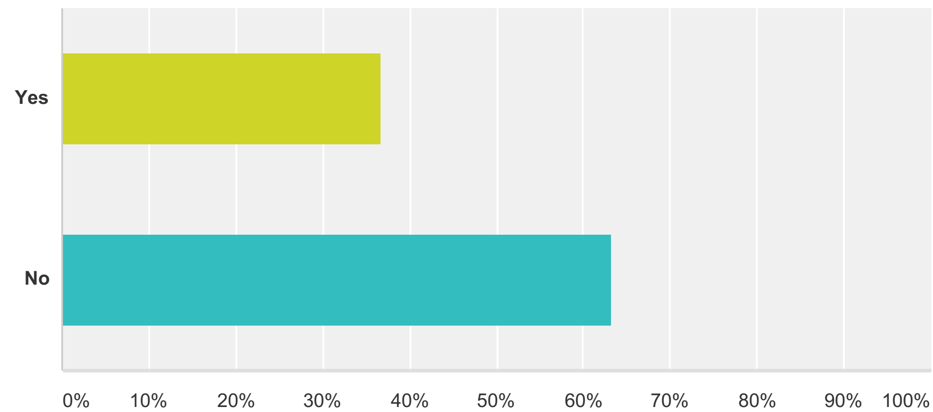
Answered: 29 Skipped: 1



Answer Choices	Responses	
Excellent	**10.34%**	3
Good	**10.34%**	3
Fair	**0.00%**	0
Poor	**0.00%**	0
N/A	**79.31%**	23
Total		**29**

Q20 Other than utility bill inserts, have you heard or seen any communications from your utility during the past 12 months?

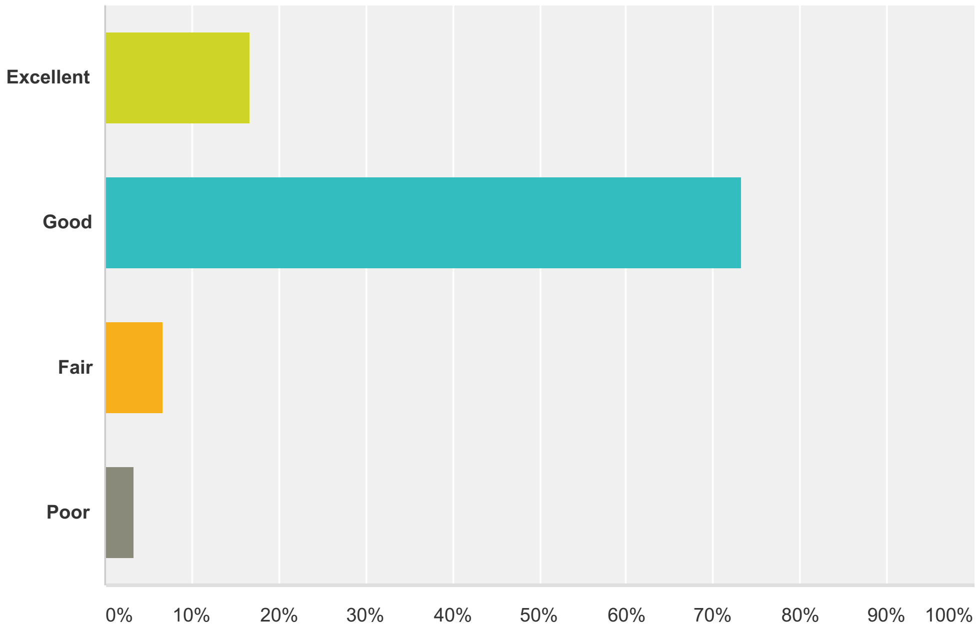
Answered: 30 Skipped: 0



Answer Choices	Responses	
Yes	**36.67%**	11
No	**63.33%**	19
Total		**30**

Q21 Please indicate how well Hydro Hawkesbury performs in communicating with you.

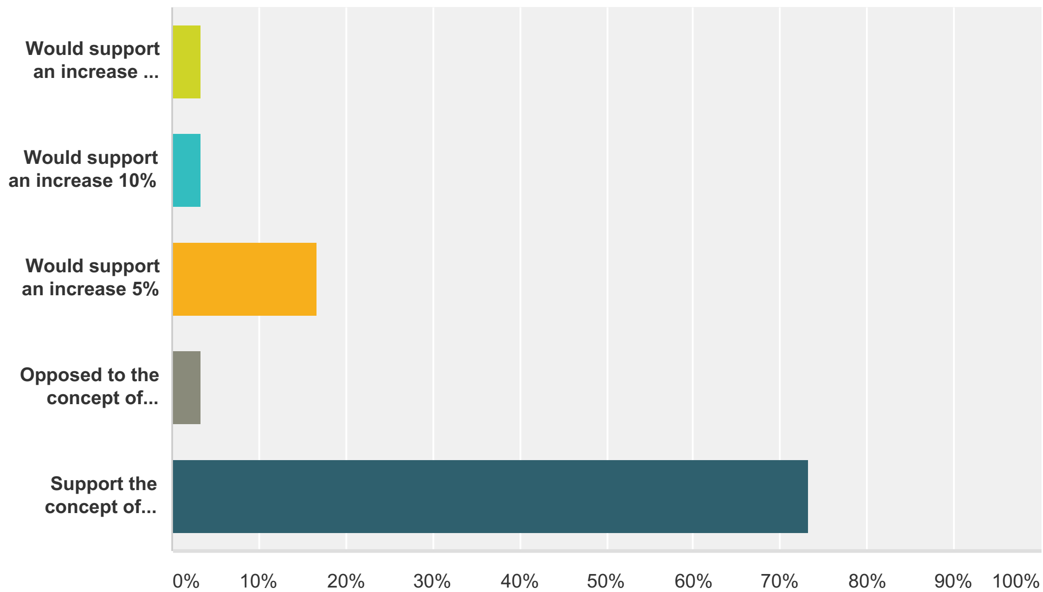
Answered: 30 Skipped: 0



Answer Choices	Responses	
Excellent	**16.67%**	5
Good	**73.33%**	22
Fair	**6.67%**	2
Poor	**3.33%**	1
Total		**30**

Q22 One of the ways that utilities reduce consumption of fossil fuels is by providing electricity from renewable energy sources, which may be more costly than conventional energy sources. How would you feel about the use of renewable energy sources if it increased your monthly electric bill?

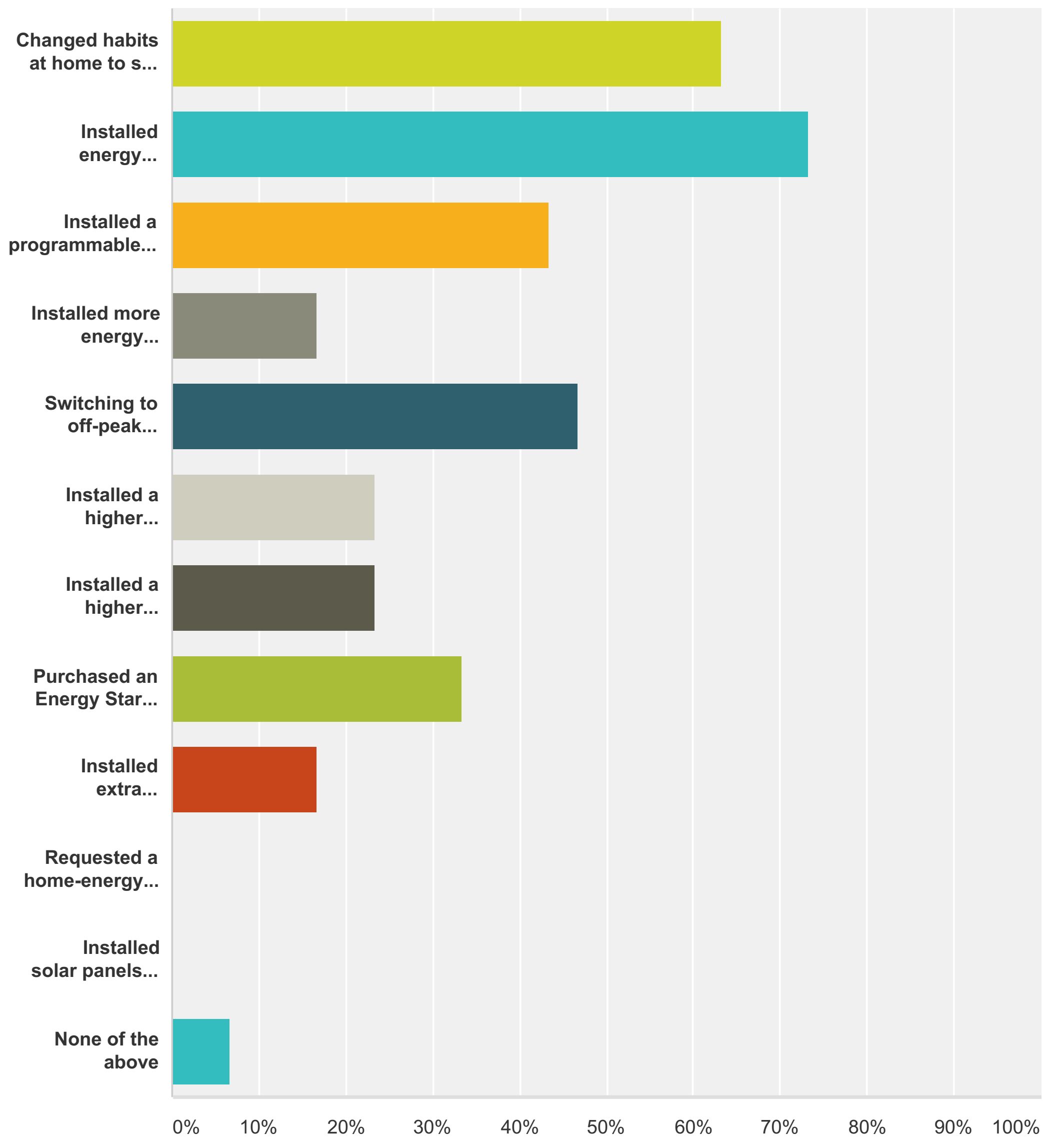
Answered: 30 Skipped: 0



Answer Choices	Responses	
Would support an increase of 15%	**3.33%**	1
Would support an increase 10%	**3.33%**	1
Would support an increase 5%	**16.67%**	5
Opposed to the concept of conservation	**3.33%**	1
Support the concept of conservation but opposed to bill increase.	**73.33%**	22
Total		**30**

Q23 Please indicate which, if any, of these things your household has done in the past two years to reduce consumption.

Answered: 30 Skipped: 0

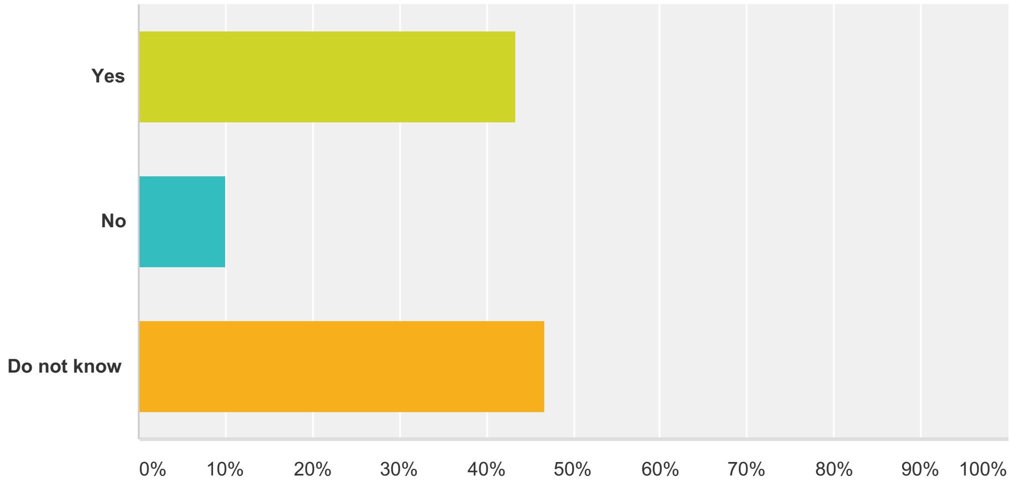


Answer Choices	Responses	
Changed habits at home to save energy, such as raising your thermostat in summer, lowering it in winter and turning off lights that are not needed.	**63.33%**	19
Installed energy efficient CFL or LED light bulbs.	**73.33%**	22
Installed a programmable thermostat.	**43.33%**	13
Installed more energy efficient doors or windows.	**16.67%**	5
Switching to off-peak periods.	**46.67%**	14
Installed a higher efficiency water heater.	**23.33%**	7

Installed a higher efficiency heating/cooling system.	**23.33%**	7
Purchased an Energy Star appliance for your home.	**33.33%**	10
Installed extra insulation.	**16.67%**	5
Requested a home-energy audit.	**0.00%**	0
Installed solar panels or other renewable energy generation at home.	**0.00%**	0
None of the above	**6.67%**	2
Total Respondents: 30		

Q24 Would you say that your utility is a leader in promoting energy conservation?

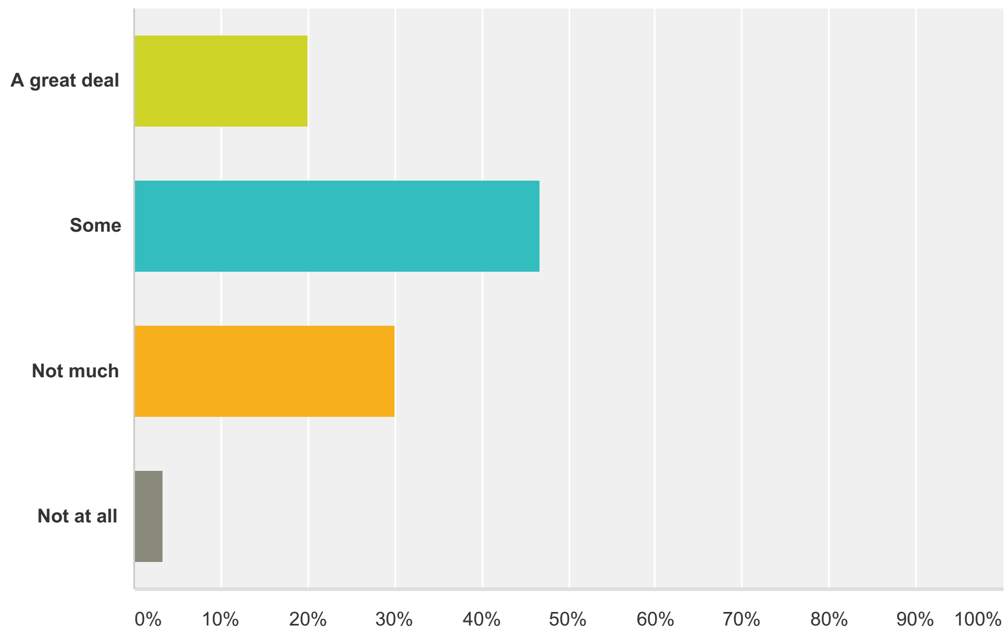
Answered: 30 Skipped: 0



Answer Choices	Responses	
Yes	**43.33%**	13
No	**10.00%**	3
Do not know	**46.67%**	14
Total		**30**

Q25 To what extent, if any, is the cost of electrical service a strain on your household budget? Would you say?

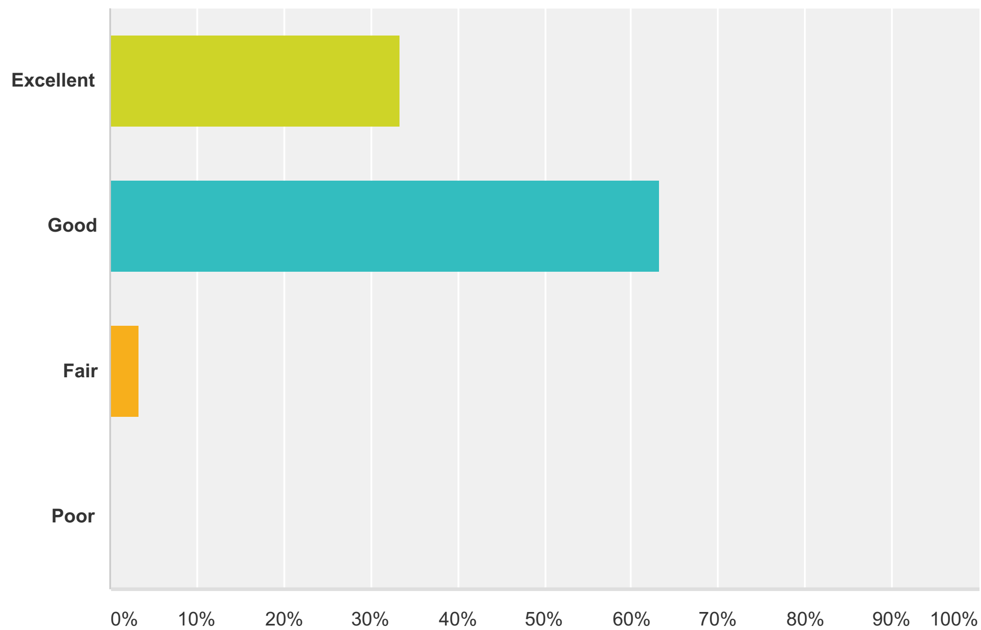
Answered: 30 Skipped: 0



Answer Choices	Responses	
A great deal	**20.00%**	6
Some	**46.67%**	14
Not much	**30.00%**	9
Not at all	**3.33%**	1
Total		**30**

Q26 After having taken this survey, how would you rate Hydro Hawkesbury's overall performance in serving you?

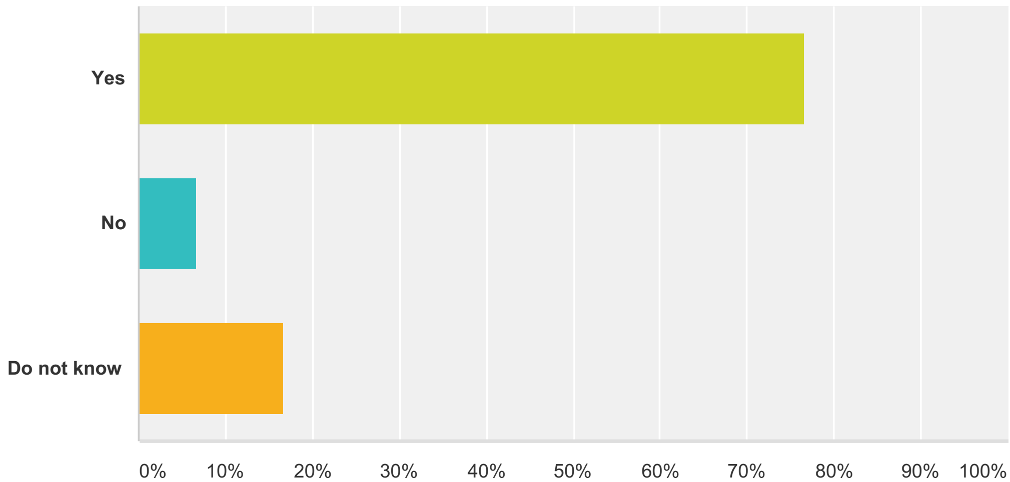
Answered: 30 Skipped: 0



Answer Choices	Responses	
Excellent	**33.33%**	10
Good	**63.33%**	19
Fair	**3.33%**	1
Poor	**0.00%**	0
Total		**30**

Q27 Would you say that your utility a respected company in the community?

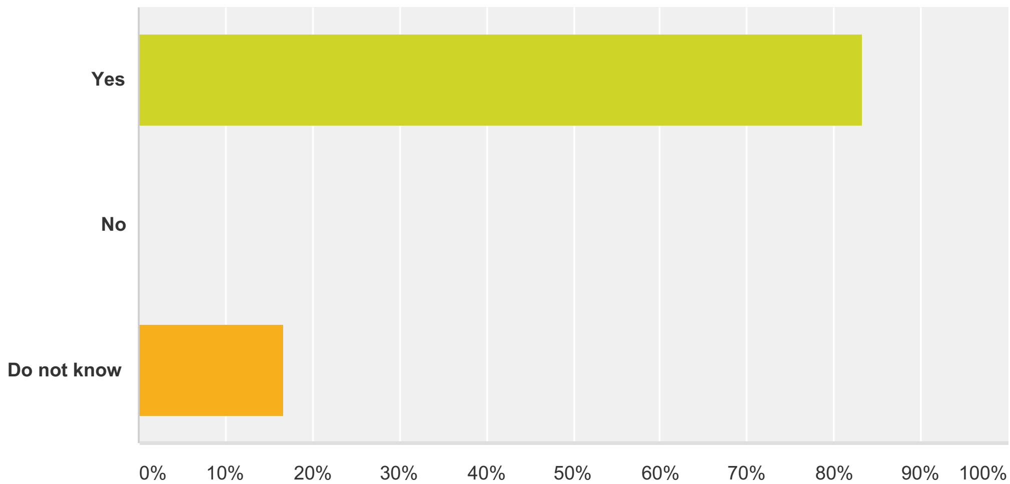
Answered: 30   Skipped: 0



Answer Choices	Responses	
Yes	**76.67%**	23
No	**6.67%**	2
Do not know	**16.67%**	5
Total		**30**

Q28 Would you describe your utility as being approachable?

Answered: 30 Skipped: 0



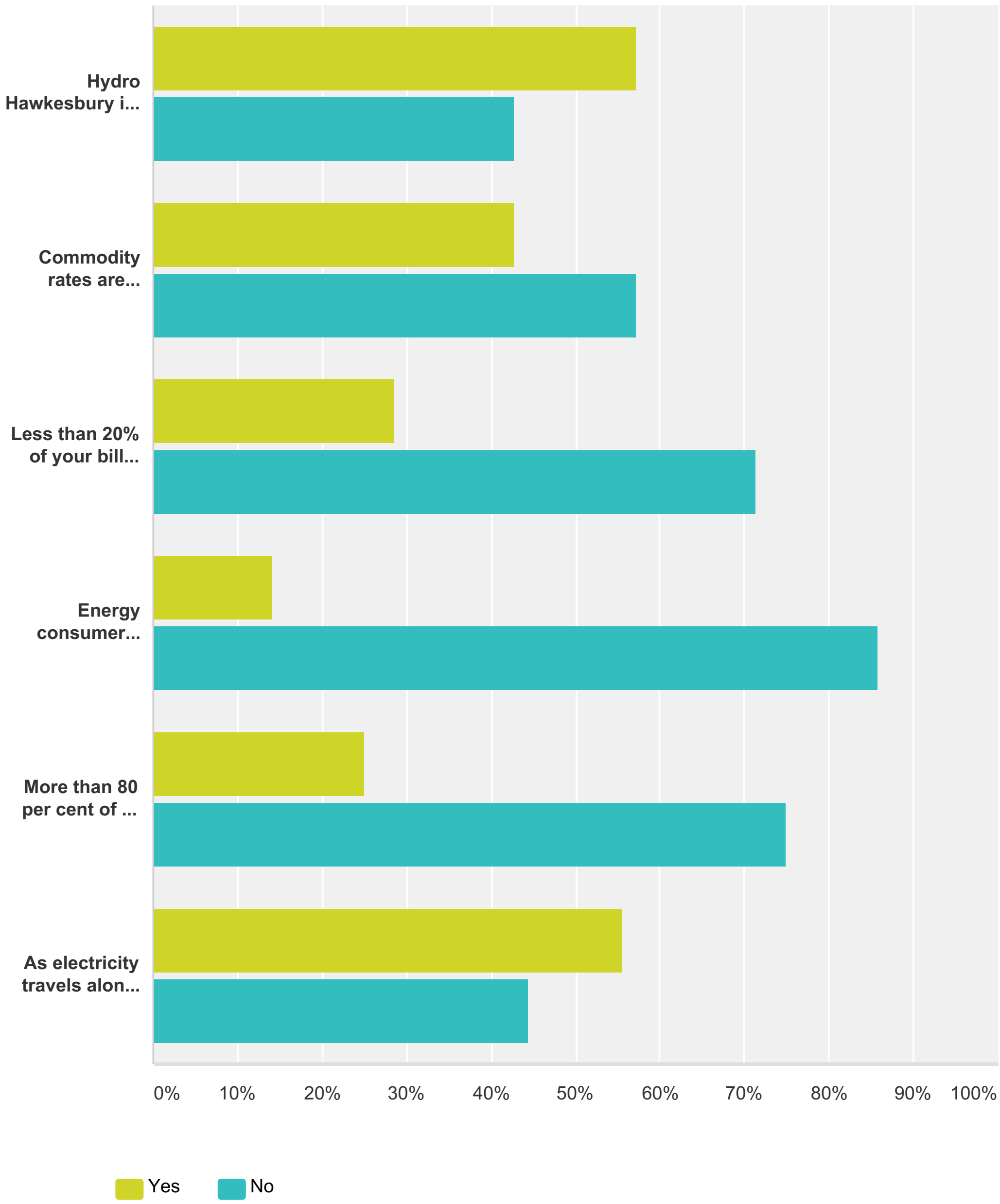
Answer Choices	Responses	
Yes	**83.33%**	25
No	**0.00%**	0
Do not know	**16.67%**	5
Total		**30**

Q29 Please provide any general comments in the text box below.

Answered: 10   Skipped: 20

Q30 Did you know that...

Answered: 28   Skipped: 2



	Yes	No	Total
Hydro Hawkesbury is regulated by the OEB who's role is to approved rates that are just and reasonable.	**57.14%** 16	**42.86%** 12	28
Commodity rates are determined by the Ontario Energy Board and change every May and November of each year?	**42.86%** 12	**57.14%** 16	28
Less than 20% of your bill goes back to Hydro Hawkesbury to cover costs related to electrical distribution?	**28.57%** 8	**71.43%** 20	28
Energy consumer organizations intervene in Hydro Hawkesbury's rate cases by presenting arguments and evidence, providing expert witnesses, and by challenging utility arguments?.	**14.29%** 4	**85.71%** 24	28

More than 80 per cent of the province's energy needs are met by fossil fuels while conservation efforts have been targeted at electricity, which is the smallest and cleanest of our major energy sources	**25.00%** 7	**75.00%** 21	28
As electricity travels along a power line, a small amount of energy is lost. To account for these losses, the OEB approves an adjustment factor in your electricity bill.	**55.56%** 15	**44.44%** 12	27

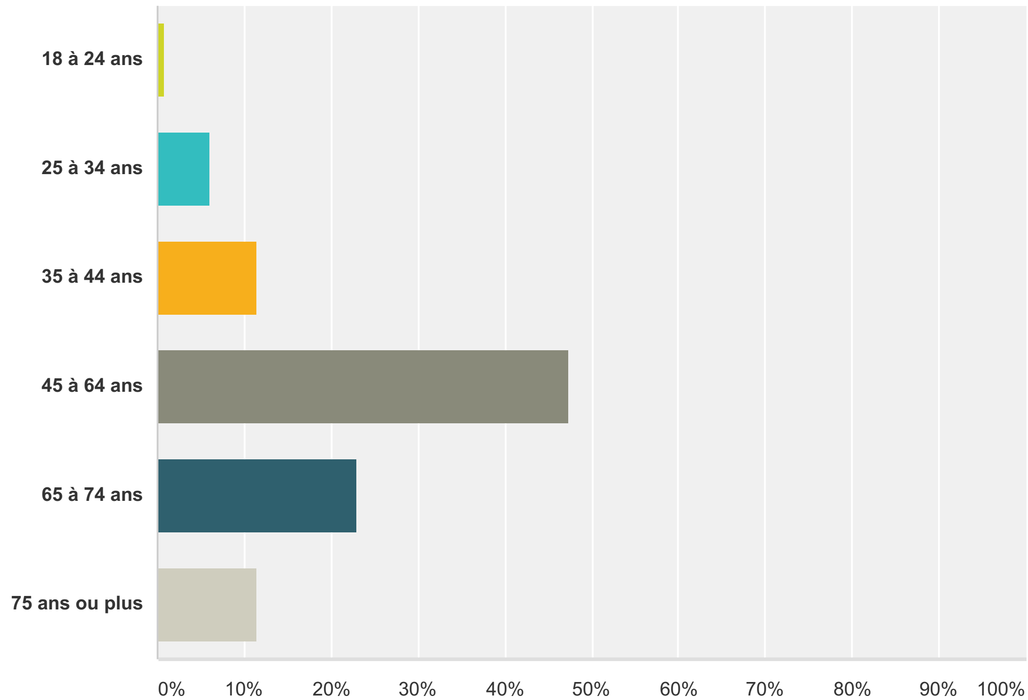
Appendix D Survey Results (French)

Q1 Inscrivez votre numéro de compte pour avoir une chance de gagner $100 sur votre facture d'électricité. Laissez la case vide pour remplir le sondage de façon anonyme.

Answered: 101   Skipped: 31

Q2 À quel groupe d'âge appartenez-vous?

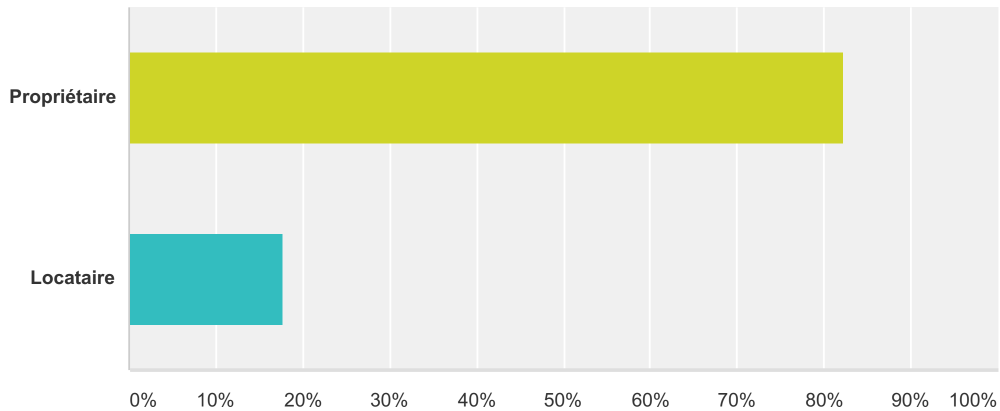
Answered: 131   Skipped: 1



Answer Choices	Responses	
18 à 24 ans	**0.76%**	1
25 à 34 ans	**6.11%**	8
35 à 44 ans	**11.45%**	15
45 à 64 ans	**47.33%**	62
65 à 74 ans	**22.90%**	30
75 ans ou plus	**11.45%**	15
Total		**131**

Q3 Êtes-vous le propriétaire ou le locataire de cette résidence?

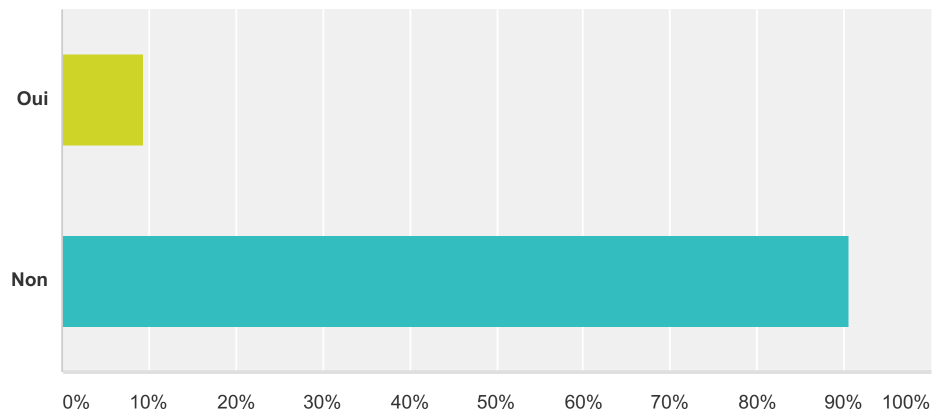
Answered: 130 Skipped: 2



Answer Choices	Responses	
Propriétaire	**82.31%**	107
Locataire	**17.69%**	23
Total		**130**

Q4 Achetez-vous votre électricité d'un détaillant?

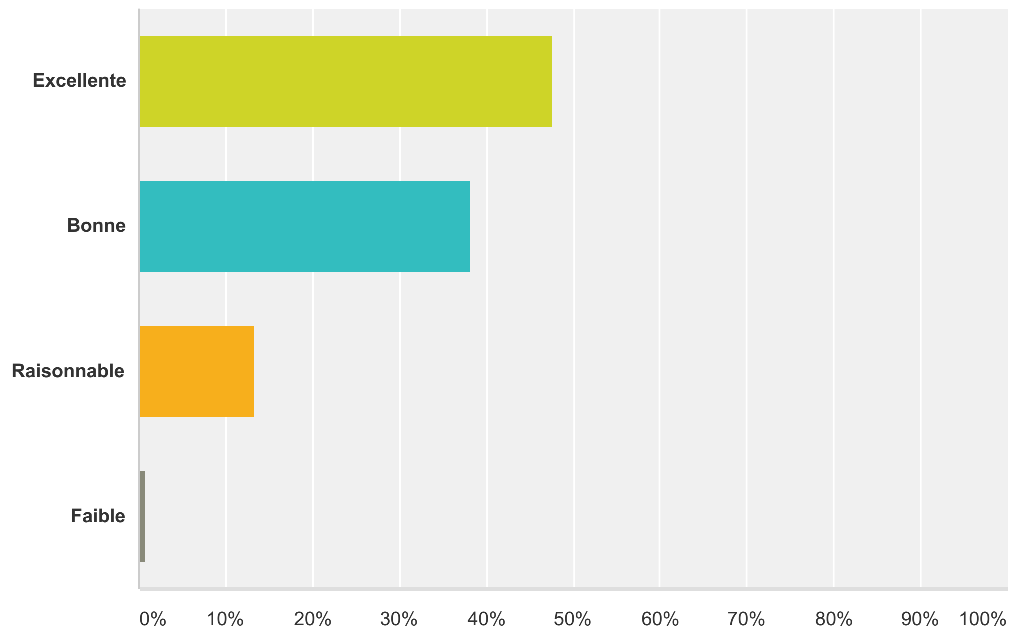
Answered: 129 Skipped: 3



Answer Choices	Responses	
Oui	**9.30%**	12
Non	**90.70%**	117
Total		**129**

Q5 Comment évaluez-vous la capacité de Hydro Hawkesbury à rétablir le service après une panne d'électricité.

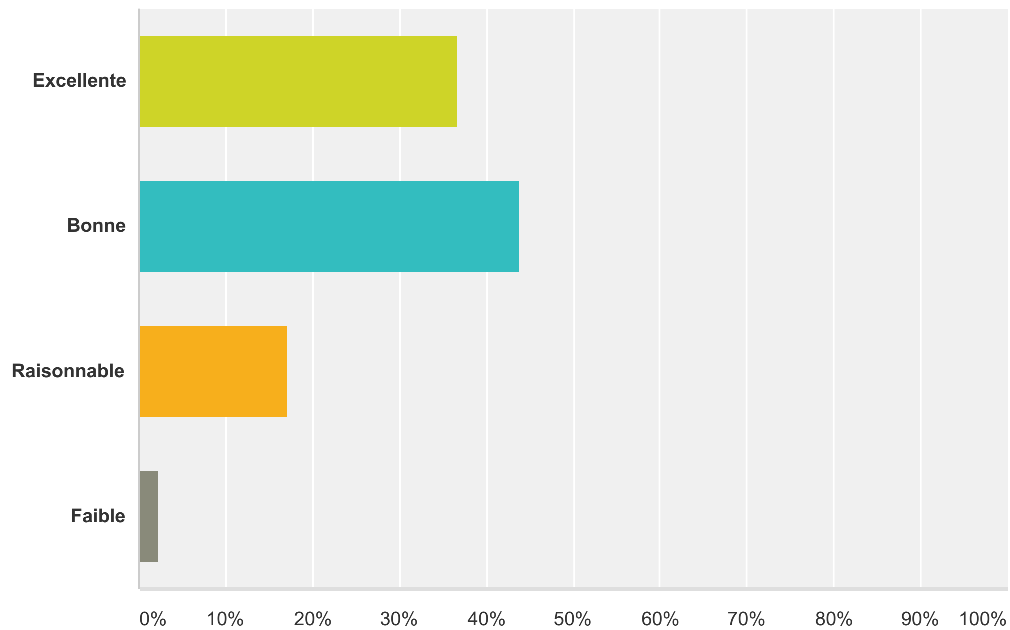
Answered: 128 Skipped: 4



Answer Choices	Responses	
Excellente	**47.66%**	61
Bonne	**38.28%**	49
Raisonnable	**13.28%**	17
Faible	**0.78%**	1
Total		**128**

Q6 Comment évaluez-vous la capacité de Hydro Hawkesbury à être joignable par téléphone pendant une panne.

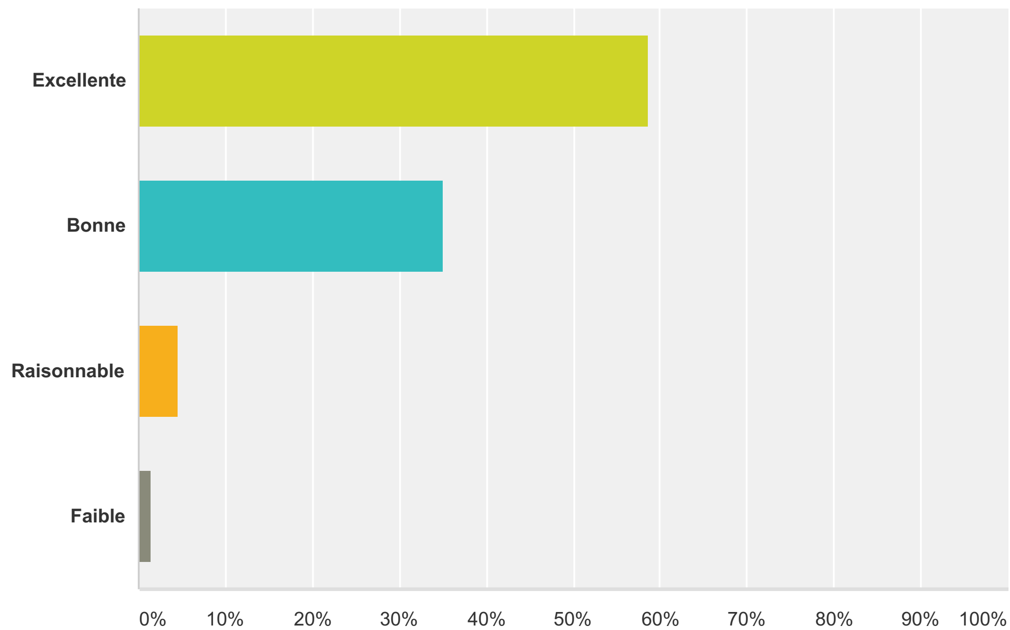
Answered: 128 Skipped: 4



Answer Choices	Responses	
Excellente	**36.72%**	47
Bonne	**43.75%**	56
Raisonnable	**17.19%**	22
Faible	**2.34%**	3
Total		**128**

Q7 En ce qui concerne la fiabilité globale du service électrique, comment l'évaluez-vous?

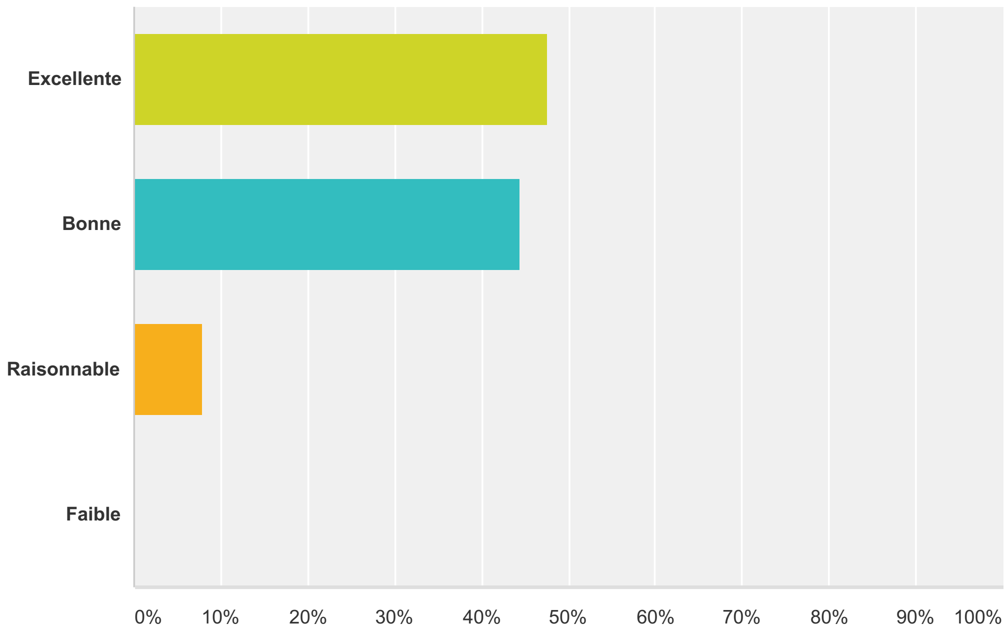
Answered: 128 Skipped: 4



Answer Choices	Responses	
Excellente	**58.59%**	75
Bonne	**35.16%**	45
Raisonnable	**4.69%**	6
Faible	**1.56%**	2
Total		**128**

Q8 En ce qui a trait à la facturation, comment évaluez-vous chaque catégorie ci-dessous? Facilité à comprendre votre facture.

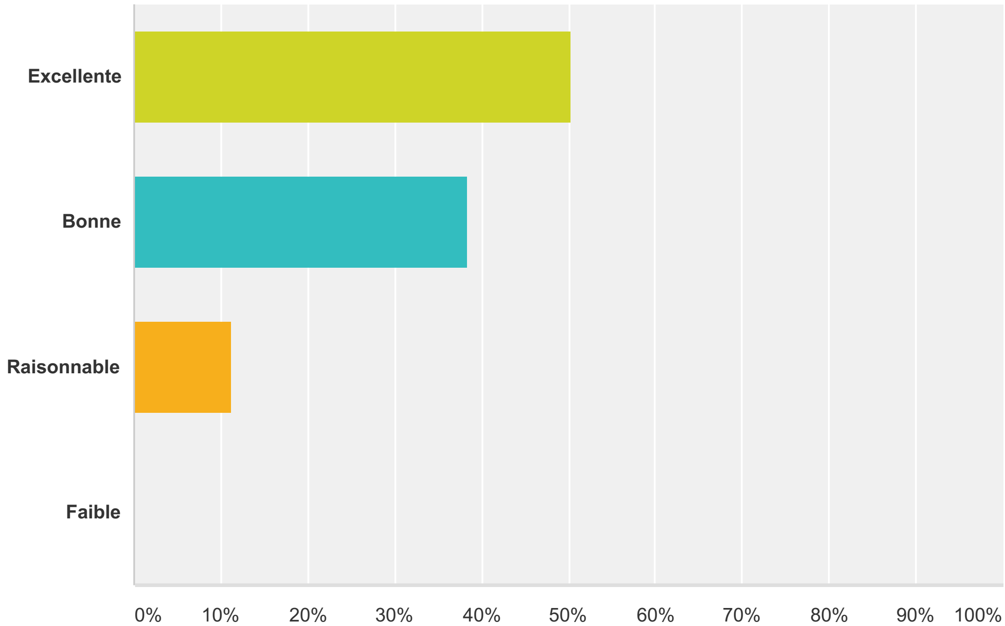
Answered: 126 Skipped: 6



Answer Choices	Responses	
Excellente	**47.62%**	60
Bonne	**44.44%**	56
Raisonnable	**7.94%**	10
Faible	**0.00%**	0
Total		**126**

Q9 Comment évaluez-vous la précision de votre facture.

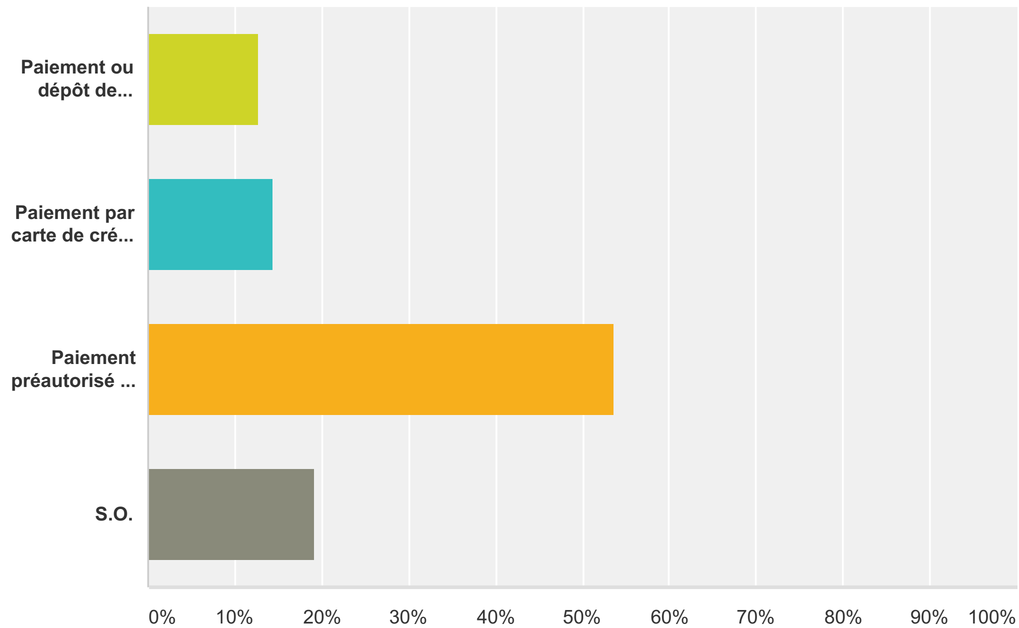
Answered: 125 Skipped: 7



Answer Choices	Responses	
Excellente	**50.40%**	63
Bonne	**38.40%**	48
Raisonnable	**11.20%**	14
Faible	**0.00%**	0
Total		**125**

Q10 Hydro Hawkesbury offre à ses clients des modes de paiement alternatifs. Veuillez indiquer lequel vous était familier avant de répondre à ce sondage.

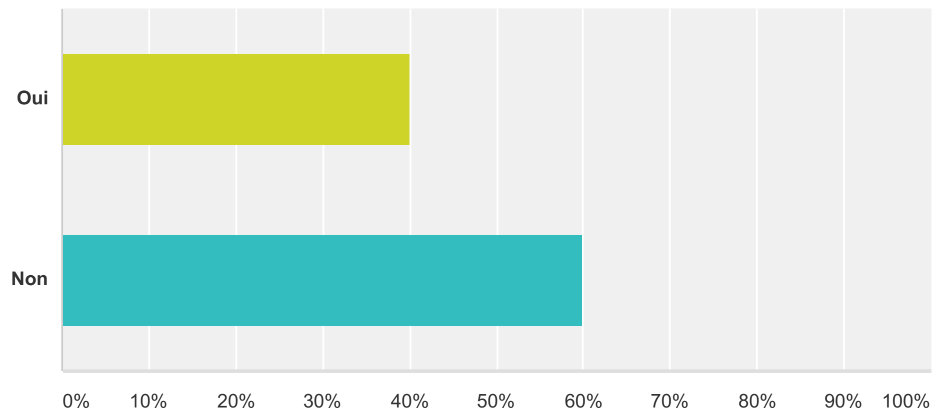
Answered: 125 Skipped: 7



Answer Choices	Responses	
Paiement ou dépôt de paiement au siège social.	**12.80%**	16
Paiement par carte de crédit en ligne.	**14.40%**	18
Paiement préautorisé par prélèvements automatiques de votre compte bancaire.	**53.60%**	67
S.O.	**19.20%**	24
Total		**125**

Q11 Au cours des 12 derniers mois, avez-vous communiqué avec le service à la clientèle du service public pour de l'information ou de l'aide?

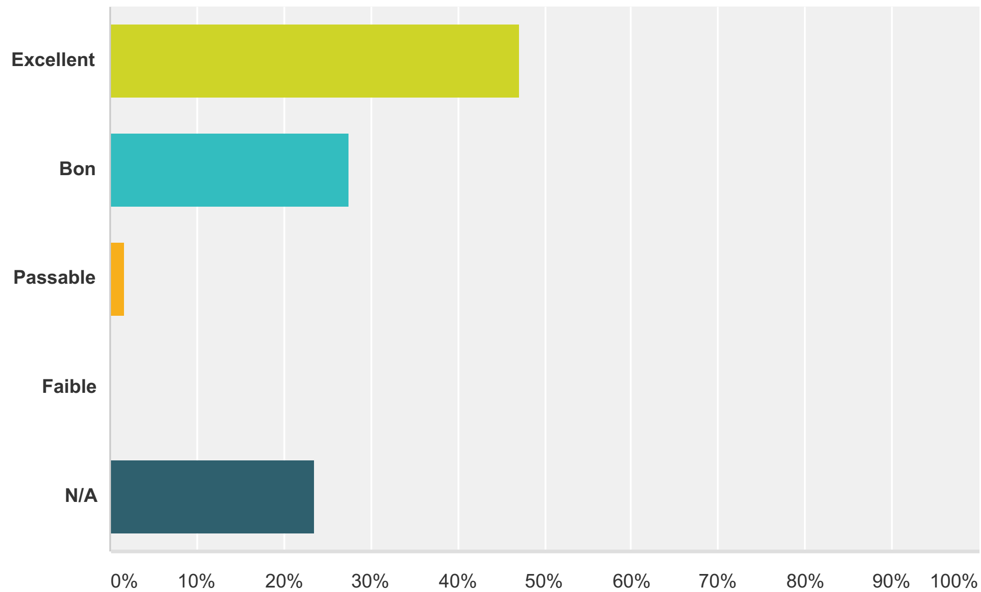
Answered: 125 Skipped: 7



Answer Choices	Responses	
Oui	**40.00%**	50
Non	**60.00%**	75
Total		**125**

Q12 En pensant à votre plus récente interaction avec la Hydro Hawkesbury, comment était instruit la personne à qui vous avez parlé?

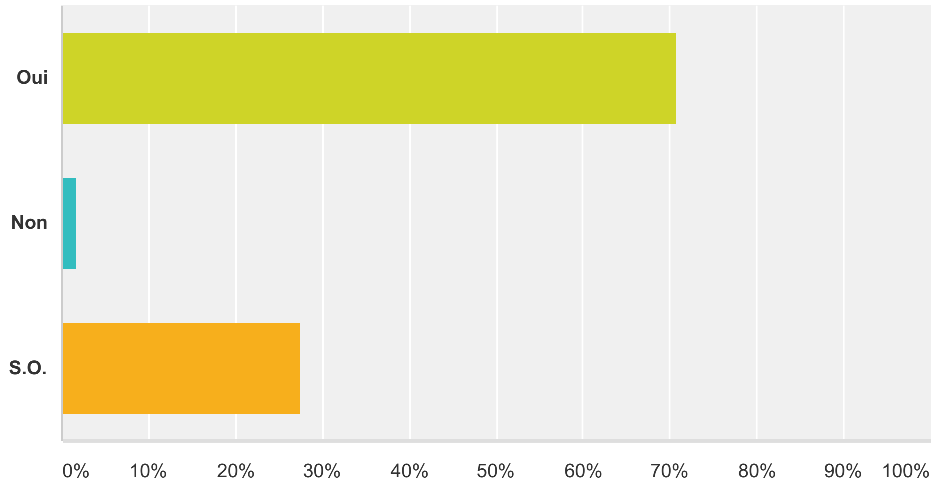
Answered: 123 Skipped: 9



Answer Choices	Responses	
Excellent	**47.15%**	58
Bon	**27.64%**	34
Passable	**1.63%**	2
Faible	**0.00%**	0
N/A	**23.58%**	29
Total Respondents: 123		

Q13 En pensant à votre plus récente interaction avec le Centre du service à la clientèle, le représentant du service à la clientèle vous a-t-il fourni les renseignements dont vous aviez besoin

Answered: 123 Skipped: 9



Answer Choices	Responses	
Oui	**70.73%**	87
Non	**1.63%**	2
S.O.	**27.64%**	34
Total		**123**

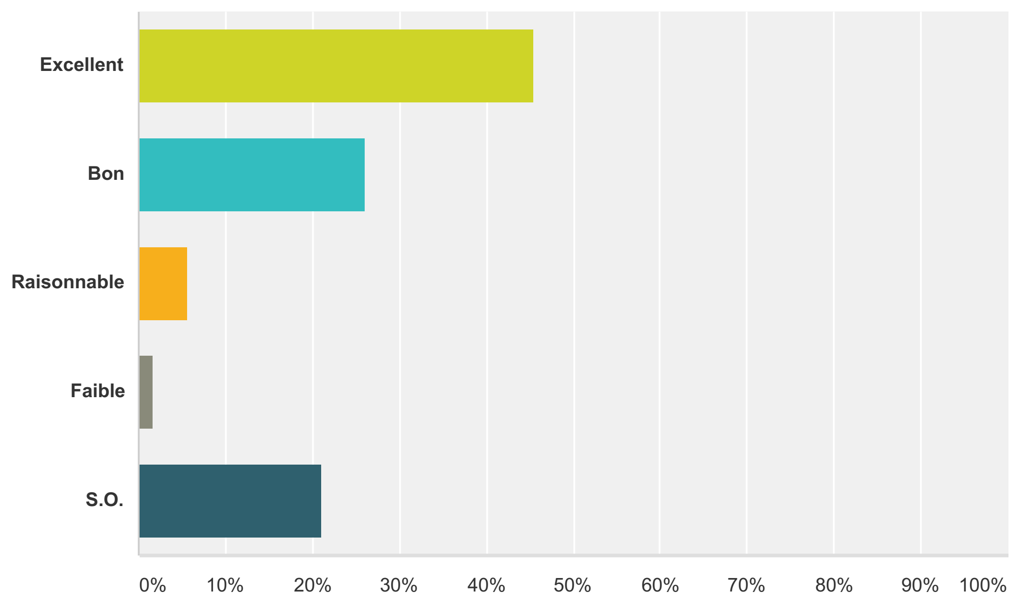
Q14 Sinon, quelle information aviez-vous besoin de la part du représentant du service à la clientèle?

Answered: 7 Skipped: 125

Answer Choices	Responses	
Response:	**100.00%**	7

Q15 Dans l'ensemble, comment évaluez-vous la façon dont le représentant du service à la clientèle a traité votre demande?

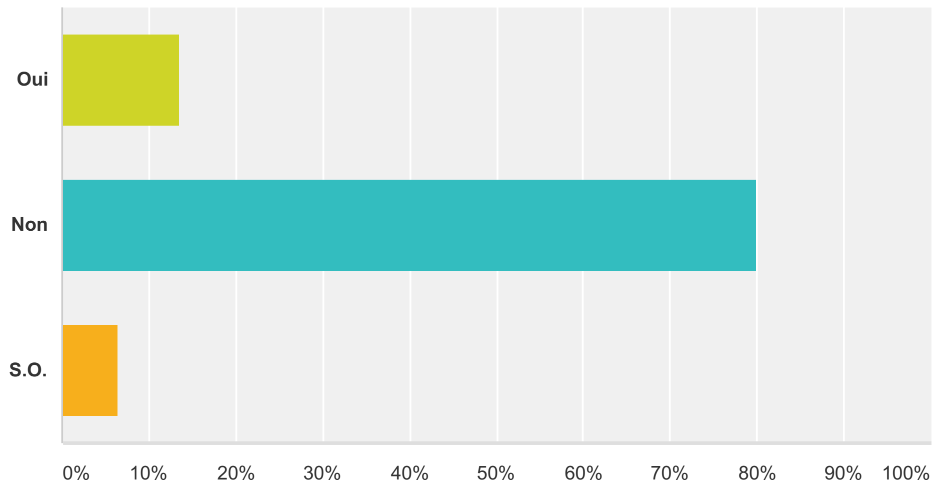
Answered: 123 Skipped: 9



Answer Choices	Responses	
Excellent	**45.53%**	56
Bon	**26.02%**	32
Raisonnable	**5.69%**	7
Faible	**1.63%**	2
S.O.	**21.14%**	26
Total		**123**

Q16 Les employés sur le terrain de Hydro Hawkesbury exécutent certaines tâches comme l'installation, l'entretien et la réparation des services publics. Au cours des 12 derniers mois, avez-vous eu des contacts avec un employé sur le terrain pour demander de l'aide ou de l'information?

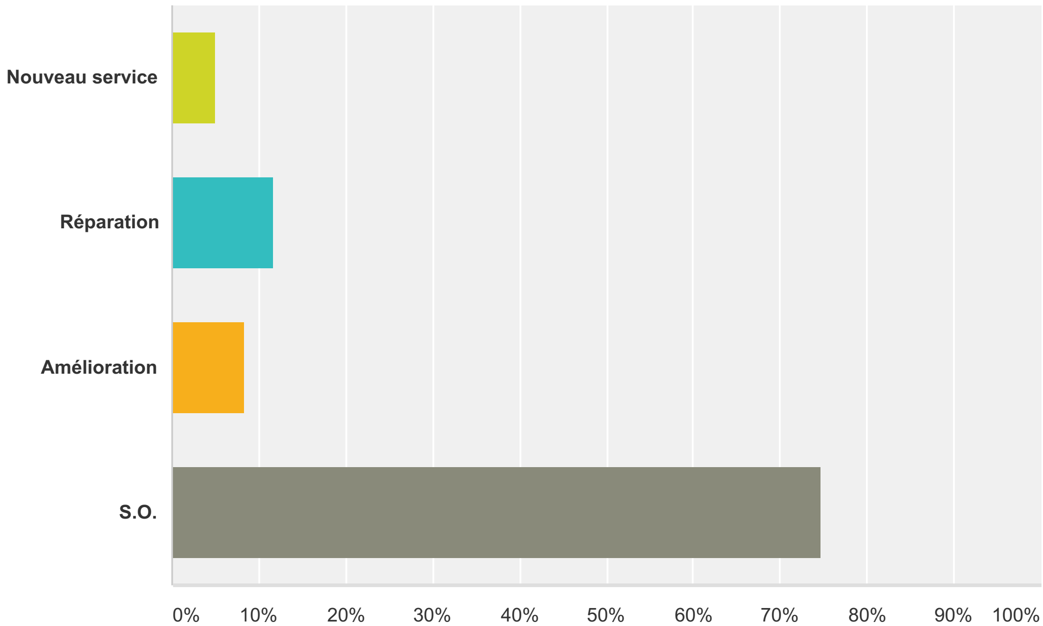
Answered: 125 Skipped: 7



Answer Choices	Responses	
Oui	**13.60%**	17
Non	**80.00%**	100
S.O.	**6.40%**	8
Total		**125**

Q17 En pensant à votre plus récent contact avec un employé sur le terrain, quel était le type de service requis?

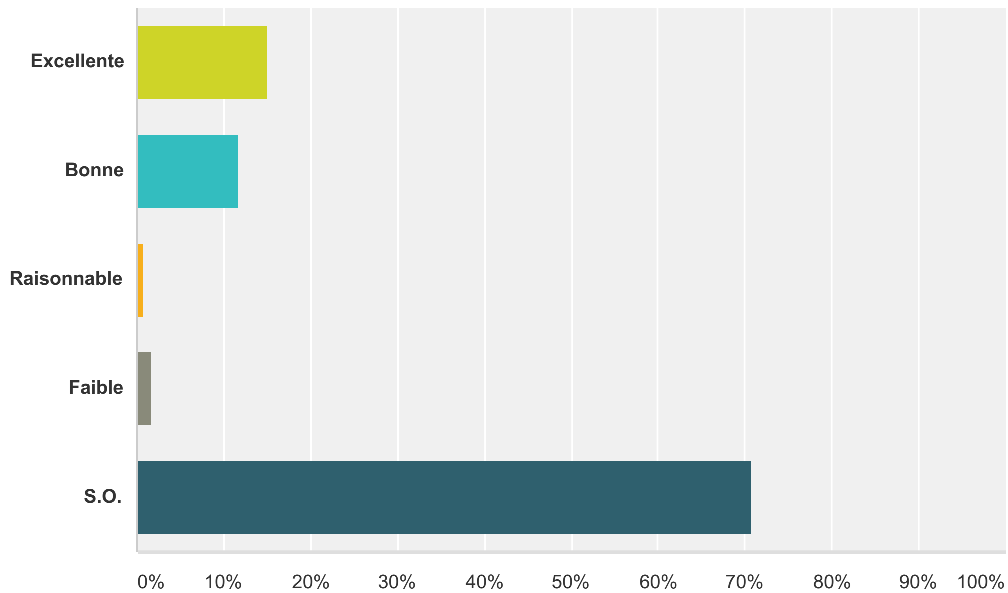
Answered: 119 Skipped: 13



Answer Choices	Responses	
Nouveau service	**5.04%**	6
Réparation	**11.76%**	14
Amélioration	**8.40%**	10
S.O.	**74.79%**	89
Total		**119**

Q18 Toujours par rapport à votre plus récent contact avec un employé sur le terrain, veuillez évaluer sa connaissance.

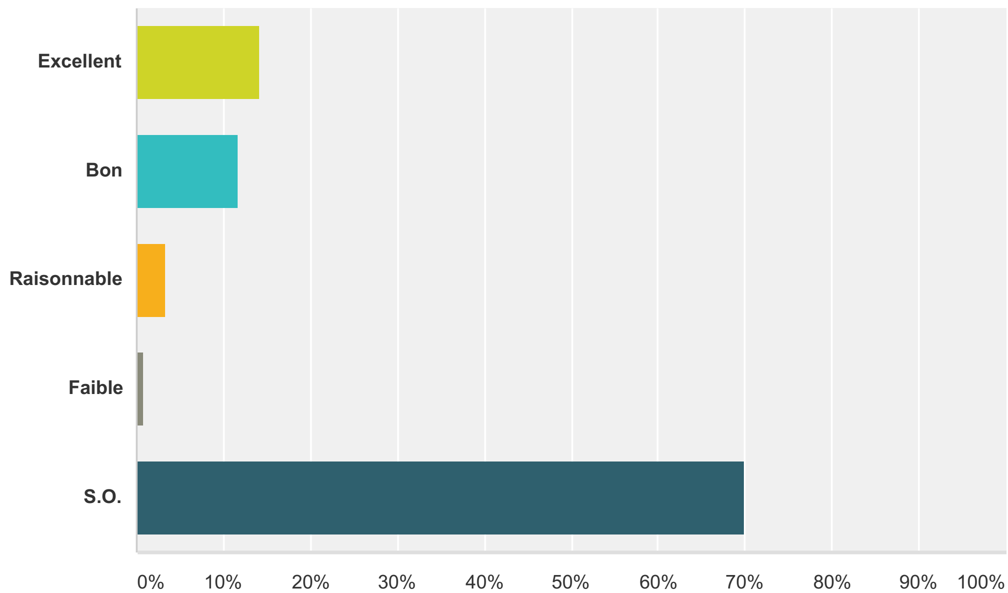
Answered: 120   Skipped: 12



Answer Choices	Responses	
Excellente	**15.00%**	18
Bonne	**11.67%**	14
Raisonnable	**0.83%**	1
Faible	**1.67%**	2
S.O.	**70.83%**	85
Total		**120**

Q19 Toujours par rapport à votre plus récent contact avec un employé sur le terrain, veuillez évaluer votre expérience.

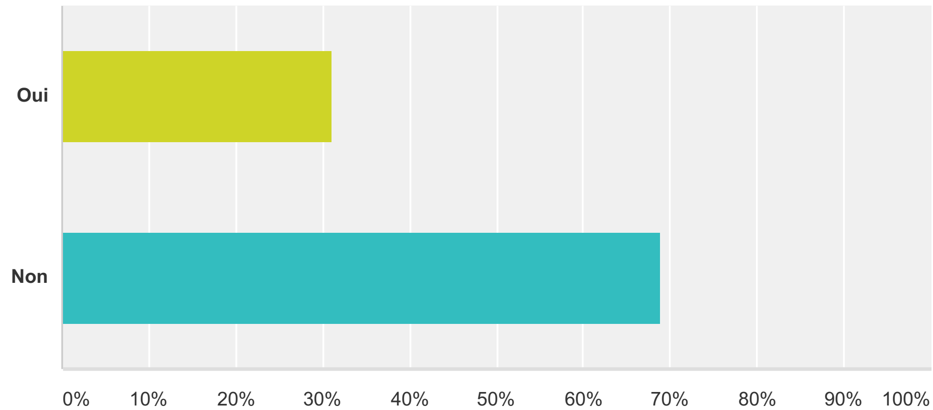
Answered: 120   Skipped: 12



Answer Choices	Responses	
Excellent	**14.17%**	17
Bon	**11.67%**	14
Raisonnable	**3.33%**	4
Faible	**0.83%**	1
S.O.	**70.00%**	84
Total		**120**

Q20 Mis à part vos factures, avez-vous vu ou avez-vous entendu d’autres types de communication en provenance de Hydro Hawkesbury au cours des 12 derniers mois?

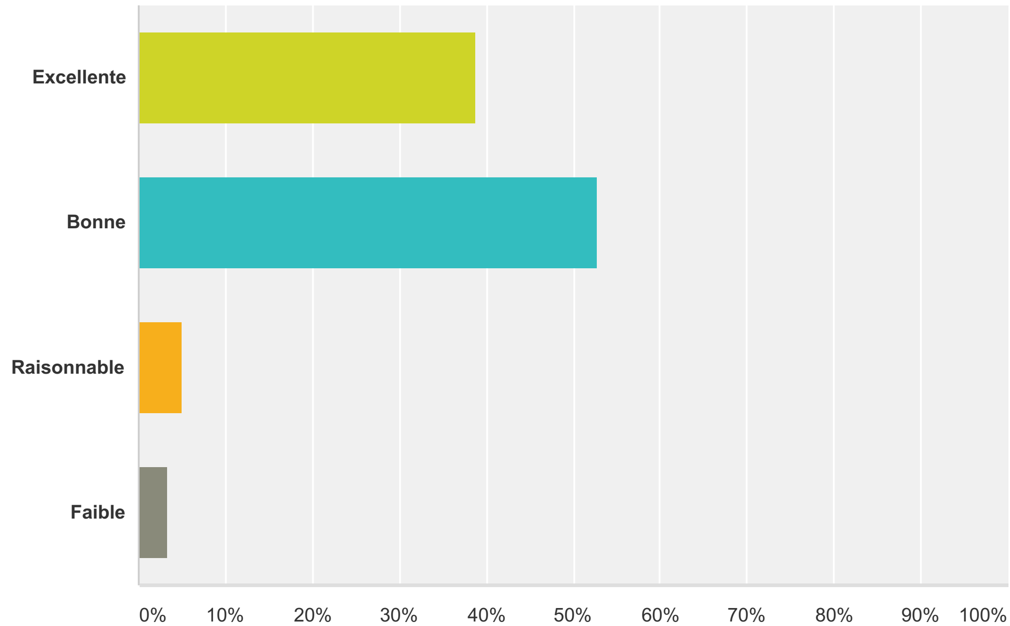
Answered: 122 Skipped: 10



Answer Choices	Responses	
Oui	31.15%	38
Non	68.85%	84
Total		122

Q21 Veuillez évaluer la performance de Hydro Hawkesbury en ce qui concerne la communication avec sa clientèle.

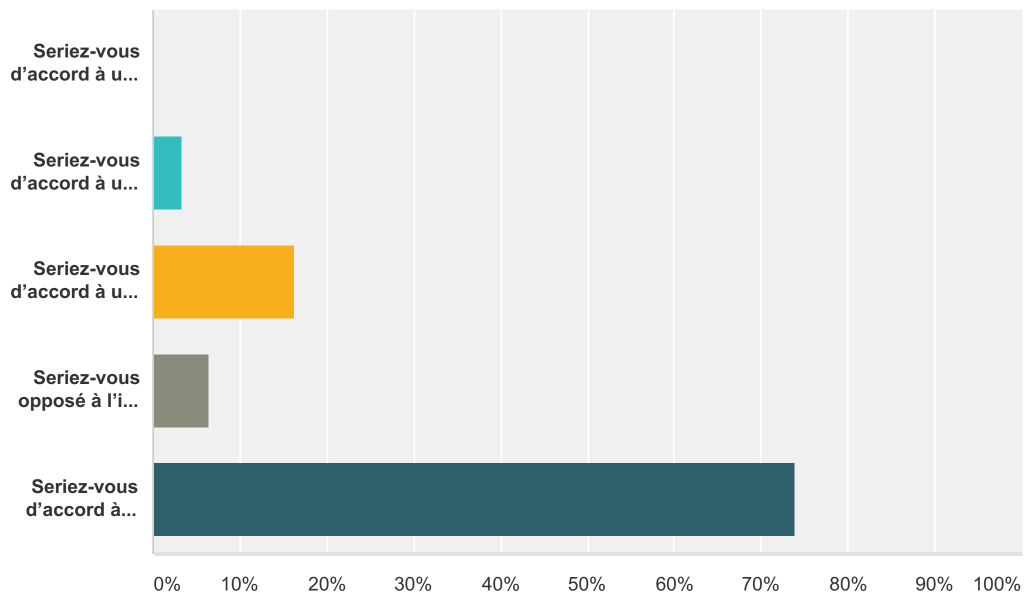
Answered: 121 Skipped: 11



Answer Choices	Responses	
Excellente	38.84%	47
Bonne	52.89%	64
Raisonnable	4.96%	6
Faible	3.31%	4
Total		**121**

Q22 Une façon utilisée par les services publics pour réduire la consommation de combustible fossile est d’offrir de l’électricité produite à partir de sources d’énergie renouvelable, qui peuvent s’avérer plus coûteuses que des sources d’énergie traditionnelle. Comment réagiriez-vous par rapport à l’utilisation de sources d’énergie renouvelable si cela augmenterait votre facture d’électricité mensuelle?

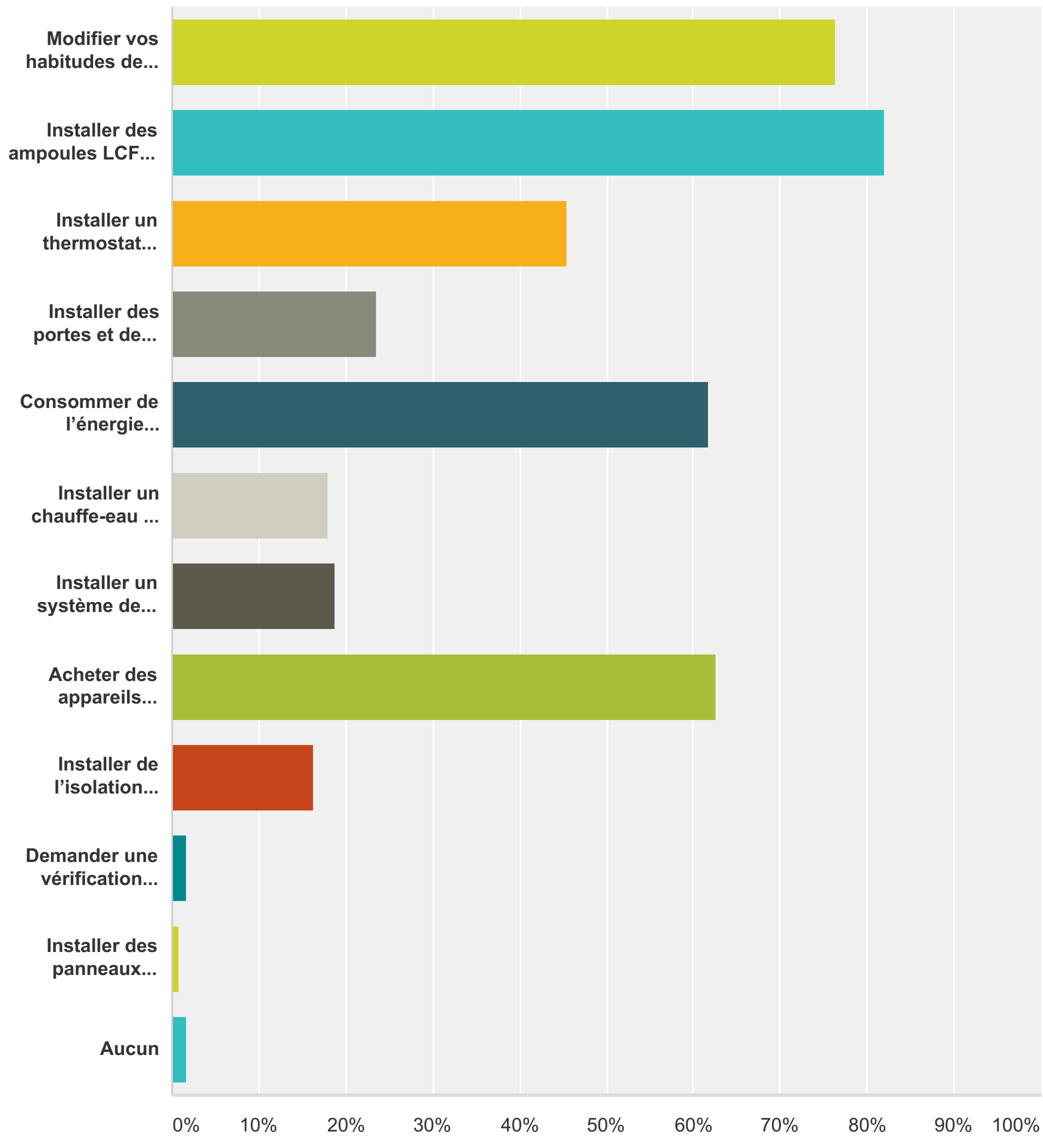
Answered: 123 Skipped: 9



Answer Choices	Responses	
Seriez-vous d’accord à une augmentation de 15 %?	0.00%	0
Seriez-vous d’accord à une augmentation de 10 %?	3.25%	4
Seriez-vous d’accord à une augmentation de 5 %?	16.26%	20
Seriez-vous opposé à l’idée de conserver l’énergie?	6.50%	8
Seriez-vous d’accord à l’idée de conserver l’énergie, mais opposé à l’idée d’une augmentation?	73.98%	91
Total		123

Q23 Veuillez indiquer, s’il y a lieu, ce que vous et votre famille avez fait au cours des deux dernières années pour réduire votre consommation.

Answered: 123   Skipped: 9

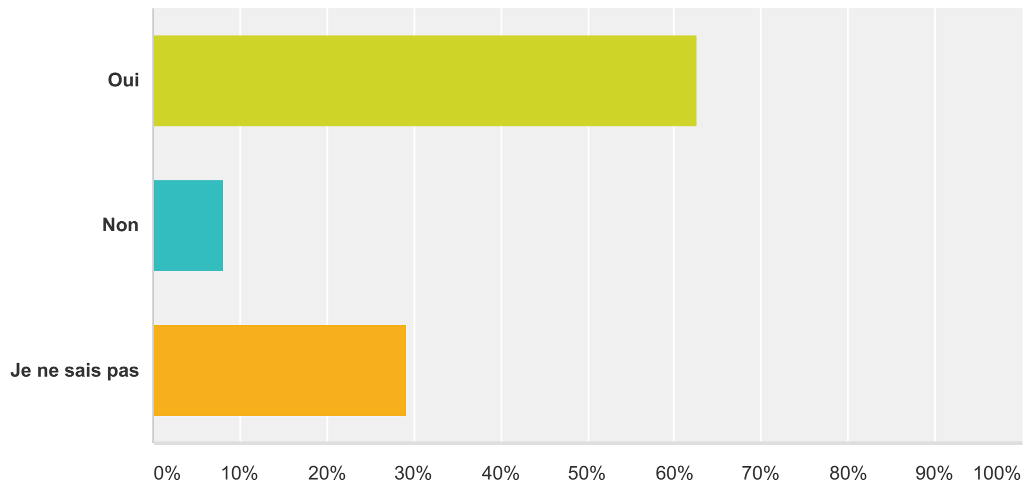


Answer Choices	Responses	
Modifier vos habitudes de consommation d’énergie, comme augmenter le réglage du thermostat à l’été, le diminuer à l’hiver et éteindre les lumières lorsqu’elles ne servent pas.	76.42%	94
Installer des ampoules LCF ou DEL.	82.11%	101
Installer un thermostat programmable.	45.53%	56

Installer des portes et des fenêtres écoénergétiques.	**23.58%**	29
Consommer de l'énergie pendant les périodes creuses.	**61.79%**	76
Installer un chauffe-eau à haut rendement.	**17.89%**	22
Installer un système de chauffage et de refroidissement à haut rendement.	**18.70%**	23
Acheter des appareils électroménagers Energy Star pour votre résidence.	**62.60%**	77
Installer de l'isolation supplémentaire.	**16.26%**	20
Demander une vérification énergétique résidentielle.	**1.63%**	2
Installer des panneaux solaires ou autres sources d'énergie renouvelable dans votre résidence.	**0.81%**	1
Aucun	**1.63%**	2
Total Respondents: 123		

Q24 Diriez-vous que votre service public joue un rôle important dans la promotion de la conservation d’énergie?

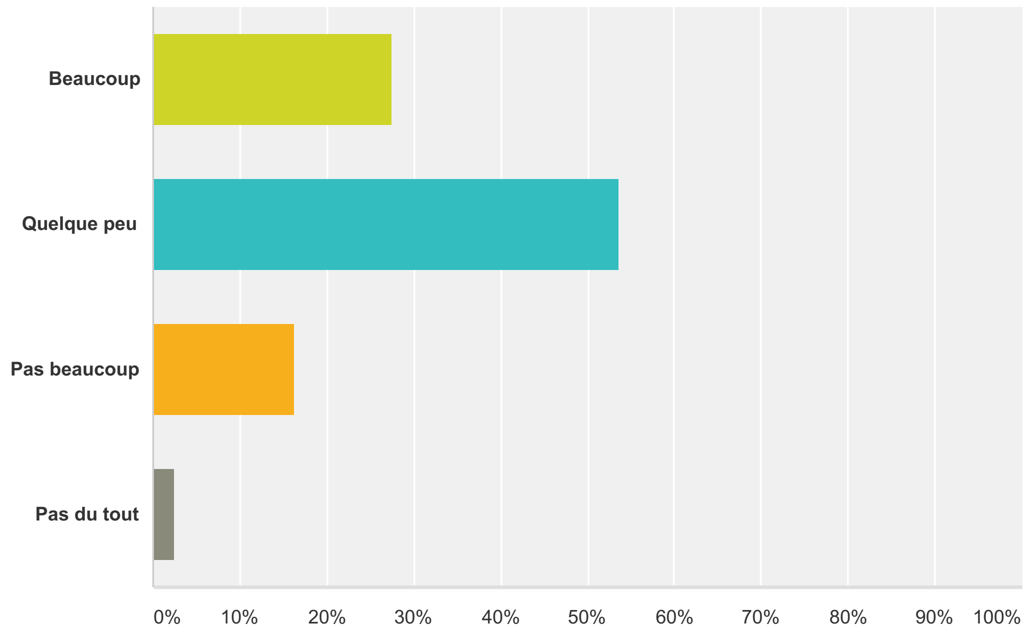
Answered: 123 Skipped: 9



Answer Choices	Responses	
Oui	**62.60%**	77
Non	**8.13%**	10
Je ne sais pas	**29.27%**	36
Total		**123**

Q25 S’il y a lieu, dans quelle mesure le coût des services d’électricité est-il un fardeau sur votre budget familial? Vous jugez que ce coût vous affecte...

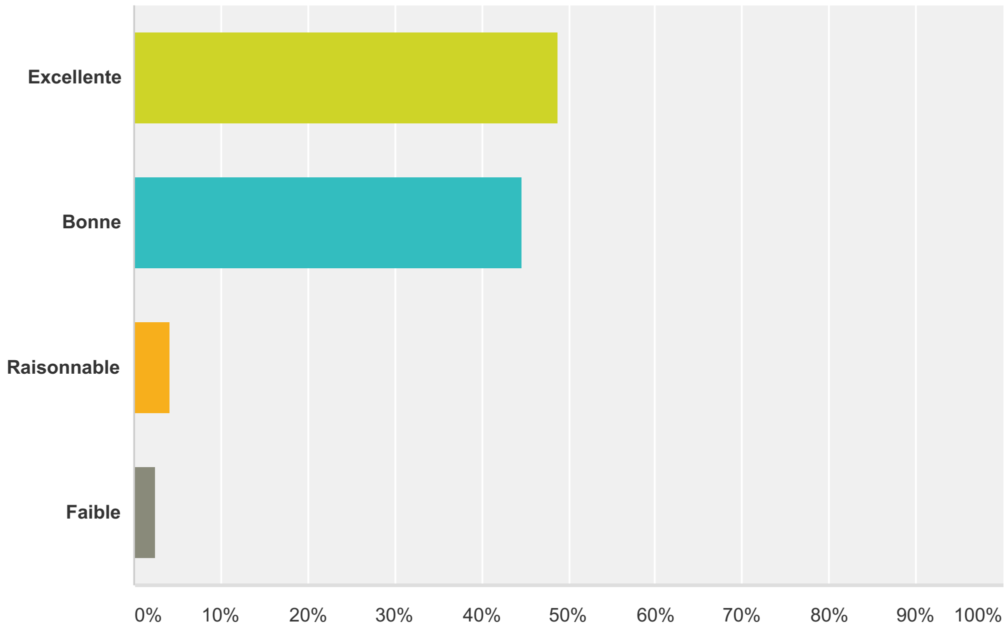
Answered: 123 Skipped: 9



Answer Choices	Responses	
Beaucoup	**27.64%**	34
Quelque peu	**53.66%**	66
Pas beaucoup	**16.26%**	20
Pas du tout	**2.44%**	3
Total		**123**

Q26 En considérant l'ensemble, comment évaluez-vous la performance globale de Hydro Hawkesbury par rapport au service?

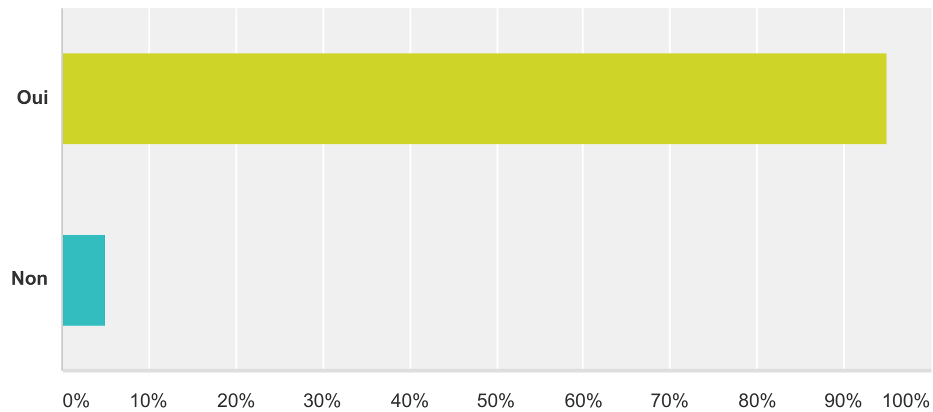
Answered: 121 Skipped: 11



Answer Choices	Responses	
Excellente	**48.76%**	59
Bonne	**44.63%**	54
Raisonnable	**4.13%**	5
Faible	**2.48%**	3
Total		**121**

Q27 Diriez-vous que votre service public est une société respectée dans votre communauté?

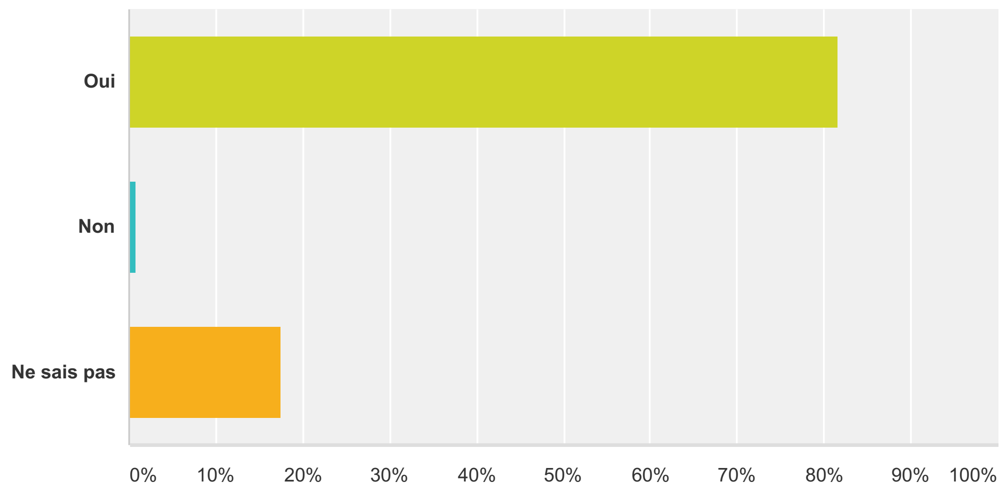
Answered: 120   Skipped: 12



Answer Choices	Responses	
Oui	**95.00%**	114
Non	**5.00%**	6
Total		**120**

Q28 Vous décririez votre utilité comme étant accessible/approchable?

Answered: 120 Skipped: 12



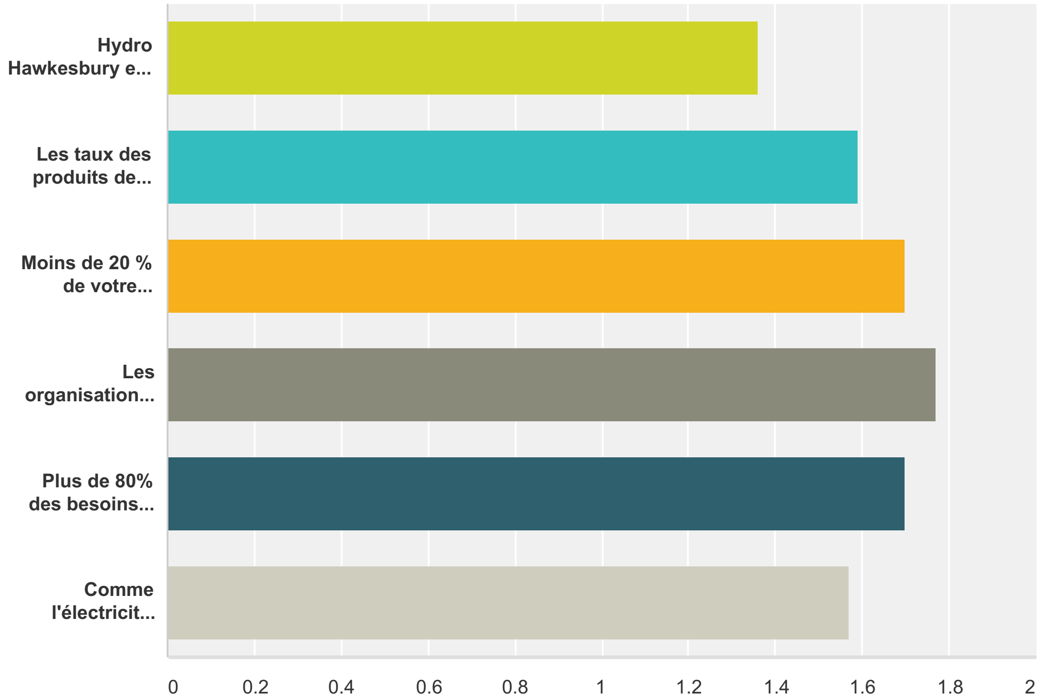
Answer Choices	Responses	
Oui	**81.67%**	98
Non	**0.83%**	1
Ne sais pas	**17.50%**	21
Total		**120**

Q29 Inscrire vos commentaires supplémentaires dans la case ci-dessous

Answered: 15   Skipped: 117

Q30 Saviez-vous...

Answered: 117   Skipped: 15



	Oui	Non	Total	Weighted Average
Hydro Hawkesbury est réglementé par la CEO (Commission de l'énergie de l'Ontario), qui a pour rôle d'approuver des taux justes et raisonnables.	**64.10%** 75	**35.90%** 42	117	1.36
Les taux des produits de base sont déterminés par la Commission de l'énergie de l'Ontario et changent tous les mois de mai et de novembre de chaque année?	**41.03%** 48	**58.97%** 69	117	1.59
Moins de 20 % de votre facture retourne à Hydro Hawkesbury pour couvrir les coûts liés à la distribution électrique?	**29.91%** 35	**70.09%** 82	117	1.70
Les organisations de consommateurs d'énergie interviennent dans les affaires tarifaires de Hydro Hawkesburyen présentant des arguments et des preuves, en fournissant des témoins experts et en contestant les arguments de l'utilité?	**23.48%** 27	**76.52%** 88	115	1.77
Plus de 80% des besoins énergétiques de la province sont comblés par des combustibles fossiles alors que les efforts de conservation visent l'électricité, qui est la plus petite et la plus propre de nos principales sources d'énergie	**30.43%** 35	**69.57%** 80	115	1.70
Comme l'électricité circule le long d'une ligne électrique, une petite quantité d'énergie est perdue. Pour tenir compte de ces pertes, la CEO approuve un facteur d'ajustement dans votre facture d'électricité.	**42.74%** 50	**57.26%** 67	117	1.57

Appendix E Newsletter

850 rue Tupper Street
Hawkesbury ON K6A 3S7
T 613 632 6689
F 613 632 8603

Release

Hydro Hawkesbury is preparing to submit to the Ontario Energy Board, an adjustment to its rates (Cost of Service Application) for rates effective January 1, 2018. The utility is asked to file a Cost of Service every 4-5 years. Hydro Hawkesbury's last Cost of Service was in 2014.

Part of the preparation involves establishing priorities in capital and operational investments for 2017 and 2018.

In 2017, Hydro Hawkesbury's major investment is the replacement of its substation on Main Street. The total capital budget for 2017 is $3,712,353 while 2018's investments are estimate at $205,580

The following is a summary of Hydro Hawkesbury's proposed expenditures:

2017

System Access

Hydro Hawkesbury budgeted an amount of $42,669 to accommodate the building of subdivisions and the increase in customer service associated with these investments.

As part of our ongoing asset renewal, Hydro Hawkesbury will proceed with the renewal of our substation on Main Street. The new transformer has the capacity of the existing two transformers presently in service. The refurbished substation will feed approximately 4,100 customers in Hawkesbury.

The reasons for this significant capital expenditure is that the current station is over 50 years old and has now reached 99%.of its life expectancy.

Its carrying capacity has reached 80% and feeds 75% of Hydro Hawkesbury's customers.

All work performed must meet Hydro One, IESO (Independent Electricity Systems Operator) and the Transmission System Code. The total budget is $ 3,525,000

System Renewal

The 2017 budget is $94,584

Major betterment have already been done at the substation on Tessier Street. In 2017 only $5,000 are expected in expenditures

850 rue Tupper Street
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F 613 632 8603

Following annual inspections, we estimated $60,000 for pole replacement and $21,720 for the replacement of the original insulators with polymer insulators. Investments in lightning arrestors are estimated at $7,864

System Service

In order to satisfy our ongoing requirements for transformation, line transformers expenditures in 2017 are estimated at $9,000

General plant

In 2017, a minor investment of $2,000 will be required to the building at 850 Tupper to solidify the column at the main entrance.

The Northstar billing software must be updated to the most recent version. The budget for 2017 $31,000

Office equipment and the renewal our three Customer service Representative is estimated at $ 6,100.

Finally high voltage equipment and tools are estimated at $2,000

2018

System Access

Hydro Hawkesbury budgeted an amount of $37,800 to accommodate the building of subdivisions and the increase in customer service associated with these investments.

System Renewal

The 2018 budget is $144,530

Repairs and maintenance to the existing reclosers at both substations are budgeted at $ 26,750, which represent $13,375 for each stations.

Following annual inspections, we estimated $81,500 for pole replacement and $17,930 for the replacement of the original insulators with polymer insulators. Lightning arrestors are estimated at $8,350.

Hydro Hawkesbury will also start to replace some sections of primary conductor on Main Street with 336 MCM for an amount estimated at $10,000.

System Service

In order to satisfy our ongoing requirements for transformation, line transformers expenditures in 2018 are estimated at $9,000

General plant

In 2018, a minor investment of $2,000 is estimated for the office building at 850 Tupper.

Accounting software update is budgeted at $1,000.

Office equipment and the renewal of two office computers estimated at $ 8,250.

Hydro Hawkesbury Inc. would like to hear you.

Please forward questions and comments to

service@hydrohawkesbury.ca

Hydro Hawkesbury

850 rue Tupper Street
Hawkesbury ON K6A 3S7
T 613 632 6689
F 613 632 8603

Communiqué

Hydro Hawkesbury Inc. soumettra son coût de service à la Commission de l'Énergie de l'Ontario. Cette procédure doit être suivie tous les quatre ans.

Hydro Hawkesbury Inc. A bien établi ses priorités en dépenses capitales pour 2017-2018.
En résumé, 2017 comprend une amélioration de grande envergure au poste de distribution de la rue Main. Le budget capital total de 2017 ce chiffre à 3,712,353$ alors que 2018 démontre un budget capital de 202,580$

Voici le résumé des dépenses en capital:

2017

Accès au système

Chaque année de nouveaux services ou même de nouvelles subdivisions, se sont concrétisés. Afin de planifier ces ajouts HHI a budgété $ 42,669. Également, HHI a entrepris le renouvellement du poste de distribution de la rue Main.

Ce poste de distribution qui comprends actuellement des équipements de plus de 50 ans sert à alimenter approximativement 4,100 clients de la ville de Hawkesbury.
La durée de vie du poste actuel a atteint 99 %. L'addition du nouveau transformateur sera en mesure de prendre la capacité totale des 2 existants.

Sa capacité de charge a atteint 80%. Ce poste alimente en électricité 75% de la population de la ville de Hawkesbury

Les travaux doivent rencontrer les normes d'Hydro One et IESO (Independant Electricity Systems Operator) et le Transmission System Code. Le budget de ce projet majeur est de $3,525,000.

Renouvellement du système

Un budget annuel de 94,584 est prévu en 2017.
$5,000 pour la station de la rue Tessier qui a d'ailleurs connue une addition majeure de transformateur en 2014-2015.
Suite aux inspections annuelles nous estimons à $60,000 le remplacement des poteaux et $21720 pour le remplacement des isolateurs originaux avec des isolateurs en polymère et les pares foudres pour une somme estimée à 7864$

850 rue Tupper Street
Hawkesbury ON K6A 3S7
T 613 632 6689
F 613 632 8603

Service du système

Afin de suffire à nos besoins en transformation, nous budgétons $9000 en 2017

Plan général

En 2017, un investissement mineur de $2,000 sera requis au bâtiment du 850 Tupper afin de solidifier les colonnes à l'entrée principale.
Le logiciel Northstar servant à la facturation devra être mis à jour avec une nouvelle version. Le coût estimé ce chiffre à 31,000$.
De l'équipement de bureau et la mise à jour de 3 ordinateurs sont également au budget pour une somme de $6,100.

Finalement de l'équipement pour le travail de haute tension nécessite un budget de $2,000.

2018

Accès au système

Chaque année de nous services ou même de nouvelles subdivisions, se sont concrétisés. Afin de planifier ces ajouts HHI a budgété $ 37,800.

Renouvellement du système

Un budget annuel de 144,530 est prévu en 2017.
Des réparations et ajouts d'équipements aux réenclencheurs et à la structure du poste rue Main sont estimés à 13,375$ et le même budget, soit 13,375$ pour les équipements du poste de la rue Tessier
Suite aux inspections annuelles nous estimons a 81,500$ le remplacement des poteaux et $17,930 pour le remplacement des isolateurs originaux avec des isolateurs en polymère et les pares foudres pour une somme estimée à 8,350$
Le remplacement de câble primaire aérien sera entamé en 2018 sur la rue Main pour une somme de 10,000$

Service du système

Afin de suffire à nos besoins en transformation, nous budgétons $9000 en 2018

850 rue Tupper Street
Hawkesbury ON K6A 3S7
T 613 632 6689
F 613 632 8603

Plan général

En 2018, une somme mineure de $2,000 sera requis au bâtiment du 850 Tupper.
Mise à jour du logiciel comptable 1,000$.
De l'équipement de bureau et la mise à jour de 2 ordinateurs sont également au budget pour une somme de $8,250.

Hydro Hawkesbury désire vous entendre
SVP faire parvenir vos commentaires à
service@hydrohawkesbury.ca

Appendix F PDF of List of Approvals

File Number:	EB-2017-0048
Exhibit:	
Tab:	
Schedule:	
Page:	
Date:	

Appendix 2-A
List of Requested Approvals

The distributor must fill out the following sheet with the complete list of specific approvals requested and relevant section(s) of the legislation must be provided. All approvals, including accounting orders (deferral and variance accounts) new rate classes, revised specific service charges or retail service charges which the applicant is seeking, must be separately identified, as well being clearly documented in the appropriate sections of the application.

Additional requests may be added by copying and pasting blank input rows, as needed.

If additional requests arise, or requested approvals are removed, during the processing of the application, the distributor should update this list.

Hydro Hawkesbury Inc. is seeking the following approvals in this application:

1		Approval to charge distribution rates effective January 1, 2018 to recover a service revenue requirement of $1,174,699 which includes a revenue deficiency of $180,736 as detailed in Exhibit 6. The schedule of proposed rates is set out in Exhibit 8.
		Approval of the Distribution System Plan as outlined in Exhibit 2 Section 2.5.2
		Approval of a revised Microfit monthly service charge as outlined in Exhibit 3 and 8.
		Approval to adjust the Retail Transmission Rates – Network and Connection as detailed in Exhibit 8.
		Approval of the proposed loss factors as detailed in Exhibit 8.
		Approval to continue to charge Wholesale Market and Rural Rate Protection Charges approved in the Board Decision and Order in the matter of HHI 2017 Distribution Rates (EB-2016-0079).

		Approval to continue the Specific Service Charges, Retail Service Charges, and Transformer Allowance approved in the Board Decision and Order in the matter of HHI's 2017 Distribution Rates (EB-2016-0079).
		Approval of the rate riders for a one year disposition of the Group 1 and Group 2 and Other Deferral and Variance Accounts as detailed in Exhibit 9.
		Approval to dispose of balances in the LRAM variance account as presented in Exhibit 9.
		Such other approvals that HHI may request and that the OEB accepts.

Appendix G Map of Service Area

Hydro Hawkesbury

LEGEND

- PADMOUNT TRANSFORMER
- OVERHEAD TRANSFORMER
- 3ø PADMOUNT TRANSFORMER
- 3ø OVERHEAD TRANSFORMERS
- HYDRO POLE
- UNDERGROUND CABLE
- 55F1 FEEDER - 3ø LINE
- 55F1 FEEDER - 1ø LINE
- 55F2 FEEDER - 3ø LINE
- 55F2 FEEDER - 1ø LINE
- 55F3 FEEDER - 3ø LINE
- 55F3 FEEDER - 1ø LINE
- 43F1 FEEDER - 3ø LINE
- 43F1 FEEDER - 1ø LINE
- 43F2 FEEDER - 3ø LINE
- 43F2 FEEDER - 1ø LINE
- 115kV LINE
- 44kV LINE
- FUSED CUTOUT
- SWITCH
- N.O. NORMALLY OPEN
- N.C. NORMALLY CLOSED
- OPEN POINT
- RECLOSER

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Revision	By	Appd.	yy.mm.dd

C ISSUED AS FINAL RECORD DRAWING	PD	PD	07.02.16
B RE-ISSUED FOR RECORD DRAWING	PD	PD	07.01.08
A ISSUED FOR RECORD DRAWING	PD	PD	06.12.21
Issued	By	Appd.	yy.mm.dd

File Name: 163300801e01_e02.dwg

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Permit/Seal

Client/Project

Hawkesbury Hydro
850 Tupper Street, Hawkesbury, Ontario

Primary Electrical Distribution System Review

Primary Electrical Distribution System Map

Project No. 1633-00801

Scale 1:3000

Drawing No. E-1

Sheet 1 of 1

Revision 0