

Centre Wellington Hydro Ltd.
EB-2017-0032
Exhibit 1
Response to OEB Staff, VECC & SEC Interrogatories

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Exhibit 1

1-Staff-1

Ref: Exhibit 1, Section 1.3.12

Preamble:

As per the Filing Requirements, applicants are to state the accounting standards used in historical, bridge, and test years. Applicants are also required to provide a summary of changes to accounting policies made by Centre Wellington Hydro since the last cost of service filing. However, Centre Wellington Hydro did not identify if whether or not there were any material changes related to the adoption of IFRS.

Centre Wellington Hydro also indicated in Exhibit 1, Section 1.3.12, that LDCs must have converted to IFRS by January 1, 2016.

Question(s):

- a) Please provide a summary of changes to accounting policies made by Centre Wellington Hydro since the last cost of service filing, if applicable.
- b) Please indicate whether or not there were any material changes related to the adoption of IFRS. Please also indicate how these changes were reflected in Centre Wellington Hydro's current cost of service application.
- c) Please indicate whether changes upon conversion to IFRS should be identified and included in Appendix 2-Y. If this is the case, please update Appendix 2-Y.
- d) Please confirm that Exhibit 1, Section 1.3.12, should state that LDCs must have converted to IFRS by January 1, 2015, and not January 1, 2016.

Response(s):

- a) CWH stated in Section 1.3.9 on page 14 of Exhibit 1 of their CoS application "There have been no changes in methodologies since the previous Cost of Service, other than adopting MIFRS as directed by the board as at January 1, 2015."
- b) There are no material changes related to CWH's adoption of IFRS.

- c) No changes are required; therefore Appendix 2-Y – “Summary of Impacts to Revenue Requirement from Transition to MIFRS” has not been updated from the original submission showing “no change”.
- d) CWH confirms January 1, 2015 is the correct date.

1-Staff-2

Ref: Exhibit 1, page 57 & 58

Preamble:

The Filing Requirements indicate that applicants must provide a 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. OEB staff notes that Centre Wellington Hydro did not include the "value of those proposals to customers i.e. costs, benefits, and the impact on rates." On Exhibit 1, page 57 & 58, Centre Wellington Hydro outlined that it held the following customer engagement activities for its customers:

1. Centre Wellington Hydro Residential and Small Commercial Customer Open House October 2016

The LDC "held a residential and small commercial customer open house in Oct 2016 at its Gartshore Street administration and service centre. The purpose of this event was to invite customers to our work centre for them to see firsthand our operations both in the office and shop and to interact first hand with employees and to present them with information in regards to our upcoming Cost of Service application."

2. Centre Wellington Hydro Focus Group April 2017

The LDC planned to hold a Focus Group in April 2017 for all customers "to specifically discuss future capital and maintenance plans and how they would have an effect on rates." Centre Wellington Hydro stated that "there was only one residential customer who inquired about the Focus group and due to the lack of customer interest the meeting was cancelled."

3. Centre Wellington Hydro Commercial and Industrial meeting February 2017

The LDC "held a Commercial and Industrial customer meeting for all GS>50 class customers on Feb 22, 2017 with the focus being on presenting CWH's current rate application process and associated rate impacts." Centre Wellington stated that there was a "very good turnout with 18 customers present representing 13 companies of the 50 customers in this class, or 26% representation. Similar to the residential small commercial open house, customers were given an overview of CWH's operations and supplied information on CWH's performance, reliability statistics, rates, priorities and planning through the DSP and were given a chance to ask questions and give us feedback."

Question(s):

- a) Please provide a more extensive explanation of the value that was provided to customers of the proposals that were being considered for inclusion in this 2018 cost of service application. i.e. costs, benefits, and the impact on rates.
- b) Please specifically state how customers' feedback informed and were incorporated into the main drivers included in Centre Wellington Hydro's 2018 cost of service application.

Response(s):

- a) The specific cost that was provided to customers in regards to the 2018 Cost of Service Application at customer consultation meetings included detailing to our customers our projected annual OM&A spending compared with our historic OM&A, as well as doing the same with historic and future Capital projections. An explanation was then provided to customers as to the percentage breakout of their rates going towards Capital, OM&A and General Admin and Billing, with examples for each. The detailed budgets (and cost of service application) including all spending and listed projects and programs were available for customer review and comment on CWH's and the OEB's website and hard copies were available at CWH's customer service desk. The specific benefits of value detailed to our customers from the presented costs is to maintain the same high standards of reliability with excellent outage and duration of outage statistics into the future which are a direct result of prudently managing Asset Replacement and Operations and Maintenance programs funded through rates. CWH's expectations demonstrated to our customers include providing the same high level of customer service and satisfaction that customers currently enjoy as well as improving the customer experience by providing outage information and the ability for customers to report problems on our interactive website. CWH's goal as presented at customers consultations is to minimize rate impacts while offering the benefits mentioned.

Further to the above noted explanations the presentations to residential customers and commercial industrial customers can be found in Exhibit 1, Appendix C, and Appendix E, respectively.

- b) CWH used feedback from the 2014 customer satisfaction survey to assess our customers' satisfaction level as well as to determine what their priorities are. Highlights of the feedback were included in the residential customer open house presentation in Exhibit 1, Appendix C, and the full survey can be found in Exhibit 1, Appendix A. Customer satisfaction scores indicate that our customers understand CWH is customer focused and strives for operational effectiveness, and want that to continue. Priority Investments were gathered with examples of CWH's actions towards coinciding customer priorities as seen below:

CUSTOMER PRIORITY INVESTMENTS

From Survey



- ❖ Customer priorities in black
 - ❖ CWH actions towards coinciding customer priorities
1. MAINTAIN AND UPGRADE EQUIPMENT
 - ❖ CWH uses 64% of rates for maintaining and upgrading the Distribution System
 2. REDUCE TIME NEEDED TO RESTORE POWER
 - ❖ CWH installed automated equipment in all Stations to reduce outage times
 3. EDUCATION ABOUT ENERGY CONSERVATION
 - ❖ CWH one of only six Utilities (of >70) to meet provincial conservation targets thanks to customers involvement
 4. INVEST IN THE ELECTRIC GRID TO REDUCE NUMBER OF OUTAGES
 - ❖ CWH invested \$10M from 2012 to 2016 to rebuild six Stations to reduce outages
 5. INVEST IN TREE TRIMMING
 - ❖ CWH has a proactive two year tree trimming cycle and uses outside contractors during high growth years, when required.
 6. BURYING OVERHEAD WIRES
 - ❖ CWH works closely with the Municipality and other utilities to rebuild infrastructure in a joint effort to reduce costs and go underground if viable.

Redhead Media attended the Open House held for Residential Customers as well as the Commercial and Industrial customer meeting and supplied reports on both events. Included in their report was the results of the Questionnaire completed by customers at the events found in Exhibit 1, Appendix D, (residential/small commercial) and Appendix F, (commercial industrial). As per one of the questions seen below, our customers agree with CWH’s approach to managing costs and priorities in the coming years and are in line with their expectations.

Q4 Do you agree with CWH's goal of managing costs and priorities of CWH in the coming years and are they in line with your expectations?

Agree	13	72.22%
Somewhat agree	5	27.78%
Neither agree nor disagree	0	0.00%
Somewhat disagree	0	0.00%
Disagree	0	0.00%
Total	18	

This direct customer feedback gathered immediately after informing customers of our planning through the DSP and costs of capital expenditures and OM&A forecasts is built in to CWH’s planning and in turn the rate impacts as seen in the cost of service application.

1-Staff-3

Ref: Exhibit 1, page 68

Preamble:

As per Exhibit 1, page 68, Centre Wellington Hydro stated “in working with the Business Plan development, CWH looked at the PEG report and was able to identify that CWH is showing a movement towards being in Group 2 over the next two to three years.”

Question(s):

- a) Please state what actions Centre Wellington Hydro is taking to move towards Group 2.
- b) Please outline what are the costs and benefits for customers for Centre Wellington Hydro if the LDC moves to Group 2.

Response(s):

- a) Section 5.3 of the business plan summarizes well the philosophy the utility employs to achieve the most cost-efficient results possible. The Business Plan states: “CWH continually reviews its business and operational goals against; its workforce needs, its financial strength and the impact on its customers. CWH recognizes the importance and value of maintaining a skilled and engaged workforce, where all employees are customer focused and enjoy working for the utility. CWH analyzes its operation budget on a regular basis to ensure that it operates as closely to the budget amounts as possible and are aware if jobs are over or under budget and attempts to mitigate any overages. Operational planning focuses on balancing cost effective spending with practical operational requirements and finding efficiencies when possible”.
- b) Theoretically, by moving to group 2 would translate into lower costs and rates for CWH's customer. However, CWH cannot quantify hypothetical cost savings and benefits without knowing what lies ahead in terms of future regulatory requirements. Since its last Cost of Service, the OEB mandated special studies (DSP), safety surveys, customer satisfaction surveys and customer engagement activities all of which led to an unexpected increase in costs and rates.

CWH will nonetheless, continue to monitor and reviews the PEG results and compares these with year over year changes in its revenues and costs to determine the impact of these changes on the results.

Key factors 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. CWH considers that rigorous planning will create the conditions for CWH to continue its cost-efficient performance.

CWH's planning, prioritization and investment processes follow good utility practices that are executed through the DSP. Good utility practices have inherent cost savings through sound decision making, thoughtful compromises, right timing and optimum expenditure levels.

1-Staff-4

Reponses to Letters of Comment

Preamble:

At the Community meeting on September 21, 2017, consumers provided comments regarding Centre Wellington Hydro's application.

Following publication of the Notice of Application, the OEB received five letters of comment. Sections 2.1.6 of the Filing Requirements state that distributors will be expected to file with the OEB their response to the matters raised within any letters of comment sent to the OEB related to the distributor's application. If the applicant has not received a copy of the letters or comments received at the community meetings, they may be accessed from the public record for this proceeding.

Question(s):

- a) Please file a response to the matters raised in the letters of comment referenced above. Going forward, please ensure that responses to any matters raised in subsequent comments or letter are filed in this proceeding. All responses must be filed before the argument (submission) phase of this proceeding.

Response(s):

- a) CWH has responded to the matters raised in the letters of comment referenced above.

1-Staff-5

Ref: Exhibit 1 page 57 & 58

Exhibit 4, Table 10: Appendix 2-L Recoverable OM&A Cost per Customer and per FTE

Impacts of Benchmarking Results

Preamble:

On Exhibit 1, page 57 & 58, Centre Wellington Hydro outlined that it held customer engagement activities for its customers.

As per Exhibit 4, Table 10, Centre Wellington Hydro shows that its OM&A expense per customer has increased by 15.4% from 2013 OEB approved (\$240) to 2018 Test Year (\$277).

Question(s):

- a) If available, please provide the analysis that was performed to assess whether Centre Wellington Hydro's planning decisions reflect best practices of Ontario distributors.
- b) Please identify any initiatives considered and/or undertaken by Centre Wellington Hydro, including any analysis conducted, to optimize plans and activities from a cost perspective, for example, balancing cost levels of OM&A versus capital.

Response(s):

- a) Centre Wellington Hydro does not have analysis to assess whether planning decisions reflect best practices of Ontario distributors. CWH had a detailed condition assessment of all distribution stations by a 3rd party Engineering firm in 2011. CWH also initiated an asset management plan that was started in 2012 that included at that time a condition assessment of all fixed assets and included capital investment estimates by a separate 3rd party Engineering firm. This has evolved to the current Distribution System Plan and again a condition assessment of all assets to re-assess current day conditions was performed. Key elements of DS planning that affect rates can be found in the DSP in section 5.2.1. These plans are incorporated in to CWH's decision making process that is explained in response to 1-SEC-4 that provides a step-by-step explanation of CWH's planning process. Both 3rd party engineering firms CWH has worked with are reputable companies that are retained by numerous distribution companies in the province and are experts in distribution system planning.

- b) In preparing the 2017 and 2018 budgets, CWH took the total labour hours that were available for the line crew and Manager of Operations and split the hours between OM&A and Capital based on past history required to complete the various responsibilities to ensure both the public and crew safety and reliability of service are maintained.

After determining the base hours for the capital projects, CWH then used those hours to determine the amount of time that could be spent on capital projects and scheduled the projects according for the next five years.

All expenditures that have a useful life of more than 1 year are capitalized and therefore removed from OM&A expenses.

The average increase of OM&A per customer of 15.4% over 5 years, or 3.08% per year, is the result of CWH being in a low growth service area (2.9% over the 5 years) while costs continue to rise above the average inflation rate of 1.9% for the electricity industry. As detailed in Exhibit 4, while explaining cost driver, CWH has been able to find savings in some areas which helps to offset the increase in cost in other areas. For example, CWH has not been able to control the increases in the cost in some cases where 3rd party vendors are used, such as the increases in the Elster annual increases of 4% annually, increases in wholesale settlement costs being charged to meter reading due to the reduction in customer signing up with Retailers, increases insurance premiums, the cost of property taxes going up 2% in 2017, increase in 3rd party charges related to regulatory costs, increase in meter expenses because of increase in meters failing while in service. Where possible CWH has been able to realize savings in certain areas, while not huge, they help to offset other increases. CWH has included in the budget the reduction in postage due to customers signing up for e-billing only, the reduction in 5017-OH Distribution Lines & Feeders-operation supplies and expenses decrease by \$5K in 2016 for pole inspections and testing because local supplier became available in Ontario. This savings has been carried forward in the budget. Increases and decreases in expenses year over year were explained in the Cost Driver section 4.2.1 of Exhibit 4.

1-Staff-6

Ref: Exhibit 1, Page 16-17

Exhibit 1, Appendix I, 2015 Audited Financial Statements, Note 21

Preamble:

With regards to pensions and OPEB

Question(s):

- a) On page 16, Centre Wellington Hydro indicates that no entries are posted to Account 5645 OMERS Pension and Benefits as this situation does not apply to Centre Wellington Hydro. However, on page 17, it's indicated that Centre Wellington Hydro's employees are members of OMERS. Please explain where the costs relating to OMERS are recorded since it is not recorded in Account 5645.
- b) On page 16, it states Centre Wellington Hydro was not required to make changes to employee future benefits for 2015 and subsequent years under MIFRS. In note 21e of the financial statements, it states "This revised standard requires recognition of actuarial gains and losses through other comprehensive income...decreased post-employment benefits by \$9,205 for the year ended and as at December 31, 2014". The change discussed in the audited financial statements conflict with Centre Wellington Hydro's statement on page 16. Please clarify if the change to OPEBs as per the financial statements has been reflected in the rate application.

Response(s):

- a) According to the USoA account 5645 – OMERS Pensions and Benefits account "shall include pensions paid to or on behalf of retired employees, or accruals to provide for pensions, or payments for the purchase of annuities for this purpose, which the pension funds are irrevocable devoted to pension purposes".

The employers OMERS premiums are incurred while the employee is working for the LDC and OMERS contributions stops when the employee retires or leaves the company. CWH has always allocated the OMERS expense to the various USoA accounts where the employee spends their time and therefore included OMERS premiums as part of the expense of that department. For example, the USoA account 5305-Supervision says "this account shall include the cost of labour and expenses incurred". CWH has always considered the OMERS expense as part of the payroll/compensation package and the expense therefore would follow the labour expense allocated to each account.

- b) In this question the OEB stated that CWH said that “CWH was not required to make changes to employee future benefits for 2015 and subsequent years under MIFRS”, whereas we actually stated that “no entries are posted to USoA 5645-OMERS pensions and benefits as this situation does not apply to CWH.” Once an employee retires or leaves the employment of CWH, CWH does not contribute to OMERS on the retired employees’ behalf.

CWH went on to say that “CWH uses USoA 5646-Employee Pensions and OPEB to record actual cost of the life insurance premium paid for retired employees”. Account 5646-Sub-account is also used to record any actuarial changes as required by the actuarial firm or the KPMG during year end audit process.

1-Staff-7

Ref: Exhibit 1, Appendix N, RRR Mapped to Audited Financial Statements 2016 Preamble:

In the reconciliation, there are differences in both the sale of energy and cost of power between the amounts reported in RRR and the amounts shown in the audited financial statements.

	RRR 2.1.7	Audited Financial Statements	Differenc e	Explanation
Sale of Energy	(19,179,0 13)	(19,345,395)	166,381	Gross up of customer billing to be recorded in sale of electricity – to remove variances for regulatory adjustments
Cost of Power	19,179,01 3	19,397,385	(281.371)	To record cost of power based on actual invoice not adjusted for regulatory variance

Question(s):

- For regulatory accounting purposes, the higher of revenues and cost of power is reduced. Please clarify how this difference between external financial accounting and regulatory accounting has been factored in the above reconciliation.
- Please explain why the cost of power is not based on actual invoiced.
- Please explain what is meant by “gross up of customer billings”.

Response(s):

- The difference between external financial accounting (IFRS) and regulatory accounting has been factored in the above reconciliation. The Sale of Energy and Cost of Power on the audited financials are reported on the gross amounts prior to transferring the higher amount to the variance accounts. The audited statements show the variance as part of the “net movement of regulatory balance, net of tax” line on the Statement of Comprehensive Income.
- The actual invoiced amounts for cost of power are recorded on the Statement of Comprehensive Income, the adjustment for the higher amount which is recorded to the

variance accounts and this amount is shown in the “net movements of regulatory balances, net of tax.”

c) “Gross up of customer billings” is an adjustment the auditors make on CWH's financial statements, Statement of Comprehensive Income. It is an adjustment to present revenue/cost of power in accordance with IFRS, and report any differences through net movement in regulatory balances.

1.0-VECC-1

Reference: Exhibit 1/Section 1.7.2

- a) Is the 2014 Utility Pulse the most recent customer survey completed by CWHI?
- b) Please provide the cost of that study.
- c) Please clarify the subject of the Utility Pulse survey. Was it of CWHI or of all the CHEC member utilities?

Response(s):

- a) No, a customer satisfaction survey was completed in Q1 of 2017 and the final report was provided to CWH in April, 2017. A copy of the 2017 Customer satisfaction survey was included in the cost of service application in Exhibit 1, Appendix B.
- b) The cost of the Utility Pulse study in 2014 was \$3,919. However, as it was a joint survey with other CHEC members the cost is considerably lower than if CWH had of done a standalone survey.
- c)The Utility pulse survey was performed for all CHEC members.

1.0-VECC-2

Reference: Exhibit 1/Section 1.9

- a) Please provide the 2016 CWHI scorecard.

Response(s):

- a) CWH's 2016 Scorecard is attached as Appendix A.

1-SEC-1

[Ex.1] Please provide a copy of all documents provided to the Applicant's Board of Directors for the purposes of approving the application and the underlying budget.

Response(s):

The following documents were provided to the CWH Board of Directors in advance of the filing of the application:

- i) 2017 Capital Budget dated November 30, 2016 (attached as Appendix B to this response);
- ii) 2017 OMA Budget date November 30, 2016 (attached as Appendix C to this response) Please note that the column including 2016 was not the yearend actual figures, only the year to date figures as when the spreadsheet was completed;
- iii) Draft 2018 Summary OM&A Budget (Attached as Appendix D to this response);
- iv) Capital Investment by Category 2017 to 2022 (Attached as Appendix E to this response);
- v) 2018 Bill Impacts (Exhibit 8, Table 18, page 38)
- vi) CWH's Distribution System Plan dated October 2016 (Exhibit 2, Appendix B);
- vii) CWH's Audited Financial Statements for year ended December 31, 2016 (Exhibit 1, Appendix J);
- viii) CWH 2017 Business Plan (Exhibit 1, page 7).

Please note that of these documents only the 2017 Capital Budget dated November 30, 2016 and the 2017 OMA Budget dated November 30, 2016 were specifically approved by the CWH Board of Directors. Following the issuance of an Ontario Energy Board Decision approving rates for CWH for the 2018 rate year, CWH anticipates approval from its Board of Directors with respect to a 2018 Capital Budget and a 2018 OM&A Budget.

1-SEC-2

[Ex.1] Please provide copies of all benchmarking studies, reports, and analysis that the Applicant has undertaken or participated in since 2014, and are not already included in the application.

Response(s):

CWH has not undertaken any benchmarking studies, reports, or analysis that is not included in the application.

1-SEC-3

[Ex.1] Please provide a list of measurable outcomes that ratepayers can expect the Applicant to achieve during the test year. Please explain how those outcomes are incremental and commensurate with the rate increase the Applicant is seeking in this application.

Response(s):

A list of measurable outcomes that ratepayers can expect the Applicant to achieve during the test year and how the outcomes are incremental are listed below:

1. CDM programs; CWH is continuing to collaborate with other CHEC members with a group plan to offer all available CDM programs to customers.
2. Capital projects; There are 8 system renewable capital projects scheduled for completion in 2017 that will replace aging and at risk field equipment that will ensure current reliability measures continue.
3. Customer experience; Improve customer experience and service by upgrade Customer Connect (CWH's web portal, giving customers access to their electricity usage, costs, electronic bill preview etc.,) and making the product more consumer friendly.
4. Customer engagement; implement a Customer Communications Plan through collaboration with CHEC to reach out to customers on their preferred platforms.
5. Annual Scorecard; provides and displays measurable outcomes that CWH achieves.
6. Customer Satisfaction; Customer satisfaction Survey providing statistically valid feedback. Customers' judge CWH's reliability as over 90% satisfied, indicating they approve of CWH performance in Operational efficiency.
7. Tree trimming cost have increased over the approved 2013 CoS application, however the increased funds spent of tree trimming has resulted in the customers having fewer outages during severe weather conditions because of fewer limbs coming down on the hydro lines.
8. CWH has increased the annual maintenance on the pad mount transformers in order to achieve the approved useful life of the transformers. CWH has found that the pad mount transformers are rusting out faster than anticipated because of the salt / chemicals being used by the road department to counter icy road conditions.
9. Executive, financial, legal, professional and insurance program includes the costs such as legal and administrative costs incurred annually as part of the utility's business operations. The cost includes general accounting and audit costs, it

also covers the preparation of statutory, management and financial reporting, accounts payable and general accounting, treasury functions including borrowing and cash management, financial risk management, accounting systems and internal control processes; preparation of consolidated budgets and forecasts and tax compliance. The executive team is responsible for the decision making of all financial and non-financial aspects of the utility. The cost of outside services such as legal, auditors, corporate tax filings, and miscellaneous consultants, property, credit and liability insurance.

10. Customer service, mailing costs, billing and collections has seen an increase in cost, but CWH is working on an upgrade of the Customer Connect module and electronic filing to provide customers with a more user-friendly product and to enable staff to access customer information in a more efficient manner. CWH is integrating the electronic files to customer contracts and other correspondence with the CIS system so staff can better service the customer. CSR's are also spending more time with the customer providing them with information on e-billing, accessing information directly, OESP credits, the Affordability Fund Trust and assisting them in ways to keep their bills current.
11. The community and civic co-ordination program is to focus customer service activities. Some of the outcomes is to provide the customer with the opportunity to express their concerns through the ongoing surveys where in one year a customer survey is done and the next year the ESA survey is completed so that we have an understanding of the customers knowledge of safety concerns. We also provide direct energy conservation and safety education to elementary school children and provide community assistance in putting up Christmas decorations, hanging flowers and flags for the betterment of the community.
12. CWH in the program titled 'Bad Debt Expenses', CWH goal is to keep this at a minimum by encouraging customers to pay their bills on time, provide information on various assistance programs, and offering payment arrangements. However, during the last "no disconnection ban" some of the customers bills exceeded the amount they could pay once the ban was lifted and they moved out without paying the arrears amount. Through friendly arrears notice letters CWH hopes to keep the write-offs within a reasonable limit.
13. Our regulatory program includes all internal and external cost related to regulatory and compliance aspect of the organization. This includes the annual completion of cost of service or IRM rate applications, RRR reporting and staying on top of new regulatory guidelines. It includes 3rd party cost related to assisting with the various reporting requirements, OEB annual assessment and cost awards.

1-SEC-4

[Ex.1, p.35] Please provide a step-by-step explanation of the Applicant's capital planning process.

Response(s):

CWH's capital budget is prepared by the management team including the Vice President of Finance, Manager of Finance/Regulatory, Manager of Operations and President. The capital budget is approved by the Board of Directors.

The team considers high level strategic issues impacting CWH from all stakeholder positions including customers (residential, commercial to industry), community, the shareholder, regulatory, and government.

The Manager of Operations informs the team of meetings of regional planning projections such as the municipalities 10-year plan and local Utilities forum (facilitated by the municipality quarterly) updates, as well as the Kitchener-Waterloo-Cambridge-Guelph Regional infrastructure plan considerations. The discussions involve capital, OM&A, and staffing requirements.

The Manager of Operations prepares a document for each possible Capital Job. Information on these sheets includes the jobs project drivers, investment category, need, scope, budget information. For 2018 these have been included in CWH's DSP and can be seen in Exhibit 2, Appendix B, and Section 4.2.1 under the 2018 Capital Jobs over Materiality Threshold, starting on page 87.

The Distribution System Plan is a living document and CWH plans to update it annually and review closely with a third party Engineering firm including planning policies.

The capital budget is developed, based on the priority needs as established in the DSP and balanced with cost projections and affordability.

Current year forecasts, prior year actuals, and next year's budgets are analysed. Variances between the current year forecast and current year budget, and between the current year forecast and prior year actual results are discussed and considered during the preparation of the budget. The OM&A and Capital budgets are reviewed side by side to ensure labour requirements are realistic for staff levels and to ensure that padding is not included in the budget related to over accounting for staff time. Payroll and vehicle burden rates and changes are reviewed and corrected if necessary.

Management finalizes the budget, with particular attention to any large deviation from previous years, newly mandated costs, inflation and other factors.

The DSP, Capital and Operating Budgets are presented to the Board of Directors for their review and discussion.

Changes are made if instructed by the Board and a resolution to accept the budgets is passed by the CWH Board of Directors.

1-SEC-5

Does the Applicant have a corporate scorecard? If so, please provide copies of each of the 2014 to 2017 versions. If not, please explain what metrics the management and Board of Directors use to measure and monitor the Applicant's activities.

Response(s):

CWH does not have a corporate scorecard and uses the below list of measurable indices to monitor activities and utility performance:

- OEB scorecard
- Customer satisfaction surveys
- ESA safety survey
- Customer event feedback, both face to face and formal 3rd party report.
- Audited Financials and regular financial updates provided at Board meetings
- PEG report
- 2018 Benchmarking forecast model as submitted with the COS application
- OEB Yearbook

1-SEC-6

[Ex.1, p.62] Please explain what activities or investments the Applicant is undertaking, or not undertaking, based on its customer engagement activities.

Response(s):

CWH presented to customers an overview of distribution rate setting and explained what their distribution rates pay for in regards to Capital and OM&A deliverables. Reliability and service quality scores were presented and CWH's plan to continue with the current high performance as seen through the scorecard. Customer priorities as reported on through the 2014 satisfaction survey were discussed and how they align with CWH's planned priorities with examples of Capital and OM&A spending. After presenting customers with this information a survey was completed by a 3rd party media consultant for both residential and commercial industrial customers and the results positively re-enforce and indicate to CWH that our customers agree with all the activities and investment we are undertaking to complete.

A copy of the residential and commercial industrial survey completed at the time of the customer engagement events can be found in the Cost of Service Application in Exhibit 1, Appendix D, titled "Fall 2016 Open House Redhead Media Report" and Exhibit 1, Appendix F, titled "C&I Redhead Media Report"

A new activity CWH is undertaking, based on customer engagement as found in the 2017 customer satisfaction survey, is a Customer Communication Plan. In reviewing the 2017 customer satisfaction survey customers are relatively satisfied with the communications they receive from CWH at 72% satisfaction for residential and 86% for C&I customers. However, when asked how familiar they are with CWH the satisfaction is lower at 65% (residential) and 74% (C&I). Further to this, customers are not familiar with the percentages of their electricity bill that goes to CWH. Through CHEC collaboration, by means of a Communications working group committee, a "Customer Communications Plan" Resource Document has been developed in an effort to meet customers increased expectations and changing communications forums they use.

- CWH's 2017 customer satisfaction survey can be found in the cost of service application, Exhibit 1, Appendix B
- CHEC's Customer Communications Plan Resource Document can be found as Appendix F to these responses.

Exhibit 1

Appendix A

Scorecard - Centre Wellington Hydro Ltd.

9/20/2017

Performance Outcomes	Performance Categories	Measures	2012	2013	2014	2015	2016	Trend	Target		
									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%	96.60%	97.90%	99.30%		90.00%		
		Scheduled Appointments Met On Time	97.60%	99.40%	91.70%	97.60%	98.90%		90.00%		
		Telephone Calls Answered On Time	99.80%	99.90%	99.70%	99.60%	99.30%		65.00%		
	Customer Satisfaction	First Contact Resolution				0.5%	.003				
		Billing Accuracy			99.99%	99.98%	99.99%		98.00%		
		Customer Satisfaction Survey Results			A	A	77.3				
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				84.10%	84.10%				
		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	0.26	2.87	0.02	0.14	0.10			0.89	
		Average Number of Times that Power to a Customer is Interrupted ²	0.74	0.89	0.08	0.06	0.11			0.66	
	Asset Management	Distribution System Plan Implementation Progress			80	89	86.36				
	Cost Control	Efficiency Assessment	3	3	3	3	3				
		Total Cost per Customer ³	\$599	\$614	\$617	\$654	\$677				
		Total Cost per Km of Line ³	\$26,707	\$27,271	\$27,509	\$29,247	\$30,086				
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				18.11%	37.11%			8.73 GWh	
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time	100.00%	100.00%		100.00%					
		New Micro-embedded Generation Facilities Connected On Time		100.00%	100.00%	100.00%	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)	2.14	2.08	1.70	2.26	1.76				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.74	0.89	0.98	1.16	1.16				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)	8.01%	8.98%	8.98%	8.98%	8.98%			
			Achieved	2.99%	10.40%	10.96%	8.13%	4.01%			

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.

Legend:

5-year trend up down flat

Current year target met target not met

2016 Scorecard Management Discussion and Analysis (“2016 Scorecard MD&A”)

The link below provides a document titled “Scorecard - Performance Measure Descriptions” that has the technical definition, plain language description and how the measure may be compared for each of the Scorecard’s measures in the 2016 Scorecard MD&A:

[http://www.ontarioenergyboard.ca/OEB/ Documents/scorecard/Scorecard Performance Measure Descriptions.pdf](http://www.ontarioenergyboard.ca/OEB/Documents/scorecard/Scorecard_Performance_Measure_Descriptions.pdf)

Scorecard MD&A - General Overview

Year over year, including 2016, Centre Wellington Hydro (CWH) has exceeded every Ontario Energy Board (OEB) Industry target on its scorecard. The continued high performance as indicated in the scores are attributed to CWH employees commitment to its customers’ expectations of service, reliability, and professionally managed grid assets while maintaining cost effectiveness. Meeting our customers’ expectations and OEB benchmarking performance measures are also a result of our good corporate governance, which substantiates CWH’s capability to succeed and perform at high standards within the industry.

Service Quality

- **New Residential/Small Business Services Connected on Time**

In 2016, CWH connected 151 low-voltage (connections under 750 volts) residential and small business customers. This represents an increase of 221% in the number of connections over 2015. CWH considers “New Services Connected on Time” as an important form of customer engagement as it is the utilities first opportunity to meet and/or exceed its customer’s expectations, which in turn affects the level of customer satisfaction within a utility’s territory. Consistent with prior years, CWH connected 99.3% of these customers on time, which exceeds the Ontario Energy Board’s mandated target of 90% for this measure. CWH expects this trend to continue into the foreseeable future.

- **Scheduled Appointments Met On Time**

In 2016, CWH scheduled 283 appointments to meet to connect services, disconnect services, or otherwise complete work requested by its customers. This represents a 33% increase in the number of appointments over 2015. CWH considers “Scheduled Appointments Met” as an important form of customer engagement as customer presence is required for all types of appointments. Consistent with prior years, CWH met 98.9% of these appointments on time, which exceeds the Ontario Energy Board’s mandated target of 90% for this measure.

- **Telephone Calls Answered On Time**

In 2016, CWH received 6,938 calls from its customers. This represents a decrease of 27% in the number of calls over 2015. The decrease in call volume is attributed to increased customer engagement through emails, our website and online account access to account balances, time of use and conservation tips. CWH considers “Telephone Calls” to be an important communication tool for identifying and responding to its customers’ needs and preferences. Consistent with prior years, a customer service representative answered 99.30% of these calls in 30 seconds or less, which significantly exceeds the Ontario Energy Board mandated target of 65% for this measure.

Customer Satisfaction

- **First Contact Resolution**

CWH defines “First Contact Resolution” as the number of customer enquires that are not resolved by the first contact at the utility, resulting in the enquiry being escalated to an alternate contact at the utility, typically a supervisor or a manager. This includes all customer enquires that are made to a customer service representative whether by telephone, letter, e-mail, or in person.

Customer Service Representatives log calls, walk-ins, letters, and emails. If they are unable to address the concern on the initial contact and must forward, they mark the call as “unresolved first contact” in order to be tracked as it is passed on to someone else within the organization. Of the 6,938 calls received, 24 were tagged as “unresolved first contact.” This gave us a 0.003 % measure for First Contact resolution.

- **Billing Accuracy**

Billing Accuracy is a newer scorecard measure introduced by the Ontario Energy Board late in 2014. It is defined as the number of accurate bills issued expressed as a percentage of total bills issued.

CWH considers timely and accurate billing to be an essential component of customer satisfaction. CWH has checks and measures in place to monitor the accuracy of the bills. We produced a total of 81,576 bills in 2016 and had a total of 7 inaccurate bills for the year. This gave us a Billing Accuracy Measure of 99.99%.

- **Customer Satisfaction Survey Results**

In 2017, CWH used Redhead Media Solutions Inc. to perform a customer satisfaction survey. This statistical survey gathered customers’ responses to a number of key areas including power quality and reliability, price, billing and payments, communications, and the overall customer service experience. This survey is a useful tool for engaging the customer and to receive a better understanding of their wants and needs with respect to the provision of electricity services and for identifying areas that may require improvement. CWH’s overall satisfaction score as seen on the scorecard is 77.3%; given the hyper-sensitive political climate taking place at the time of the survey (1st quarter 2017) attributing to negativity in the industry, CWH feels the survey results indicate an overall positive customer response.

Safety

- **Public Safety**

Public Safety is a scorecard measure introduced in 2014 by the Ontario Energy Board. The Public Safety measure is generated by the Electrical Safety Authority and is comprised of three components: Public Awareness of Electrical Safety, Compliance with Ontario Regulation 22/04, and the Serious Electrical Incident Index. A breakdown of the three components is as follows:

- **Component A – Public Awareness of Electrical Safety**

Component A consists of a survey that gauges the public's awareness of key electrical safety concepts related to electrical distribution equipment found in a utility's territory. The survey also provides a benchmark of the levels of awareness including identifying gaps where additional education and awareness efforts may be required. This is the second year for the public awareness survey and CWH's score was 84.1%.

- **Component B – Compliance with Ontario Regulation 22/04**

Component B consists of a utility's compliance with Ontario Regulation 22/04 - Electrical Distribution Safety. Ontario Regulation 22/04 establishes the safety requirements for the design, construction, and maintenance of electrical distribution systems, particularly in relation to the approvals and inspections required prior to putting electrical equipment into service. Through our strong commitment to safety, CWH was found to be compliant with Ontario Regulation 22/04 (Electrical Distribution Safety) over the past three years.

- **Component C – Serious Electrical Incident Index**

Component C consists of the number of serious electrical incidents, including fatalities, which occur within a utility's territory. In 2016, CWH had zero fatalities and no (0) serious incidents within its territory; which translates to a rate of 0 incidents per 1,000 km of line for 2016.

System Reliability

- **Average Number of Hours that Power to a Customer is Interrupted**

The average number of hours that power to a customer is interrupted is a measure of system reliability or the ability of a system to perform its required function. CWH views reliability of electrical service as a high priority for its customers and constantly monitors its system for signs of reliability degradation. CWH regularly maintains its distribution system to ensure its level of reliability is maintained. For 2016, CWH's average number of hours that power to a customer was interrupted was 0.10, which is well within the range over the five-year period between 2012 and 2016. CWH attributes the low trend in outage duration to customers year over year to proactive capital and maintenance system planning and no major weather/storm events causing outages in 2016.

- **Average Number of Times that Power to a Customer is Interrupted**

The average number of times that power to a customer is interrupted is another measure of system reliability and is also a high priority for CWH. As outlined above, the Ontario Energy Board typically requires a utility to keep this measure within the range of its historical performance and outside factors can greatly impact this measure. CWH experienced interrupted power 0.11 times during 2016, which is well below our target and as in the above measure this is attributed to the same proactive capital and maintenance system planning and no major weather/storm events causing outages in 2016.

Asset Management

- **Distribution System Plan Implementation Progress**

The Distribution System Plan implementation progress was instituted by the Ontario Energy Board beginning in 2013. The Distribution System Plan outline forecasted capital expenditures over five (5) years, which are required to maintain and expand the utility's electricity system to serve its current and future customers. The Distribution System Plan Implementation Progress measure is intended to assess CWH's effectiveness at planning and implementing these capital expenditures. Consistent with other new measures, utilities were given an opportunity to define this measure in the manner that best fits their organization. As a result, this measure may differ from other utilities in the Province.

In 2013, CWH filed an Asset Management Plan (AMP) with their Cost of Service. The AMP only covered capital jobs to the end of 2015. In the past CWH has compared the proposed jobs in the AMP to actual jobs completed to calculate this measure, however for 2016 there were no job projections included in the AMP. For 2016, CWH is using the capital jobs that were budgeted for and approved by CWH's Board of Directors. Based on this there were 22 capital jobs planned. In 2016, CWH completed 19 of those jobs. This calculates to an Asset Management rate of 86.36% (19/22).

Cost Control

- **Efficiency Assessment**

On an annual basis, each utility in Ontario is assigned an efficiency ranking based on its performance. To determine a ranking, electricity distributors are divided into five groups based on the magnitude of the difference between their actual costs and predicted costs. For 2016, CWH remained in Group 3 in terms of efficiency. Group 3 is considered average and is defined as having actual costs within +/- 10% of predicted costs.

- **Total Cost per Customer**

Total cost per customer is calculated as the sum of CWH's capital and operating costs, including certain adjustments to make the costs more comparable between utilities and dividing this cost figure by the total number of customers that CWH serves. Similar to most distributors in the province, CWH has experienced increases in its total costs required to deliver quality and reliable services to customers.

CWH's rate is \$677 per customer. Going forward, utility costs are expected to keep pace with economic fluctuations; however, CWH will continue to explore productivity and efficiency improvements to help offset costs associated with distribution system enhancements, while maintaining the reliability and quality of its distribution system.

- **Total Cost per Km of Line**

CWH's rate is \$30,086 per km of line. The total cost used is the same total cost mentioned in Total Cost per Customer above and is then divided by CWH's total kilometers of line within our service territory. CWH's growth rate for its territory is considered low and as a result, the cost per km of line is expected to slowly increase as capital and operating costs increase. As we progress into the future, CWH will continue to seek innovative solutions to help ensure cost/km of line remains competitive and within acceptable limits to our customers.

Conservation & Demand Management

- **Net Cumulative Energy Savings**

On the Conservation & Demand Management (CDM) portfolio a long history exists of CWH working in collaboration with Cornerstone Hydro Electric Concepts Association (CHEC) local distribution companies (LDCs). The CHEC LDCs recognized that working together would expedite program delivery and assist in maintaining cost effective delivery of programs. For the previous framework, 2011-14 CWH was one of only 6 LDCs that met both the kWh and kW targets. While the new framework targets are challenging CWH is continuing its efforts. In 2016, CWH reached 37% of the energy targets set for the Conservation First Framework (CFF) period from 2015 to 2020. This is an excellent start to the new framework and customer contact and interest in further involvement in the programs appear high.

CWH along with 6 other LDCs have filed a combined CDM Plan for the CFF. The CDM Plan development was a result of consultation with CHEC Members, review of historical performance and consideration of the IESO Achievable Potential Study.

CWH will offer a full range of provincial programs in the service territory and continue to work collaboratively both with CHEC and other LDCs in an effort to develop new programs at the LDC and/or regional level.

CWH has a close relationship with its customers, has been active in community events and networking opportunities within the community. These activities provide excellent vehicles to share program information, obtain input from the customers and tailor delivery methods to meet local needs.

Connection of Renewable Generation

- **Renewable Generation Connection Impact Assessments Completed on Time**

Electricity distributors are required to conduct Connection Impact Assessments (CIA's) on all renewable generation connections within 60 days of receiving authorization from the Electrical Safety Authority. CWH has developed and implemented an internal procedure to ensure compliance with this regulation.

In 2016, CWH had no CIA's requests.

- **New Micro-embedded Generation Facilities Connected On Time**

Micro-embedded generation facilities consist of solar, wind, or other clean energy projects of less than 10 kW that are typically installed by homeowners, farms or small businesses. In 2016, CWH connected 4 new micro-embedded generation facilities within its territory. All of these projects, 100%, were connected within the prescribed timeframe of five (5) business days, which significantly exceeds the Ontario Energy Board's mandated target of 90% for this measure. CWH's process for these projects are well documented and CWH works closely with its customers and their contractors to ensure the customer's needs are met and/or exceeded.

Financial Ratios

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

As an indicator of financial health, a current ratio indicates a company's ability to pay its short term debts and financial obligations. Typically, a current ratio between 1 and 1.5 is considered good. If the current ratio is below 1, then a company may have problems meeting its current financial obligations.

CWH's current ratio decreased from 2.26 in 2015 to 1.76 in 2016. CWH's current ratio is expected to remain financially healthy into the foreseeable future.

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

The debt to equity ratio is a financial ratio indicating the relative proportion of shareholders' equity and debt used to finance a company's assets. The Ontario Energy Board uses a capital structure of 60% debt and 40% equity (a debt to equity ratio of 60/40 or 1.5) when setting rates for an electricity utility. A high debt to equity ratio may indicate that an electricity distributor may have difficulty generating sufficient cash flows to make its debt payments, while a low debt-to-equity ratio may indicate that an electricity distributor is not taking advantage of the increased profits that may be had through increased financial debt.

In 2016, CWH's debt to equity ratio was unchanged from 2015 at 1.16, which is close to a 54/46 ratio, indicating CWH's financial stability is sound.

- **Profitability: Regulatory Return on Equity – Deemed (included in rates)**

Return on equity (ROE) measures the rate of return on shareholder equity. ROE demonstrates an organization's profitability or how well a company uses its investments to generate earnings growth. CWH's current distribution rates were approved by the Ontario Energy Board and include an expected (deemed) regulatory return on equity of 8.98%. The Ontario Energy Board allows a distributor to earn within +/- 3% of the expected return on equity. If a distributor performs outside of this range, it may trigger a regulatory review of the distributor's financial structure by the Ontario Energy Board.

Profitability: Regulatory Return on Equity – Achieved

CWH achieved a ROE of 4.01% in 2016, which is outside the 8.98% +/-3% range allowed by the Ontario Energy Board (see above paragraph). CWH acknowledges that they are now beneath the +/-3% range and has submitted a Cost of Service Application for new rates effective January 1, 2018 which should bring CWH back within the allowed range. CWH anticipates that the average ROE for 2017 may also fall outside of the +/-3% range.

Note to Readers of 2016 Scorecard MD&A

The information provided by distributors on their future performance (or what can be construed as forward-looking information) may be subject to a number of risks, uncertainties and other factors that may cause actual events, conditions or results to differ materially from historical results or those contemplated by the distributor regarding their future performance. Some of the factors that could cause such differences include legislative or regulatory developments, financial market conditions, general economic conditions and the weather. For these reasons, the information on future performance is intended to be management's best judgement on the reporting date of the performance scorecard, and could be markedly different in the future.

Exhibit 1

Appendix B



Centre Wellington Hydro Ltd.

2017 Capital

Budget

Presented for approval at the Board of Directors Meeting

November 30, 2016

Private and Confidential



Centre Wellington Hydro Ltd.

2017 Capital Budget

Table of Contents:

TAB:

1. Motion to approve the capital budget for 2017
2. Summary Capital Budget for 2017
3. Budget Review for 2017

T A B 1

Motion No. 16-047

Centre Wellington Hydro Ltd.

FERGUS, ONTARIO

DATE: November 30, 2016

Moved By:

Tom Fryer

Seconded By:

Kurt McElwan

That the Board of Directors has reviewed the 2017 Capital Budget and after the presentation and explanations by the President / Secretary, Vice President / Treasurer and Superintendent, the Board accepts the 2017 Capital Budget in the amount of \$1,377,600 as presented.

Also, the Board directs the President and Vice President / Treasurer to arrange a meeting with the Township's Chief Administrative Officer, Chief Financial Officer and Township solicitor for the purpose of receiving the 2017 Capital Budget as approved by the Centre Wellington Hydro Ltd. Board of Directors.

Carried:

Keith Royal

T A B 2

Confidential

Centre Wellington Hdyro Ltd
2017 Summary Capital Budget
With Budget Compared to Actuals from Previous Years

Account No.	Description	OEB Approved Budget 2013	Actual 2013	Budget 2014	Actual 2014	Budget 2015	Actuals 31-Dec-15	Budget 2016	Actuals 30-Sep-16	Budget 2017
1800	Total DISTRIBUTION ASSETS	1,828,800.00	2,614,220.91	2,192,300.00	2,337,570.42	1,362,600.00	1,298,731.25	1,823,900.00	1,526,050.11	797,000.00
1800	Distribution Plant - Cont	1,828,800.00	2,614,220.91	2,192,300.00	2,337,570.42	1,362,600.00	1,298,731.25	1,823,900.00	1,526,050.11	797,000.00
1805	LAND	-	-	-	-	-	-	-	-	-
1808	BUILDINGS & FIXTURES	-	-	110,000.00	-	-	-	-	-	-
1820	DIST STN EQUIP-PRIM<50kV	1,101,300.00	1,138,510.45	1,279,400.00	1,925,608.50	782,700.00	817,428.96	1,078,800.00	1,148,300.45	-
1825	STORAGE BATTERY EQUIPMENT	-	-	-	-	-	-	-	-	-
1830	POLES, TOWERS & FIXTURES	222,700.00	226,218.67	287,900.00	126,155.22	122,600.00	161,764.65	120,100.00	90,644.29	237,200.00
1835	OH CONDUCTORS & DEVICES	134,200.00	175,901.40	111,300.00	93,155.04	135,600.00	92,259.04	54,300.00	49,427.00	167,200.00
1840	UNDERGROUND CONDUIT	110,300.00	211,337.70	1,600.00	10,522.87	103,200.00	63,798.69	182,200.00	8,260.03	-
1845	UG CONDUCTORS & DEVICES	123,300.00	161,871.16	55,500.00	143,421.49	103,300.00	31,906.95	119,000.00	42,657.12	138,600.00
1850	LINE TRANSFORMERS	73,500.00	100,683.16	313,500.00	5,849.05	48,300.00	37,204.93	138,300.00	96,503.24	94,900.00
1855	SERVICES	45,100.00	99,205.07	21,500.00	25,929.32	56,900.00	81,411.78	106,400.00	68,876.64	27,500.00
1860	METERS	18,400.00	500,493.30	11,600.00	6,928.93	10,000.00	12,956.25	24,800.00	21,381.34	131,600.00
1600	Total INTANGIBLE ASSETS	54,000.00	-	91,700.00	30,965.57	102,900.00	68,020.28	19,000.00	-	-
1609	Capital Contributions Paid	-	-	30,000.00	4,602.50	-	-	-	-	-
1611	COMPUTER SOFTWARE	50,000.00	-	57,700.00	26,363.07	102,900.00	68,020.28	19,000.00	-	-
1612	LAND RIGHTS	4,000.00	-	4,000.00	-	-	-	-	-	-
1900	Total GENERAL ASSETS	(6,400.00)	(28,332.38)	62,500.00	28,904.63	569,200.00	503,624.42	207,800.00	92,699.36	580,600.00
1905	LAND	-	-	-	-	-	-	-	-	-
1906	LAND RIGHTS	-	-	-	-	-	-	-	-	-
1908	BUILDING & FIXTURES	-	-	-	-	-	-	134,100.00	-	77,000.00
1915	OFFICE FURNITURE & EQUIP	5,000.00	4,295.00	-	1,227.45	4,100.00	3,294.59	-	-	18,300.00
1920	COMPUTER EQUIP HRDWRE	28,500.00	64,467.22	5,500.00	4,771.65	75,900.00	71,184.04	40,200.00	55,095.83	62,500.00
1930	TRANSPORTATION EQUIPMENT	-	15,150.00	40,000.00	37,625.72	476,000.00	421,051.52	27,500.00	33,751.09	400,000.00
1935	STORES EQUIPMENT	-	-	-	-	-	-	-	-	5,000.00
1940	TOOLS, SHOP & GARAGE EQUIP	1,000.00	7,491.42	17,000.00	9,895.65	3,200.00	2,357.45	6,000.00	5,599.00	8,800.00
1945	MEASUREMENT&TESTING EQUIP	-	2.00	-	-	-	-	-	-	-
1950	POWER OPERATED EQUIPMENT	-	-	-	-	10,000.00	6,261.97	-	1,476.00	-
1955	COMMUNICATION EQUIPMENT	-	4,814.97	-	-	-	13,100.00	-	-	-
1960	MISCELLANEOUS EQUIPMENT	-	-	-	-	-	-	-	-	9,000.00
1970	LOAD MGMT CTRLS-CUST PREM	-	-	-	-	-	-	-	-	-
1975	LOAD MGMT CTRLS-UTIL PREM	-	-	-	-	-	-	-	-	-
1980	SYSTEM SUPERVISORY EQUIP	-	-	-	-	-	-	-	-	-
1985	SENTINEL LTG RENTAL UNITS	-	-	-	-	-	-	-	-	-
1990	OTHER TANGIBLE PROPERTY	-	-	-	-	-	-	-	-	-
1995	CONTRIBUTIONS AND GRANTS	(40,900.00)	(124,552.99)	-	(24,615.84)	-	(13,625.15)	-	(3,222.56)	-
TOTAL CAPITAL BUDGET For Approval by Board of Director"s		1,876,400.00	2,585,888.53	2,346,500.00	2,397,440.62	2,034,700.00	1,870,375.95	2,050,700.00	1,618,749.47	1,377,600.00
Disposals:	1808-Building & Fixtures	-	-	-	-	-	-2307.56	-	-	-
	1820.042 Distribution Stn Equip	-	(43,321.03)	-	(51,741.02)	-	-	-	-	-
	1820.032 Dist Stn Eq-Gartshore	-	-	-	-	-	-52494.64	-	-	-
	1820.034 Dist Stn Eq-Mill	-	-	-	(242,233.21)	-	-	-	-	-
	1825 Battery Storage Eq	-	-	-	-	-	-2154.99	-	-	-
	1830 Poles Towers Fixtures	-	(9,891.84)	-	(12,784.17)	-	-14500.31	-	-	-
	1835 OH Conductor & Devices	-	(2,058.68)	-	(15,123.92)	-	-11205.08	-	-	-
	1845 UG Conductor & Devices	-	(21,939.00)	-	(43,652.58)	-	-	-	-	-
	1850 OH Transformers	-	(19,694.00)	-	(1,876.72)	-	-	-	-	-
	1850 UG Transformers	-	(35,912.00)	-	(2,253.83)	-	-	-	-	-
	1855 Services	-	-	-	(757.03)	-	-	-	-	-
	1860 Meters	-	-	-	-	-	(42,564.91)	-	-	-
	1611 Computer Software	-	-	-	(107,086.93)	-	(208,783.74)	-	-	-

Confidential

Centre Wellington Hdyro Ltd
2017 Summary Capital Budget
With Budget Compared to Actuals from Previous Years

Account No.	Description	OEB Approved Budget 2013	Actual 2013	Budget 2014	Actual 2014	Budget 2015	Actuals 31-Dec-15	Budget 2016	Actuals 30-Sep-16	Budget 2017
	1915 Office Furniture	-	-	-	(7,770.60)	-	(1,078.91)	-	-	-
	1920 Computer Hardware	-	-	-	(120,930.14)	-	(21,836.62)	-	-	-
	1930 Transportation Equipment	-	-	-	-	-	(191,567.20)	-	-	-
	1935 Stores Equipment	-	(5,616.00)	-	-	-	-	-	-	-
	1940 Tools Shop Garage Equip	-	-	-	(7,471.14)	-	(1,134.00)	-	-	-
	1945 Measurement & Testing	-	(1,215.42)	-	(12,322.14)	-	-	-	-	-
	1950 Power Operated Equipment	-	-	-	-	-	-	-	-	-
	1955 Communication Equip	-	-	-	(19,097.21)	-	(11,710.61)	-	-	-
	1960 Miscellaneous Equipment	-	-	-	-	-	(373.10)	-	-	-
	1980 System Supervisor Equip	-	(43,098.20)	-	-	-	-	-	-	-
	Total disposals	-	(182,746.17)	-	(645,100.64)	-	(561,711.67)	-	-	-
Net Capital Assets - Actuals		1,876,400.00	2,403,142.36	2,346,500.00	1,752,339.98	2,034,700.00	1,308,664.28	2,050,700.00	1,618,749.47	1,377,600.00

T A B 3



BUDGET REVIEW 2017

Capital Projects:

A summary of the capital projects is listed below and broken out between the distribution plant and general plant. Details of each project showing the need and scope is provided in the next tab.

Total Distribution Plant Capital is \$797,000 and is broken down as follows:

- CP 1 – New Overhead and Underground Services - \$26,100
- CP 7 – Annual Pole Replacements - \$89,300
- CP 9 – New and Replacement transformers - \$80,000
- CP 13 – New Meters - \$17,400
- CP 13-18 – New Metering Platform - \$18,000
- CP 33 – Wellington Place (Hospital Service) Underground - \$244,100
- CP 68 – Infrastructure for CWEII Test Facility - \$35,000
- CP 69 – Hill Street Conversion – St David to Gowrie St - \$49,300
- CP 70 – Hill Street Re-routing – Brock to Bridalbane St - \$25,000
- CP 71 – St Patrick – Gowrie to St David - \$49,900
- CP 72 – 44kV Tie Re-Route on Queen St - \$140,200
- CP 73 – Brock Street Conversion - \$22,700



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Total General Plant Capital is \$580,600 and is broken down as follows:

CG 1908-1 – Building & Fixtures – Lighting Upgrade - \$22,000

CG 1908-3 – Building & Fixtures – Cold Storage Addition - \$55,000

CG 1915-1 – Furniture & Fixtures – Boardroom upgrade - \$15,300

CG 1915-2 – Furniture & Fixtures – Small Meeting Table & Chairs - \$3,000

CG 1920-1 – Computer Hardware – Replacement Office - \$12,400

CG 1920-6 – Computer Hardware – Replacement of the Main Server - \$45,000

CG 1920-7 – Computer Hardware – Small Projector - \$1,000

CG 1920-9 – Computer Hardware – New Cisco Based Wireless System - \$4,100

CG 1930-1 – Transportation – Electric Vehicle - \$50,000

CG 1930-2 – Transportation – Single Bucket Truck Replacement - \$350,000

CG 1935-1 – Stores Equipment – Shelving - \$5,000

CG 1940-1 – Tool Shop & Garage Equipment – \$8,800

CG 1960-1 – Miscellaneous Equipment – Couch for Lunchroom - \$2,000

CG 1960-2 – Miscellaneous Equipment – Shelter with outside table & chairs - \$5,000

CG 1960-3 – Miscellaneous Equipment – Replacement Sink & Counter - \$2,000

Exhibit 1

Appendix C



Centre Wellington Hydro Ltd.

2017 OMA

Budget

Presented for approval at the Board of Directors Meeting

November 30, 2016

Private and Confidential



Centre Wellington Hydro Ltd.

2017 OMA Budget

Table of Contents:

TAB:

1. Motion to approve the OMA budget for 2017
2. Summary OMA Expenditures Budget 2017
3. OMA Budget Review Notes for 2017

T A B 1



Motion No. _____

Centre Wellington Hydro Ltd.

FERGUS, ONTARIO

DATE: November 30, 2016

Moved By:

Tim Fryer

Seconded By:

Dave Proctor

That the Board of Directors has reviewed the 2017 Operations, Maintenance and Administration (OMA) Budget and after the presentation and explanations by the President / Secretary, Vice President / Treasurer and Superintendent, the Board accepts the 2017 OMA Budget in the amount of \$3,483,300 as presented; with the recommendation to report back to the Board regarding the regulatory costs for the Cost of Service being recorded in a prepaid account and spread over 5 years, the life of the CoS.

Also, the Board directs the President and Vice President / Treasurer to arrange a meeting with the Township's Chief Administrative Officer, Chief Financial Officer and Township solicitor for the purpose of receiving the 2017 OMA Budget as approved by the Centre Wellington Hydro Board of Directors.

Carried:

Keith Roszell

T A B 2

CONFIDENTIAL

Centre Wellington Hdyro Ltd
2017 Detailed OM&A Budget
2017 Budget with comparisons to previous years actuals

Account No.	Description	OEB Revised Budget 2013	Actual 2013	Actual 2014	Actual 2015 Dec 31st	Actual YTD 2016 Sept 30th	Final Budget 2016	Final Budget 2017
4080-4499	DISTRIBUTION REVENUES	(3,293,900)	(3,650,092)	(3,544,658)	(3,586,745)	(2,597,234)	(3,577,400)	(3,636,400)
4080-4086	REVENUE FROM SERVICES-DISTRIBUTION	(3,053,500)	(3,354,687)	(3,204,174)	(3,175,317)	(2,396,383)	(3,261,000)	(3,319,000)
	Total Residential DSR	(1,715,999)	(1,651,064)	(1,745,262)	(1,760,631)	(1,345,477)	(1,792,400)	(1,852,000)
	Total Street Lights	(94,518)	(111,717)	(65,641)	(62,636)	(39,618)	(64,700)	(65,900)
	Total Sentinel Lights	(2,886)	(2,976)	(2,864)	(2,903)	(2,210)	(2,900)	(2,900)
	Total GS<50 kW	(524,063)	(484,978)	(526,781)	(551,162)	(448,804)	(561,100)	(578,500)
	Total GS<50 Non Fixed	-	(1,542)	(1,015)	(1,033)	(724)	(1,100)	(1,100)
	Total Unmetered Scattered Load	(7,001)	(10,578)	(6,553)	(6,649)	(4,999)	(6,800)	(6,900)
	Total GS>50 (G1)	(574,777)	(107,635)	(118,578)	(115,466)	(73,601)	(124,800)	(127,100)
	Total GS>50<250000 (H1)	-	(16,069)	(17,269)	(16,737)	(12,589)	(17,100)	(17,400)
	Total GS>50 Designated (B1)	-	(36,289)	(40,276)	(39,803)	(30,806)	(40,600)	(41,400)
	Total GS>50 TA Demand	-	(2,365)	-	-	-	-	-
	Total GS>50 Interval (v1)	-	(244,430)	(271,724)	(271,459)	(196,442)	(276,200)	(281,200)
	Total GS>1000 Interval (T1)	-	(159,853)	(149,282)	(140,304)	(112,395)	(142,800)	(145,400)
	Total Intermediate GS>3000	(65,956)	(93,651)	(102,197)	(99,836)	(80,282)	(101,600)	(103,300)
	Total MicroFIT Generator	(1,400)	-	-	-	-	-	-
	Total PILs	-	152,693	53,651	-	-	-	-
	Total LRAM Recovery	(11,400)	(37,412)	(57,746)	(13,564)	-	(64,500)	(56,300)
	Total Incremental Capital ICM	(25,100)	(40,301)	-	-	-	-	-
	Total Smart Mtr Disposition Rider	-	(499,570)	(125,337)	(66,575)	(28,507)	(37,300)	(12,400)
	Regulatory Assets 2013-2014	-	20,017	-	-	-	-	-
4082	Retail Ser Revenue	(11,800)	(8,344)	(8,274)	(7,397)	(5,413)	(7,900)	(7,900)
4084	Service Transaction Req (STR)	(200)	(77)	(105)	(61)	(50)	(100)	(100)
4086	Total SSS Admin Charge	(18,400)	(18,547)	(18,920)	(19,100)	(14,465)	(19,100)	(19,200)
4200	OTHER OPERATING REVENUES	(182,400)	(217,076)	(280,285)	(253,760)	(142,052)	(253,600)	(244,800)
4210	RENT FROM ELECTRIC PROP	(45,500)	(77,600)	(127,903)	(87,438)	(63,338)	(87,500)	(78,200)
4225	LATE PAYMENT CHARGE	(10,800)	(14,561)	(15,668)	(14,252)	(9,755)	(14,300)	(14,300)
4235	MISC SERVICE RVENUES	(126,100)	(124,915)	(136,713)	(152,071)	(68,959)	(151,800)	(152,300)

CONFIDENTIAL

Centre Wellington Hdyro Ltd
 2017 Detailed OM&A Budget
 2017 Budget with comparisons to previous years actuals

Account No.	Description	OEB Revised Budget 2013	Actual 2013	Actual 2014	Actual 2015 Dec 31st	Actual YTD 2016 Sept 30th	Final Budget 2016	Final Budget 2017
4300	OTHER INCOME/DEDUCTIONS	(18,200)	(74,124)	(15,548)	(113,080)	(31,819)	(18,100)	(35,700)
4325	REV frm MERCHANDISE. JOBBING	-	-	-	-	-	-	-
4330	CSTS & EXP of MERCH, JOBBING	-	-	-	-	-	-	-
4355	GAINonDISP UTIL&OTHER PROP	-	(10,063)	(19,116)	(10,277)	(8,898)	(2,000)	(22,000)
4360	LOSSonDISP UTIL&OTHER PROP	-	6,534	46,477	9,919	2,747	5,500	5,500
4375	REV-WATER SEWER BILLING	(144,400)	(151,758)	(153,927)	(156,875)	(121,038)	(158,500)	(162,900)
4375	REV:OPA PROGRAMS	(75,200)	(282,368)	(358,384)	(607,014)	(264,006)	(652,800)	(261,700)
4380	EXP:WATER & SEWER BILLING	127,500	116,745	129,496	124,803	100,753	142,900	149,700
4380	EXP:CDM	75,200	252,393	358,384	538,088	260,971	651,800	261,700
4380	CONSERVATION FIRST DESIGN PROGRAM	-	-	-	1,000	-	-	-
4380	CONSERVATION FIRST-RESIDENTAL	-	-	-	-	6,665	93,262	83,800
4380	CONSERVATION FIRST-C&I	-	-	-	-	110,266	206,299	177,900
4380	CONSERVATION FIRST-INDUSTRIAL	-	-	-	-	5,900	352,239	-
4385	NON-UTILITY RENTAL INCOME	-	-	-	-	-	-	-
4390	MISC NON-OP INCOME-MISC	(1,300)	(5,608)	(18,479)	(11,723)	(2,348)	(5,000)	(6,000)
4400	INVESTMENT INCOME	(39,800)	(4,205)	(44,650)	(44,589)	(26,980)	(44,700)	(36,900)
4405	INTEREST & DIVIDENDS INCOME	(39,800)	(4,205)	(44,650)	(44,589)	(26,980)	(44,700)	(36,900)
5000-9999	DISTRIBUTION EXPENDITURES	2,939,280	3,330,024	2,991,184	3,153,538	2,374,806	3,281,700	3,483,300
5000	OPERATIONS EXPENSES	269,500	273,357	293,304	322,470	215,038	268,800	364,100
5005	OP SUPERVISION & ENGINEERING	108,000	107,117	111,466	107,595	50,995	66,300	78,300
5010	LOAD DISPATCHING	14,300	17,058	9,466	24,976	7,812	18,800	11,700
5012	STN BLDGS&FIXTURES EXPS	25,300	48,239	52,807	67,863	55,017	65,900	78,400
5016	DIST STN EQ<50kv-OP LAB	-	4,647	707	102	1,227	900	900
5017	DIST STN EQ<50kv OpSupExp	-	542	8,869	15,978	12,484	12,000	32,800

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Centre Wellington Hdyro Ltd
 2017 Detailed OM&A Budget
 2017 Budget with comparisons to previous years actuals

Account No.	Description	OEB					Final Budget 2016	Final Budget 2017
		Revised Budget 2013	Actual 2013	Actual 2014	Actual 2015 Dec 31st	Actual YTD 2016 Sept 30th		
5020	OH DIST LINES&FDRS-OP LAB	1,300	470	1,184	(26)	2,197	1,400	12,900
5025	OH DIST LNS&FDRS-OPsupEXP	700	7,945	6,060	10,230	5,199	9,700	13,300
5030	OH SUBTRANS FEEDERS-OPER	600	1,378	540	(7)	-	400	600
5035	OH DIST TRANSFORMERS-OP	-	-	-	-	-	-	2,500
5040	UG DIST LINES&FDRS-OP LAB	5,700	163	-	-	-	-	-
5045	UG DL&FDRS-OP SUPS&EXPS	300	-	-	-	-	-	-
5050	UG SUBSTRANS FEEDERS-OP	-	-	-	-	-	-	-
5055	UG DIST TRANSFORMERS- OP	7,000	6,067	538	1,442	4,545	600	12,300
5065	METER EXPENSES	54,800	40,638	50,190	33,527	42,531	39,500	56,100
5070	CUSTOMER PREMISES-OP LAB	-	-	-	-	-	-	-
5075	CUST PREMS-MLTS & EXPS	-	-	-	-	-	-	-
5085	MISC DISTRIBUTION EXPENSE	46,800	34,419	46,802	54,618	32,986	47,100	58,000
5095	OH Dist Lines&Feeders-Rental Pd	4,700	4,674	4,674	6,172	47	6,200	6,300
5096	OTHER RENT	-	-	-	-	-	-	-
5100	DISTRIBUTION EXP-MTCE	302,200	317,930	283,489	310,601	253,498	339,300	339,100
5105	MTCE SUPERVISION & ENG	48,000	47,300	62,757	43,284	18,848	58,400	35,900
5110	MTC BLDGS & FIXS-DIST STN	-	-	1,133	-	-	-	-
5114	MTCofDIST ST EQ<50kv	19,000	17,588	11,497	12,226	4,022	10,500	12,300
5120	MTCEofPOLES, TOWERS, FIX	28,600	27,641	21,218	13,107	15,548	17,600	21,100
5125	MTC OF OH CONDS&DEVS	47,700	50,328	3,812	11,729	30,455	7,100	10,800
5130	MTC OF OH SERVICES	31,000	30,380	35,647	27,419	40,098	36,200	28,400
5135	OH DIST LINES&FDRS-ROW	45,400	55,161	49,270	62,948	62,200	57,500	68,800
5145	MTC OF UG CONDUIT	4,700	4,062	38	1,406	458	1,200	1,400
5150	MTCofUG CONDUCTS&DEVICES	3,600	3,451	3,603	3,477	971	5,400	3,200
5155	MTC OF UG SERVICES	48,300	53,474	84,383	90,046	75,028	94,500	114,300
5160	MTC OF LINE TRANSFORMERS	13,300	16,104	10,130	42,220	5,870	48,500	42,000
5165	MTCE OF ST LTG&SIGNAL SYS	-	-	-	-	-	-	-
5170	SENTINEL LIGHTS-LABOUR	-	-	-	-	-	-	-
5172	SENTINEL LIGHTS-MTLS&EXPS	-	-	-	-	-	-	-
5175	MTC OF METERS	12,600	12,355	-	2,531	-	2,400	900
5195	MTC of OTH INSTS on CUST PREM	-	87	-	208	-	-	-

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Centre Wellington Hdyro Ltd
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 2017 Budget with comparisons to previous years actuals

Account No.	Description	OEB Revised Budget 2013	Actual 2013	Actual 2014	Actual 2015 Dec 31st	Actual YTD 2016 Sept 30th	Final Budget 2016	Final Budget 2017
5300	BILLING & COLLECTING	446,705	434,218	437,448	449,490	342,076	465,600	484,000
5305	B&C: Supervision	-	-	31,436	37,473	36,287	58,300	49,400
5310	B&C: METER READING EXP	99,700	99,268	99,817	103,048	79,654	103,700	106,800
5315	B&C: CUSTOMER BILLING	258,300	255,189	200,498	200,099	162,418	222,300	224,300
5320	B&C: COLLECTING	77,705	75,270	88,986	104,580	65,255	75,100	97,200
5325	B&C: CASH OVER & SHORT	-	(49)	(0)	(3)	2	-	-
5330	B&C: COLLECTION CHARGES	-	-	-	-	-	-	-
5335	B&C: BAD DEBT EXPENSES	11,000	4,541	16,711	4,293	(1,539)	6,200	6,300
5340	B&C: MISC CUST ACCT EXP	-	-	-	-	-	-	-
5400	COMMUNITY RELATIONS	28,600	29,006	35,494	23,290	35,108	39,500	55,900
5405	COMM RELATION-SUPERVISION	-	-	-	-	-	-	-
5410	COMM RELATIONS-SUNDRY	19,300	19,229	20,927	11,925	26,566	29,000	29,800
5415	ENERGY CONSERVATION	3,400	3,431	3,326	3,374	5,298	4,700	9,100
5420	COMMUNITY SAFETY PRGMS	-	-	6,065	-	-	-	8,500
5425	MISC CUST SERV&INFO EXP	5,900	6,347	5,177	7,990	3,244	5,800	8,500
5600	ADMIN & GENERAL EXPENSES	975,100	964,009	973,254	957,997	665,311	1,018,400	1,074,800
5610	ADMIN&GEN: MGMT SALS&EXPS	287,700	283,130	294,573	364,887	246,195	362,100	364,600
5615	ADMIN&GEN: GEN ADM SAL&EXP	235,100	247,319	260,699	215,289	143,893	193,900	225,200
5620	ADMIN&GEN:OFF SUPP/EXPS	61,800	59,149	65,781	58,173	51,204	58,900	62,000
5630	ADMIN&GEN: OUTSIDE SERV EMP	87,500	113,775	100,164	42,200	12,568	58,000	49,700
5635	ADMIN&GEN: PROPERTY INSUR	16,000	15,944	7,920	5,520	5,579	6,000	5,700
5640	ADMIN&GEN:INJURIES/DMGS	30,000	31,018	40,723	32,744	36,731	32,800	37,400
5645	ADMIN&GEN: EMP PENS/BENEFS	3,300	3,159	11,700	14,642	-	-	-
5646	A&G:OPEB Retired Employees	-	-	-	-	8,957	18,600	24,100
5655	ADMIN&GEN: REGULATORY EXPS	132,200	95,871	64,786	93,459	69,569	155,500	170,700

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Centre Wellington Hdyro Ltd
 2017 Detailed OM&A Budget
 2017 Budget with comparisons to previous years actuals

Account No.	Description	OEB	Actual	Actual	Actual	Actual YTD	Final Budget	Final Budget
		Revised Budget 2013	2013	2014	2015 Dec 31st	2016 Sept 30th	2016	2017
5660	ADMIN&GEN: GEN ADV EXPS	2,000	789	132	306	-	500	500
5665	ADMIN&GEN: MISC GEN EXPS	90,400	86,880	94,291	98,006	66,943	97,000	97,600
5675	ADMIN&GEN: MTCE OF GEN PLNT	19,000	16,980	22,503	22,729	15,447	25,000	26,900
5680	ADMIN&GEN: ELEC SFTY AUTH FE	10,100	9,996	9,982	10,043	8,223	10,100	10,400
5685	A&G: IMO FEES & PENALTIES	-	-	-	-	-	-	-
5700	AMORTIZATION EXPENSE	508,619	877,169	547,856	543,004	419,256	559,100	585,500
5705	AMORT EXP- PRPTY PLNT&EQUI	508,619	747,140	498,970	492,325	383,076	510,800	545,800
5715	Amortization of Intangible Assets	-	130,030	48,887	50,678	36,180	48,300	39,700
6000	INTEREST EXPENSE	301,178	395,403	452,975	514,498	408,946	550,600	540,400
6005	INTEREST ON L/T DEBT	56,217	9,914	70,300	131,425	125,976	167,400	163,000
6030	Interest on Debt to Associated Company	222,561	365,890	365,890	365,890	274,417	365,900	365,900
6035	OTHER INTEREST EXPENSE	22,400	19,599	16,786	17,183	8,553	17,300	11,500
6100	TAXES	94,678	22,539	(46,005)	(44,569)	17,640	18,600	17,700
6105	TAXS OTHER THAN INCOME TAXES	34,500	34,450	34,455	18,305	17,303	18,600	17,300
6110	INCOME TAXES	60,178	(53,160)	401	658	337	-	400
6115	PROV FOR FUTURE INC TAXES	-	41,249	(80,861)	(63,532)	-	-	-

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Centre Wellington Hdyro Ltd
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 2017 Budget with comparisons to previous years actuals

Account No.	Description	OEB Revised Budget 2013	Actual 2013	Actual 2014	Actual 2015 Dec 31st	Actual YTD 2016 Sept 30th	Final Budget 2016	Final Budget 2017
6200	OTHER DEDUCTIONS	12,700	16,392	13,368	76,757	11,622	21,800	21,800
6205	DONATIONS	10,000	13,000	10,000	73,930	10,390	18,900	18,900
6215	PENALTIES	-	-	-	-	-	-	-
6225	OTHER DEDUCTIONS	2,700	3,392	3,368	2,828	1,232	2,900	2,900
9000	CLEARING ACCOUNTS	-	-	-	-	6,312	-	-
9040	STORES OP-CLEARING ACCTS	16,700	10,457	15,863	29,086	9,267	20,800	20,200
9049	STORES OP EXPS ALLOCATED	(16,700)	(10,457)	(15,863)	(29,086)	(14,455)	(20,800)	(20,200)
9070	ROLLING STOCK EXP-CLG ACT	98,000	76,610	87,634	105,219	86,557	119,000	116,100
9079	ROLLING STOCK:ALLOCATED	(98,000)	(76,610)	(87,634)	(105,219)	(62,304)	(119,000)	(116,100)
9090	PAYROLL OVERHEADS/BURDENS	247,000	302,026	287,172	266,893	176,911	217,700	230,900
9099	PR BURDENS ALLOCATED	(247,000)	(302,026)	(287,172)	(266,893)	(189,664)	(217,700)	(230,900)
Net (Income) loss for the year		(354,620)	(320,068)	(553,474)	(433,207)	(222,427)	(295,700)	(153,100)
Add back interest paid to CW Twp not included in rates				(143,328)	(143,328)	(143,328)	(143,327)	(143,327)
Income after adding back interest over the deemed rate			(0.44)	(696,802)	(576,535)	(365,755)	(439,027)	(296,427)
OM&A:								
Operations		269,500	273,357	293,304	322,470	215,038	268,800	364,100
Maintenance		302,200	317,930	283,489	310,601	253,498	339,300	339,100
Billing & Collecting		446,705	434,218	437,448	449,490	342,076	465,600	484,000
Community Relations		28,600	29,006	35,494	23,290	35,108	39,500	55,900
Administration		975,100	964,009	973,254	957,997	665,311	1,018,400	1,074,800
Taxes		34,500	22,539	(46,005)	(44,569)	17,640	18,600	17,700
Total OM&A per Cost of Service		2,056,605	2,041,060	1,976,984	2,019,279	1,528,671	2,150,200	2,335,600

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Centre Wellington Hdyro Ltd
2017 Detailed OM&A Budget
2017 Budget with comparisons to previous years actuals

Account No.	Description	OEB Revised Budget 2013	Actual 2013	Actual 2014	Actual 2015 Dec 31st	Actual YTD 2016 Sept 30th	Final Budget 2016	Final Budget 2017
	OEB 2013 Cost of Service approval expenses	2,056,605	2,056,605	2,056,605	2,056,605	2,056,605	2,056,606	2,056,606
	OMA Expenses	2,056,605	2,041,060	1,976,984	2,019,279	1,528,671	2,150,200	2,335,600
	OMA Expenses over 2013 Approved Expenditures	-	15,545	79,621	37,326	527,934	(93,594)	(278,994)
	Percentage increase (-) decrease (+) over 2013 OEB approved		0.10%	3.87%	1.81%		-4.55%	-13.57%
	Percentage increase (-) decrease (+) over 2013 Actual			3.14%	7.17%		-5.35%	-7.37%
	Revenue:							
	Distribution Revenue (4080)	(3,053,500)	(3,354,687)	(3,204,174)	(3,175,317)	(2,396,383)	(3,261,000)	(3,319,000)
	Other Operating Revenue (4200)	(182,400)	(217,076)	(280,285)	(253,760)	(142,052)	(253,600)	(244,800)
	Other Income and Deductions (4300)	(18,200)	(74,124)	(15,548)	(113,080)	(31,819)	(18,100)	(35,700)
	Investment Income (4400)	(39,800)	(4,205)	(44,650)	(44,589)	(26,980)	(44,700)	(36,900)
	Total Income	(3,293,900)	(3,650,092)	(3,544,658)	(3,586,745)	(2,597,234)	(3,577,400)	(3,636,400)
	OM&A:							
	Operations	269,500	273,357	293,304	322,470	215,038	268,800	364,100
	Maintenance	302,200	317,930	283,489	310,601	253,498	339,300	339,100
	Billing & Collecting	446,705	434,218	437,448	449,490	342,076	465,600	484,000
	Community Relations	28,600	29,006	35,494	23,290	35,108	39,500	55,900
	Administration	975,100	964,009	973,254	957,997	665,311	1,018,400	1,074,800
	Taxes-Property	34,500	34,450	34,455	18,305	17,303	18,600	17,300
	Total OM&A per Cost of Service	2,056,605	2,052,971	2,057,444	2,082,153	1,528,334	2,150,200	2,335,200
	Amortization Expense	508,619	877,169	547,856	543,004	419,256	559,100	585,500
	Interest Expense	301,178	395,403	452,975	514,498	408,946	550,600	540,400
	Taxes-Income	60,178	(11,911)	(80,460)	(62,874)	337	-	400
	Other Deductions	12,700	16,392	13,368	76,757	11,622	21,800	21,800
		882,675	1,277,054	933,739	1,071,385	840,161	1,131,500	1,148,100
	Net Income	(354,620)	(320,068)	(553,474)	(433,207)	(228,739)	(295,700)	(153,100)

T A B 3



Centre Wellington Hydro Ltd.

730 Gartshore St. P.O. Box 217, Fergus, Ontario, N1M 2W8
Phone: (519) 843-2900 Fax: (519) 843-7601 www.cwhydro.ca

BUDGET REVIEW 2017

The projected net income for Centre Wellington Hydro Ltd (CWH) for 2017 is \$153,100. When you add back the interest paid to the Township of Centre Wellington that isn't recovered in rates (\$143,328) the net income before taxes is \$296,427. This additional interest is considered a dividend by the OEB.

Revenues:

The distribution service revenues for both the fixed and variable charges were increased by 1.8%, this percentage represents the inflation rate that CWH was allowed to apply for in the 2017 IRM application.

In the 2017 IRM application, CWH applied for the disposition of the LRAMVA in the amount of \$82,489.55 which represents lost revenues for the period of 2011 to 2014. When approved the recovery amount for 2017 is \$56,390. This amount has been included in the revenues.

The Smart meter disposition rate rider for the Residential customers expired May 1, 2015, however, the General Service <50 kW customers rate riders continues to May 1, 2017. The revenue has been adjusted to reflect the reduction.

Revenues are down in the "rent from electric properties-4210" due to Rogers Communications removing their equipment from the computer room in the data centre upstairs.

Gains on disposal of equipment-4355 includes the forecasted revenue of \$20,000 from the sale of the single bucket truck replaced in 2016.

Interest and dividend revenue-4405 is down due to the drop in interest revenue as surplus funds were used to complete the rebuild of the Waterloo and Gzowski Distribution stations in 2016.



Expenditures:

Total budgeted expenditures for 2017 of \$3,483,300 is showing an increase of 6.1% or \$201,600 over the 2016 budgeted expenditures of \$3,281,700.

The 2017 budget expenditures of \$3,483,300 is an increase of \$329,762 over the 2015 actual expenditure of \$3,153,538 or 10.5% increase.

Operations Department:

Total Operation expenditures for 2015 was \$322,470; 2016 budgeted amount was \$268,800 and the amount budgeted for 2017 is \$364,100.

Highlights of costs difference between 2015 actual and 2017 budget expenditures are listed below:

1. Account 5012 – Station Building and Fixtures Expenses increase is mainly due to the projected increase in property taxes of \$4,600 and OTCFT labour allocation of \$2,300 to maintain the grounds and buildings.
2. Account 5017 – Distribution Station Equipment <50kV Operation Supplies and Expenses increased by \$11,600 due to the scheduling of one full station maintenance per year.
3. Account 5055 – Underground Distribution Transformers – increased by \$10,800 due to contract person inspecting each transformer and making a photo record of details and conditions.
4. Account 5065 – Meter Expenses – increased by \$22,600 because of the increase in failed meters and CWH's plans to run a sample of 200 residential meters to determine accuracy of the meters.

Maintenance Department:

Total Maintenance expenditures for 2015 was \$310,601; 2016 budgeted amount was \$339,300 and the amount budgeted for 2017 is \$339,100.

Highlights of costs difference between 2015 actual and 2017 budget expenditures are listed below:

1. Account 5105 – Maintenance Supervision and Engineering – decrease of \$7,300 due to the reallocation of time when able to identify it to the various jobs.
2. Account 5120 – Maintenance of Poles, Towers and Fixtures – increase of \$8,000 because of projected cost related to unforeseen storm damage incidents.

3. Account 5135 – Maintenance of Overhead Distribution Lines and Feeders Right of Way – increase of \$5,800 for tree trimming in Elora and emergency trimming due to storm related incidents.
4. Account 5155 – Maintenance of Underground Services – increase of \$24,200 is because of the allocation of office staff time to handle the increase in Ontario One Call locates related to Wightman fibre installations in Fergus and Elora and the increase in underground locate supplies.

Billing and Collecting Department:

Total Billing and Collection expenditures for 2015 was \$449,490; 2016 budgeted amount was \$465,600 and the amount budgeted for 2017 is \$484,000.

Highlights of costs difference between 2015 actual and 2017 budget expenditures are listed below:

1. Account 5305 – B&C: Supervision – shows an increase of \$11,900 due to the allocation of burdens related to salaries and increase in training and conference budget.
2. Account 5310 – B&C: Meter Reading – an increase of \$3,700 due to increases in contracts prices with Elster, Olameter and Utili-smart.
3. Account 5315 – B&C: Customer Billing – an increase of \$24,200. This increase is made up of \$6,600 to hire a second support staff for UCS members; increase \$6,500 for billing software license and IT hosting fees; and an increase of \$11,000 to salaries and burdens.
4. Account 5320 – B&C: Collecting – decrease of \$7,300 is due to the decrease in outside line crew time and reduction in office burdens due to the allocation of burdens via job costing.
5. Account 5335 – B&C: Bad Debt Expenses – increase of \$2,000 to reflect in number of accounts over 90 and 120 days.

Community Relations Department:

Total Community relations expenditures for 2015 was \$23,290; 2016 budgeted amount was \$39,500 and the amount budgeted for 2017 is \$55,900.

Highlights of costs difference between 2015 actual and 2017 budget expenditures are listed below:

1. Account 5410 – Community Relations Sundry – increase of \$17,800. This is due to Customer satisfaction and ESA surveys of \$10,000 and the expensing of IHD units (\$6,800) as hand outs in the promotion of energy consumption awareness program.
2. Account 5415 – Energy Conservation – increase of \$5,700. This is due to the increase in advertising cost in the Wellington Advertiser providing the customer with energy saving tips and what is happening at CWH and the related salaries to provide this service.

3. Account 5420 – Community Safety Programs – increase of \$8,500. This related to 2017 being the year that CWH goes around to the schools in CW Township to promote electricity safety program. This is done every three years.

Administration and General Expenses Department:

Total Administration and general expense expenditures for 2015 was \$957,997; 2016 budgeted amount was \$1,018,400 and the amount budgeted for 2017 is \$1,074,800.

Highlights of costs difference between 2015 actual and 2017 budget expenditures are listed below:

1. Account 5615 – A&G: General Administration Salaries and Expenses – increase of \$9,900. Increase is due to the increase in salaries and benefits.
2. Account 5620 – A&G: Office Supplies and Expenses – increase of \$3,800. This amount is due to the increase in computer expenses, membership dues and fees and banking charges.
3. Account 5630 – A&G: Outside Services - increase of \$7,500. This amount is due to the increase in audit, legal and outside consultants.
4. Account 5640 – A&G: Injuries and Damages – increase of \$4,600. This is an increase in liability insurance and business credit insurance.
5. Account 5645 – A&G: OMERS Pensions and Benefits – decrease of \$14,600 because the cost being allocated to account should have been posted to account 5646 – Employees pensions and OPEB.
6. Account 5646 – A&G: Employees Pensions and OPEB – increase of 24,100. This cost relates to the premiums paid for life insurance for retired employees and health and dental premiums for the pass president. Also included is an amount for actuarial calculations for these premiums.
7. Account 5655 – A&G: Regulatory Expenses – increase of \$77,200. This increase is made up of an increase in consultants related to the Cost of Service application of \$40,000 and an increase in wages and benefits of staff to this account. CWH anticipates legal fees related to the cost of service to reach as high as \$100,000 and the increase in consultant fees related to the development of the cost of service and DSP to amount to another \$100,000 which will be amortized over a 5 year period.
8. Account 5675 – A&G: Maintenance of General Plant – increase of \$4,200 due to the increase in the contracted janitorial services.

Amortization Expenses:

Total Amortization expenses for 2015 was \$543,004; 2016 budgeted amount was \$559,100 and the amount budgeted for 2017 is \$585,500.



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Highlights of costs difference between 2015 actual and 2017 budget expenditures are listed below:

1. Account 5705 – Amortization of Property Plant and Equipment – increase of \$53,400 due to the increase level of capital asset mainly due to the upgrades of the distribution station.
2. Account 5715 – Amortization of Intangible Assets – decrease of \$ 10,900 because of the full amortization of computer software.

Interest Expenses:

Total Interest expenses for 2015 was \$514,498; 2016 budgeted amount was \$550,600 and the amount budgeted for 2017 is \$540,400.

Highlights of costs difference between 2015 actual and 2017 budget expenditures are listed below:

1. Account 6005 – Interest on Long Term Debt – increase of \$36,800 due to borrowing of funds from Infrastructure Ontario to provide money to upgrade the distribution stations. The last draw on the Infrastructure Ontario load was made in 2015.
2. Account 6035 – Other Interest Expenses – decrease of \$5,700 because of the reduction of interest paid on regulatory variance accounts.

Other Deductions:

Total Other deductions for 2015 was \$76,757; 2016 budgeted amount was \$21,800 and the amount budgeted for 2017 is 21,800.

Highlights of costs difference between 2015 actual and 2017 budget expenditures are listed below:

1. Account 6205 – Donations – decrease \$55,000. This decrease is the result of a donation of \$60,000 made to the CW Township in 2015 related to installation of washrooms in Bissel Park and increase of regular donations from \$10,000 to \$15,000 in 2017.



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Summary of dollar changes in expenditures by departments:

Operations:

- 2015 actual was \$322,470; 2017 Budget is \$364,100 an increase of \$41,630 or 12.9% over two years.

Maintenance:

- 2015 actual was \$310,601; 2017 budget is \$339,100 an increase of \$28,499 or 9.1% over two years.

Billing and Collecting:

- 2015 actual was \$449,490; 2017 budget is \$484,000 an increase of \$34,510 or 7.7% over two years.

Community Relations:

- 2015 actual was \$23,290; 2017 budget is \$55,900 an increase of \$36,610 or 157.2% over two years. This increase is largely due to having to do a customer survey and ESA Safety survey required by the OEB.

Administration:

- 2015 actual was \$957,997; 2017 budget is \$1,074,800 an increase of \$116,803 or 12.2%. A large portion of this increase is due to increase in regulatory expenses of \$77,200. CWH has included a \$100,000 in legal fees and \$100,000 in consultant's fees for the cost of service and DSP plan which will be amortized over a five year period at a cost \$40,000 a year.

Exhibit 1

Appendix D

Centre Wellington Hdyro Ltd
DRAFT - 2018 Summary OM&A Budget
2018 Budget with comparisons to previous years actuals

2018 Budget Preparation is for inclusion in the 2018 Cost of Service Application - Figures could change with the calculation of Bill Impacts and further analysis.

Account No.	Description	OEB							
		Revised Budget 2013	Actual 2013	Actual 2014	Actual 2015 Dec 31st	Final Budget 2016	Preliminary YTD 2016 Dec 31st	Final Budget 2017	Final Budget 2018
4080-4499	DISTRIBUTION REVENUES	(3,293,900)	(3,650,092)	(3,544,658)	(3,586,745)	(3,577,400)	(3,565,075)	(3,636,400)	(3,734,100)
4080-4086	REVENUE FROM SERVICES-DISTRIBUTION	(3,053,500)	(3,354,687)	(3,204,174)	(3,175,317)	(3,261,000)	(3,181,342)	(3,319,000)	(3,353,600)
	Total Residential DSR	(1,715,999)	(1,651,064)	(1,745,262)	(1,760,631)	(1,792,400)	(1,785,494)	(1,852,000)	(1,885,300)
	Total Street Lights	(94,518)	(111,717)	(65,641)	(62,636)	(64,700)	(52,885)	(65,900)	(55,900)
	Total Sentinel Lights	(2,886)	(2,976)	(2,864)	(2,903)	(2,900)	(2,942)	(2,900)	(2,900)
	Total GS<50 kW	(524,063)	(484,978)	(526,781)	(551,162)	(561,100)	(591,834)	(578,500)	(588,900)
	Total GS<50 Non Fixed	-	(1,542)	(1,015)	(1,033)	(1,100)	(1,000)	(1,100)	(1,100)
	Total Unmetered Scattered Load	(7,001)	(10,578)	(6,553)	(6,649)	(6,800)	(6,660)	(6,900)	(7,000)
	Total GS>50 (G1)	(574,777)	(107,635)	(118,578)	(115,466)	(124,800)	(98,078)	(127,100)	(129,400)
	Total GS>50<250000 (H1)	-	(16,069)	(17,269)	(16,737)	(17,100)	(19,000)	(17,400)	(17,700)
	Total GS>50 Designated (B1)	-	(38,289)	(40,276)	(39,803)	(40,600)	(41,563)	(41,400)	(42,200)
	Total GS>50 TA Demand	-	(2,365)	-	-	-	-	-	-
	Total GS>50 Interval (v1)	-	(244,430)	(271,724)	(271,459)	(276,200)	(263,241)	(281,200)	(286,300)
	Total GS>1000 Interval (T1)	-	(159,853)	(149,282)	(140,304)	(142,800)	(147,393)	(145,400)	(148,000)
	Total Intermediate GS>3000	(65,956)	(93,651)	(102,197)	(99,836)	(101,600)	(106,899)	(103,300)	(105,100)
	Total MicroFIT Generator	(1,400)	-	-	-	-	-	-	-
	Total PILs	-	152,693	53,651	-	-	-	-	-
	Total LRAM Recovery	(11,400)	(37,412)	(57,746)	(13,564)	(64,500)	-	(56,300)	(56,300)
	Total Incremental Capital ICM	(25,100)	(40,301)	-	-	-	-	-	-
	Total Smart Mtr Disposition Rider	-	(499,570)	(125,337)	(66,575)	(37,300)	(37,796)	(12,400)	-
	Regulatory Assets 2013-2014	-	20,017	-	-	-	-	-	-
4082	Retail Ser Revenue	(11,800)	(8,344)	(8,274)	(7,397)	(7,900)	(7,172)	(7,900)	(7,900)
4084	Service Transaction Req (STR)	(200)	(77)	(105)	(61)	(100)	(60)	(100)	(100)
	Total SSS Admin Charge	(18,400)	(18,547)	(18,920)	(19,100)	(19,100)	(19,323)	(19,200)	(19,500)
4200	OTHER OPERATING REVENUES	(182,400)	(217,076)	(280,285)	(253,760)	(253,600)	(180,162)	(244,800)	(307,800)
4210	RENT FROM ELECTRIC PROP	(45,500)	(77,600)	(127,903)	(87,438)	(87,500)	(76,036)	(78,200)	(78,200)
4225	LATE PAYMENT CHARGE	(10,800)	(14,561)	(15,668)	(14,252)	(14,300)	(12,908)	(14,300)	(14,300)
4235	MISC SERVICE RVENUES	(126,100)	(124,915)	(136,713)	(152,071)	(151,800)	(91,218)	(152,300)	(215,300)
4300	OTHER INCOME/DEDUCTIONS	(18,200)	(74,124)	(15,548)	(113,080)	(18,100)	(172,564)	(35,700)	(36,800)
4325	REV frm MERCHANDISE. JOBBING	-	-	-	-	-	-	-	-
4330	CSTS & EXP of MERCH. JOBBINGet	-	-	-	-	-	-	-	-
4355	GAINonDISP UTIL&OTHER PROP	-	(10,063)	(19,116)	(10,277)	(2,000)	(8,898)	(22,000)	(22,000)

Centre Wellington Hdyro Ltd
DRAFT - 2018 Summary OM&A Budget
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Account No.	Description	OEB									
		Revised Budget 2013	Actual 2013	Actual 2014	Actual 2015 Dec 31st	Final Budget 2016	Preliminary YTD 2016 Dec 31st	Final Budget 2017	Final Budget 2018		
4360	LOSSonDISP UTIL&OTHER PROP	-	6,534	46,477	9,919	5,500	2,747	5,500	5,500		
4375	REV-WATER SEWER BILLING	(144,400)	(151,758)	(153,927)	(156,875)	(158,500)	(161,914)	(162,900)	(162,900)		
4375	REV:OPA PROGRAMS	(75,200)	(282,368)	(358,384)	(607,014)	(652,800)	(387,664)	(261,700)	(251,400)		
4380	EXP:WATER & SEWER BILLING	127,500	116,745	129,496	124,803	142,900	125,221	149,700	148,600		
4380	EXP:CDM	75,200	252,393	358,384	538,088	651,800	261,599	261,700	251,400		
4385	NON-UTILITY RENTAL INCOME	-	-	-	-	-	-	-	-		
4390	MISC NON-OP INCOME-MISC	(1,300)	(5,608)	(18,479)	(11,723)	(5,000)	(3,655)	(6,000)	(6,000)		
4400	INVESTMENT INCOME	(39,800)	(4,205)	(44,650)	(44,589)	(44,700)	(31,007)	(36,900)	(35,900)		
4405	INTEREST & DIVIDENDS INCOME	(39,800)	(4,205)	(44,650)	(44,589)	(44,700)	(31,007)	(36,900)	(35,900)		
5000-9999	DISTRIBUTION EXPENDITURES	2,939,280	3,330,024	2,991,184	3,153,538	3,281,700	3,146,536	3,483,300	3,547,002		
5000	OPERATIONS EXPENSES	268,500	273,357	293,304	322,470	268,800	281,116	364,100	362,300		
5005	OP SUPERVISION & ENGINEERING	103,000	107,117	111,466	107,595	66,300	57,262	78,300	84,200		
5010	LOAD DISPATCHING	14,300	17,058	9,466	24,976	18,800	15,216	11,700	12,100		
5012	STN BLDGS&FIXTURES EXPS	25,300	48,239	52,807	67,863	65,900	64,891	78,400	75,800		
5016	DIST STN EQ<50kv-OP LAB	-	4,647	707	102	900	1,227	900	1,000		
5017	DIST STN EQ<50kv OpSupExp	-	542	8,869	15,978	12,000	12,484	32,800	12,000		
5020	OH DIST LINES&FDRS-OP LAB	1,300	470	1,184	(26)	1,400	2,297	12,900	13,300		
5025	OH DIST LNS&FDRS-OPsupEXP	700	7,945	6,060	10,230	9,700	5,199	13,300	13,300		
5030	OH SUBTRANS FEEDERS-OPER	600	1,378	540	(7)	400	-	600	600		
5035	OH DIST TRANSFORMERS-OP	-	-	-	-	-	-	2,500	2,500		
5040	UG DIST LINES&FDRS-OP LAB	5,700	163	-	-	-	-	-	-		
5045	UG DL&FDRS-OP SUPS&EXPS	300	-	-	-	-	-	-	-		
5050	UG SUBTRANS FEEDERS-OP	-	-	-	-	-	-	-	-		
5055	UG DIST TRANSFORMERS- OP	7,000	6,067	538	1,442	600	4,545	12,300	12,500		
5065	METER EXPENSES	54,800	40,638	50,190	33,527	39,500	55,789	56,100	72,800		
5070	CUSTOMER PREMISES-OP LAB	-	-	-	-	-	-	-	-		
5075	CUST PREMS-MLTS & EXPS	-	-	-	-	-	-	-	-		
5085	MISC DISTRIBUTION EXPENSE	46,800	34,419	46,802	54,618	47,100	52,159	58,000	55,800		
5095	OH Dist Lines&Feeders-Rental Pd	4,700	4,674	4,674	6,172	6,200	47	6,300	6,400		
5096	OTHER RENT	-	-	-	-	-	-	-	-		
5100	DISTRIBUTION EXP-MTCE	302,200	317,930	283,489	310,601	339,300	333,485	339,100	358,700		

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5105	MTCE SUPERVISION & ENG	48,000	47,300	62,757	43,284	58,400	25,174	35,900	40,200		
5110	MTC BLDGS & FIXS-DIST STN	-	-	1,133	-	-	-	-	-		
5114	MTCofDIST ST EQ<50kv	19,000	17,588	11,497	12,226	10,500	5,468	12,300	30,300		
5120	MTCEofPOLES, TOWERS, FIX	28,600	27,641	21,218	13,107	17,600	25,483	21,100	22,400		
5125	MTC OF OH CONDS&DEVS	47,700	50,328	3,812	11,729	7,100	41,119	10,800	8,600		
5130	MTC OF OH SERVICES	31,000	30,380	35,647	27,419	36,200	50,455	28,400	30,800		
5135	OH DIST LINES&FDRS-ROW	45,400	55,161	49,270	62,948	57,500	62,588	68,800	64,000		
5145	MTC OF UG CONDUIT	4,700	4,062	38	1,406	1,200	3,205	1,400	1,400		
5150	MTCofUG CONDUCTS&DEVICES	3,600	3,451	3,603	3,477	5,400	2,453	3,200	3,400		
5155	MTC OF UG SERVICES	48,300	53,474	84,383	90,046	94,500	110,670	114,300	114,700		
5160	MTC OF LINE TRANSFORMERS	13,300	15,104	10,100	42,220	48,500	6,869	42,000	42,000		
5165	MTCE OF ST LTG&SIGNAL SYS	-	-	-	-	-	-	-	-		
5170	SENTINEL LIGHTS-LABOUR	-	-	-	-	-	-	-	-		
5172	SENTINEL LIGHTS-MTLS&EXPS	-	-	-	-	-	-	-	-		
5175	MTC OF METERS	2,600	12,355	-	2,531	2,400	-	900	900		
5195	MTC of OTH INSTS on CUST PREM	-	87	-	208	-	-	-	-		
5300	BILLING & COLLECTING	446,705	434,218	437,448	449,490	465,600	464,492	484,000	514,700		
5305	B&C: Supervision	-	-	31,436	37,473	58,300	56,286	49,400	58,100		
5310	B&C: METER READING EXP	99,700	99,268	99,817	103,048	103,700	102,101	106,800	106,800		
5315	B&C: CUSTOMER BILLING	258,300	255,189	200,498	200,099	222,300	212,558	224,300	249,300		
5320	B&C: COLLECTING	77,705	75,270	88,986	104,580	75,100	88,908	97,200	94,200		
5325	B&C: CASH OVER & SHORT	-	(49)	(0)	(3)	-	2	-	-		
5330	B&C: COLLECTION CHARGES	-	-	-	-	-	-	-	-		
5335	B&C: BAD DEBT EXPENSES	11,000	4,541	16,711	4,293	6,200	4,639	6,300	6,300		
5340	B&C: MISC CUST ACCT EXP	-	-	-	-	-	-	-	-		
5400	COMMUNITY RELATIONS	28,600	29,006	35,494	23,290	39,500	47,554	55,900	43,500		
5405	COMM RELATION-SUPERVISION	-	-	-	-	-	-	-	-		
5410	COMM RELATIONS-SUNDRY	19,300	19,229	20,927	11,925	29,000	28,629	29,800	29,300		
5415	ENERGY CONSERVATION	3,400	3,431	3,326	3,374	4,700	6,745	9,100	2,000		
5420	COMMUNITY SAFETY PRGMS	-	-	6,065	-	-	-	8,500	2,800		
5425	MISC CUST SERV&INFO EXP	5,900	6,347	5,177	7,990	5,800	12,181	8,500	9,400		
5600	ADMIN & GENERAL EXPENSES	975,100	964,009	973,254	957,997	1,018,400	924,606	1,074,800	1,101,802		

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5610	ADMIN&GEN: MGMT SALS&EXPS	287,700	283,130	294,573	364,887	362,100	351,510	364,600	378,600		
5615	ADMIN&GEN: GEN ADM SAL&EXP	235,100	247,319	260,699	215,289	193,900	195,195	225,200	232,300		
5620	ADMIN&GEN: OFF SUPP/EXPS	61,800	59,149	65,781	58,173	58,900	64,253	62,000	62,000		
5630	ADMIN&GEN: OUTSIDE SERV EMP	87,500	113,775	100,164	42,200	58,000	50,073	49,700	50,300		
5635	ADMIN&GEN: PROPERTY INSUR	16,000	15,944	7,920	5,520	6,000	5,579	5,700	5,771		
5640	ADMIN&GEN: INJURIES/DMGS	30,000	31,018	40,723	32,744	32,800	36,731	37,400	39,574		
5645	ADMIN&GEN: EMP PENS/BENEFS	3,300	3,159	11,700	14,642	-	-	-	-		
5646	A&G: OPEB Retired Employees	-	-	-	-	18,600	10,896	24,100	24,100		
5655	ADMIN&GEN: REGULATORY EXPS	132,200	95,871	64,786	93,459	155,500	90,498	170,700	172,900		
5660	ADMIN&GEN: GEN ADV EXPS	2,000	789	132	306	500	-	500	500		
5665	ADMIN&GEN: MISC GEN EXPS	90,400	86,880	94,291	98,006	97,000	88,565	97,600	98,312		
5675	ADMIN&GEN: MTCE OF GEN PLNT	19,000	16,980	22,503	22,729	25,000	21,083	26,900	26,900		
5680	ADMIN&GEN: ELEC SFTY AUTH FE	10,100	9,996	9,982	10,043	10,100	10,223	10,400	10,546		
5685	A&G: IMO FEES & PENALTIES	-	-	-	-	-	-	-	-		
5700	AMORTIZATION EXPENSE	508,619	477,169	547,856	543,304	559,100	465,840	585,500	590,700		
5705	AMORT EXP- PRPTY PLNT&EQUI	508,619	747,140	498,970	492,325	510,800	425,640	545,800	563,800		
5715	Amortization of Intangible Assets	-	130,030	48,887	50,678	48,300	40,200	39,700	26,900		
6000	INTEREST EXPENSE	301,178	395,403	452,975	514,498	550,600	530,056	540,400	535,700		
6005	INTEREST ON L/T DEBT	56,217	9,914	70,300	131,425	167,400	153,645	163,000	158,300		
6030	Interest on Debt to Associated Company	222,561	365,890	365,890	365,890	365,900	365,890	365,900	365,900		
6035	OTHER INTEREST EXPENSE	22,400	19,599	16,786	17,183	17,300	10,522	11,500	11,500		
6100	TAXES	94,678	22,539	(46,005)	(44,569)	18,600	17,640	17,700	17,700		
6105	TAXS OTHER THAN INCOME TAXES	34,500	34,450	34,455	18,305	18,600	17,303	17,300	17,300		
6110	INCOME TAXES	60,178	(53,160)	401	658	-	337	400	400		
6115	PROV FOR FUTURE INC TAXES	-	41,249	(80,861)	(63,532)	-	-	-	-		
6200	OTHER DEDUCTIONS	12,700	16,392	13,368	76,757	21,800	19,494	21,800	21,900		
6205	DONATIONS	10,000	13,000	10,000	73,930	18,900	17,490	18,900	19,000		
6215	PENALTIES	-	-	-	-	-	-	-	-		
6225	OTHER DEDUCTIONS	2,700	3,392	3,368	2,828	2,900	2,004	2,900	2,900		

Centre Wellington Hdyro Ltd
DRAFT - 2018 Summary OM&A Budget

2018 Budget with comparisons to previous years actuals

2018 Budget Preparation is for inclusion in the 2018 Cost of Service Application - Figures could change with the calculation of Bill Impacts and further analysis.

Account No.	Description	OEB							
		Revised Budget 2013	Actual 2013	Actual 2014	Actual 2015 Dec 31st	Final Budget 2016	Preliminary YTD 2016 Dec 31st	Final Budget 2017	Final Budget 2018
9000	CLEARING ACCOUNTS	-	-	-	-	-	62,252	-	-
9040	STORES OP-CLEARING ACCTS	16,700	10,457	15,863	29,086	20,800	16,758	20,200	20,200
9049	STORES OP EXPS ALLOCATED	(16,700)	(10,457)	(15,863)	(29,086)	(20,800)	19,511	(20,200)	(20,200)
9070	ROLLING STOCK EXP-CLG ACT	98,000	76,610	87,634	105,219	119,000	115,317	116,100	163,600
9079	ROLLING STOCK:ALLOCATED	(98,000)	(76,610)	(87,634)	(105,219)	(119,000)	(82,234)	(116,100)	(163,600)
9090	PAYROLL OVERHEADS/BURDENS	247,000	302,026	287,172	266,893	217,700	247,849	230,900	241,000
9099	PR BURDENS ALLOCATED	(247,000)	(302,026)	(287,172)	(266,893)	(217,700)	(254,949)	(230,900)	(241,000)
Net (Income) loss for the year		(354,620)	(320,068)	(553,474)	(433,207)	(295,700)	(418,539)	(153,100)	(187,098)
Add back interest paid to CW Twp not included in rates				(143,328)	(143,328)	(143,327)	(143,328)	(143,327)	(143,327)
Income after adding back interest over the deemed rate			(0.44)	(696,802)	(576,535)	(439,027)	(561,867)	(296,427)	(330,425)
OM&A:									
Operations		269,500	273,357	293,304	322,470	268,800	281,116	364,100	362,300
Maintenance		302,200	317,930	283,489	310,601	339,300	333,485	339,100	358,700
Billing & Collecting		446,705	434,218	437,448	449,490	465,600	464,492	484,000	514,700
Community Relations		28,600	29,006	35,494	23,290	39,500	47,554	55,900	43,500
Administration		975,100	964,009	973,254	957,997	1,018,400	924,606	1,074,800	1,101,802
Taxes		34,500	22,539	(46,005)	(44,569)	18,600	17,640	17,700	17,700
Total OM&A per Cost of Service		2,056,605	2,041,060	1,976,984	2,019,279	2,150,200	2,068,894	2,335,600	2,398,702
OEB 2013 Cost of Service approval expenses		2,056,605	2,056,605	2,056,605	2,056,605	2,056,606	2,056,605	2,056,606	2,056,606
OMA Expenses		2,056,605	2,041,060	1,976,984	2,019,279	2,150,200	2,068,894	2,335,600	2,398,702
OMA Expenses over 2013 Approved Expenditures		-	15,545	79,621	37,326	(93,594)	(12,289)	(278,994)	(342,096)
Percentage increase (-) decrease (+) over 2013 OEB approved			0.10%	3.87%	1.81%	-4.55%		-13.57%	-16.63%
Percentage increase (-) decrease (+) over 2013 Actual				3.14%	7.17%	-5.35%		-7.37%	-19.12%

Centre Wellington Hdyro Ltd
DRAFT - 2018 Summary OM&A Budget

2018 Budget with comparisons to previous years actuals

2018 Budget Preparation is for inclusion in the 2018 Cost of Service Application - Figures could change with the calculation of Bill Impacts and further analysis.

Account No.	Description	OEB		Actual 2014	Actual 2015 Dec 31st	Final Budget 2016	Preliminary YTD 2016 Dec 31st	Final Budget 2017	Final Budget 2018
		Revised Budget 2013	Actual 2013						
Revenue:									
	<i>Distributtion Revenue (4080)</i>	(3,053,500)	(3,354,687)	(3,204,174)	(3,175,317)	(3,261,000)	(3,181,342)	(3,319,000)	(3,353,600)
	<i>Other Operating Revenue (4200)</i>	(182,400)	(217,076)	(280,285)	(253,760)	(253,600)	(180,162)	(244,800)	(307,800)
	<i>Other Income and Deductions (4300)</i>	(18,200)	(74,124)	(15,548)	(113,080)	(18,100)	(172,564)	(35,700)	(36,800)
	<i>Investment Income (4400)</i>	(39,800)	(4,205)	(44,650)	(44,589)	(44,700)	(31,007)	(36,900)	(35,900)
	Total Income	(3,293,900)	(3,650,092)	(3,544,658)	(3,586,745)	(3,577,400)	(3,565,075)	(3,636,400)	(3,734,100)
OM&A:									
	<i>Operations</i>	269,500	273,357	293,304	322,470	268,800	281,116	364,100	362,300
	<i>Maintenance</i>	302,200	317,930	283,469	310,601	339,300	333,485	339,100	358,700
	<i>Billing & Collecting</i>	446,705	434,218	437,418	449,490	465,600	464,492	484,000	514,700
	<i>Community Relations</i>	28,600	29,006	35,494	23,290	39,500	47,554	55,900	43,500
	<i>Administration</i>	975,100	964,009	973,254	957,997	1,018,400	924,606	1,074,800	1,101,802
	<i>Taxes-Property</i>	34,500	34,450	34,455	18,305	18,600	17,303	17,300	17,300
	Total OM&A per Cost of Service	2,056,605	2,052,971	2,057,444	2,082,153	2,150,200	2,068,557	2,335,200	2,398,302
	<i>Amortization Expense</i>	508,619	877,169	547,856	543,004	559,100	465,840	585,500	590,700
	<i>Interest Expense</i>	301,178	395,403	452,975	514,498	550,600	530,056	540,400	535,700
	<i>Taxes-Income</i>	60,178	(11,911)	(80,460)	(62,874)	-	337	400	400
	<i>Other Deductions</i>	12,700	16,392	13,368	76,757	21,800	19,494	21,800	21,900
		882,675	1,277,054	933,739	1,071,385	1,131,500	1,015,727	1,148,100	1,148,700
	Net Income	(354,620)	(320,068)	(553,474)	(433,207)	(295,700)	(480,791)	(153,100)	(187,098)

Exhibit 1

Appendix E

Capital Investment Forecast

System Access		2017	2018	2019	2020	2021	2022	TOTAL
CP1	New Services	\$ 26,100.00	\$ 30,600.00	\$ 24,900.00	\$ 25,400.00	\$ 25,900.00	\$ 26,400.00	\$ 159,300.00
CP33	Wellington Place Hospital Service	\$ 244,100.00						\$ 244,100.00
CP68	CWEI Pole, Transformers	\$ 35,000						\$ 35,000
								\$ -
TOTAL SYSTEM ACCESS		\$ 305,200.00	\$ 30,600.00	\$ 24,900.00	\$ 25,400.00	\$ 25,900.00	\$ 26,400.00	\$ 438,400.00
System Renewal		2017	2018	2019	2020	2021	2022	TOTAL
CP7-1	Annual Pole Replacement	\$ 89,300	\$ 94,500	\$ 90,500	\$ 91,400	\$ 93,100	\$ 94,900	\$ 553,700
CP9-9	Transformers	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 480,000
CP13-18	Rodan Meter Platform	\$ 18,000						\$ 18,000
CP69	Hill St Conversion	\$ 49,300						\$ 49,300
CP70	Hill St Re-routing	\$ 25,000						\$ 25,000
CP71	Hill St	\$ 49,900						\$ 49,900
CP72	44kV Tie Re Route	\$ 140,200						\$ 140,200
CP73	Brock St Conversion	\$ 22,700						\$ 22,700
CP75	St Patrick: Gartshore to Herrick		\$ 85,600					\$ 85,600
CP76	St Patrick: Gowrie to Herrick		\$ 103,800					\$ 103,800
CP77	St George: Herrick to Gartshore		\$ 103,800					\$ 103,800
CP79	Station Fans - Elora #2, Fergus #4		\$ 44,800					\$ 44,800
	York St: Waterloo to Rd 7			\$ 49,900				\$ 49,900
	Wellesly: Colborne to Moir			\$ 37,100				\$ 37,100
	Victoria Terrace: Forfar to Strathallen			\$ 110,900				\$ 110,900
	St George: St David to Cameron			\$ 78,900				\$ 78,900
	Wellesly: Church to Colborne			\$ 56,000				\$ 56,000
	DSP #2 Elora				\$ 60,100			\$ 60,100
	Mary St: David St to Moir St				\$ 24,700			\$ 24,700
	Moir St: Mary St to John St				\$ 30,300			\$ 30,300
	John St: Moir to Colborne				\$ 30,500			\$ 30,500
	John St: David to Colborne				\$ 54,100			\$ 54,100
	Gzowski: Stn 4 to Herrick				\$ 156,200			\$ 156,200
	McNab St: High to Bridge (A)					\$ 52,600		\$ 52,600
	McNab St: High to Bridge (B)					\$ 92,600		\$ 92,600
	Cameron St: Forfar to St Andrews					\$ 94,100		\$ 94,100
	Gowrie St: St Patrick to Garafraxa					\$ 47,000		\$ 47,000
	David St: Irvine to Geddes (B)					\$ 46,900		\$ 46,900
	Irvine St: Church to Mill					\$ 32,200		\$ 32,200
	Queen St Transformer Upgrade						\$ 700,000	\$ 700,000
	St David St: Union to Albert						\$ 36,200	\$ 36,200
	Albert St Pole upgrade						\$ 70,400	\$ 70,400
	Angus: Union to Albert						\$ 30,800	\$ 30,800
	Gartshore St Pole Upgrade						\$ 84,600	\$ 84,600
	Glengary Pole Change						\$ 29,600	\$ 29,600
	David St: Irvine to Geddes (A)						\$ 73,900	\$ 73,900
	Mary St: Moir to Colborne						\$ 27,700	\$ 27,700
								\$ -
TOTAL SYSTEM RENEWAL		\$ 474,400	\$ 512,500	\$ 503,300	\$ 527,300	\$ 538,500	\$ 1,228,100	\$ 3,784,100
System Service		2017	2018	2019	2020	2021	2022	TOTAL
CP13	Revneue Meters	\$ 17,400	\$ 41,400	\$ 65,400	\$ 29,400	\$ 29,400	\$ 29,400	\$ 212,400
CP78	St David St Bridge UG Addition		\$ 40,500					\$ 40,500
								\$ -
TOTAL SYSTEM SERVICE		\$ 17,400	\$ 81,900	\$ 65,400	\$ 29,400	\$ 29,400	\$ 29,400	\$ 252,900
General Plant		2017	2018	2019	2020	2021	2022	TOTAL
CG1609	Capital Concs Pd Hydro One							\$ -
CG1611	Computer Software		\$ 50,000	\$ 80,000			\$ 55,000	\$ 185,000
CG 1908-1	Building and Fixtures	\$ 22,000						\$ 22,000
CG 1908-3	Cold Storage Shed	\$ 55,000						\$ 55,000
CG1915-1,2	Office Furniture	\$ 18,300	\$ 30,000					\$ 48,300
CG1920	Computer Hardware	\$ 62,500	\$ 19,000	\$ 25,600	\$ 77,600	\$ 77,000	\$ 37,600	\$ 299,300
CG1930	Transportation Equipment	\$ 400,000	\$ 130,000	\$ 40,000	\$ 300,000	\$ 40,000	\$ 36,000	\$ 946,000
CG1935	Stores Equipment	\$ 5,000						\$ 5,000
CG1940	Tools, Shop and Garage Equip	\$ 8,800	\$ 14,800	\$ 200	\$ 6,500	\$ 2,000	\$ 2,000	\$ 34,300
CG1945	Measurement & Testing Equip		\$ 4,500	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700	\$ 19,300
CG1950	Power Operated Equipment					\$ 3,500		\$ 3,500
CG1955	Communication Equipment				\$ 5,000			\$ 5,000
CG1960	Misc Equipment	\$ 9,000	\$ 2,000					\$ 11,000
CG1980	System Supervisory Equipment			\$ 7,500			\$ 7,500	\$ 15,000
TOTAL GENERAL PLANT		\$ 580,600	\$ 250,300	\$ 157,000	\$ 392,800	\$ 126,200	\$ 141,800	\$ 1,648,700
TOTAL		\$ 1,377,600	\$ 875,300	\$ 750,600	\$ 974,900	\$ 720,000	\$ 1,425,700	\$ 6,124,100

Exhibit 1

Appendix F



Achievement through Collaboration

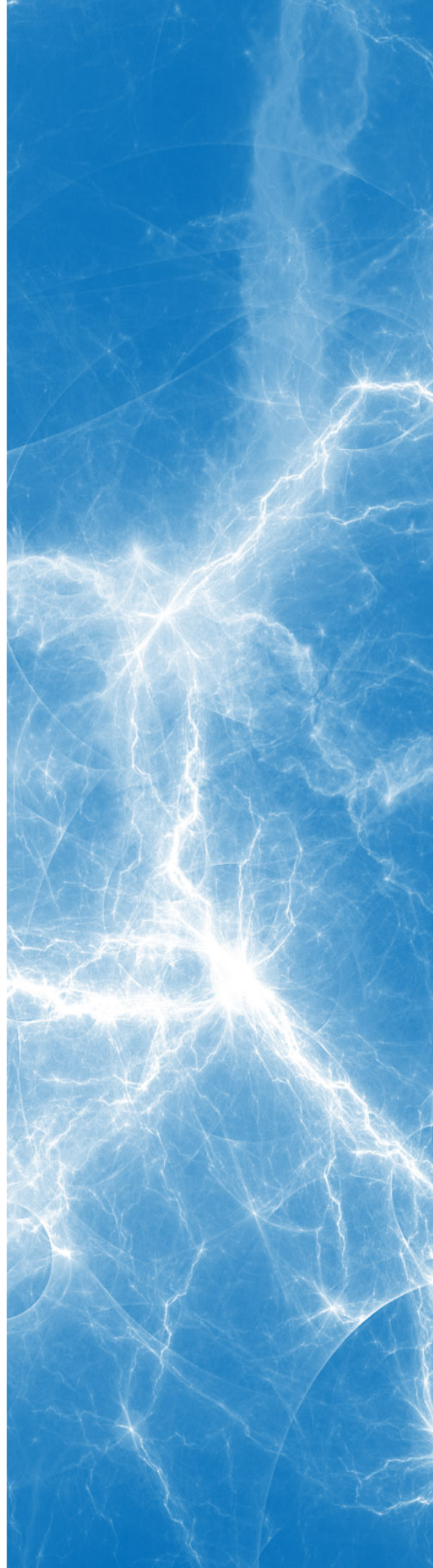
Customer Communications Plan Resource Document

The following is a reference document to accompany the
Master Communications Planning and Tracking Tool for CHEC
LDCs

Prepared by:
CHEC Communications Working Group

September 2017

Cornerstone Hydro Electric Concepts Association Ltd.
www.checenergy.ca



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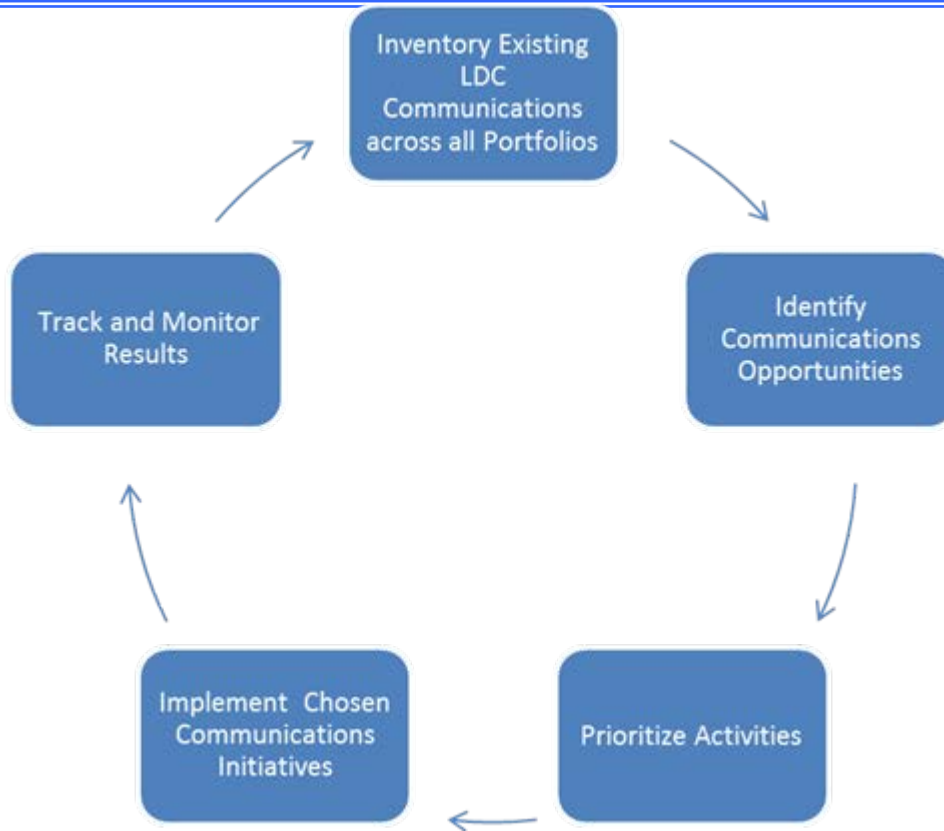
2 Introduction

The expectations around LDC customer communications have increased significantly in recent years, both from the customer side and the Ontario Energy Board. Along with these increased pressures has come a multitude of communications channels and opportunities that are available to the LDC to connect with their customers.

In a small organization, it can be difficult to find the time and resources to manage a full communications platform, or even to decide what channels and initiatives would be most effective in reaching your customers and shareholders. Some traditional communications channels have become less effective, others have continued to provide value, and the addition of social media and many digital channels has broadened the menu to an extent that it is often challenging to implement an effective communications plan within the available budget and resources.

This Customer Communications Plan is made up of two elements: the “Master Communications Planning and Tracking Excel Workbook” and this LDC Communications Resource document. They work in conjunction and have been developed to assist CHEC LDCs in developing a Plan that fits their size and their needs. It will help them establish a plan to effectively and cost-efficiently communicate with their customers and shareholders, help meet regulatory communications requirements, and provide a guide going forward as the customer's communications needs continue to evolve along with the LDC's resources and the available communications channels.

The resource document is designed as a resource guide tailored specifically for Ontario LDCs. It can be read either start to finish or as individual sections as the communication needs of the LDC develop. The table of contents provides an overview of the subjects that are covered with the chart below illustrating the continuous cycle that will assist in gradually developing effective communications.



3 Determining your Communications Objectives

The customer communications objective will vary depending on the current development of LDC communications. LDCs with limited communications activities will want to determine small, attainable objectives to get them started in the development of a broader communications plan. LDCs that are somewhat active in their communications may want to target a specific area where they would like to improve on their existing performance. For LDCs that have a broad communications platform they may want to explore the possibilities of some new marketing technologies to further enhance their outreach.

As a starting point, the overall communications goal of LDCs within the CHEC organization could be: To be a trusted energy partner for our customers, that includes delivery of safe, reliable, cost-effective electricity and being a trusted source of electricity information.

One element of this goal is to improve customer communications and broaden the ways in which the LDC connects with its customers. There are a number of objectives that can be undertaken to move towards aspect of the overall goal, depending on their current level of activity.

3.1 Examples for LDCs that are just beginning to develop their communications platform:

- Become an active participant on social media to engage customers and become known as a reliable, local source for information on outages and electricity.
- Improve outreach to customers and shareholders through a regular e-newsletter. (if content from an existing paper newsletter can be repurposed)
- Redesign the LDC website to be accessible, easy-to-use, and updated on a regular basis.
- Increase promotional content on website to promote involvement with local businesses and events.
- Increase recognition of the LDC's support of local charities through recording and publishing their participation at events and sponsorships

3.2 For LDCs with an existing yet not extensive communications initiative:

- Enhance our social media presence by engaging more with local businesses and residents.
- Educate our customers on LDC activities through case studies and news releases posted regularly to our website and shared on social media.
- Purchase a social media management program (eg. Hootsuite, Buffer) to integrate our social media activity and save time
- Include information from all portfolios in our e-newsletter with a photo included in each article.
- Form a communications group within the LDC and include a representative from each portfolio
- Appoint an employee to be responsible for all mandated (regulated) communications

3.3 For LDCs with an established communications presence:

- Use Autodial software to update customers after an outage or when maintenance is being performed in their area.
- Develop videos to highlight staff activities and conservation success stories.
- Use data from customer portal to target energy saving opportunity emails to customers with high consumption rates
- Integrate your Customer Relationship Management (CRM) system with marketing automation software to increase efficiency

The above examples provide a starting point for LDCs at all stages of communications development. The objectives chosen or created will depend on what the LDC wants to achieve and the resources that are available to them. The breakdown of activities that follows and an aid to prioritizing activities will help LDCs to determine where their resources would be most effectively used.

4 Audience

As a Communications Plan specifically focused on Customers, the target audience for this plan is:

- Residential Customers
- Local Business Customers
- Members of the Board
- Shareholders

5 Communications Channels

There are multiple communications channels available to LDCs. A table of the different channels, including the strengths and weaknesses of each, is included in [Appendix A](#).

The Channel selected for each initiative will depend on the audience to be reached, the content of the message and the available resources for distribution.

5.1 Prioritizing your Communications Channels

Prioritizing communications channels within an LDC will depend on several factors: the audience the LDC wants to reach, the type of relationship they want to establish with that audience, and the resources available within the LDC to engage in that communications channel. The Master spreadsheet available in the Master Communications Planning and Tracking Workbook provides a method for inventorying your current communications practices and determining which channels will fill in the gaps or enhance the existing communications. When determining your channels keep in mind that the most effective way to reach customers is through the channels that they prefer and that almost all LDCs will require a combination of digital and print communications to reach their entire audience.

5.1.1 Audience

It varies with each initiative but in general the audience for a small LDC in Ontario is the entire adult population from age of approximately 20 to senior citizens. Demographics will vary within each service area but unlike commercial businesses that often have a narrower audience, the target audience for most LDCs is the adult population.

5.1.2 Type of Interaction/Relationship

Each communications channel has its strengths and weaknesses and reaches a specific audience. These are noted in Appendix A. For example, social media is a good channel to develop two way conversations and to provide outage information, while e-mail campaigns are better for distributing larger chunks of information and providing updates on company news and events.

5.1.3 Available Resources

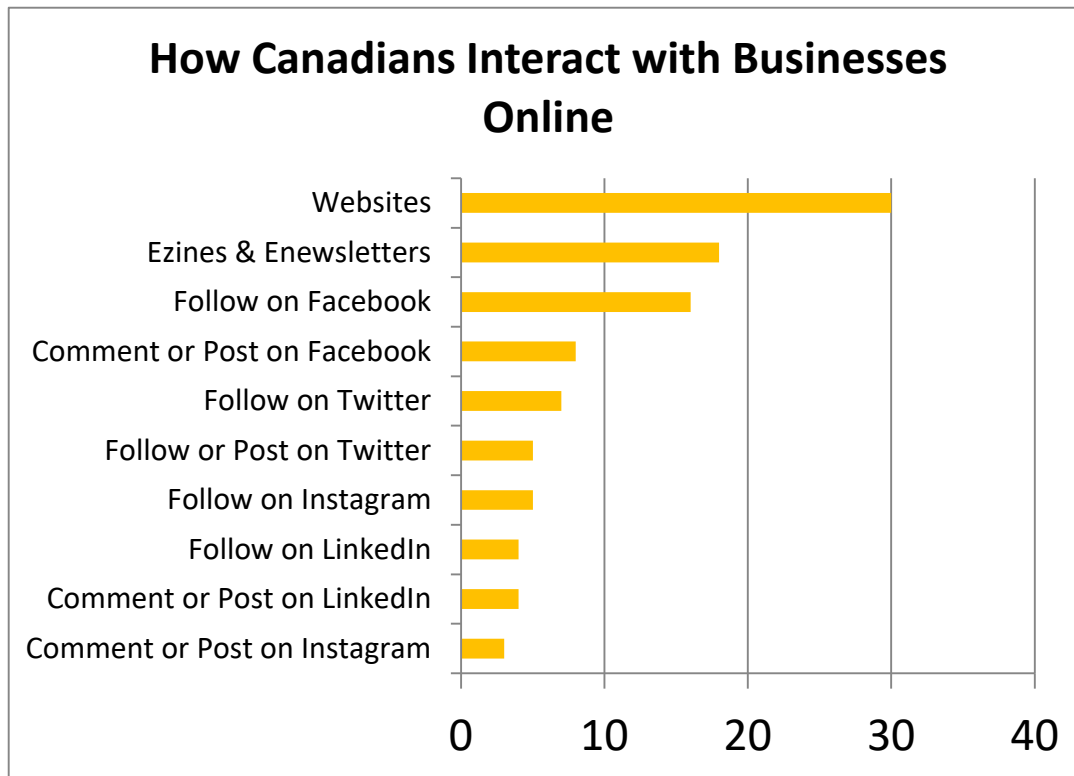
Each LDC will have existing communications resources. The challenge is to line up the available resources with communications priorities moving forward. For example, if a staff member is active and comfortable on social media, it would make sense to use those existing skills to enhance existing LDC communications. If someone is already producing an insert that is mailed out to customers, it would be a fairly easy transition to use the information as part of a monthly or quarterly newsletter. Keep in mind that it is better to do a good job at fewer channels than to spread too thin and do many channels poorly.

One simple method of determining your best communications options is often overlooked. **Ask the Customer.** It sounds obvious but we often forget to ask the people we're trying to reach how they best like to be contacted. It can save LDCs a lot of time and wasted effort. Options for this

include a single question pop up survey on the website or customer portal, an email survey campaign, or a question asked through the Customer Service Reps.

To dig deeper into the customer experience, LDCs can also **map out their customer’s journey**. By laying out the different ways customers will interact with the LDC at different times and events, it will help LDCs determine how their customers are interacting with them and what channels they can enhance or optimize to reach customers on channels they are already using.

As of 2016, Canadians were interacting with businesses in the following way:



Percentage of Online Canadians Using Each Channel to Interact with Businesses

As LDCs move forward with new communications initiatives or enhance what they are already doing, it is important to review the success of the initiatives at a minimum of once per year. This will help LDCs review whether the channels are working effectively and if there are other areas where they may need to transfer or re-focus their efforts. Methods for evaluating communications initiative are discussed in [Section 10 Measuring Your Success](#)

6 Social Media Best Practices

Social Media is becoming an increasingly popular area for LDCs to communicate with and receive input from their customers. The value of having an effective social media presence cannot be over stated and it is well past the time when all LDCs should be engaged on at least one social media platform. A few suggestions on how to leverage its potential and avoid some of the pitfalls are listed below.

- Determine your objective before you start. This will help to focus your activities and save time. For the CHEC LDCs a good objective could be to increase their engagement with their local community, improve public safety education, or increase traffic to their website.
- Use the Master Communications Plan to make a schedule of posts for your area and use a social media management program like Hootsuite or Buffer.
- Have planned posts but if something spontaneous comes up, be ready to change the scheduled posts in favour of the current event eg. an outage.
- Use Hootsuite and Buffer to streamline social media activity and reduce the amount of time required.
- Four potential activities on social media: Resolve and Defuse, Answer Questions and Comments, Monitor and Thank, and Active Listening and Outreach.
- Complete your profile on each channel to increase traffic across all platforms.
- Be consistent and persistent with your activity. It can take more than 12 months to establish a communications channel and over 18 to achieve any kind of momentum.
- Actively engage in the communities online where people talk about the things that are relevant to your LDC. Eg safety, local events, high electricity prices. Not to sell, but to listen, participate, give advice, share know-how, and become a trusted resource.

6.1 Guidelines for Posting Frequency

Channel	Frequency	Recommended Activities
Twitter	At least once per day. Several times per day is better. Activity on weekends and holidays is recommended and especially during outages.	Liking and re-tweeting of content from your community or that is relevant to your followers. Follow local businesses and government.
Facebook	At least once per day. Several times per day is better. Activity on weekends and holidays is recommended and especially during outages.	Like, Share and Comment on content from your community or that is relevant to your followers. Join groups relevant to your LDC eg. ESA
LinkedIn	1-2 times per week. Many people are active on LinkedIn on the weekends.	Encourage LDC employees on LinkedIn to like posts to increase distribution.
Instagram	Post a maximum of once per day but should be monitored consistently to promote engagement	Tag others, talk to others, check in on other local businesses, and use your location.

6.2 How to Handle Negativity

In the early days of social media it was considered good policy to ignore negative comments and individuals intent on saying bad things about your company i.e. trolls. This is no longer the case as conversations can get out of control quickly without any input of real information or facts from your LDC. It is strongly recommended that LDCs engage with all customers on social media. A few tips to for handling the negative comments and people.

- Have an established protocol for dealing with difficult customers. For example, three exchanges on social media before asking them for a private conversation.
- Be professional and focus on doing a good job. Be polite.
- Make your posts factual and true. Even if it's not good news, your customers will prefer if the news is delivered straight up.
- Answer questions on social channels as soon as you can. Even if you don't have the answer send a quick reply to that affect. "That's a great question. We're tracking down an answer for you right now." But make sure to respond with the answer as soon as you can.
- Set up alerts or recurring searches in your LDC's social accounts so that you will be aware when your LDC is invoked. If someone is complaining, reply and resolve their issues ASAP. Respond publicly but if it can't be resolved in an appropriate amount of time or the customer won't stop, request that you take it to a private conversation to resolve the issue.
- If someone is bragging about what a great job your LDC has done, amplify that. Share it with your audience, if appropriate. Or simply say how glad you are to hear it.
- Use humour if appropriate

6.3 What to Do if you Make a Mistake

Everyone makes mistakes and the occasional slip up will be inevitable when implementing any kind of communications strategy. A quote from a report by Egan Energy, *Juggling Chainsaws*, Biennial Survey of Utility Marketers and Communicators

"'Going dark' during difficult times can be tempting, but it almost always hurts a utility in the long run. When there's controversy or confusion, a utility needs to be visible. If you go dark during tough times, you'll have a harder time re-establishing your credibility when the storm clouds pass."

The important thing to remember on social media is that there are people on both sides of the conversation. If you make a mistake, act as you would if you were face to face: acknowledge it, apologize if necessary, provide the corrected content, and move on.

7 What to Use as Content

7.1 Sources for Content

LDCs have the advantage of having a wide range of information across all portfolios that can be used as content for various communications initiatives.

General

- Customer Stories
- Employees in the Community
- How Electricity is Delivered
- FAQ about Electricity in Ontario
- Employee Profiles
- Employee Newsletter

CDM

- Conservation Programs/Tips
- Coupon Events
- Residential Conservation Success Stories
- Business Conservation Success Stories

Operations

- Outage Information
- Service Bulletins
- Capital Projects
- Public Safety
- ESA Safety Calendar (included in Workbook)
- General Safety

Finance/Regulatory

- Time of Use Rate Changes
- Rate Changes
- Bill explanations

-
- OESP and LEAP
 - Mail outs
 - Industry initiatives

Photos have come to dominant most of the communications channels and are an important element of any communications plan. Example of photos available for use on websites, newspapers, and social media include but are not limited to:

- Storm damage
- Storm repair
- Scheduled repair work
- Maintenance
- Employees in Community and at Community events
- Employees Fundraising
- At trade shows
- At training workshops
- Employees with Customers
- Delivering prizes from contests (if used)
- CDM Incentive cheque presentations

The form that the content takes will depend on the communications channels being used by the LDC. Content should be primarily customer focused and suited for the particular channel. The LDC website will be the primary location for much of the content with other channels linking to the information eg Twitter, LinkedIn, e-newsletters, e-blasts, etc.

Digital communications has become a dominant form of customer communications but other more traditional analog methods are still required. LDCs will need to determine the mixture of traditional and digital communications to ensure they reach the largest segment of their customers.

Particularly on social media, content can be leveraged from other LDCs and organizations. If a post would be beneficial to your customers, then re-tweeting or sharing is a good way to provide useful content without a large effort.

7.2 Required Communications

Throughout the LDC there are communications that are required either through legislation or by order of the Ministry.

Required Communication	Date/Frequency	Details
TOU Rates	Biannually	Prior to May 1 and November 1
Distribution Rate Changes	As required	LDC shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
Rate Application	As required	LDC is required to publish the OEB issued final Notice in the local newspaper with the widest publication and provide the Board with the date of publication. https://www.oeb.ca/documents/cases/RP-1999-0034/appb.pdf The LDC is required to have completed copies of the evidence package, the Application, and any additional material made available for convenient public perusal at the utility’s head office.
Supply Mix	Annually	An LDC shall disclose the system-wide electricity supply mix to a consumer through a mailing that contains the Electricity Facts label https://www.oeb.ca/documents/dir.pdf

Scorecard

yearly – late September
or early October

Scorecard result published on the
LDC and OEB website - October 2,
2017

(1) the scorecard prominently be visible on the homepage of the distributor’s website, (2) the distributor to alert customers of scorecards at least once year through a bill message, and (3) the distributor to ensure front line staff who interact with customers are sufficiently knowledgeable of the scorecard to confidently refer to it, as opportunities arise.

Save on Energy

Support for portfolio

The LDC will:

- (a) be responsible for
- (b) consistently market all Programs under the Save on Energy brand;
- (c) within thirty days of a request by the IESO, such request not to occur more than once each quarter, provide the IESO with forecast and/or actual marketing calendars, as requested, in the template provided by the IESO, with timing, activities and spending for the upcoming and/or preceding quarters, as applicable, for each media in total, for all Programs and activities contemplated by the CDM Plan;
- (d) market each Program to the relevant target sector, accurately describing each Program and accurately outlining the terms and

	conditions applicable to each Program in a manner that permits persons to readily identify the Programs applicable to them; and
	(e) comply with the Brand Use Rules, including with respect to any processes set out in such Brand Use Rules for approving the use, or otherwise confirming the appropriate use, of the IESO marks.
OREC (Ontario Rebate for Electricity Consumers)	Not required.
Public Safety	Currently there is no specific requirement for LDCs to promote public safety awareness within their communities. This may change once three years of survey data is collected in 2018 and performance targets are set. From a presentation by the ESA: “LDCs will be accountable for their awareness efforts. ESA has been consistently been delivering province wide powerline safety campaigns for years, and has offered turnkey materials for LDCs to use in their territory. ESA is continuing this in partnership with the LDC community.”
OESP and LEAP	Not required but OEB has provided marketing materials to inform customers of the program. Promotion of the program to the public is done by the Central Service

Provider

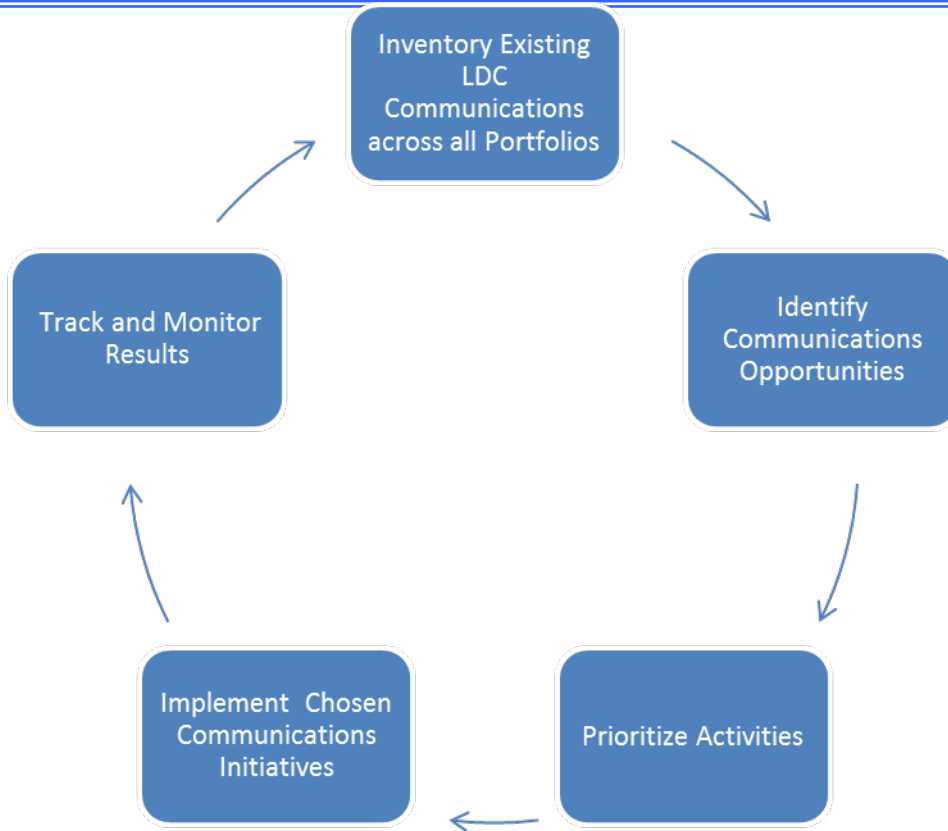
Customer Service staff are required to respond to questions about the program and redirect customers to the OESP portal or OESP Contact Centre when appropriate

Utilities are also encouraged to leverage their relationships with electricity customers in order to perform program outreach using the communication and marketing materials developed by the OEB.

https://www.oeb.ca/oeb/_Documents/Documents/OESP_Guideline_Distributors_USMP.pdf

8 Putting it into Action

After establishing a communications objective the implementation can be achieved through a repetitive process as shown below.



8.1 Inventory the Existing Communications

Starting a communications plan can often be as simple as doing an inventory of the communications that currently exist at the LDC. Most LDCs have communications happening from different portfolios and when compiled together form a solid basis to develop a communications plan. The inventory also helps to see where the communications gaps are and which areas it may be important to focus on first. The Master Communications Tracking and Planning Work Book can be a good tool to compile all the existing communications.

8.2 Securing Account Names and URLs

Whether you plan to actively engage in a given social media channel it is good practice to secure the account names and the URLs for the different channels in the event that the LDC decides to expand their communications into those channels in the future. At a bare minimum the following names and URLs should be secured:

- Facebook
- Twitter

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- Instagram
 - Pinterest
 - LinkedIn
 - Google+
 - Youtube

Establishing a dedicated communications email account that can be used for registering on the different channels and provide a single source for customers communications will also make it easier to manage communications going forward and in the event of staff changes.

8.3 Implementing Communications Initiatives

Establish the communications objectives for the LDC that are either the most pressing or that are required. Using the Master Communications Planning and Tracking Tool establish a schedule of the initiatives the LDC plans to implement. Choose the ones that can be implemented with the resources that are available. It is better to master a single channel or campaign before adding additional activities. Implement the schedule, track the campaign, and come back when it is finished, or periodically if it is on-going, and evaluate its success. Take what you've learned and continue on.

Implementing a Communications Plan can be overwhelming when first started. It is important to approach it step by step and make achievable goals and campaigns. Resources are available to help with the creation of content and include the ESA calendar that is produced quarterly, content developed by the CHEC Working Group, content produced by other LDCs, and materials that already exist within the LDC.

8.4 How to Manage

The importance of customer communications and media engagement needs to be supported at all levels of the organization if it is to be successful. The belief and support of Senior Management in particular is critical if the plan is to be successful over the long term. This includes a willingness to allocate resources to ensure the initiatives are properly funded and providing the person who is in charge of the communications, the time and resources to do their job properly.

A good communications plan also includes good internal communications. Informing all LDC staff of the communications initiatives and what you hope to achieve can help with the buy in process and also root out individuals who are interested in or have a knack for communications and can be a valuable resource in implementing the plan.

The most important element for a successful social media plan is to develop a schedule. This can be done using the Communications Master Planning and Tracking Tool that is part of this Communications Plan. Planning topics and initiatives ahead of time allows for a more cohesive organized platform with a better chance of reaching a wider audience.

8.5 Establish a Communications Committee

Since communications come from across the different LDC portfolios it can be useful to create a communication committee with representatives from each portfolio i.e. Operations, Finance, CDM, etc. Having a central committee that is aware of the communications from the other departments can avoid duplication and also provide opportunities for the different departments to support and leverage each other's activities.

8.6 Getting Appropriate Approvals

Establishing an approval process for all communications whether its print, digital or social media will make sure that all communications are seen by the appropriate people prior to being published. Due to the timeliness of social media, the creation of a social media policy will inform the person who is responsible for the accounts on how to address different situations. This will allow them to manage the accounts in a timely manner while still ensuring the content and responses fits within the communications expectations of the LDC.

8.7 Plan for the Unexpected

There is bound to be miscommunication or problems that arise, so it's necessary to have mechanisms in place to inform customers and respond to media if required. Designating a spokesperson can ensure that the person is informed of the situation and has established communications channels so they have all the available information prior to addressing the media or posting updates on social media.

- As part of the mandated Emergency Response Plan, establish the emergency communications protocol for emergency events. This plan should establish who is to be informed, the channels that will be used to inform them and the best way to update them on the situation.
- Determine who delivers what messages to the media whether it's the CEO, Operations Manager, Customer Service rep or the Finance Department.

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- Make sure anyone that will be speaking with the media is properly trained. This includes the individual that manages the social media accounts or any outward facing communications channels.

8.8 Keep it Simple

With so many communications channels available and so many events and programs to promote, it can be easy to stretch the communications resources too thin. For the most effective communications choose the number of channels that can be effectively managed with the resources that are available. It is better to do one channel well, for example Twitter, than to have multiple social media accounts or a website that rarely sees any activity.

In order to reach all customers, it is also necessary to have communications in digital, print and social media. Take the time to plan out the communications initiatives to ensure that each audience is receiving communications along at least one of their preferred channels. While many LDCs have embraced social media most still use customer newsletters in either a digital or printed format.

Once the LDC is comfortable with their existing channels and is able to effectively manage them, they can consider enhancing their platform by either adding a channel or increasing their activity on a given channel.

8.9 Outside Resources

For LDCs that do not have the internal resources to effectively implement a communications plan, there are third party providers that can deliver this service. Some of the benefits of this approach include:

- Third parties have specific skills, knowledge and experience in communications that the LDC needs. In the case of social media, it requires knowledge and experience to do it right especially for a business.
- A third party doesn't add extra responsibilities for a staff member, who might not enjoy doing social media or doesn't have the time to do it properly.
- Covering outages and incidents after hours can be part of the third party contract so there is no question as to who will be covering the accounts after hours.

9 Measuring your Success

Keeping track of the success of the different communications initiatives can help to evaluate the effectiveness of initiatives and inform communication decisions going forward. Metrics are also necessary for validating the importance of LDC communications when it comes to budget time and allocating staff resources.

Evaluating the effectiveness of your campaign will depend on the initiative. For example a Public Safety Awareness campaign will be directly connected with the Public Safety Survey Results, while a CDM Program promotion will be connected to program enrollment and energy savings. Establishing a specific communications objective prior to starting will help determine the effectiveness of the campaign. For example, ‘increase social media engagement by 15%.’

Since LDCs are required to conduct various surveys, LDCs already have metrics they can use to evaluate some of their communications objectives, such as the Customer Satisfaction Survey and the Public Safety Survey. LDCs can use these existing metrics along with google analytics and social media metrics for a starting point at how the LDC is performing. As time goes on the LDC can start to broaden their measurement activities as they develop new objectives and implement new campaigns.

9.1 Social media, newsletter and website analytics

Almost every social media platform, newsletter program, and website have analytics that can track the activity on the specific platform and can help measure success as well as determine what elements are working better than others. Social media platforms can provide data on number of likes, re-tweets, sharing, and impressions among others. Electronic newsletter programs provide very detailed information on how many opens the email received, which items were clicked most, and the most active time periods for engagement with other features available for a fee. Analytics are available on websites through Google Analytics and other programs depending on the website.

9.2 Customer activity

An additional area to be aware of in social media is customer activity. This includes the level of advocacy for your LDC on social media as well as any reviews/complaints that are posted online. Tracking these and watching for any trends can provide a good indicator of what information is being delivered and where there are opportunities to improve.

9.3 Mandated Surveys

The metrics that already exist in the mandated surveys are an easily accessible metric for determining overall communications performance.

Specifically within the Customer Satisfaction Survey, question F12, “Overall, how satisfied or dissatisfied are you with the communications that you receive from [LDC] related specifically to you electrical service?” can provide a good overall indicator of the year to year communications effectiveness. More frequent surveys can also be performed with pop up survey questions on the website or as part of customer newsletter to gain more immediate feedback.

The results of the Public Safety Awareness Survey can provide a specific metric on the effectiveness of communications directed towards Public Safety Awareness.

9.4 Employee Input

A large number of LDC employees are engaged with the public on a daily basis. Weekly or monthly meetings to discuss what issues the staff are encountering can provide insights into what areas need to be focussed on or that are not being adequately communicated.

9.5 Enrollment

Enrollment in various programs, such as e-billing or conservation programs, provides a simple, accurate indication of the success of any campaigns that are directed at increasing enrollment.

9.6 Tracking

A spreadsheet in the Communications Planning and Tracking workbook is specifically dedicated to tracking the communications that occurred throughout the year from all portfolios. This comprehensive list of the different initiatives can help communicators track what was accomplished, identify redundancies between departments, and identify areas where more activity is required.

10 Available Resources

- CHEC Communications Working Group
- Other LDCs
- ESA

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- EDA
 - Egan Energy Communications website <https://eganenergy.com/>

11 Appendix A – Communications Channels

Summary of Communications Channels

Channel	Description	Strengths	Weaknesses	Additional comments
Twitter	An online news and social networking service where users post and interact with "tweets" restricted to 140 characters. Registered users can post tweets, but those who are unregistered can only read them. Users access Twitter through its website interface, SMS or a mobile device app.	<p>Effective for reporting outage information</p> <p>Provides easy two way conversation with customers, a good channel to resolve issues and have conversations.</p> <p>Outage information attracts followers and channel can then be used for other communications</p> <p>Good way to establish network with your community</p> <p>Accessibility</p> <p>Inexpensive</p> <p>Customer Service Opportunity</p>	<p>Needs to be monitored 24/7</p> <p>Needs to be updated regularly</p> <p>There is the potential for negativity and abuse</p> <p>Tweets are limited to 140 characters</p> <p>Potential for distraction/time wasting</p> <p>Takes time (12+ months) to develop effective platform/audience</p> <p>Can get very distracting during outages when everyone is asking same question</p>	<p>27% of online Canadian use at least 2X/week</p> <p>Conversations are already happening on twitter about your LDC. It is better to be engaged than not.</p>

Facebook	A social networking website and service where users can post comments, share photographs and links to news or other interesting content on the Web, play games, chat live, and stream live video. Shared content can be made publicly accessible, or it can be shared among a select group of friends or family, or with a single person.	Same as for twitter Facebook is better for private conversations	Same as for twitter	71% of online Canadians visit 2X/week Conversations are happening on Facebook about your LDC. It is better to be engaged than not.
LinkedIn	LinkedIn is a social networking site designed specifically for the business community. The goal of the site is to allow registered members to establish and document networks of people they know and trust professionally. Company pages also allow companies to post their news and	A business only site Good for Business to Business relationships (i.e. local businesses) Useful (free) analytics Ease of Use A trustworthy hiring	A bit more involved to set up Takes time to develop network (12+ months) Less users than Facebook or Twitter Advanced features cost money	12% of Canadians visit 2X/week

	events. Company pages have 'followers' much like twitter.	platform		
Instagram	Instagram is a social networking app made for sharing photos and videos. Similar to Facebook or Twitter, everyone who creates an Instagram account has a profile and a news feed. When a photo or video is posted on Instagram, it will be displayed on your profile. Other users who follow you will see your posts in their own feed. Likewise, you'll see posts from other users who you choose to follow.	<p>Can actively search for and connect with customers</p> <p>Reply to comments either publicly or privately</p> <p>A highly visual platform to showcase crews at work, storm damage, the LDC team at work</p> <p>Can highlight customers that are Instagram users if they used coupons, used a Save on Energy program, etc.</p>	<p>Requires regular, original, high-quality images</p> <p>Using it effectively takes time.</p> <p>Requires monitoring 24/7</p> <p>It is a low website traffic generator (so users don't see the more detailed information)</p>	<p>20% of Canadians visit 2X/week</p> <p>Largest age demographic is 18-29 years.</p>
Other Social Media	A wide range of additional social media sites exist with Pinterest, Snapchat			% of Canadians visit 2X/week Pinterest(23), Snapchat(9), Google+ (21)

	<p>and Google+ being some of the more popular in Canada (at time of print). Exploration of these channels is recommended once LDCs have established their presence on the channels above and are able to effectively manage the multiple channels.</p>			
Youtube	<p>YouTube is a free video sharing website. Videos can be created and uploaded to be shared with others.</p>	<p>Video is the fastest growing communications medium</p> <p>The cost of video has plummeted</p> <p>An opportunity to combine resources with other LDCs</p> <p>No cost other than video production</p> <p>A widely accepted channel</p>	<p>Need to market videos for them to be seen</p> <p>No guarantee they will be seen</p> <p>Negative comments can damage the LDCs online reputation, and cannot be erased or hidden</p> <p>No Customer Service and Youtube can shut down your account anytime</p>	<p>49% of Canadians visit</p> <p>2X/week</p> <p>Over 50% of Consumer traffic goes through Youtube</p> <p>Youtube is the second largest search engine next to Google</p> <p>Video will take 74% of all online traffic in 2017</p>

		<p>Easy to use</p> <p>Videos of any length</p> <p>Can create your own channel</p> <p>Videos are indexed into Google search engines</p> <p>Quick delivery of information</p>	<p>A very competitive channel</p> <p>Less control over how videos are presented on free platform</p>	
Website	<p>A static online location containing several different pages of content. Used as a landing page for companies and individuals where they can present more in-depth information on company operations and services.</p>	<p>Provides an online presence</p> <p>An accessible location where customers can access more in-depth information</p> <p>24/7 information & marketing</p> <p>Provides access to Customer Portal</p> <p>Can provide a central platform for</p>	<p>Must be kept up-to-date to be effective</p>	<p>30% of Canadians engage with businesses' websites</p>

		<p>content that is accessed by social media etc.</p> <p>Provides more complete information than print media</p>		
Mobile App	An application for mobile phones designed specifically for LDCs. It can contain information on outages, conservation, news & events.	<p>An effective way to engage an increasing mobile customer base.</p> <p>Provides a dedicated channel for getting information to customers.</p>	<p>Customers may not use it unless they have a reason to go there. i.e. customer usage and billing information or outage information for example.</p>	
Print Media	A form of advertising that uses physically printed media, such as magazines and newspapers, to reach residential and business customers.	<p>Reaches a segment of population that is not necessarily on social media.</p> <p>Customers enjoy and trust print media</p> <p>Audience will spend longer time with</p>	<p>Expensive</p> <p>Readership is declining</p> <p>Longer lead times</p> <p>No control over ad placement</p>	

		<p>print media</p> <p>Gives access to a targeted audience in a local market</p> <p>Provides an opportunity for more detailed information</p>		
Blogs	<p>A blog is a regularly updated website or web page, that is written in an informal or conversational style and offers news or commentary on a particular topic. They are an online meeting place where people can communicate about a topic of common interest.</p>	<p>A good channel for education, particularly about topics current in the news.</p> <p>Discussions and conversations can focus around a single issue eg. electricity</p> <p>Provides platform for conversations</p> <p>A good channel for education</p>	<p>Need to be continually updated to remain relevant</p> <p>Can be open to abuse and negativity</p>	
Mail	Information in printed form	Directed at target	Often ignored by	77% of people sort through their mail as soon as

Inserts	included in bill mail outs or as a standalone piece	<p>audience</p> <p>Leaves a more lasting imprint on the brain</p> <p>Some customers attending Information Nights treated them as physical invitations.</p>	<p>recipient</p> <p>Not a good percentage uptake</p>	they get it
Texting	Texts send directly to customer cell phones.	<p>A pro-active method of informing customers of outages and other time sensitive material</p> <p>Can be targeted to only certain geographic areas or customers. Customer satisfaction measurably rises with interactions that are personal</p>	<p>Requires LDC to have customers cell phone numbers.</p> <p>Requires software to implement</p>	

Direct Mail	An information brochure sent to a targeted group based on their needs	Can be useful for commercial clients	Often ignored by recipient	
Radio	Advertisements on a local radio station	<p>A continued high percentage of listeners</p> <p>Reaches local, targeted market</p> <p>Less expensive than print or video</p> <p>Shorter lead time than print</p> <p>Can track results quickly and accurately</p> <p>Can be highly repetitive</p> <p>Good for telling stories</p>	<p>Ad content can sometimes be difficult to remember</p> <p>Key radio spots can be expensive</p> <p>Some listeners tune out advertisements or change the channel</p> <p>The repetitive nature can be costly</p>	Time spent by consumers listening to radio has remained relatively constant since 2010.
Email Blasts	An email sent out to a targeted group with specific information or news that is	<p>Inexpensive</p> <p>Easily accessible</p>	<p>A saturated channel</p> <p>Engagement rates</p>	<p>18% of Canadians interact with businesses through newsletters</p> <p>You are 6x more likely to get a click-through</p>

	relevant to the group.	<p>analytics</p> <p>Easy to target different customer groups</p> <p>The strongest ROI channel for marketing</p> <p>A very accessible, easy to use channel</p> <p>Can provide good support for other marketing initiatives</p>	<p>average 20%</p> <p>Requires permission of customers or subscribers</p>	<p>from an email campaign than you are from a tweet.</p> <p>Email is 40 times more effective at reaching customers than FB or Twitter.</p>
Public Meetings	An event organized locally to disseminate information and inform the public on a particular issue, eg. capital projects, rate applications	<p>Person to person contact</p> <p>Can directly answer questions</p>	<p>Difficult to get attendance</p> <p>Time consuming to set up</p> <p>Room rental can be expensive</p> <p>Requires separate advertising costs</p>	Mandated by OEB in certain instances