EXHIBIT 4 –OPERATING EXPENESE

2018 Cost of Service

Westario Power Inc.
EB-2017-0084

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4.2 OVERVIEW OF COST TRENDS

4.2.1 EXPLANATION OF OM&A LEVELS

This Exhibit will analyze the operational, maintenance, and administrative costs of Westario Power Inc. (WPI) for the historical years 2013 to 2016 as well as the forecast years 2017 and 2018. The operating, maintenance and administrative costs consist of the expenditures necessary to maintain and operate WPI's distribution system assets as well as the costs associated with the metering of, billing of, and collection of revenue from WPI's customers. These costs are essential in maintaining the safety of the public, employees, customers and vendors of WPI and ensuring that the distribution system's quality and reliability standards follow Distribution System Code and other regulatory bodies (IESO, Ministry of Energy, ESA, Ministry of Environment and IHSA).

WPI engaged its customer base to complete a survey wherein they could express their needs and wants in relation to the service they receive from WPI. The feedback from this survey was used to determine a spending plan that was in line with customer's expectations for moving forward. Approximately 60% of the respondents to the survey indicated that they would like WPI to keep bills consistent with where they are currently at and maintain the current level of service and reliability in the system. WPI lowered its 2018 OM&A budget in response to some customer concerns regarding increasing bills. Spending was then allocated based on projects that would offer customers the best impact per dollar spent in terms of maintaining system safety, reliability and customer service levels.[1]

[1] Brief explanation of test year OM&A levels, cost drivers, significant changes, trends, inflation rate assumed, business environment changes

4.2.2 OM&A BUDGETING PROCESS

WPI begins to prepare its annual budget plan in the third quarter for the following year and receives final approval from its Board of Directors in the fourth quarter. Developing the budget is a key process as it identifies past successes as well as future initiatives, regulatory requirements and projections for capital and operating costs. Care is taken to ensure that the capital and operating budgets support WPI's core business objectives as well as being prudent, financially sustainable and considerate of the related rate impacts on customers. For this Cost of Service application, a 2018 Test Year budget was prepared in 2017 along with an updated budget for the 2017 bridge year.

WPI employs the following process:

1. The Management Team works collectively to look at higher level issues including changes in revenue, strategic initiatives, cost pressure from specific areas or performance concerns that must be considered by each Department. A business planning session is undertaken and costs tied to the following year's goals are integrated into the various departments. Management is always mindful of the costs of supplying services vs. the rate impact to its customers.

2. Each department then develops capital and operating plans with these issues or objectives in mind. The following directives are provided to each management member to assist them with preparation:
   - Expenses are built from the bottom up; each department is expected to examine every line item to determine its annual needs.
   - Prior years spending levels are used as a base for preparing the budget.
   - Each department is required to review their department headcount based on requirements for staff and need for change.
   - Each department works with the VP Finance/CFO to prepare a labour budget using projected wage and benefit costs. Overtime is based on projected need and historical comparisons with an expectation that it will be closely managed to reduce costs where

possible. Salaries, overtime and payroll burden are distributed over accounts based on historical and forecasted allocations.

- Vehicle costs are forecasted and an hourly rate is determined based on the estimated run time per truck per working hour in the fiscal year. Costs are then distributed over operations, recoverable and capital based on total labour hours budgeted. WPI notes that the MIFRS policy related changes regarding capitalization of overheads discussed below reduced the overheads capitalized and increased operations costs.

3. Overhead rates are calculated for Stores (excluding Fleet mentioned above) and applied to the appropriate operating and capital budgets. Overhead rates for Stores are based on material required. WPI notes that the MIFRS policy change regarding capitalization of overheads discussed below has reduced the overheads capitalized and increased operations costs.

4. The Management of each department reviews the budgets with the VP Finance and CFO and discusses rationale and alternatives and any applicable changes are made.

5. The Management of each department along with the VP Finance and CFO reviews the budgets with the President/CEO and discusses rationale and alternatives and any applicable changes that are made.

6. The Shared Services Department then completes an initial consolidation of all departments to develop an initial budget. Finance works with each department to identify year over year variances and issues for consideration.

7. The Executive Team finalizes the budgets once ensuring that an acceptable level of reliability and customer service will be provided. The team looks in detail for discretionary costs and identifies cost areas with alternative approaches that could result in long term cost savings. This process results in OM&A costs with an adequate degree of assurance

that WPI will be able to continue to serve its customers in a safe, effective, reliable and sustainable way.

8. The Executive Team presents the budget, significant business environmental changes and strategic direction at the Q4 Board meeting. After review, discussion, and amendment where warranted, formal approval is then received.

The 2017 Bridge Year Forecast is based actual financial data to the end of August 2017 and estimates for the remainder of the year. Both the 2017 Bridge Year and 2018 Test Year forecasts have been vetted through this rigorous process.

WPI follows the OEB's Accounting Procedures Handbook (the "APH") in distinguishing work performed between operations and maintenance. A summary of WPI's OM&A expenses, for the 2013 Board Approved, 2013, 2014, 2015 and 2016 Actuals, the 2017 Bridge Year and the 2018 Test Year is provided in Table 5, Board Appendix 2-JA.

In 2013, the utility adopted MIFRS capitalization policies which included the provisions for changes to capitalization of overheads and revising the typical useful lives of assets. As a result, all figures for the 2013 Board Approved Year, 2013 – 2016 Actuals, 2017 Bridge Year and 2018 Test Year are all comparable in that they all include the increased overhead that resulted from MIFRS adoption.

WPI's 2018 Test Year OM&A Spending is forecasted at $5,996,033 as summarized in Table 1 below. This level of spending is $206,167 lower than 2013 Board approved spending which represents an annualized decrease for OM&A spending of 0.68%. This decrease compares very favourably to the average inflation over the period of 1.65% (Table 3). The increase from the 2013 actual spending is $249,843 or 0.86% annualized increase. The increase from WPI's lowest year of OM&A spending (2015) is $752,243 or 4.57% annualized increase. The reason for the lower levels of spending in 2015 had to do with an extremely high staff turnover rate at WPI over a short period of time. The group of staff most affected by this staff turnover was management. The high management turnover resulted in difficulties in managing planned expenditures; as a result for multiple years not all planned work was completed.

WPI is reporting its financial information under Modified International Financial Reporting Standards ("MIFRS") for 2013 and 2014, and International Financial Reporting Standards ("IFRS") for 2015, 2016 2017 Bridge Year and 2018 Test Year. In the 2013 and 2014 Historical Years, the basis for accounting was Canadian Generally Accepted Accounting Principles (CGAAP), but with the inclusion of additional accounting changes in accordance with the OEB's letter dated July 17, 2012 specifically relating to capital asset useful lives and overhead capitalization policies, known as MIFRS. Table 1 below displays the spending by function in the OM&A costs for WPI from the Board approved 2013 figures up to and including the 2018 Test Year forecasted spending.

Table 1 - Summary of OM&A Increases - 2013 Board Approved to 2018 Test Year

Description	2013 Board Approved	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Bridge Year	2018 Test Year
Distribution Expenses	2,738,000	2,150,390	1,853,021	1,662,954	2,111,080	1,980,836	1,967,533
Billing Collecting	1,191,000	1,268,735	1,224,007	1,131,494	1,043,796	1,130,000	1,202,000
Community Relations	46,000	11,983	15,351	34,398	29,681	30,000	31,000
Administration and General Expenses	2,227,200	2,315,082	2,167,977	2,414,945	2,581,537	2,596,000	2,795,500
Total OM&A	**6,202,200**	**5,746,190**	**5,260,356**	**5,243,790**	**5,766,094**	**5,736,836**	**5,996,033**

While the Billing & Collecting and Administration & General Expenses spending has remained relatively consistent from the 2013 Board Approved amounts to the 2018 Test Year there have been fluctuations in the Distribution Expenses. As noted these fluctuations were largely caused by a high rate of staff and management turnover in the Operations department of WPI. Due to the high turnover, there was a significant amount of time required to bring new staff members and management members up to speed on the status of the distribution system. Because of this turnover WPI was not, for several years, able to complete the amount of work that had been budgeted for the Operations department. This reduced level of expenditure is not appropriate or sustainable over any extended period. The 2018 planned level of distribution spending reflects a well-managed preventative maintenance program.

4.2.3 COST DRIVERS

WPI's 2018 Test Year OM&A costs are $5,996,033; these costs can be broken down into 3 main groups which are Customer Focus, Operational Effectiveness, and Public and Regulatory Responsiveness. Each of these groups can be broken down further into Cost Drivers that represent the spending areas of each group. Please refer to Table 2 below for the list of Cost Drivers as well as how spending has changed between the last Board Approved Cost of Service Application in 2013 and the 2018 Test Year.

Table 2 - 2018 Test Year OM&A Expenditures

Cost Drivers	2013 Board Approved	2018	Variance	Percentage Variance
Customer Service, Mailing Costs, Billing and Collections, LEAP	840,500	890,000	49,500	5.89%
Bad Debts	69,000	100,000	31,000	44.93%
Meter Reading	276,000	225,000	(51,000)	(18.48)%
Operational focus	196,000	383,500	187,500	95.66%
Municipal Transformer Station -operating and maintenance costs	269,000	230,504	(38,496)	(14.31)%
Meters maintenance	254,000	200,959	(53,041)	(20.88)%
Overhead lines	251,000	412,434	161,434	64.32%
Distribution Transformers	215,000	249,000	34,000	15.81%
Services	585,000	297,038	(287,962)	(49.22)%
Tree trimming	580,000	102,895	(477,105)	(82.26)%
Underground conduit	115,000	60,000	(55,000)	(47.83)%
Poles Towers & Fixtures	220,000	160,424	(59,576)	(27.08)%
Administrative wages, Financial, Legal, Professional and Insurance Services	1,428,200	1,605,000	176,800	12.38%
IT, software, telecommunications, office supplies	507,000	630,000	123,000	24.26%
Other	231,000	239,279	8,279	3.58%
Regulatory & Compliance	165,500	210,000	44,500	26.89%
2018 Test Year OM&A	**$ 6,202,200**	**$ 5,996,033**	**$ (206,167)**	**(3.32)%**

The OM&A costs in the 2018 Test Year reflect the resourcing mix required to meet both customer and broader public policy requirements. This budget will allow WPI to address the needs of the distribution system in a systematic fashion, providing maintenance of the system to ensure reliability and safety while smoothing spending out over time to avoid spending spikes.

WPI has been able to find efficiencies in its processes since its last Cost of Service application that it has flowed through its 2018 test year to reflect these savings. Without this proposed level of maintenance spending it will be substantially difficult for WPI to meet 2018 and future workload requirements to operate a safe, reliable, customer focused operation in a sustainable way.

4.2.4 SIGNIFICANT CHANGES

In accordance with Chapter 2 of the Filing Requirements, an applicant must provide justification for changes from year to year to its rate base, capital expenditures and OM&A spending above a materiality threshold. WPI's materiality threshold is calculated as 0.5% of proposed distribution revenue requirements for distributors with a revenue requirement of greater than $10 million and less than or equal to $200 million. WPI has calculated its materiality threshold based on an estimated Base Revenue Requirement of $10,964,441 which results in a materiality level of $54,822. To share more detail and provide a clearer picture of the state of WPI it has elected to use $50,000 a materiality level. An analysis is provided below on all material variances that exceed the materiality threshold for the 2018 Test Year versus 2016 Actual and 2018 Test Year versus 2013 OEB Approved Year.

The following analysis provides a high-level overview of the changes between the 2013 Board Approved OM&A expenditures and the 2018 Test Year expenditures based on OM&A Cost Drivers. These differences can be found in Table 2 above.

Customer Service, Mailing Costs, Billing and Collections, LEAP costs increased $49,500:

Canada Post increased its rates resulting in increased costs for sending bills and other mail. While WPI continues to encourage customers to switch towards online billing, which results in reduced costs for billing, approximately 74% of WPI customers continue to elect for paper billing.

There has also been an increase in wage costs based on union contracts with the recent collective agreement, which has resulted in increased wages for unionized employees. A full complement of personnel for the Customer Service Department is 1 Customer Service Manager, 2 billing clerks, 1 collections agent, and 3 customer service clerks. This level of staffing became fully implemented in July of 2017. Given the size of WPI's customer base this level of staff is necessary to address customer needs and enquiries in a timely manner as well as ensure the accuracy of bills and have them issued on time.

Bad Debt costs increased $31,000:

WPI has experienced an increase in bad debts due to two factors. The average bill has increased, and customers continue to default on paying their bills, due to their specific economic circumstances. Due to increasing electricity rates, this has resulted in large bills that customers are continually struggling to pay. With the OEB's new disconnect policy customers that do not require electricity in the summer can request WPI to reconnect them every November and keep them connected for the entire Winter without ever paying a bill.

In additional to increasing electricity rates and customers economic circumstances the recent moratorium on winter disconnection that was imposed has removed LDC's ability to disconnect or load limit customers that are overdue on their accounts. This has resulted in an increase in the number of customers who are not paying their bills and are accumulating large balances owing that they may not have the means to pay off. While the full impact of the moratorium is still not known it is projected to resulted in increased bad debts.

Meter Reading costs decreased $51,000:

Through more favourable rates with WPI's meter reading contractor, the costs associated with meter reading have decreased by 18.77% despite the customer base continuing to grow each year. WPI has projected that these favourable rates can be carried through the test year and into following years.

Operational Focus costs have increased by $187,500:

WPI has changed the account allocation of its Board of Director expenses to be consistent with the Accounting Procedures Handbookand has now grouped these expenses with Operation Focus Costs. When the 2013 Board Approved amounts were determined, the Board of Director expenses were grouped with Administrative wages, Financial, Legal, Professional, and Insurance Services.

Board expenses for the 2018 Test year are budgeted at $145,211, these includes Board salaries and per diems as well as mileage, conference room rentals, meals, and accommodations. This increase is offset by a corresponding decrease from the category of "Wages Executive & Management, Financial, Legal, Professional and Insurance Services". The remaining increase for Operation Focus is a result of increasing Electrical Safety Authority and Utilities Standard Forum fees.

Municipal Transformer Station – operating and maintenance costs decreased by $38,496:

Westario Power owns and maintains 27 permanent substations throughout its service territory plus 1 mobile substation. The substations undergo a complete inspection once per quarter and testing once every four years. Maintenance work is performed based on the analysis of WPI's substation contractor. In 2013 a new contract was signed by an appropriately certified contractor for 5 years to perform quarterly inspections, annual cycle testing, reporting and routine repairs and maintenance along with WPI personnel. These costs are representative of work performed to ensure the substations operate properly, reliably and safely throughout all WPI's service areas. WPI has added a mobile substation since its last Cost of Service Application. In 2017, WPI started to have substation inspections performed internally which has resulted in projected savings which have been carried into the 2018 Test Year.

Year to year maintenance varies as the repairs and maintenance performed is based on the contractor's assessment and recommendations. Costs can also vary depending on the nature of the work involved and the number of substations requiring maintenance.

Meter Maintenance costs have decreased by $53,041:

Expenditures for meter maintenance include revenue meters, wholesale meters for IESO compliance and interval metering for customers GS 50 kW or greater.

Meter Maintenance costs can fluctuate from year to year based on the age of meters and the number of meters that need to be replaced or resealed. In 2017, WPI has started the process of resealing meters that are expiring over the next couple of years. These expenses are projected to be lower than the 2013 Meter Maintenance costs which included costs deferred costs related to Smart Meter implementation. Based off meter testing that has been performed WPI has determined that it makes more economic sense to reseal the existing meters rather than to purchase new meters.

Overhead Lines have increased by $161,434:

The increase in this cost driver is made up of several factors. One is the increasing costs of the materials that are used for overhead lines which have been increasing faster than inflation. Additionally, in previous years time spent performing inspections and performing some of the maintenance on overhead lines was allocated to the cost driver “Services”. For this application, these costs have been reallocated to the proper accounts. Therefore, the increase in Overhead Lines is offset by the decrease in Services.

Distribution Transformers increased by $34,000:

The Distribution Transformers cost driver will require additional resources going forward to make up for a combination of increased costs of materials used in the maintenance of the transformers, as well as increased inspections to determine the transformers that are in the greatest need of replacement and maintenance. WPI has determined that an increased number of transformers are going to be required to be replaced and as a result, higher costs to these accounts are expected as the replacement issues are addressed.

Services have decreased by $287,962:

Costs attributed to this account are largely customer driven that include trouble calls, replacing wire for service upgrades within the Basic Service Allowance (overhead and underground), and service isolations. The anticipated volume of these activities has not materialized from 2013 to the 2018 Test year. The number of secondary underground faults has also decreased over the period. WPI expects this trend to continue and therefore has budgeted less time and resources to be allocated to services work. When the 2013 budget was prepared some of the expenses included in this account were for the time spent working on overhead lines. These expenses have been reallocated to the cost driver "Overhead Lines". Therefore, the decrease in the Services cost driver is partially offset by the increase in the Overhead Lines cost driver.

Tree Trimming costs have decreased by $477,105:

Every year WPI undertakes tree trimming and line clearing operations to manage vegetation growth near power lines. This improves reliability and constitutes a WPI priority for public and worker safety.

To implement the recommendations of the 2011 vegetation study the budgets for 2012 and 2013 were increased over past spending patterns. WPI has been successful in transitioning its tree trimming program to meet the recommendations of the 2011 vegetation study, and has been able to negotiate a tree trimming contract going forward where the test year costs are representative of the expected annual costs throughout the IRM period.

Underground Conduit expenses have decreased by $55,000

In the past WPI has been including the costs associated with repairing underground cable from burn out in the Underground Conduit cost driver. Starting in 2017 adjustments are being made to time tracking so that time spent inspecting and repairing underground conductor and devices can be tracked separately and recorded in accounts that more accurately reflect these costs. Therefore, this decrease is largely offset by an increase in the costs associated with "Overhead Lines" expenses.

Poles, Towers and Fixtures expenses have decreased by $59,576:

Anticipated volume for customer driven work particularly for those who attach to WPI's poles varies. When WPI prepared its 2013 Cost of Service Application the cost of performing inspections on underground services of the distribution system were included in this account. For the 2018 Test year these costs have been included as "Overhead Lines" expenses. Therefore, the decrease in this account is largely to do with a reallocation of expenses that has resulted in increased spending in the cost driver Overhead Lines.

Wages - Administrative, Financial, Legal, Professional and Insurance Services have increased $176,800:

Services provided by third parties vary from year to year based on industry events or cycles. Audit fees have almost doubled since 2013 as reporting requirements continue to evolve and require more work and specialized knowledge. WPI has added an additional staff member to its finance team since the last cost of service application as well as an additional member to its customer service call centre team.

IT, software, telecommunications, office supplies increased by $123,000:

IT costs have risen since the last Cost of Service application as technology advancements continue to play a large role in the industry. Increased use of computer programs and software have allowed WPI to better communicate with its customer base and spread information but it has also led to more frequent use of our IT support contractor. WPI sees technology as a necessary expense to communicate with customers and to manage and operate both its day to day and long-term plans in an efficient manner.

Other expenses have increased by $8,279:

This amount represents an increase of less than 1% per year over the period, and reflects an increase that is below the rate of inflation on the repair and maintenance of its office facilities.

Regulatory & One-Time Costs have increased $44,500:

Regulatory Application and One Time Costs reflect an increase to $66,500 from the last Cost of Service Application in 2013 where they were $44,468. Regulatory demands continue to increase with the increase in reporting, ensuring compliance in an increasingly complex environment including the filing requirements for the 2018 Cost of Service applications. The new filing requirements now require a level of expertise that WPI does not have in-house. WPI has required the use of consultants to prepare and assist in applications. Consultants have also been used to determine customer engagement levels and satisfaction with service, the value of the Rate Application and what customers perceive as needing improvement. The need to engage the expertise of consultants includes assisting in documentation and preparation of OEB mandated schedules and working papers and to review Application Exhibits to ensure compliance with the filing guidelines and checklists. A Cost of Service Application now requires the development and inclusion of a comprehensive Distribution System Plan ("DSP"). The time and costs required to prepare an Application has increased significantly. Details are provided in section 4.7.4 "Regulatory Costs" of this Exhibit.

Low –Income Assistance Program ("LEAP")

WPI has included $13,000 for LEAP funding in its OM&A Low Income Assistance Program ("LEAP"). WPI acknowledges that this is not the final amount, and that the amount is dependent on WPI's final Distribution Revenue Requirement times 0.12%.

4.2.5 TRENDS

The Electricity distribution business environment continues to change from both external factors as well as changes that are specific to WPI and its customer base. The significant trends since the last Cost of Service Application in 2013 include increased customer sensitivity to rising electricity prices, an increased desire to conserve energy, and for WPI an aging customer base resulting in many customers downsizing their residences and retirees moving to smaller communities. The customer sensitivity to increasing hydro rates has been addressed in this Cost of Service Application by careful budgeting and long-term planning. As a result, the OM&A forecasted in this exhibit for the 2018 test year represents a long term maintainable spending amount that will ensure the safety and reliability of the system while keeping customer prices consistent from year to year. WPI has addressed the desire to conserve energy by having a full-time conservation demand manager on site to aid customers with reducing energy consumption. WPI continues to work with developers as the number of senior living homes in the area continues to rise with the aging population of WPI's service territory.

4.2.6 INFLATION

WPI has calculated the Inflation based on the Board Approved Inflation amounts which are obtained from Statistics Canada's GDP-IPI. The actual inflation for years 2013 to 2016 as well as the estimated inflation for 2017 and 2018 are presented in Table 3.

Table 3 - Inflation Factors

Year	*IPI/Estimate*
2013 Actual	*1.5%*
2014 Actual	*1.7%*
2015 Actual	*2.2%*
2016 Actual	*1.2%*
2017 Estimate	*1.6%*
2018 Estimate	*1.7%*

Inflation rate utilized by WPI for the Bridge and Test year are 1.6% and 1.7% respectfully. These figures are based off the average inflation rate of the previous 4 years which was 1.65%.

4.2.7 BUSINESS ENVIRONMENT CHANGES

Changes to the business environment that are specific to WPI include several vacancies on the management team over the past 5 years, reflected in the Table 4 below, as well as a high level of management turnover. Since 2013 WPI has had 11 new management staff members employed to make up for 10 positions that have become vacant during that time. Given that WPI has a management staff of approximately 8 this has created several challenges with long term planning and succession planning that has resulted in not all work that was planned and budgeted for in the 2013 Cost of Service being able to be completed. In additional to a high level of management turnover there has also been a high level of turnover in the unionized staff. This level of continued spending, should it persist, would result in WPI's distribution system experiencing increased numbers of outages as well as eventually risking the safety of WPI staff and the public. WPI has recently made progress in filling these vacancies and for 2017 turnover has normalized allowing management and the union to reassess the state of the company and create a long term plan going forward which is reflected in this Cost of Service application. WPI is confident that the management team and union staff that is now in place is the right fit for the company and has the required drive and vision to get WPI on the correct path going forward.

Table 4 – Summary of Staff Turnover

Management

	2013	2014	2015	2016	2017
Opening Balance	7	9	7	9	6
Hired	2	2	5	2	3
Vacated	-	-4	-3	-5	-1
Closing Balance	9	7	9	6	8

Trades

	2013	2014	2015	2016	2017
Opening Balance	7	9	8	9	9
Hired	3	1	2	1	1
Vacated	-1	-2	-1	-1	-
Closing Balance	9	8	9	9	10

Office

	2013	2014	2015	2016	2017
Opening Balance	16	16	15	15	15
Hired	-	3	1	1	3
Vacated	-	-4	-1	-1	-2
Closing Balance	16	15	15	15	16

4.3 SUMMARY AND COST DRIVER TABLES

4.3.1 SUMMARY OF RECOVERABLE OM&A EXPENSES

WPI follows the OEB's Accounting Procedures Handbook (the "APH") in distinguishing work performed between operations and maintenance. A summary of WPI's OM&A expenses, excluding non-recoverable donations for the 2013 Board Approved, 2013, 2014, 2015 and 2016 Actuals, 2017 Bridge Year and the 2018 Test Year, is provided in Table 5, Board Appendix 2-JA. WPI is proposing to recover these costs through Distribution Rates for the 2018 Test Year.

WPI notes that it has budgeted $25,000 for LEAP expense in its 2018 Test Year and that has been reduced to $13,000 representing an estimate of the 0.12% of the Distribution Revenue Requirement) in calculating the total Recoverable OM&A. The remaining $12,000 has been included as a non-recoverable expense.

1 **Table 5 - Summary of Recoverable OM&A Expenses – Appendix 2-JA[2]**

Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
	2013 Board Approved	*2013*	*2014*	*2015*	*2016*	*2017 Bridge Year*	*2018 Test Year*
Operations	*$440,000*	*$381,172*	*$278,333*	*$264,131*	*$390,384*	*$419,927*	*$580,760*
Maintenance	*$2,298,000*	*$1,769,218*	*$1,574,688*	*$1,398,823*	*$1,720,696*	*$1,560,909*	*$1,386,773*
Sub Total	*$2,738,000*	*$2,150,390*	*$1,853,021*	*$1,662,954*	*$2,111,080*	*$1,980,836*	*$1,967,533*
% Change (year over year)		*-21.5%*	*-13.8%*	*-10.3%*	*26.9%*	*-6.2%*	*-0.7%*
% Change (Test Year vs Last Rebasing Year - Actual)							*-28.1%*
Billing and Collecting	*$1,191,000*	*$1,268,735*	*$1,224,007*	*$1,131,494*	*$1,043,796*	*$1,130,000*	*$1,202,000*
Community Relations	*$46,000*	*$11,983*	*$15,351*	*$34,398*	*$29,681*	*$30,000*	*$31,000*
Administrative and General	*$2,194,200*	*$2,278,629*	*$2,132,273*	*$2,380,340*	*$2,547,440*	*$2,561,000*	*$2,760,500*
Property Tax	*$33,000*	*$36,453*	*$35,704*	*$34,605*	*$34,097*	*$35,000*	*$35,000*
Subtotal	*$3,464,200*	*$3,595,800*	*$3,407,335*	*$3,580,836*	*$3,655,014*	*$3,756,000*	*$4,028,500*
% Change (year over year)		*3.8%*	*-5.2%*	*5.1%*	*2.1%*	*2.8%*	*7.3%*
% Change (Test Year vs Last Rebasing Year - Actual)							*16.3%*
Total	*$6,202,200*	*$5,746,190*	*$5,260,356*	*$5,243,790*	*$5,766,094*	*$5,736,836*	*$5,996,033*
% Change (year over year)		*-7.4%*	*-8.5%*	*-0.3%*	*10.0%*	*-0.5%*	*4.5%*

2

	2013 Board Approved	*2013*	*2014*	*2015*	*2016*	*2017 Bridge Year*	*2018 Test Year*
Operations	*$440,000*	*$381,172*	*$278,333*	*$264,131*	*$390,384*	*$419,927*	*$580,760*
Maintenance	*$2,298,000*	*$1,769,218*	*$1,574,688*	*$1,398,823*	*$1,720,696*	*$1,560,909*	*$1,386,773*
Billing and Collecting	*$1,191,000*	*$1,268,735*	*$1,224,007*	*$1,131,494*	*$1,043,796*	*$1,130,000*	*$1,202,000*
Community Relations	*$46,000*	*$11,983*	*$15,351*	*$34,398*	*$29,681*	*$30,000*	*$31,000*
Administrative and General	*$2,194,200*	*$2,278,629*	*$2,132,273*	*$2,380,340*	*$2,547,440*	*$2,561,000*	*$2,760,500*
Total	*$6,169,200*	*$5,709,737*	*$5,224,652*	*$5,209,186*	*$5,731,997*	*$5,701,836*	*$5,961,033*
%Change (year over year)			*-8.6%*	*-0.3%*	*10.0%*	*-0.5%*	*4.5%*

3

[2] Summary of recoverable OM&A expenses; Appendix 2-JA

	Last Rebasing Year (2013 Board Approved)	***Last Rebasing Year (2013 Actuals)***	***Variance 2013 Board Approved vs 2013 Actual***	***2014 Actuals***	***Variance 2014 Actual vs 2013 Actual***	***2015 Actuals***	***Variance 2015 Actual vs 2014 Actual***	***2016 Actuals***	***Variance 2016 Actual vs 2015 Actual***	***2017 Bridge Year***	***Variance 2017 Estimate vs 2016 Actual***	***2018 Test Year***	***Variance 2018 Test Year vs 2017 Bridge***
Operations	*$440,000*	*$381,172*	*-$58,828*	*$278,333*	*-$102,839*	*$264,131*	*-$14,202*	*$390,384*	*$126,253*	*$419,927*	*$29,543*	*$580,760*	*$160,833*
Maintenance	*$2,298,000*	*$1,769,218*	*-$528,782*	*$1,574,688*	*-$194,530*	*$1,398,823*	*-$175,865*	*$1,720,696*	*$321,873*	*$1,560,909*	*-$159,787*	*$1,386,773*	*-$174,136*
Billing and Collecting	*$1,191,000*	*$1,268,735*	*$77,735*	*$1,224,007*	*-$44,728*	*$1,131,494*	*-$92,513*	*$1,043,796*	*-$87,698*	*$1,130,000*	*$86,204*	*$1,202,000*	*$72,000*
Community Relations	*$46,000*	*$11,983*	*-$34,017*	*$15,351*	*3,368*	*$34,398*	*$19,047*	*$29,681*	*-$4,717*	*$30,000*	*$319*	*$31,000*	*$1,000*
Administrative and General	*$2,194,200*	*$2,278,629*	*$84,429*	*$2,132,273*	*-$146,356*	*$2,380,340*	*248,067*	*$2,547,440*	*$167,100*	*$2,561,000*	*$13,560*	*$2,760,500*	*$199,500*
Total OM&A Expenses	***$6,169,200***	***$5,709,737***	***-$459,463***	***$5,224,652***	***-$485,085***	***$5,209,186***	***-$15,466***	***$5,731,997***	***$522,811***	***$5,701,836***	***-$30,161***	***$5,961,033***	***$259,197***
Adjustments for Total non-recoverable items (from Appendices 2-JA and 2-JB)													
Total Recoverable OM&A Expenses	***$6,169,200***	***$5,709,737***	***-$459,463***	***$5,224,652***	***-$485,085***	***$5,209,186***	***-$15,466***	***$5,731,997***	***$522,811***	***$5,701,836***	***-$30,161***	***$5,961,033***	***$259,197***
Variance from previous year				***-$485,085***		***-$15,466***		***$522,811***		***-$30,161***		***$259,197***	
Percentage change (year over year)				***-8.50%***		***-0.30%***		***10.04%***		***-0.52%***		***4.55%***	
Percentage Change: Test year vs Most Current Actual								***13.70%***					
Simple average of % variance for all years													***1.054%***
Compound annual growth rate for all years													***0.87%***
Compound Growth Rate (2016 Actuals vs. 2013 Actuals)								***0.87%***					

4.3.2 RECOVERABLE OM&A COST DRIVERS

OM&A Costs are broken down into 3 main groups which are Customer Focus, Operational Effectiveness, and Public and Regulatory Responsiveness. Each of these groups can be broken down further into Cost Drivers, which represent the main spending areas of each group. The following table 6, Appendix 2-JB, breaks down the OM&A groups by primary drivers that have influenced the changes in WPI's OM&A expenditures since the date of the last Cost of Service Application up to and including the 2018 Test Year. The OM&A opening balance for the last Rebasing Year is $5,996,033. Each driver is summarized by its net change year over year. WPI has provided comments on those variances greater than the materiality level of $50,000.

Table 6 - Recoverable OM&A Cost Driver Table – Appendix 2-JB [3]

Reporting Basis	*Last CoS*	*MIFRS*	*MIFRS*	*MIFRS*	*MIFRS*	*MIFRS*
OM&A	*Last Rebasing Year (2013 Actuals)*	*2014 Actuals*	*2015 Actuals*	*2016 Actuals*	*2017 Bridge Year*	*2018 Test Year*
Opening Balance	*$6,202,200*	*$5,746,190*	*$5,260,356*	*$5,243,790*	*$5,766,094*	*$5,736,836*
Customer Focus						
Customer Service, Mailing Costs, Billing and Collections, LEAP	*-$71,942*	*$70,019*	*-$34,025*	*-$19,688*	*$43,136*	*$62,000*
Bad Debts	*$11,822*	*$87,589*	*-$75,936*	*-$26,820*	*$34,345*	*$0*
Meter Reading	*$139,367*	*-$202,583*	*$16,703*	*-$11,210*	*-$3,277*	*$10,000*
Operational focus	*-$31,319*	*-$662*	*$148,872*	*$19,698*	*$42,411*	*$8,500*
Operational Effectiveness						
Municipal Transformer Station -operating and maintenance costs	*$75,050*	*-$62,258*	*-$95,963*	*$44,178*	*-$17,182*	*$17,679*
Meters maintenance	*-$1,987*	*-$89,999*	*-$8,703*	*$183,682*	*-$147,717*	*$11,683*
Overhead lines	*$73,656*	*-$31,946*	*-$39,192*	*$117,779*	*$149,603*	*-$108,466*
Distribution Transformers	*-$42,163*	*$12,840*	*-$2,738*	*-$33,478*	*$71,950*	*$27,589*
Services	*-$292,635*	*-$19,777*	*-$16,825*	*$77,824*	*-$44,312*	*$7,763*
Tree trimming	*-$309,569*	*-$64,090*	*$6,435*	*$2,401*	*-$99,583*	*-$12,699*
Underground conduit	*-$51,488*	*-$2,987*	*-$17,021*	*$33,133*	*$49,580*	*-$66,217*

[3] Recoverable OM&A cost drivers; Appendix 2-JB

Poles Towers & Fixtures	*-$5,590*	*-$26,807*	*-$27,864*	*$67,241*	*-$101,408*	*$34,852*
Administrative Wages, Financial, Legal, Professional and Insurance Services	*$179,229*	*-$101,443*	*-$64,228*	*-$82,759*	*$121,001*	*$125,000*
IT, software, telecommunications, office supplies	*-$70,476*	*-$40,112*	*$170,684*	*$147,173*	*-$94,269*	*$10,000*
Other	*-$31,372*	*-$12,592*	*$11,061*	*-$27,156*	*$8,825*	*$59,513*
Public and Regulatory Responsiveness						
Regulatory & Compliance	*-$26,593*	*-$1,026*	*$12,174*	*$30,306*	*-$42,361*	*$72,000*
Closing Balance	*$5,746,190*	*$5,260,356*	*$5,243,790*	*$5,766,094*	*$5,736,836*	*$5,996,033*

Customer Service, Mailing Costs, Billing and Collections, LEAP

The expenses included in this cost driver are focused on customer interactions and creating a high-quality customer experience. They include our costs associated with billing and collecting from customers as well as our costs associated with handling customer questions, concerns, requests, and needs. They include the salaries of all members of WPI's customer service department including; customer service clerks, billing clerks, and collections clerks. Also included in this account are the costs of creating and mailing bills and other information to customers. WPI's recoverable LEAP funding expenses have also been included in this account.

Bad Debt

This cost driver is made up solely of debts from customers that have been deemed uncollectible and therefore ties directly into account 5335. WPI has been consistent in its methodology of determining when a debt is deemed uncollectible and is written off as well as in its method of determining the uncollectible portion of accounts receivable. Fluctuations in this account are largely outside of the control of WPI as they represent local economic factors and disconnection policies imposed on WPI by external parties.

Meter Reading

The Meter reading cost driver ties directly into expense account 5310. Meter Reading services are contracted out to Utilismart and Util-Assist. These costs have been consistent for the past 3 years and no significant changes are expected going forward.

Operational Focus

The Operational Focus cost driver represents all other accounts that are related to customer focus. These include items such as advertising done by WPI, WPI's community safety program, and maintenance of the general plant where customers can come to speak directly with WPI staff. Account 5665 "Miscellaneous General Expenses", which includes Director's fees and expenses, is included in this cost driver as well since these costs are most associated with the primary expense group of Customer Focus.

Municipal Transformer Station – Operating and Maintenance Costs

The Operational Effectiveness cost drivers focus on the different aspects of WPI's distribution system. Municipal Transformer Station – Operating and Maintenance Costs focuses on operation and ongoing maintenance of Distribution Stations as well as the costs associated with inspections.

Meter Maintenance

The Meter Maintenance cost driver includes all expenses associated with meters after capitalization except for meter reading. This includes inspections, testing, monitoring, and any maintenance performed on meters that are in the distribution system.

Overhead Lines

The Overhead Lines cost driver represents all spending done on the operation and maintenance of overhead lines, conductors and devices. This includes inspections and any work that is required as determined by the inspections.

Distribution Transformers

The Distribution Transformers cost driver represents the costs incurred in the operation and maintenance of transformers. This includes inspections and any work that is required as determined by the inspections.

Services

The Services cost driver is the costs incurred in the operation and maintenance of both overhead and underground services. Costs related to services include the maintenance of overhead services and underground secondary services. Costs attributed to this account include trouble calls, replacing wire for service upgrades within the Basic Service Allowance, and service isolations. Also included is labour to repair secondary cable faults and associated material/hardware.

Tree Trimming

The Tree Trimming cost driver is the cost of ensuring that overhead distribution lines and feeders do not have their integrity or safety reduced due to encroaching trees. WPI contracts out much of its tree trimming needs and has the work performed on a rotating schedule.

Underground Conduit

The Underground Conduit cost driver represents the costs incurred in the inspection and maintenance of underground conduit, conductors, and devices. These are the expenses in account 5145 and 5150.

Poles, Towers and Fixtures

The Poles, Towers and Fixtures cost driver represents all of the expenditures in poles, towers and fixtures including costs for pole pulling after a joint use attacher has transferred their plant to the new pole, pole hole backfilling, and miscellaneous supplies. Volume of work depends on the speed at which the joint use attacher transfers, and whether WPI is provided notification. This work is also dependant on the volume of capital works and the locations. Also included in this account are the expenses associated with inspecting poles to determine their condition.

Wages - Administrative, Financial, Legal, Professional and Insurance Services

The Wages Executive and Management, Administrative, Financial, legal, Professional and Insurance Services cost driver represents many of the overhead costs of WPI. These costs are incurred to ensure that all areas of WPI operate in an efficient and organized manner and provide support for all staff.

IT, software, telecommunications, office supplies

The IT, software, telecommunications and office supplies cost driver is account 5620 Office Supplies and Expenses. These costs are necessary for the office staff to be able to complete their day to day activities and ensure that they have adequate supplies, equipment, and IT support to address customer needs timely and efficiently.

Other

The Other cost driver includes any other expenses that are related to the operational effectiveness of WPI. The majority of this cost driver is made up of operation labour related to Underground Distribution Lines and Feeders.

Regulatory & One-Time Costs

The Regulatory & One-Time Costs cost driver includes all regulatory expenses as well as property taxes.

4.3.3 RECOVERABLE OM&A COST PER CUSTOMER AND PER FTE

WPI continues to see growth in its customer base and aims to ensure that an appropriate number of staff are available to handle customer needs and requests in a timely and efficient manner while being conscious of its total spending per customer. A higher than normal rate of staff turnover has resulted in lower OM&A costs for the years of 2014 to 2015 due to vacancies being created and not all budgeted operations work being performed while new staff become familiar with WPI's distribution system. These staffing turnovers and vacancies have resulted in reduced OM&A cost per customer for the years of 2014 to 2015. While WPI strives to keep OM&A costs per customer as low as possible while providing a safe and reliable system this level of OM&A per customer has put a strain on WPI's day to day and long-term operations and is not maintainable. The 2017 and 2018 years reflect a level of OM&A per customer that will more adequately meet customer needs and ensure safety and reliability of the distribution system. Table 7 below outlines OM&A per customer as well as OM&A per FTE. Table 8 provides a comparison between other LDC's of similar size to Westario and their customers per FTE.

Table 7 - Recoverable OM&A per Customer and per FTE – Appendix 2-L[4]

	Last Rebasing Year - 2013- Board Approved	*Last Rebasing Year - 2013- Actual*	*2014 Actuals*	*2015 Actuals*	*2016 Actuals*	*2017 Bridge Year*	*2018 Test Year*
Reporting Basis	*MIFRS*	*MIFRS*	*MIFRS*	*MIFRS*	*MIFRS*	*MIFRS*	*MIFRS*
OM&A Costs							
O&M	*$2,738,000*	*$2,150,390*	*$1,853,021*	*$1,662,954*	*$2,111,080*	*$1,980,836*	*$1,967,533*
Admin Expenses	*$3,464,200*	*$3,595,800*	*$3,407,335*	*$3,580,836*	*$3,655,014*	*$3,756,000*	*$4,028,500*
Total Recoverable OM&A from Appendix 2-JB [5]	*$6,202,200*	*$5,746,190*	*$5,260,356*	*$5,243,790*	*$5,766,094*	*$5,736,836*	*$5,996,033*
Number of Customers [2,4]	*22,876*	*22,695*	*22,808*	*22,855*	*23,064*	*23,191*	*23,319*

[4] Recoverable OM&A Cost per customer and per FTE; Appendix 2-L

Number of FTEs [3,4]	*36*	*31.5*	*31*	*31.5*	*33*	*33*	*34.5*
Customers/FTEs	*635.44*	*720.48*	*735.73*	*725.56*	*698.91*	*702.76*	*675.92*
OM&A cost per customer							
O&M per customer	*$119.69*	*$94.75*	*$81.25*	*$72.76*	*$91.53*	*$85.41*	*$84.37*
Admin per customer	*$151.43*	*$158.44*	*$149.40*	*$156.68*	*$158.47*	*$161.96*	*$172.76*
Total OM&A per customer	*$271.12*	*$253.19*	*$230.64*	*$229.44*	*$250.00*	*$247.37*	*$257.13*
OM&A cost per FTE							
O&M per FTE	*$ 76,056*	*$68,266*	*$59,775*	*$52,792*	*$63,972*	*$ 60,025*	*$57,030*
Admin per FTE	*$ 96,228*	*$114,152*	*$109,914*	*$113,677*	*$110,758*	*$ 113,818*	*$116,768*
Total OM&A per FTE	*$ 172,284*	*$182,419*	*$169,689*	*$166,470*	*$174,730*	*$ 173,843*	*$173,798*

Table 8 - Comparison of Customers per FTE

General Statistics for the year ended December 31, 2015	*Welland Hydro-Electric System Corp*	*North Bay Hydro Distribution Limited*	*Halton Hills Hydro Inc.*	*Haldimand County Hydro Inc.*	*Festival Hydro Inc.*	*Westario Power Inc.*
Total Customers	*22,666*	*23,996*	*21,929*	*21,407*	*20,556*	*22,954*
Full-time Equivalent Number of Employees	*40*	*45*	*51*	*55*	*43*	*34*
Customers per FTE	*567*	*533*	*430*	*389*	*478*	*675*

Table 8 above is an excerpt from the 2015 Yearbook of Electricity Distributors. The utilities with the closest total number of customers have been extracted to be shown in comparison to Westario Power. As can be noted from the table, WPI's FTE's have assumed a great workload level as it relates to number of customers within our territory, reflecting the fact that WPI is very efficient in its use of staff. WPI has projected a small staffing level increase going into the Test Year that it feels is required to keep up with the growing customer base and increasing demands. The years between 2013 and 2016 had a high level of staff turnover that WPI has addressed going forward to ensure that all levels of the organization are sufficiently staffed. Due to the strain caused by losing experienced staff members and experiencing temporary vacancies WPI has now put an increased focus on staff engagement and succession planning. By having a more engaged staff WPI seeks to reduce turnover in the future and through effective succession planning transitions to new staff members will go more smoothly. This will all allow WPI to steadily move towards achieving its long-term goals, ensure the integrity of its distribution system and provide a high level of customer service while remaining conscious of customer bill impacts.

4.3.4 CAPITALIZED OM&A

The OM&A overhead spending that has been reflected in capitalized assets is presented in Table 9 below. In addition to the historical capitalized overhead the Bridge Year and Test Year impacts are shown as well. The amount of OM&A that is budgeted to be capitalized has not been reflected in the other OM&A tables and calculations presented in this exhibit.

Table 9 - Overhead Expense – Appendix 2-D[5]

Description	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Bridge Year	2018 Test Year
Distribution Expenses	2,150,390	1,853,021	1,662,954	2,111,080	1,980,836	1,967,533
Billing Collecting	1,268,735	1,224,007	1,131,494	1,043,796	1,130,000	1,202,000
Community Relations	11,983	15,351	34,398	29,681	30,000	31,000
Administration & General Expenses	2,324,744	2,167,977	2,414,945	2,581,537	2,596,000	2,795,500
Total (After Capitalization)	**5,755,852**	**5,260,356**	**5,243,790**	**5,766,094**	**5,736,836**	**5,996,033**
OM&A Capitalized	563,305	438,532	537,224	511,932	640,905	587,867
OM&A Before Capitalization	**6,319,157**	**5,698,888**	**5,781,014**	**6,278,026**	**6,377,741**	**6,583,900**
Detail of Capitalized OM&A	**2013 Actual**	**2014 Actual**	**2015 Actual**	**2016 Actual**	**2017 Bridge Year**	**2018 Test Year**
Operation Costs (Stores/Inventory)	17,590	14,640	32,473	24,968	47,460	43,302
Operation - Fleet	237,191	171,438	208,838	194,786	237,378	217,826
Engineering & Design Costs	308,524	252,454	295,913	292,178	356,067	326,739
Total	**563,305**	**438,532**	**537,224**	**511,932**	**640,905**	**587,867**

Under MIFRS only directly attributable costs are capitalized which includes Operations Costs for inventory management (Stores/Inventory), Operation - Fleet costs, and Engineering and Design costs. The OM&A items that are directly attributable to capital work orders are reflected above in table 9.[6] These overhead costs are charged to operating and capital work orders as directly attributable costs and applied based off either labour hours used on the job or materials used on

[5] OM&A variance analysis for test year with respect to bridge and historical years; Appendix 2-D
[6] Identification of change in OM&A in test year in relation to change in capitalized overhead.

the job, depending on which of the two options more accurately reflects the overhead costs associated with the job. Below is a description of each of the types of overhead and what indicator is used to allocate them to capital.

The Operation costs of Stores/Inventory are the total direct costs associated with the wages and benefits of WPI's Storekeeper, costs associated with storing inventory, and partial wages of materials purchasing clerk. These overhead costs are allocated based on a calculation using all the materials purchased in the year and the amount that applied to capital jobs vs. maintenance jobs. The amount of Operation costs of Stores/Inventory utilized for capital work orders in each year will fluctuate based on the actual direct costs incurred and the amount of materials utilized for capital work orders relative to maintenance work orders.

Operation – Fleet is the total cost to operate the fleet including all maintenance and fuel for the year calculated as an hourly rate based on total direct labour. The capitalization of the Operation – Fleet costs are based on the total direct labour utilized for all capital work orders for each year relative to direct labour hours utilized for maintenance work in the year. Labour hours are used as the indicator as jobs always require vehicles and therefore labour hours will also closely reflect vehicle hours. The total costs for Operation – Fleet will fluctuate each year based on the actual costs to operate the fleet as some years will have larger maintenance needs for the fleet. The portion of fleet costs that are capitalized each year will also vary depending on the mix between direct labour hours spent on capital jobs relative to maintenance jobs.

Engineering and Design costs are the total costs that can be directly attributed to the engineering and drafting department. These costs are allocated amongst jobs based on direct labour hours of each job since longer jobs requiring more labour will also require more engineering, drafting, and planning. The capitalization of the Engineering and Design costs are based on the total direct labour hours in the year and the mix between capital and maintenance work orders. The total costs for Engineering and Design can fluctuate each year based on the actual costs incurred by this department.

4.3.5 OM&A VARIANCE ANALYSIS BY FUNCTION

The following section will analyze all year over year OM&A variances that exceed the materiality threshold of $50,000 for any given GL account. The table to start each year will give a high-level overview of the variances by function with the subsequent write on the overview summary followed by a break down each of the functions into the GL accounts that have caused any variances.

Table 10 - 2013 Board Approved vs 2013 Actual

	Board Approved	*2013*	*Variance*
Operations	*$440,000*	*$381,172*	*-$58,828*
Maintenance	*$2,298,000*	*$1,769,218*	*-$528,782*
Billing and Collecting	*$1,191,000*	*$1,268,735*	*$77,735*
Community Relations	*$46,000*	*$11,983*	*-$34,017*
Administrative and General	*$2,227,200*	*$2,315,082*	*$87,882*
Total OM&A Expenses	*$6,202,200*	*$5,746,190*	*-$456,010*

2013 BA vs 2013 Actual Overview

The 2013 actual spending was a decrease of $456,010 from the Board Approved OM&A spending. Approximately $285,000 of this was largely caused by WPI's tree trimming contract coming in significantly below budget and the work outlined in the contract not being completed in the year resulting in additional reductions in spending. In addition WPI's spending on overhead services and underground services came in $292,000 below budget, this decrease below budget was due to significantly less customer driven work happening in the year then was forecast. All of this contributed to OM&A spending coming in below the budgeted amounts from the 2013 CoS application.

Operations Expenses are down by $59K:

5065 - Meter Expense is lower by $63K due to a lower amount of replacements than had been budgeted for as well as the Smart meter OM&A costs that were previously a deferred expense in 2013 being allocated to account 5175 rather than account 5065. The result is that the decrease below the budgeted amount by $59K in this account is offset by an increase of 61K above the budgeted amount in account 5175 "Maintenance of Meters".

Maintenance Expenses are down by $529K:

5114 – Maintenance of Distribution Station Equipment was higher by $65K due to repair work at two of WPI's stations that was unplanned.

5130 – Maintenance of Overhead Services was down by $125K. This account is largely customer driven and varies based off customer needs in the year and customer driven work was not required at the same rate as the estimates from the 2013 Cost of Service application.

5135 – Overhead Distribution Lines and Feeders – Right of Way was lower by $310K. This GL account is largely driven by WPI's tree trimming contract. The contract for 2013 came in lower than budgeted by $165K. Also, the tree trimming contractor hired for 2013 was not able to complete all the work in the year that was set out in the contract resulting in the contractor leaving $80K of additional tree trimming work left unfinished. At the start of 2013 there were only 7 linemen and 8 on average for the year leaving a shortage of available time for WPI's own crew to complete tree trimming work. Because of this staffing shortage WPI's internal tree trimming budget was also left $65K under budget.

5145 – Maintenance of Underground Conduit was lower by $53K. The 2013 board approved budget for this account also included maintenance of underground conductors and devices that would normally be allocated to account 5150. In 2013 there was $2K of expenses that were allocated to account 5150. Staffing levels for linemen were lower than planned, 8 on average throughout the year. Due to the shortage of linemen in the year, maintenance work was focused on the immediate needs of the system.

5155 – Maintenance of Under Ground Services was under budget by $167K. Similar to account 5130 "Maintenance of Overhead Services" this account is largely customer driven and the actual work requests from customers came in much lower than the budgeted amount from the last Cost of Service application.

5175 – Maintenance of Meters was over budget by $61K. The previously deferred Smart meter OM&A costs that were expensed in 2013 were budgeted to be applied against account 5065 but ended up being applied against account 5175. Accordingly, the above budget spending in this account of $61K is offset by a decrease of $65K in budgeted spending in account 5175.

Billing and Collecting Expenses are up $78K:

5310 – Meter Reading Expense was higher than budgeted by $139K, due to the Smart meter OM&A costs that were previously deferred being expensed in 2013. The total amount that was deferred and expensed was higher than what had been budgeted in the 2013 board approved CoS application.

5320 – Collecting Expenses were lower by $71K. This decrease was due to the vacancy of a collections agent position during the year. While this position had been budgeted to be filled in 2013 it was determined that WPI was in greater need of an additional staff member in the finance department. Accordingly, the decrease below budget in account 5320 is offset by an increase in account 5615 "General Administrative Salaries and Expenses" of approximately $71K.

Community Relations expenses are down by $34K:

The increase is marginal and therefore no variance explanation is required.

Administrative and General Expenses are up $88K:

5605 – Executive Salaries and Expenses are higher by $166K. The reduction under the 2013 Cost of Service settlement reduced this line item by $150K. During 2013 all executive positions at WPI were filled and therefore the 2013 actual level of spending was the amount that represents the required spending for this account.

5610 – Management Salaries and Expenses were lower by $101K. Despite having all executive positions filled during the year there were 2 management team vacancies to start the year that were filled during the year. This annualizes to approximately 1 management staff member position being vacant for the whole year.

5615 – General Administrative Salaries and Expenses were higher than budget by $138K. The increase in this account was due to the need for a larger accounting and finance staff than had been budgeted in the 2013 CoS application. While this increase in staff was not budgeted for in the 2013 CoS application there was a collections agent position budgeted that had not yet been filled. To try and stay consistent with the overall budget it was determined that a finance staff member would be added rather than the collections clerk. Therefore, approximately $71K of this increase is partially offset by the "Collecting Expenses" account 5320 having one less collections agent employed in the year resulting in the account coming in $71K below budget. It was determined that the finance staff member was needed more urgently than the collections clerk.

5620 – Office Supplies and Expenses were lower than budget by $70K. This decrease was largely due to reduced Computer Maintenance costs under contract. The Computer maintenance costs could remain under the budgeted amount for a couple of years until the new contract came into effect resulting in a large increase in computer maintenance costs in subsequent years.

Table 11 - 2013 Actual vs 2014 Actual

	2013	*2014*	*Variance*
Operations	*$381,172*	*$278,333*	*-$102,839*
Maintenance	*$1,769,218*	*$1,574,688*	*-$194,530*
Billing and Collecting	*$1,268,735*	*$1,224,007*	*-$44,728*
Community Relations	*$11,983*	*$15,351*	*$3,368*
Administrative and General	*$2,315,082*	*$2,167,977*	*-$147,105*
Total OM&A Expenses	*$5,746,190*	*$5,260,356*	*-$485,834*

2013 Actual vs 2014 Actual Overview

2014 actual spending was down $486K from the 2013 actual spending. A lot of this variance was associated with a very high level of staff turnover in 2014. During 2014 there were 10 staff members that left WPI and 6 new staff members added. Given that WPI had a staff of approximately 32 on average for that year this represented a significant turnover that resulted in significant time spent bringing new staff up to speed and trying to rearrange responsibilities so that all roles were filled. As a result, there were temporary reductions in wages in the year due to the number of vacancies as well as reductions associated with not all of the budgeted work being able to be completed and therefore reductions in materials and other expenses associated with jobs. This lowered level of staff and spending strained WPI and is not maintainable over an extended period.

Operations Expenses are down by $103K:

5065 - Meter Expense was lower by $64K. Meter expenses are largely driven by the need to reseal or replace meters as this results in additional testing and time and resources being spent on meters. 2013 still had some meter expenses coming through related to the last meter replacement program and therefore that amount was higher than in 2014. The next large meter replacement requirement takes place in 2019 and therefore in 2014 testing of meters had not yet started.

Maintenance Expenses are down by $195K:

5114 – Maintenance of Distribution Station Equipment was lower by $59K due to the 2013 amount being higher due to unplanned work being required on 2 of the substations which resulted in $65K of extra spending in 2013. The 2014 level of spending is back to being consistent with the 2013 board approved budget.

5135 – Overhead Distribution Lines and Feeders – Right of Way was lower by $64K. A different contractor was awarded the tree-trimming contract for 2014 than was awarded the contract for 2013 due to the previous contractor not being able to complete all the contracted work. In addition, the new contractor also came in lower than budgeted. The new contractor was also unsuccessful in completing the contracted work, which resulted in $64K of work under the contract not being completed. Due to the back to back years of contractors being unable to complete all the work in 2015 WPI instituted an addendum on future contracts penalizing contractors if they are not able to complete the work set out in the contract.

5145 – Maintenance of Underground Conduit was down by $59K. This account became rarely used starting in 2014. Expenses associated with the underground work on conduit conductors and devices almost all started being applied to account 5150. Therefore, the decrease in spending of $59K in account 5145 is a reallocation of expenses from account 5145 to account 5150 and explains the increased spending in account 5150 of $56K.

5150 – Maintenance of Underground Conductor and Devices was up by $56K. Expenses that were in the past applied to account 5145 have now been almost all been allocated to account 5150. Therefore, the increase is this account of $56K is offset by a decrease in account 5145 of $59K. The spending for these combined accounts continues to remain under the board approved amounts; the reason for this is closely tied to staff turnover and shortages in linemen. Due to limited staff and new staff requiring additional training on WPI practices and procedures before they are able to efficiently complete all work budgeted not all of the planned maintenance work could be performed.

Billing and Collecting Expenses are down $45K:

5310 – Meter Reading Expense was lower than the previous year by $203K. This difference is primarily due to the Smart meter OM&A costs that were previously deferred and expensed in 2013 were not required to be repeated in 2014. The board approved amount from 2013 (aside from the deferred Smart Meter Expenses) was $139K too low relative to the actual 2013 costs.

5315 – Customer Billing expenses were higher by $82K. The increase in this account was primarily for additional computer support costs for WPI's SAP CIS system upgrade. There was also an increase in Canada Posts postage rates in the year. In 2014 over 75% of WPI's customer base elected for paper billing so postage price increases lead to large increases in costs associated with billing.

5335 – Bad Debt Expense increased by $88K, due to the significant bankruptcy of a GS>50 kW customer ($56K), and a higher number of customers defaulting on their bill. WPI recognizes bad debts on all accounts based on aging, at 180 days = 5%, 181-365 days = 75%, >365 days = 90%, plus any bankruptcies – 100% of the net exposure. As the method for calculating bad debts has not changed variances in this account are largely out of the control of WPI and reflect the economic conditions of WPI's service territory.

Community Relations expenses are up by $3K:

The increase is marginal and therefore no variance explanation is required.

Administrative and General Expenses are down $147K:

5610 – Management Salaries and Expenses were down $99K. During the 2014 year there were 3 members of management, not executive, that left WPI. As WPI's service territory is quite remote it is difficult attracting skilled workers to the area to fill positions and to retain their employment. Due to these challenges, only one of the management team vacancies was filled in the year. This resulted in decreases in management salaries and expenses but it also resulted in difficulties at an organizational level and affected WPI's ability to schedule and manage work so that everything could be completed as planned. This was especially significant in 2014 given the high level of staff turnover among trades staff and office staff, resulting in an increased need for experienced management to effectively reallocate staff responsibilities and train new employees on the positions to be filled.

Table 12 - 2014 Actual vs 2015 Actual

	2014	***2015***	***Variance***
Operations	*$278,333*	*$264,131*	*-$14,202*
Maintenance	*$1,574,688*	*$1,398,823*	*-$175,865*
Billing and Collecting	*$1,224,007*	*$1,131,494*	*-$92,513*

Community Relations	*$15,351*	*$34,398*	*$19,047*
Administrative and General	*$2,167,977*	*$2,414,945*	*$246,968*
Total OM&A Expenses	*$5,260,356*	*$5,243,790*	*-$16,565*

2014 Actual vs. 2015 Actual Overview

2015 OM&A spending was down an additional $17K from 2014's spending as WPI continued to struggle with staff turnover, losing an additional 5 staff members in the year. WPI was able to hire an additional 8 staff members so that staffing levels could be brought close to what WPI considers a full complement of staff; however, the result of losing 15 employees in an organization structured around a full complement of 35 employees over the course of 2 years and replacing those lost employees with 14 new staff members meant that there was a significant learning curve that needed to be completed. WPI needed to be reorganized to make a plan for going forward that all staff could work towards; the result was that 2015 was a year of organizing and planning with a focus on bringing both union and management staff up to date on the current condition of the system and the company. This resulted in continued decreased Operations and Maintenance spending in the year while a long-term plan was developed for the system.

Operations Expenses are down by $14K:

The increase is marginal and therefore no variance explanation is required.

Maintenance Expenses are down by $176K:

5114 - Maintenance of Distribution Station Equipment expenses were lower by $97K as budgeted maintenance work was not performed due to staff and management turnover and shortages. Due to the shortages, less time than budgeted/needed was spent performing inspections of the system and doing maintenance as a result of the inspections.

Billing and Collecting Expenses are down $93K:

5335 – Bad Debt Expense decreased by $76K, as the prior year had been high mostly related to a significant bankruptcy. In 2015 there were not any significant bankruptcies. While the bad debt expense was lower than the previous year the expense for 2015 is still higher than 2013 Board approved amount as WPI continued to see a portion of its customer base struggle economically. While it had not resulted in any large bankruptcies, customers were taking longer than historically normal to pay their bills notwithstanding the full use of AMP's and other deferral tools available to WPI's customers.

Community Relations are up $19K:

The increase is marginal and therefore no variance explanation is required.

Administrative and General Expenses are up $247K:

5605 – Executive Salaries and Expenses were down $85K. This drop is due to a reclassification of board of directors' expenses. These amounts had historically been included in account 5605 but it was determined per analysis of the accounting procedures handbook that they should be included in account 5665. The Board of Director expenses that were reallocated amounted to approximately $140K. This decrease is offset by the increase in account 5665. During the year a Vice President of operations was hired which offset some of the decrease in this account that resulted from the reclassification of Board of Director expenses.

5610 – Management Salaries and Expenses were down $54K as WPI continues to struggle to attract and retain skilled management level employees due to a lack of skilled workers in the area. WPI lost an additional member of Management during the 2015 year. While 3 more members of management were hired in the year 2 were Line Supervisors whose wages and benefits are allocated amongst capital and operations and maintenance accounts and therefore they have minimal impact on account 5610. The other member of management that was hired was the Vice President of Operations whose wages are grouped in account 5605 "Executive Salaries and Expenses".

5620 – Office Supplies Expense was up $170K due to computer software support costs having increased by $98K to support the Billing function while new billing clerks were being trained. The new clerks were the result of the high staff turnover at WPI. During the year management considered completely outsourcing the billing functions of WPI but after evaluation of this alternative it was determined that the long term economics, customer service levels, and loss of control over an important function were too important to risk having them completely run from outside of the organization.

5665 – Miscellaneous General Expenses were up $140K. In 2015, it was found that the board of directors expenses had been improperly charged to account 5605 rather than account 5665. In 2015 the board's expenses were allocated to account 5665 thereby resulting in the spending for this account increasing while the spending for account 5605 decreased in the year.

Table 13 - 2015 Actual vs 2016 Actual

	2015	***2016***	***Variance***
Operations	*$264,131*	*$390,384*	*$126,253*
Maintenance	*$1,398,823*	*$1,720,696*	*$321,873*
Billing and Collecting	*$1,131,494*	*$1,043,796*	*-$87,698*
Community Relations	*$34,398*	*$29,681*	*-$4,717*
Administrative and General	*$2,414,945*	*$2,581,537*	*$166,592*
Total OM&A Expenses	*$5,243,790*	*$5,766,094*	*$522,304*

2015 Actual vs 2016 Actual Overview

Despite losing an additional 7 employees in 2016, 4 of which were members of management, WPI was able to increase activity in operations to become more in line with their budgeted work plan. The retention of the Planning and Design Manager and one of the Line Supervisors allowed for some of the continuity in management staff that was necessary to have WPI follow its planned work plan. In addition, unionized staff saw minimal change in the year meaning less time was spent training new staff and people were growing more experienced in their roles at WPI. As a result of the improved staff retention in the year WPI had a busier year that saw OM&A spending start to increase back towards normal levels.

Operations Expenses are up by $126K:

5065 – Meter Expense was up $169K. WPI engages the services of a metering services company, Rodan Energy Solutions, to perform its work related to metering services. There are a significant number of residential smart meter seals that expire in 2019 (10 years after the mass installation in 2009). Rodan has been contracted to do the sample testing under Measurement Canada guidelines in order to determine if WPI qualifies for an extension of their existing meter seals. Additionally, there are 208 non "MIST" compliant meters in the field that have a 2019 mandated time line to become compliant. Starting in 2016 WPI has seen an increase in these meter expense costs as testing has started to be performed.

Maintenance Expenses are up by $322K:

5120 – Maintenance of Poles, Towers and Fixtures was up $67K. There were a larger than anticipated number of incidents in 2016 that caused this account to have increased spending in the year. The average number of linemen throughout 2016 increased to 9 which meant that staffing levels were approaching a full complement of staff and staff were becoming more experienced. Therefore, WPI was able to spend more time doing the required inspections and maintenance.

5125 – Maintenance of overhead conductors and devices was up $124K. An increased number of inspections were performed in the year in order to assess the integrity of the system. There was also increased maintenance spending as a result of these inspections. With Management and linemen staffing approaching their planned levels WPI was able to better organize an inspection and maintenance plan on the distribution system. As a result, more time and resources were spent on operations and maintenance in the year.

5155 – Maintenance of Underground Services is up $58K. Similar to the other maintenance accounts in 2016 the spending for the year has increased as WPI staff has been able to create a maintenance plan and execute it as planned.

Billing and Collecting Expenses down by $88K:

The increase is marginal and therefore no variance explanation is required.

Community Relations spending is down $5K

The increase is marginal and therefore no variance explanation is required.

Administrative and General Expenses are up $167K:

5605 – Executive Salaries and Expenses were down $87K as the VP Operations position and the CFO position were both vacant for part of the year.

5610 – Management Salaries and Expenses were down $68K as the Accounting Supervisor position was vacant for the entire year.

5620 – Office Supplies and Expenses increased by $147K. This increase was the result of an accounting error which resulted in computer software expenses that should have been expensed in past years being capitalized. The error was found in 2016 during the financial statement audit and since the total amount of the error was below the auditors materiality threshold for WPI the full amount of the correction was put through in 2016. This resulted in 2016 recognizing expenses from prior years in the current year, thereby increasing the expense in 2016. The total amount of the correction that went through in 2016 that should have gone through in the prior 2 years was $147K. In addition to this the expense was higher by now using the proper accounting treatment of the expenses in 2016 that resulted in approximately $80K of expenses. This is offset by the prior year having increased computer support fees associated with the billing function being outsourced in the prior year.

5630 – Outside services employed increased by $119K. This increase was largely due to WPI using an outside consulting firm to recruit individuals for the positions of Accounting Supervisor and CFO. In addition to these recruitment fees WPI also engaged a firm to provide management training and support in an effort reduce the amount of staff turnover and find efficiencies at WPI.

Table 14 - 2016 Actual vs 2017 Bridge Year

	2016	*2017*	*Variance*
Operations	*$390,384*	*$419,927*	*$29,543*
Maintenance	*$1,720,696*	*$1,560,909*	*-$159,787*

Billing and Collecting	*$1,043,796*	*$1,130,000*	*$86,204*
Community Relations	*$29,681*	*$30,000*	*$319*
Administrative and General	*$2,581,537*	*$2,596,000*	*$14,463*
Total OM&A Expenses	*$5,766,094*	*$5,736,836*	*$29,258*

2016 Actual vs. 2017 Bridge Year Overview

The 2017 Bridge year spending has seen a decrease in Operations and Maintenance spending as WPI has found efficiencies and spending in these accounts began to normalize with a full compliment of line staff. The CFO position and Accounting Supervisor positions were filled at the start of 2017 as well as the VP Operations position being filled in September of 2017. With WPI now operating with a staff that is approaching a full complement and minimal staff leaving WPI in 2017 there has been less time and resources spent trying to fill staffing voids and more time spent working on completing all planned work within the year. A long-term plan reflected in this Cost of Service Application has been designed that will ensure the safety and reliability of the system and allow WPI to maintain a high level of Customer Service.

Operations Expenses have increased by $30K:

5020 – Overhead Distribution Lines and Feeders – Operation Labour has increased by $80K. All of the spending in this account represents the cost of inspections to poles, switches and lines. In past years these costs have been allocated to account 5120 “Maintenance of Poles, Towers, and Fixtures. WPI is proposing to correct its accounting treatment of resources spent on inspections so that they are separated from the maintenance costs associated with the assets. Account 5120 which represents the maintenance of Poles Towers and Fixtures shows decreased spending by $101K for 2017 relative to 2016; this decrease is offset by the increase in account 5020.

5065 – Meter Expense has decreased by $126K. The decrease in this account is related to 2016 having a high level of meter spending due to significant testing done in the year in order to prepare for the large upcoming meter replacement of residential meters in 2019. The 2017 level of spending is more in line with a normalized level of spending.

Maintenance Expenses have decreased by $160K:

5120 – Maintenance of Poles, Towers and Fixtures have decreased by $101K. In 2016 and prior years the costs of performing inspections on poles, switches, and lines had been included in this account. For 2017 and going forward WPI will be recording these costs in account 5020. This change allows WPI to better track spending by specific expenses and is more in line with the accounting procedures handbook. Account 5020 has increased in spending by $80K. The remaining decrease is associated with better time tracking resulting in maintenance on overhead conductors and devices being recorded in account 5125, this account has increased by $62K for 2017.

5125 – Maintenance of Overhead Conductors and Devices has increased by $62K. This increase is due to increased maintenance being performed on overhead conductor and devices in relation to the increased amount of inspections resulting identifying an increase amount of maintenance work for these items. The increased level of work performed in this account is not expected to continue long term.

5135 – Overhead Distribution Lines and Feeders has decreased by $100K. This decrease is the result of a reduced level of tree trimming work being required as many of the problem areas in WPI's distribution system have been addressed. WPI has been able to maintain favourable tree trimming contracts and believes the 2017 level of spending is maintainable moving forward.

5150 – Maintenance of Underground Conductors and Devices has increased by $52K as a result of a high level of underground conductor maintenance in the year as a result of flooding due to the high level of precipitation in the summer of 2017. This resulted in a high level of additional boring costs required relative to other years.

Billing and Collecting Expenses have increased by $86K:

No accounts are individually material. Customer Billing increased by $47K as increases in postage have resulted in additional costs.

Community Relations expenses have not changed:

The increase is marginal and therefore no variance explanation is required.

Administrative and General Expenses are up $14K:

5605 – Executive Salaries and Expenses increased by $185K. This increase reflects full staffing levels being achieved in the year. In 2016 WPI had 2 executive positions vacant for most of the year. 2017 had the CFO position filled as of January 1 and the VP of Operations position has been filled in September.

5610 – Management Salaries and Expenses increased by $128K. The accounting Supervisor position which was vacant for all of 2016 was filled at the very start of 2017. In addition to this the Supervisor of Customer Service position was vacant for 4 months in 2016 and has remained filled since then. At the start of 2017 and throughout 2017 all Management positions have been filled and the budgeted level of spending reflects this full compliment of staff.

5620 – Office Supplies and Expenses decreased by $97K. This decrease is a result of the 2016 amount being exceptionally high due to the expensing of computer software that had previously been capitalized. The accounting correction in 2016 resulted in the 2016 expenses being $147K higher than what a normalized level of spending for this account would be. The increase in this account after factoring in the $147K decrease is the result of increasing use of IT support associated with software systems.

5630 – Outside Services Employed decreased by $167K as the 2016 amount was higher due to outside consultants that were used in the year to recruit new management members for the positions of Accounting Supervisor and CFO. Outside consultants were also used to provide management training in an effort to provide management with more resources that could potentially help WPI with its staff turnover problem. These management consulting services ceased in 2017.

Table 15 - Bridge vs 2018 Test

	2017	*2018*	*Variance*
Operations	*$419,927*	*$580,760*	*$160,833*
Maintenance	*$1,560,909*	*$1,386,773*	*-$174,136*
Billing and Collecting	*$1,130,000*	*$1,202,000*	*$72,000*
Community Relations	*$30,000*	*$31,000*	*$1,000*
Administrative and General	*$2,596,000*	*$2,795,500*	*$199,500*
Total OM&A Expenses	*$5,736,836*	*$5,996,033*	*$259,197*

2017 Bridge Year vs 2018 Test Year Overview

The 2018 Test Year has seen a 4.5% increase in spending over the Bridge Year. The reason for this moderate increase is due to WPI having a full complement of staff for the first complete year combined with inflation. WPI aims to retain its staff and create a stronger succession plan during this time so that it does not find itself in a position of high turnover again, as this would create significant challenges and delays the completion of work.

Operations Expenses are up $161K:

5020 – Overhead Distribution Lines and Feeders – Operational Labour has increased by $59K. This increase is the result of increased inspections being planned in order to identify any potential issues. This inspection increase is focused on identifying decrepit poles in WPI's distribution system.

Maintenance Expenses are down $174K

5125 – Maintenance of Overhead Conductors and Devices has decreased by $170K. This decrease represents a return to a normalized level of spending for this account as 2016 and 2017 had increased levels of spending as maintenance programs on overhead conductor were being carried out.

5150 – Maintenance of Underground Conductors and Devices has decreased by $64K. This decrease also represents a return to a normalized level of spending as the 2017 Year had increased spending as a result of flooding in the year that resulted in increased maintenance work being required to be performed on underground conductor and devices.

Billing and Collecting expenses are up $72K

5320 – Collecting expenses are up $50K. This increase is the result of increasing postage rates as well as continued forecasted growth in WPI's customer base.

Community Relations expenses are up $1K

The increase is marginal and therefore no variance explanation is required.

Administrative and General Expenses are up $200K

5605 – Executive Salaries and Expenses have increased by $50K as a result of 2018 having the VP of Operations position filled for the entire year after only being filled for 5 months in 2017.

5655 – Regulatory Expenses have increased by $72K. This increase is partially due to 2017 not having any deferred regulatory expenses recognized in the year as the costs from the 2013 Cost of Service had all been recognized at the end of 2016. The other reasons for the increase is a combination of increasing OEB annual assessment fees and the 2018 Cost of Service Application components being higher due to the need for a DSP.

4.4 PROGRAM DELIVERY COSTS WITH VARIANCE ANALYSIS

4.4.1 OM&A PROGRAM DESCRIPTION

WPI has a variety of programs activities and initiatives that are imperative to continue to provide reliable and affordable service to customers and ultimately to provide customer satisfaction. In Table 16 WPI has identified its programs and major functions on a comparative basis from 2013 OEB approved to 2018 Test Year. These programs contribute to achieving the new RRFE performance outcomes of Customer Focus, Operational Effectiveness, and Public & Regulatory Responsiveness. This shows the alignment of WPI's direct costs and the management of the costs associated with the outcomes.

1

2 **Table 16: OM&A Programs Table – Appendix 2-JC[7]**

								Test Year Versus Most Current Actuals	Test Year Versus Last Rebasing
Reporting Basis	*COS*	*MIFRS*	*MIFRS*	*MIFRS*	*MIFRS*	*MIFRS*	*MIFRS*		
Programs	*2013*	*2013*	*2014*	*2015*	*2016*	*2017*	*2018*	*Variance ($)*	*Variance ($)*
Customer Focus									
Customer Service, Mailing Costs, Billing and Collections, LEAP	*$840,500*	*$768,558*	*$838,577*	*$804,552*	*$784,864*	*$828,000*	*$890,000*	*$105,136*	*$49,500*
Bad Debts	*$69,000*	*$80,822*	*$168,411*	*$92,475*	*$65,655*	*$100,000*	*$100,000*	*$34,345*	*$31,000*
Meter Reading	*$276,000*	*$415,367*	*$212,784*	*$229,487*	*$218,277*	*$215,000*	*$225,000*	*$6,723*	*-$51,000*
Operational focus	*$196,000*	*$164,681*	*$164,019*	*$312,891*	*$332,589*	*$375,000*	*$383,500*	*$50,911*	*$187,500*
Sub-Total	*$1,381,500*	*$1,429,428*	*$1,383,791*	*$1,439,406*	*$1,401,385*	*$1,518,000*	*$1,598,500*	*$197,115*	*$217,000*
Operational Effectiveness									
Municipal Transformer Station - operating and maintenance costs	*$269,000*	*$344,050*	*$281,792*	*$185,829*	*$230,007*	*$212,825*	*$230,504*	*$497*	*-$38,496*
Meters maintenance	*$254,000*	*$252,013*	*$162,014*	*$153,311*	*$336,993*	*$189,276*	*$200,959*	*-$136,034*	*-$53,041*

[7] Completed Appendix 2-JC OM&A Programs Table - completed by program or major functions; include variance analysis limited to variances that are outliers, between test year and last OEB approved and most recent actuals, including an explanation for each significant change whether the change was within or outside the applicant's control and explanation of why

Overhead lines	*$251,000*	*$324,656*	*$292,710*	*$253,518*	*$371,297*	*$520,900*	*$412,434*	*$41,137*	*$161,434*
Distribution Transformers	*$215,000*	*$172,837*	*$185,677*	*$182,939*	*$149,461*	*$221,411*	*$249,000*	*$99,539*	*$34,000*
Services	*$585,000*	*$292,365*	*$272,588*	*$255,763*	*$333,587*	*$289,275*	*$297,038*	*-$36,549*	*-$287,962*
Tree trimming	*$580,000*	*$270,431*	*$206,341*	*$212,776*	*$215,177*	*$115,594*	*$102,895*	*-$112,282*	*-$477,105*
Underground conduit	*$115,000*	*$63,512*	*$60,525*	*$43,504*	*$76,637*	*$126,217*	*$60,000*	*-$16,637*	*-$55,000*
Poles Towers & Fixtures	*$220,000*	*$214,410*	*$187,603*	*$159,739*	*$226,980*	*$125,572*	*$160,424*	*-$66,556*	*-$59,576*
Administrative wages, Financial, Legal, Professional and Insurance Services	*$1,428,200*	*$1,607,429*	*$1,505,986*	*$1,441,758*	*$1,358,999*	*$1,480,000*	*$1,605,000*	*$246,001*	*$176,800*
IT, software, telecommunications, office supplies	*$507,000*	*$436,524*	*$396,412*	*$567,096*	*$714,269*	*$620,000*	*$630,000*	*-$84,269*	*$123,000*
Other	*$231,000*	*$199,628*	*$187,036*	*$198,097*	*$170,941*	*$179,766*	*$239,279*	*$68,338*	*$8,279*
Sub-Total	*$4,655,200*	*$4,177,855*	*$3,738,684*	*$3,654,330*	*$4,184,348*	*$4,080,836*	*$4,187,533*	*$3,185*	*-$467,667*
Public and Regulatory Responsiveness									
Regulatory & Compliance	*$165,500*	*$138,907*	*$137,881*	*$150,055*	*$180,361*	*$138,000*	*$210,000*	*$29,639*	*$44,500*
Sub-Total	*$165,500*	*$138,907*	*$137,881*	*$150,055*	*$180,361*	*$138,000*	*$210,000*	*$29,639*	*$44,500*
TOTAL OM&A	*$6,202,200*	*$5,746,190*	*$5,260,356*	*$5,243,790*	*$5,766,094*	*$5,736,836*	*$5,996,033*	*$229,939*	*-$206,167*

4.4.2 OM&A PROGRAMS VARIANCE ANALYSIS: LAST BOARD APPROVED VS TEST YEAR[8]

Table 17 - Variances over materiality for 2013 Board Approved vs 2018 Test Year

Programs	*2013*	*2018*	*Variance ($)*
Meter Reading	$276,000	$225,000	-$51,000
Operational Focus	$196,000	$383,500	$187,500
Meters maintenance	$254,000	$200,959	-$53,041
Overhead lines	$251,000	$412,434	$161,434
Services	$585,000	$297,038	-$287,962
Tree Trimming	$580,000	$102,895	-$477,105
Underground Conduit	$115,000	$60,000	-$55,000
Poles Towers & Fixtures	$220,000	$160,424	-$59,576
Admin. Wages, Financial, Legal, Professional and Insurance	$1,428,200	$1,605,000	$176,800
IT, Software, Telecommunications, and Office Supplies	$507,000	$630,000	$123,000

Meter Reading has decreased $51,000:

This decrease is a result of the deferred Smart meter OM&A costs that were expensed in 2013. As a result, the 2013 approved amount was high in anticipation of these costs. These costs have since normalized and are expected to maintain at these levels going forward. This decrease is outside of the control of the organization as in the past these expenses were required to be deferred and then expensed in 2013; there is no such requirement for the 2018 test year and the expense now represents a normalized level of activity for WPI.

[8] For each significant change within the applicant's control describe business decision that was made to manage the cost increase/decrease and the alternatives

Operational Focus has increased by $187,500:

The increase in Operational Focus is entirely the result of the re-allocation of board of director expenses. In the 2013 Cost of Service application they were included with Executive Salaries and Expenses. These expenses are now reallocated to better reflect the accounting procedures handbook and have been included in account 5665 Miscellaneous General Expenses which is reflected in Operational Focus. The cost driver that is offset by this change in accounting policy is Administrative wages, Financial, Legal, Professional and Insurance Services. This change is within WPI's control, however the increase does not reflect an increase in spending.

Meter maintenance has decreased by $53,041:

Expenditures for meter maintenance include revenue meters, wholesale meters for IESO compliance and interval metering for customers GS 50 kW or greater. 2013 still had costs associated with the last meter conversion going through. While 2016 had some large expense associated with meter testing in preparation for the 2019 meter replacement/resealing limited expenses have been required in 2017 and 2018.

Overhead lines have increased by $161,434:

Additional expenditures for improved inspections and the expected additional maintenance from these inspections. The utility has created an integrated schedule to inspect overhead lines with other overhead assets in an effort to decrease future repairs that could be potentially expensive relative to the cost of preventative maintenance work. This Cost driver also includes the cost of maintenance as a result of outages either due to weather or equipment failure that would require staff to go in after hours and repair the lines at a higher cost. Since these events are unplanned, the costs can vary for each period. After analyzing its system WPI determined that inspections and maintenance need more immediate attention and as a result more time and resources have been planned for inspections and maintenance in coming years.

Services have decreased by $287,962:

Costs related to services include the maintenance of overhead services and underground secondary services. Costs attributed to this account include trouble calls, replacing wire for service upgrades within the Basic Service Allowance, and service isolations. Also included is the labour cost to repair secondary cable faults and associated material/hardware. The nature of the work is cyclical and demand is primarily customer driven.

Previously WPI had expected to see more costs in this area as home inspections became more common, resulting in customers upgrading their services from 60-amp panels to 100-amp panels (within the BSA allowance). While these upgrades have occurred, it has not been to the same degree as anticipated. This activity is largely customer driven, and based on economics, both customer specific (affordability of the overall upgrade cost) and with respect to the general number of homes that have turned over within WPI's service territory. The number of secondary underground faults has also decreased over the period. WPI expects this trend to continue. This decrease is outside of WPI's control as this account is customer driven and the decrease reflects the estimated customer demand for these services for going forward.

Tree trimming has decreased by $477,105:

Every year WPI undertakes tree trimming and line clearing operations to manage vegetation growth near power lines. This improves reliability and constitutes a WPI priority for public and worker safety.

In mid-2011 a vegetation study was undertaken by an independent third party to access the vegetation within proximity to WPI's overhead infrastructure. The study reviewed the kilometers of overhead line, trees and customers per distribution feeder. Each feeder was provided with a rating of 0 thru 5 (with 5 being the worst).

A summary of the results is provided in Table 18 below:

Table 18 - 2011 Tree Trimming Vegetation Study

Per Feeder				*Rating*
Kilometres	*# of Trees*	*Density*	*# of Customers*	
53.3	*4,060*	*827.4*	*2,458*	*5*
42.8	*1,883*	*510*	*1,957*	*4.5*
83	*4,036*	*1,169*	*6,005*	*4*
21.3	*941*	*423.7*	*2,599*	*3.5*
59.9	*2,510*	*662.6*	*4,538*	*3*
55.4	*1,231*	*570.4*	*2,657*	*2*
7.2	*199*	*84*	*612*	*1*
8.2	*36*	*22.7*	*554*	*0*

Based on the above table, approximately 40% of the trees, affecting over 10,000 customers were rated as a four or more, indicating they required trimming over the next three years. To ensure that vegetation within WPI's service territory is maintained on a five-year growth cycle, a systematic approach to tree trimming was adopted.

To implement the recommendations of the vegetation study, the budgets for 2012 and 2013 were increased over past spending patterns. WPI was able to reduce the costs through the tendering process but experienced some difficulty in having the contract completely fulfilled in 2013 and 2014, notwithstanding different qualified contractors were selected. Overall, these expenditures returned to a more normalized level in subsequent years based on a 5 year cycle, with the Test Year considered representative for future expectations.

Underground Conduit has decreased by $55,000:

This account includes all spending for underground conduit, conductors, and devices. This spending decrease relates to a lower problem rate with underground conduit than was anticipated in the 2013 cost of service application. This spending all represents work that will be done by WPI staff.

Poles, Tower and Fixtures expenses have decreased by $59,576:

A pole audit was conducted between 2010 and 2012 which resulted in an increase in the number of pole replacements being undertaken to improve the safety and reliability of the distribution system. To accommodate this, the 2013 Board Approved amount was increased. The expenditures incurred on the asset management program were deferred and expensed over the time frame of the 2013 cost of service rate application period. Therefore the approximately $70K expense ceased at the end of 2016. The current forecast spending represents the normalized spending moving forward.

Administrative wages, Financial , Legal, Professional and Insurance Services increased $176,800:

WPI has experienced some persistent vacancies in both key management roles and non-management positions. Additionally, there has also been a high turnover in key management roles and non-management positions. This has been a challenge for WPI in ensuring continuity and completing work plans. These positions are necessary for WPI to complete its day to day operations and have now been filled. The challenge of filling these roles with the proper combination of skills and experience is that the labour pool that WPI draws from is substantially smaller than larger urban centres. WPI has worked hard to find and retain the human resources as this is foundational to its success moving forward.

The 2013 Cost of Service settlement resulted in reducing $150K from this expenditure grouping in 2013 Board Approved expenditures. The business decision behind the increase in this cost driver from 2013 to 2018 is was that more staff are needed in order to offer customer support and ensure the safety and reliability of the system.

When determining what sort of increase was needed WPI looked to other LDCs with similar customer bases and compared their staffing levels from the 2015 Yearbook of Electricity Distributors (Table 8). WPI currently has the highest number of customers per FTE relative to LDCs of similar size. A higher staffing level will help WPI operate more efficiently reducing overworking staff and thereby reducing the amount of staff turnover and vacancies allowing WPI to retain quality employees and focus more management effort on moving WPI forward with long term planning rather than on filling vacancies.

Insurance costs have also increased over the period. WPI is part of the MEARIE Group who provide comprehensive insurance with reasonable costs specific to LDC's. The 2013 Board Approved amount included a reciprocal rebate of $10K that was not repeated for the balance of the period. Increases remained in the 1-2% range outside of this. This increase is outside of WPI's control.

Audit and Actuarial costs increased by over $15K as more complex work is required to maintain the reporting requirements. This increase is outside of WPI's control.

Training costs have also increased by $30K to support the various needs of WPI's management personnel skills development. The management decision behind this increase is that better training will help to retain staff and improve management effectiveness allowing WPI to make better use of its current staff.

IT, Software, Telecommunications, and Office Supplies increased by $123,000:

The increase in this account is due to a switch in WPI's after hours call assistance contractor used in order to enlarge the scope of services provided to WPI's customers. In order to improve the experience for customers WPI is switching to a specialized call service that will offer customers more useful information and will better be able to address their needs. The management decision behind the switch to a new contractor was that it was necessary based on the feedback WPI received from its customer satisfaction surveys that indicated that WPI's call assistance centre should provide more comprehensive service.

4.4.3 OM&A PROGRAMS VARIANCE ANALYSIS: MOST RECENT ACTUALS VS TEST YEAR

Table 19 - Variances for 2016 Actuals vs 2018 Test Year

Programs	*2016*	*2018*	*Variance ($)*
Customer Service, Mailing Costs, Billing and Collections, LEAP	*$784,864*	*$890,000*	*$105,136*
Operational Focus	*$332,589*	*$383,500*	*$50,911*
Meter Maintenance	*$336,993*	*$200,959*	*-$136,034*
Distribution Transformers	*$149,461*	*$249,000*	*$99,539*
Tree Trimming	*$215,177*	*$102,895*	*-$112,282*
Poles Towers & Fixtures	*$226,980*	*$160,424*	*-$66,556*
Administrative wages, Financial , Legal, Professional and Insurance Services	*$1,358,999*	*$1,605,000*	*$246,001*
IT, Software, Telecommunications, and Office Supplies	*$714,269*	*$630,000*	*-$84,269*
Other	*$170,941*	*$239,279*	*$68,338*

Customer Service, Mailing Costs, Billing and Collections, LEAP increased by $105,136:

The increase is largely due to 2018 having an additional staff member compared to 2016. An additional staff member for WPI's customer service team was determined to be necessary in order to meet customers service requirements. There have also been postage increases along with a growing customer base resulting in additional costs associated with billing and collecting.

Operational Focus increased by $50,911

$25K of the difference from 2016 to the 2018 test year is a result of the budgeted amount for outside consulting in order to meet the Chapter 5 requirements for ESA, OEB, MOE and MOL. Maintenance of the Westario facilities has increased $24K from 2016 due to plans to fix several problems that the facility is currently facing regarding a floor leak in the operations department and ventilation adjustments which are required to better regulate the temperature in the building. This increase is also due to a new cleaning contract coming in about $7K higher than it was in 2016. The items that are inside of WPI's control resulting in this increase are the plans to fix the facilities. These increases represent a small portion of the overall increase and the business decision behind them was that by making repairs to the facilities such as the leaking floor it will prevent problems from escalating and causing potentially expensive repairs in the future.

Meter Maintenance costs decreased by $136,034:

This decrease represents a drop in the costs associated with testing meters in planning for the 2019 Meter conversion. Significant testing was performed in 2016 in order to determine the condition of meters and to determine if it would be more beneficial to replace or to reseal meters. The 2018 meter maintenance spending represents a normalized level of spending in this account that will be maintained going forward.

Distribution transformers increased by $99,539:

Activities related to distribution transformers include transformer inspections, repairs and disposal including mineral oil disposal. The costs also represent the regulatory requirement and best industry practice of ongoing inspections and repairs of the transformers, along with the disposal of oil from the pole-tran conversions. The inspection of these transformers has resulted in a list of maintenance to be completed. Due to the age of WPI's transformer equipment there is an increasing need over prior years to monitor the assets.

Tree Trimming costs have decreased by $112,282

WPI's past focus on line clearing has resulted in many of the problem areas being addressed. WPI has developed a cycle plan for tree trimming and the 2018 costs represent the long term annual costs of this tree trimming plan.

Poles, Towers, and Fixtures have decreased by $66,556:

In 2016 the costs of performing inspections on poles, switches, and lines had been included in this category. For 2017 and going forward these costs will be broken out better to show the spending in the correct categories. Therefore, the decrease in this account will be offset by the increases in Municipal Transformer Station – operating and maintenance costs, Distribution Transformers, and Underground Conduit.

Administrative wages, Financial, Legal, Professional and Insurance Services increased $246,001:

WPI some vacancies in key management roles during 2016 notably the VP of Operations, Accounting Supervisor, and CFO. Both the accounting supervisor and CFO positions were filled for the start of 2017 and the VP of Operations position has been filled as of September, 2017. The increase reflects a full complement of personnel in the 2018 Test Year. WPI determined that these vacancies need to be filled as personnel shortage in prior years has resulted in inadequate time being spent managing the distribution system.

IT, Software, Telecommunications, and Office Supplies have decreased by $84,269:

IT expenses have decreased from 2016 due to 2016 expenses being exceptionally high. In 2016 it was recognized that computer service fees had been improperly capitalized for several years. A correcting entry was made that resulted in an additional $147K going through computer software expense in the year. The bridge year and test year amounts represent the normalized expense with the correct treatment of the computer software fees.

Other has increased by $68,338:

The Other category has increased as it includes the expenses for the inspection of underground distribution lines and feeders. This spending relates to a higher level of inspections and maintenance work being done in the year as a result of the planned increase in preventative maintenance. This spending all represents work that will be done by WPI staff. This increase is inside of WPI's control and the business decision behind the planned increase is due to a renewed focus on preventative maintenance for going forward.

4.5 WORKFORCE PLANNING AND EMPLOYEE COMPENSATION

4.5.1 EMPLOYEE COMPENSATION

Table 20 provides an overview of WPI's salary and benefit compensation broken down between Management and Non-Management employees for 2013 Board Approved and Actuals to the 2018 Test Year. The number of FTEs has been calculated based on the average of the number of employees at the beginning of the year and the end of the year. As WPI does not employ any part-time employees, a FTE is defined as an individual in a full time position. Positions that were vacant for the entire year are not accounted for below.

Table 20 - Employee Costs – Appendix 2-K [9]

	Last Rebasing Year – 2013 Board Approved	*Last Rebasing Year -2013 - Actual*	*2014 Actuals*	*2015 Actuals*	*2016 Actuals*	*2017 Bridge Year*	*2018 Test Year*
Number of Employees (FTEs including Part-Time)[1]							
Management (including executive)	10	9	9	8	10	8	9
Non-Management (union and non-union)	26	24	22	24	24	26	26
Total	36	33	31	32	33	34	35
Total Salary and Wages including overtime and incentive pay							
Management (including executive)	$ 1,035,130	$ 1,008,219	$ 1,089,224	$ 1,014,285	$ 1,040,398	$ 1,079,699	$ 1,101,293
Non-Management (union and non-union)	$ 1,573,067	$ 1,583,265	$ 1,581,417	$ 1,627,852	$ 1,736,978	$ 1,951,823	$ 1,990,859
Total	$ 2,608,200	$ 2,591,484	$ 2,670,641	$ 2,642,137	$ 2,777,376	$ 3,031,522	$ 3,092,152
Total Benefits (Current + Accrued)							
Management (including executive)	$ 244,009	$ 289,685	$ 265,516	$ 252,004	$ 257,753	$ 291,519	$ 297,349
Non-Management (union and non-union)	$ 411,710	$ 434,527	$ 398,274	$ 378,006	$ 386,629	$ 543,323	$ 554,189
Total	$ 655,720	$ 724,212	$ 663,789	$ 630,009	$ 644,382	$ 834,842	$ 851,539
Total Compensation (Salary, Wages, & Benefits)							
Management (including executive)	$ 1,279,142	$ 1,297,904	$ 1,354,740	$ 1,266,289	$ 1,298,151	$ 1,371,218	$ 1,398,642
Non-Management (union and non-union)	$ 1,984,774	$ 2,017,792	$ 1,979,691	$ 2,005,858	$ 2,123,607	$ 2,495,146	$ 2,545,049
Total	$ 3,263,916	$ 3,315,696	$ 3,334,430	$ 3,272,146	$ 3,421,758	$ 3,866,364	$ 3,943,691

[9] Employee Compensation - completed Appendix 2-K

4.5.2 PREVIOUS WORKFORCE PLANS AND COMPENSATION STRATEGY[10]

Establishing staffing levels and wages is part of Westario Power's business planning process. As such, there is a thorough review and approval process in order to ensure that the staffing levels are at optimal levels. The starting assumption in the business planning process is that current filled staffing levels are sufficient and any increases to these levels needs to be justified. Factors such as staff turnover and the quantitative performance measures used on RRR filings are examples of items that may be used to justify changes in staffing levels.

Despite having a customer base that continues to increase year over year and increasing reporting requirements WPI has tried to keep staffing levels consistent, attempting to fill vacancies as they arose without increasing the total staff complement. However, due to the high level of staff turnover and the difficulty attracting skilled workers to the area WPI has not been able to retain what it considers a full complement of staff over the past 5 years. WPI's 2013 Board Approved Full-Time Equivalent (FTE) complement was 36. This FTE calculation includes all permanent staff, co-operative and summer students and contract positions. CDM personnel are excluded. The students and contract positions were included in compliance with the Board's 2016 RRR Filing Guide directions which states: "Contract staff on the distributor payroll should be included in the FTE count. The same goes for paid summer students, co-ops and interns." The student and contract positions are included in WPI's revenue requirement; however, CDM costs are not. Therefore, CDM personnel have been excluded from Table 20.

Overall compensation for all employees of WPI are designed to reflect the market in order to be competitive and therefore attract and retain qualified personnel. Total compensation includes base salary/pay, incentive pay, overtime and non-financial benefits. These are the gross amounts paid to employees including both capitalized and OM&A labour.

4.5.3 PROPOSED WORKFORCE PLANS AND COMPENSATION STRATEGY

[10] Description of previous and proposed workforce plans, including compensation strategy

In general, WPI has experienced increased demand for services and a higher customer expectation of the reliability of the distribution system and WPI's ability to reduce or shorten outages. There s also increasing demand around customer engagement and WPI's ability to address customer inquiries and provide information in a timely manner. For the most part WPI has been able to handle these increasing demands through workflow efficiency improvements and prioritization of work activities. WPI works very hard to manage its staff complement levels without increases, however some small changes have been required to manage the workload. The utilization of third party service providers has allowed some flexibility in maintaining a lean organization while still being able to implement provincial policy initiatives and meet customer demand. WPI continues to monitor the costs associated with using third party organizations in order to determine whether and when it would be financially beneficial to add employees to bring the services in house while still being able to provide a high level of customer satisfaction.

WPI is at the top of its cohorts when it comes to customers per FTE. Table 21 below is an excerpt from the 2015 Yearbook of Electricity Distributors. The utilities with the closest total number of customers have been extracted to be shown in comparison to Westario Power. As can be noted from the table, WPI's FTEs relative to the number of customers is the lowest of all comparable LDCs. Having a low number of FTEs results in a higher need for contracted services as well as a greater risk of operation issues when staff vacancies arise. WPI has projected a small staffing level increase going into the Test Year that it feels is required in order to keep up with the growing customer base and increasing demands. The years between 2013 and 2016 had a relatively high level of staff turnover that WPI has had to address to ensure that all levels of the organization are sufficiently staffed. Being properly staffed allows WPI to provide a better customer experience as well as reduce the amount of work that is required to be contracted out at potentially higher costs. WPI also recognizes that some of the staff turnover issues it has experienced in the past could possibly have been avoided or the impact mitigated by having maintained a larger staff with some more redundancy. By keeping a smaller staff the workload on each employee is increased and the impact of losing a staff member is larger since there are less people available to take a part of the work load. By bringing staffing levels back to a full and carrying this level into the 2018 Test

Year WPI will be able to strengthen its succession plan and avoid the large issues caused by losing staff.

Table 21 - Comparison of Customers per FTE

General Statistics for the year ended December 31, 2015	*Welland Hydro-Electric System Corp*	*North Bay Hydro Distribution Limited*	*Halton Hills Hydro Inc.*	*Haldimand County Hydro Inc.*	*Festival Hydro Inc.*	*Westario Power Inc.*
Total Customers	*22,666*	*23,996*	*21,929*	*21,407*	*20,556*	*22,954*
Full-time Equivalent Number of Employees	*40*	*45*	*51*	*55*	*43*	*34*
Customers per FTE	*567*	*533*	*430*	*389*	*478*	*675*

In the period between the 2013 Board Approved and the 2018 Test Year the following OM&A spending per staff and customer per FTE are expected to occur:

Table 22 - FTE per customer and OM&A Spending

	Last Rebasing Year - 2013-Board Approved	*2013 Actuals*	*2014 Actuals*	*2015 Actuals*	*2016 Actuals*	*2017 Bridge Year*	*2018 Test Year*
Reporting Basis	*CGAAP*	*CGAAP*	*CGAAP*	*MIFRS*	*MIFRS*	*MIFRS*	*MIFRS*
Number of Customers [2,4]	*22,876*	*22,695*	*22,808*	*22,855*	*23,064*	*23,191*	*23,319*
Total Recoverable OM&A from Appendix 2-JB	*6,202,200*	*5,755,852*	*5,260,356*	*5,243,790*	*5,766,094*	*5,736,836*	*5,996,033*
OM&A cost per customer	*271.13*	*253.62*	*230.64*	*229.44*	*250.00*	*247.37*	*257.13*
Number of FTEs [3,4]	*36*	*33*	*31*	*32*	*33*	*33*	*35*
Customers/FTEs	*635*	*688*	*736*	*714*	*699*	*703*	*666*
OM&A Cost per FTE	*172,283*	*174,420*	*169,689*	*163,868*	*174,730*	*173,844*	*171,315*

4.5.4 EMPLOYEE COMPENSATION ANALYSIS[11]

The below table is prepared with information from table 20 Employee Costs – Appendix 2K.

Table 23 - Employee Year Over Year Cost Changes

	2013 Actuals	*2014 Actuals*	*2015 Actuals*	*2016 Actuals*	*2017 Bridge Year*	*2018 Test Year*
Management Salaries and Wages	*$1,008,219*	*$1,089,224*	*$1,014,285*	*$1,040,398*	*$1,079,699*	*$1,101,293*
Year over Year Change		*$81,005*	*-$74,939*	*$26,113*	*$39,301*	*$21,594*
Non-Management	*$1,583,265*	*$1,581,417*	*$1,627,852*	*$1,736,978*	*$1,951,823*	*$1,990,859*
Year over Year Change		*-$1,848*	*$46,435*	*$109,126*	*$214,845*	*$39,036*
Management Benefits	*$289,685*	*$265,516*	*$252,004*	*$257,753*	*$291,519*	*$297,349*
Year over Year Change		*-$24,169*	*-$13,512*	*$5,749*	*$33,766*	*$5,830*
Non-Management Benefits	*$434,527*	*$398,274*	*$378,006*	*$386,629*	*$543,323*	*$554,189*
Year over Year Change		*-$36,253*	*-$20,268*	*$8,624*	*$156,694*	*$10,866*

Management salaries are consistent from year to year with the only variances over materiality being the increase from 2013 to 2014 and the decrease from 2014 to 2015. These variances are the result management turnover in these years. The overall result is that from the 2013 actual to the 2018 Test Year the management salaries have increased at an annualized rate of 1.78%. WPI feels that the amount of management salaries and wages budgeted for the 2018 test year represents the level required to maintain a management team that is required for a utility of this size.

Non-Management salaries have variances over materiality from 2015 to 2016 and from 2016 to the 2017 Bridge Year. The reason for this increase is that the number of linemenn was down in 2013 and 2014 and started to get back to fully staffed levels in 2016 and have now in 2017 reached

[11] Discussion of the outcomes of previous plans and how those outcomes have impacted their proposed plans including an explanation of the reasons for all material changes to headcount and compensation. Explanation for all years includes:
- year over year variances
- basis for performance pay, eligible employee groups, goals, measures, and review process for pay-for-performance plans,
- relevant studies (e.g. compensation benchmarking)

their fully staffed levels again. Given the current size of WPI's distribution system 10 linemen are required to adequately maintain the system. Given the size of WPI's customer base and the distance between areas that WPI services this level of lineman is required to meet all customer needs. Office Non-management staff have remained fairly consistent for 2015, 2016, and 2017.

There have been no material changes in management benefits between the 2013 actual numbers and the 2018 test year amounts. For non-management benefits the only material variance was between the 2016 actuals and the 2017 Bridge Year. Benefit payments are very closely linked to wages. The wages have grown at an annualized rate of 4.68% while the benefits have grown at an annualized rate of 4.98%.

4.5.5 BASIS FOR PERFORMANCE PAY

Short-Term Incentive compensation is commonly referred to as the annual "STI" payment. All executive and management are eligible to participate annually in this program. For the STI, Executives and Management are rewarded for the achievement of goals specifically related to their job, and for the achievement of overall corporate goals. The corporate goals are identified and tracked and are reported to the Board of Directors on a regular basis.

As part of the STI calculation, management are incented upon the successful achievement of targets related to a number of customer-focused metrics (e.g. customer service, reliability, safety). Executives have a greater weighting of corporate goals for their STI reflecting their greater influence on overall corporate achievement. These metrics are key to ensuring that the organization continues to focus on its customers and provides a level of service and reliability consistent with the needs of the customer.

STIs span a calendar year and the assessments are done in the second quarter of the following year, when results are known. The President and CEO's STI payment is reviewed and approved by the Audit Committee and Board of Directors. All other payments to the balance of Executive and Management employees are reviewed and approved by the President and CEO.

4.5.6 EMPLOYEE COMPENSATION STUDIES

WPI's overall compensation for all employees is designed to be competitive and equitable in order to attract and retain qualified personnel in an industry that is facing an aging workforce and is very competitive for skilled resources. The compensation package includes a base wage and benefits package. WPI's workforce is comprised of both non-unionized management employees and unionized employees. In 2016 approximately 77% of WPI's workforce was unionized.

WPI's Collective Agreement with unionized staff provides for annual payroll increases and employee step progressions. Labour rates and benefits are adjusted annually based on the collective agreement. WPI's current collective agreement covers a three year period that expires on April 30, 2019. Wages and benefits are a result of a collaborative and negotiated process, based on factors such as; economics, recent settlements in the LDC sector including neighbouring LDC's. Each job classification at WPI has a basic job description and wage rate progression scale that increases from a base rate to a maximum rate.

Management wage increases follow the general economic indicators, performance and a position/responsibility rating by an industry leading independent third party. Annual pay increases for non-union and management employees are based on the performance of the person discharging their job duties, centred on the economics and relative position within the pay grid developed through the Hay system.

The Korn Ferry Hay system is utilized by WPI to evaluate job classifications and develop a wage rate progression scale. The Korn Ferry Hay system is an industry standard job evaluation system used to develop and maintain pay structures by comparing similarities and differences in the content and value of jobs. The system establishes pay differentials between jobs, establishes fair and equitable compensation programs, identifies and eliminates wage inequities and establishes a sound foundation for consistent pay administration. The Korn Ferry Hay evaluation process includes a job analysis, job descriptions, job evaluation and job structure or ordering of jobs based on their relative value or content. Job evaluation factors include know how, problem solving, accountability and working conditions. Within each factor are a number of sub factors each with a defined number of points available. The points are assessed and totalled for each job and the

Korn Ferry Hay system divides the total range of points into an appropriate number of grades. This system uses a multi-factor approach to rate jobs relative to each other.

4.5.7 EMPLOYEE BENEFIT PROGRAMS[12]

Changes in Operating Portions of Benefits

Increases in benefit and pension costs are primarily due to increases in OMERS Pension expenses. Pension contributions have increased due to the 2009 economic downturn which resulted in a funding deficit in the OMERS pension plan as well as additional OMERS administrative cost for staffing levels to meet operational demands. To eliminate the funding deficit, OMERS introduced contribution increases for both the employee and employer portion. Please refer to the following Table 24 for a summary of OMERS contribution changes.

[12] Details of employee benefit programs including pensions for last OEB approved, historical, bridge and test; must agree with tax section

Table 24 - : OMERS Contributions

Year	*YMPE*	*NRA 65 Up to YMPE*	*Over YMPE*
2013	*$51,100*	*9.0%*	*14.6%*
2014	*$52,500*	*9.0%*	*14.6%*
2015	*$53,600*	*9.0%*	*14.6%*
2016	*$54,900*	*9.0%*	*14.6%*
2017	*$55,300*	*9.0%*	*14.6%*

The increase in the OMERS Rates are also the primary driver of the change in benefits year over year.

4.5.8 ACTURIAL REPORT ON BENEFITS AND PENSIONS[13]

The actuarial reports for 2015 and 2016 has been included with this exhibit as Appendix A and B.

4.5.9 ACCOUNTING METHOD FOR PENSIONS AND OPEBS[14]

WPI has very limited other post-employment benefits (OPEBs) as this is no longer part of employees compensation package OPEBs are only for employees that have grandfathered them in.

4.6 SHARED SERVICES AND CORPORATE COST ALLOCATION

[13] Most recent actuarial report on employee benefits, pension and OPEBs
[14] Accounting method for pension and OPEBs; if cash method, sufficient supporting rationale. If proposing to change the basis in which pension and OPEB costs included in OM&A, quantification of impact of transition

4.6.1 IDENTIFICATION OF AFFILIATES[15]

Westario Power Inc. is wholly owned by eight municipalities, and one private equity owner, Fortis Ontario Inc. WPI does not have any affiliate relationships; therefore, there are no shared services or corporate cost allocations to report. Since there are no shared services between WPI and its municipal shareholders or Fortis Ontario Inc. no method for the allocation of shared services is necessary[16]. Appendix 2-N has not been included since there is no information to report.[17] WPI confirms that it has not included any Board of Director costs for affiliates in the LDC costs.[18] WPI confirms that there are no Shared Service or corporate cost variances to analyze.[19]

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[15] Identification of all shared services among affiliates and parent company; identification of the extent to which the applicant is a "virtual utility"

[16] Allocation methodology for corporate and shared services, list of costs and allocators, including any third party review

[17] Completed Appendix 2-N for service provided or received for historical, bridge and test; including reconciliation with revenue included in Other Revenue

[18] Identification of any Board of Director costs for affiliates included in LDC costs

[19] Shared Service and Corporate Cost Variance analysis - test year vs last OEB approved and most recent actual

4.7 NON-AFFILIATE SERVICES, ONE-TIME COSTS, REGULATORY COSTS

4.7.1 PURCHASES OF NON-AFFILIATE SERVICES[20]

WPI Purchasing Policy establishes the principals, requirements, accountabilities and guidelines for the purchase of goods and services. The Purchasing Policy outlines authorization levels, requirements and approvals necessary to appropriately purchase goods and services from suppliers, vendors and contractors through the use of competitive bids, quotations and awards. The purchasing policy is as follows:

PURCHASES < $100,000

Generally, goods and services with a total value not exceeding $100,000 are priced through invited quotations. A minimum of three prices must be sought, however should there not be three vendors available to supply the required goods or services, backup documentation must remain on file to support having gone to fewer than three suppliers. There are some instances where purchases are made that are less than $1,000 and the purchase does not go to quotes. These are usually purchases that have a fixed price or where the market value of the item does not change. If quotes are not obtained for the purchase their must be documentation on the P.O. with the reason a quote was not obtained.

Unless there are special factors such as service, delivery, compatibility or variation from specifications, the supplier who meets the specifications and has the lowest life cycle cost will be awarded the bid. If there are special factors then the bids will be evaluated and the best bid, considering all of the factors, will be accepted subject to approval by the requesting Manager.

[20] Purchased Non-Affiliated Services - file a copy of procurement policy (signing authority, tendering process, non-affiliate service purchase compliance)

PURCHASES > $100,000

Goods and services with a total value greater than $100,000 are to be priced through sealed tenders. As with quotations for purchases under $100,000, a minimum of three prices must be sought. The requesting manager makes a recommendation to the CEO for final approval based on the information received.

PURCHASE REQUISITIONS AND PURCHASE ORDERS

The request for pricing, availability and delivery for goods and services originates with the completion of a Goods and Services Requisition (Pricing Request component) by the manager requesting the items.

The Goods and Services Requisition must include:

- Description of item(s)
- Quantity of each item
- Date required
- Work order or material # if available - if not available then cost centre or usage description must be provided
- Department contact name for inquiries
- Authorized signature of the Manager

Completed Goods and Services Requisitions are forwarded to the accounting clerk in the Shared Services Department for processing. Goods and Services Requisitions, which bear the signature of the manager, are required for purchases > $1,000. Once the approved Goods and Services Requisition is received by the Shared Services Department, the accounting clerk will start the quote or tender process, as explained above. Once the supplier has been chosen for the purchase the accounting clerk prepares the purchase order (PO). The PO is printed and given to the CFO for approval. Once approved the accounting clerk then faxes or scans and e-mails the PO to the supplier and keeps a copy.

GOODS RECEIPT AND INVOICE

When goods are received, the actual goods received are matched to the packing slip and the person who received the goods signs the receiving order. The signed receiving order is then forwarded to the accounting clerk.

Invoices received are forwarded to the accounting department where they are matched with the packing slip and PO. The entire package is then forwarded to the accounts payable clerk who enters the invoice into the accounting system. There are some cases where a PO is not required for purchases, i.e. purchases made directly by managers or contracted services. In these instances the invoice is received directly by the accounts payable clerk, who then obtains approval from the appropriate manager who may also code the invoice. The accounts payable clerk will then enter it into the system. For regular monthly purchases such as telephone, cleaning, etc., the bill does not require an approval. The accounts payable clerk and accounting clerk can set up new vendors in the system. The accounting clerk must set up a new vendor in the system when they are making a purchase from that vendor for the first time, so that the PO can be generated. The accounts payable clerk would set up new vendors if necessary for any purchases made without a PO. There is also a miscellaneous vendor code that can be used for one-time purchases from vendors.

PAYMENT TO SUPPLIERS

A cheque run is usually done weekly, however the frequency generally depends on volume of invoices. The accounts payable clerk prepares the batch in the system, forwards the batch to the CFO to authorize payments and obtains the cheque writing machine key from the Accounting Supervisor. The Accounting Supervisor is the only person with a key to the cheque printing system.

Once the cheques are run, the accounts payable clerk writes the cheque number on each invoice, prints the cheque register and packages all of the cheques, invoices and cheque register. This package is given to the Accounting Supervisor who ensures continuity of the cheque register reviews and approves each invoice and ensures that it has been authorized and recorded properly in SAP. For cheques <$10,000 the system will automatically apply electronic signatures. For cheques >$10,000 the signatures are left blank and they must be signed by two of the following people: CEO; CFO; Executive Assistant; Accounting Supervisor; VP of Operations; Chairman of the Board; or designated Board Member.

The policy ensures that all procurement activities of WPI follow legal, ethical, managerial, and professional standards. WPI's purchasing policy does identify certain situations where a competitive bid process may not be followed. WPI confirms that it is in compliance with the Purchasing Policy.

WPI has not had any material transactions where they have deviated from the procurement policy.[21]

4.7.2 ONE-TIME COSTS[22]

WPI Incurred one-time costs in the 2016 historical year related to an accounting adjustment that went through in the year to recognize expenses related to annual computer maintenance fees that had been capitalized in the previous 2 historical years. In 2014 $110,605 of computer maintenance support costs had been improperly capitalized and in 2015 $142,002 of computer maintenance support costs had been capitalized. After factoring in the depreciation expense

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[21] For material transactions that are not in compliance with procurement policy, or that were undertaken pursuant to exceptions contemplated within the policy, an explanation as to why as well as a summary of the nature and cost of the product, and a description of the specific methodology used for selecting the vendor

[22] Identification of one-time costs in historical, bridge, test; explanation of cost recovery in test (or future years). If no recovery of one-time costs is being proposed in the test year and subsequent IRM term, an explanation must be provided

taken on these improperly capitalized assets the effect was that an additional $202,460 was put through account 5620 in 2016 that should have gone through in 2014 and 2015. The amount that should have been expensed in account 5620 for the years 2014 to 2016 are as follows: 2014 - $507,017; 2015 - $709,098; 2016 - $511,809.

No one-time costs have been included in the 2017 Bridge Year or the 2018 test year other than Cost of Service application one-time costs or non-annual costs. For the 2018 Test Year this amount is $66,500, based on a five year recovery until the next cost of service application. The costs are identified in Table 25 below:

Table 25 - One-Time Costs

One-Time Cost	*Total Cost*	*2017 Bridge Year and 2018 Test Year*
Cost of Service Application	*$ 332,500*	*$ 66,500*

4.7.3 COST OF SERVICE APPLICATION REGULATORY COSTS

WPI estimates that the total incremental costs associated with the Cost of Service Application will be $332,500. The breakdown of these Costs can be found in Table 26 and Table 27 (Appendix 2-M) Below. These costs are proposed to be recovered over a 5 year period.

Table 26 - 2018 Cost of Service Components

Application Consulting	*$45,000*
Application DSP	*$112,000*
Application – Auditor	*$10,000*
Application – Legal Review	*$15,000*
Interrogatories – Consulting	*$12,000*
Interrogatories – DSP	*$2,500*
Interrogatories – Auditor	*$2,500*
Interrogatories – Legal Review	*$5,000*
Settlement – Consulting	*$7,000*
Settlement – Legal Assistance	*$20,000*
Public Notice	*$1,500*
Settlement/ Oral Hearing (1 Day)	*$20,000*
Reply Submission	*$5,000*
Intervener Costs (x3)	*$75,000*
Total Cost of Service Filing Costs	*$332,500*

Table 27 - Regulatory Cost Schedule – Appendix 2-M(A)[23]

	Regulatory Cost Category	USoA Account	USoA Account Balance	Ongoing or One-time Cost?	Last Rebasing Year Board Approved	2013	2014	2015	2016	2017	2018
1	OEB Annual Assessment	5655		On-Going	$60,000	$53,381	$53,422	$59,559	$98,911	$99,000	$102,000
2	OEB Section 30 Costs (Applicant-originated)			On-Going							
3	OEB Section 30 Costs (OEB-initiated)	5655		On-Going	$800	$2,206	$2,611	$9,023	$385	$1,500	$2,000
4	Expert Witness costs for regulatory matters			On-Going							
5	Legal costs for regulatory matters	5655		One-Time	$10,000						$1,500
6	Consultants' costs for regulatory matters	5655		One-Time	$32,500	$1,563	$1,675	$2,400	$2,500	$2,500	$3,000
7	Operating expenses associated with staff resources allocated to regulatory matters										
8	Operating expenses associated with other resources allocated to regulatory matters					$3,528					
9	Other regulatory agency fees or assessments	5655		On-Going	$3,000						

[23] Regulatory costs - breakdown of actual and forecast, supporting information related to CoS application (e.g. legal fees, consultant fees), proposed recovery (i.e. amortized?) Completed Appendix 2-M

	Any other costs for regulatory matters (please define)										
10	*Any other costs for regulatory matters - consulting*					*$41,777*	*$44,468*	*$44,468*	*$44,469*	*$0*	*$66,500*
11	*Intervenor costs*	*5655*		*One-Time*							
12	*Sub-total - Ongoing Costs*				*$95,500*	*$54,944*	*$55,097*	*$61,959*	*$101,411*	*$101,500*	*$105,000*
13	*Sub-total - One-time Costs*				*$10,800*	*$47,511*	*$47,080*	*$53,491*	*$44,853*	*$1,500*	*$70,000*
14	*Total*				*$106,300*	*$102,454*	*$102,177*	*$115,450*	*$146,264*	*$103,000*	*$175,000*

		Historical Year(s)	***2017 Bridge Year***	***2018 Test Year***
4	*Expert Witness costs*			
5	*Legal costs*		*$52,500*	
6	*Consultants' costs*		*$178,500*	
7	*Incremental operating expenses associated with staff resources allocated to this application.*		*6,500*	
8	*Incremental operating expenses associated with other resources allocated to this application.* [1]		*$20,000*	
11	*Intervenor costs*		*$75,000*	

4.7.4 REGULATORY COSTS

Regulatory – One Time Costs

Regulatory demands continue to evolve requiring increases in reporting, ensuring compliance in a more complex environment and the completion of annual Incentive Rate Mechanism filings and Cost of Service Applications. The filing requirements for the 2018 cost of service application are more comprehensive than those experienced in 2013 and prior. WPI has required consultants to prepare and assist in the engagement of customers to determine customer satisfaction with service, the value of the Rate Application and what customers perceive as needing improvement. The need to engage the expertise of consultants includes assisting in documentation and preparation of OEB mandated schedules and working papers and to review Application Exhibits to ensure compliance with the filing guidelines and checklists. A Cost of Service Application now requires the development and inclusion of Distribution System Plan ("DSP"). The time and costs required to prepare an Application has increased significantly.

WPI has estimated the cost of preparing its cost of service application, exclusive of internal staff time, to be $332,500 compared to the 2013 OEB approved costs for preparing the 2013 Cost of Service Application of $200,000. This one–time cost includes consultants, legal expenses, intervenor cost awards, OEB staff & facilitator costs, written hearing costs and engineering costs related to WPI's DSP. In addition, WPI is required to undertake the OEB mandatory Customer Satisfaction and Engagement surveys at a cost in the amount of $13,000 which are included. WPI has amortized the costs related to its 2018 COS Application over five years, this Cost of Service year and four IRM years for a total cost in the amount of $66,500 included in the 2018 Test Year OM&A for recovery.

4.8 LEAP, CHARITABLE AND POLITICAL DONATIONS

4.8.1 LOW INCOME ENERGY ASSISTANCE PROGRAMS (LEAP)[24]

In 2013, the Board approved a contribution to Low-Income Energy Assistance Programs ("LEAP") in the amount of $12,264 based on the Service Revenue Requirement of $10,220,445. WPI has contributed $12,500 annually from 2013 to 2015, with additional support of $5,000 in 2015 and $12,500 in 2016. WPI has committed to another $12,000 above the LEAP requirement in 2017 and 2018 for a total of $25,000 each year.

WPI will continue to provide low-income customers with emergency financial assistance in the future. A LEAP amount based on 0.12% of the 2018 Test Year revenue requirement would come out to $14,651. WPI has included an estimate of $13,000 in the 2018 Test Year. WPI understands that this amount will be adjusted based on the Final Service Revenue Requirement prior to the issuance of the Decision for this application.

For purposes of this Rate Application, this amount has been included in USoA Account 6205 Donations, to ensure that it is captured appropriately in the Revenue Requirement.

4.8.2 CHARITABLE DONATIONS[25]

WPI has a corporate donation policy that covers corporate donations and sponsorships made by the Company. The intent of the policy is to position WPI and employees as committed community partners. The goal of corporate donations is to strengthen the long-term relationship between WPI and its customers and maintain the company's role as a good corporate citizen.

[24] LEAP - the greater of 0.12% of forecasted service revenue requirement or $2,000 should be included in OM&A and recovered from all rate classes
[25] Detailed information for all contributions that are claimed for recovery

WPI's contribution to the community from the last Board Approved Cost of Service application is provided in Table 28 below. WPI is not requesting recovery of these donations as such costs are excluded from the revenue requirement calculation.

Table 28 - Charitable Donations

2013

Vendor	GL Number	Description	Amount
CANADIAN CANCER SOCIETY	6205	DONATION	$600.00
PORT ELGIN ROTARY	6205	SPONSORSHIP -MAYOR'S CHARITY GOLF	$150.00
ROYAL LEGION PORT ELGIN	6205	POPPY FUND -WREATH ROYAL LEGION P.E.	$60.00
ROYAL LEGION WALKERTON	6205	POPPY FUND -WREATH ROYAL LEGION WA	$35.00
SAUGEEN MEMORIAL HOSPITAL FOUNDATION	6205	DONATION	$6,000.00
SAUGEEN VALLEY CHILDREN'S SAFETY VILLAGE	6205	DONATION	$600.00
TOWN OF MINTO	6205	SPONSORSHIP -MAYOR'S CHARITY GOLF	$100.00
VISA -T.VANNESS	6205	DONATION -CHILDREN'S BOOK PROGRAM	$317.00
VISA -T.VANNESS	6205	DONATION -OWEN SOUND HOSPITAL FOUNDATION	$500.00
VISA -T.VANNESS	6205	DONATION -PARRY SOUND HEALTH CENTRE	$50.00
VISA -T.VANNESS	6205	DONATION -BEREAVEMENT MY TRIBUTE GIFT FOUNDATION	$50.00
VISA -T.VANNESS	6205	DONATION -BEREAVEMENT HEART & STROKE	$50.00
VISA -T.VANNESS	6205	DONATION -BEREAVEMENT BREAST CANCER SOCIETY	$50.00
WES FOR YOUTH ONLINE	6205	DONATION	$600.00
WINGHAM & DISTRICT HOSPITAL FOUNDATION	6205	DONATION -LOGAN HALLAHAN MEMORIAL	$500.00
Total			$9,662

2014

Vendor	***GL Number***	***Description***	***Amount***
GEORGIAN BAY DISTRICT	*6205*	*DONATION -ROCK FOR KIDS*	*$500.00*
PETTY CASH OFFICE	*6205*	*DONATION -KITCHNER/WILMOT HYDRO (FOR MEETING)*	*$20.00*
PORT ELGIN ROTARY	*6205*	*SPONSORSHIP -MAYOR'S CHARITY GOLF*	*$150.00*
ROYAL LEGION PORT ELGIN	*6205*	*POPPY FUND -WREATH ROYAL LEGION P.E.*	*$110.00*
ROYAL LEGION WALKERTON	*6205*	*POPPY FUND -WREATH ROYAL LEGION WA*	*$35.00*
SICK KIDS FOUNDATION	*6205*	*DONATION -EMPLOYEE/EMPLOYER*	*$300.00*
TOWN OF MINTO	*6205*	*SPONSORSHIP -MAYOR'S CHARITY GOLF*	*$100.00*
UNITED WAY OF BRUCE COUNTY	*6205*	*DONATION - BRUCE GREY EMPLOYEE/EMPLOYER*	*$2,028.85*
V.O.N. SAKURA HOUSE HOSPICE	*6205*	*DONATION -BEREAVEMENT (D.BRENZEL) V.ON. SAKURA HOUSE HOSPICE*	*$100.00*
VISA -T.VANNESS	*6205*	*DONATION -BEREAVEMENT (MACHAN) WINGHAM & DIST. HOSPITAL*	*$50.00*
VISA -T.VANNESS	*6205*	*DONATION -BEREAVEMENT (DN) -HOSPICS WELLINGTON*	*$100.00*
VISA -T.VANNESS	*6205*	*DONATION -BEREAVEMENT (MCDONALD) CANADAHELPS.ORG*	*$50.00*
VISA -T.VANNESS	*6205*	*DONATION -BEREAVEMENT (FISCHUK) ALZHEIMER SOCIETY*	*$50.00*
WALKERTON KINSMEN CLUB	*6205*	*SPONSORSHIP -JAILHOUSE ROCK KINSMEN*	*$1,000.00*
WALKERTON & DISTRICT HOSPITAL FOUNDATION	*6205*	*DONATION -SPONSOR*	*$1,000.00*
WALKERTON CHAMBERS OF COMMERCE & BA	*6205*	*DONATION -BUSKERS FESTIVAL WALKERTON*	*$847.50*
WINGHAM & DISTRICT HOSPITAL FOUNDATION	*6205*	*DONATION -SPONSOR*	*$500.00*
WINGHAM & DISTRICT HOSPITAL FOUNDATION	*6205*	*DONATION -BENCH -K.SAXTON*	*$700.00*
Total			*$7,641.35*

2015

Vendor	***GL Number***	***Description***	***Amount***
GEOFF STEVENS GOLF	*6205*	*DONATION -GEOFF STEVENS GOLF-HOSPICE OF GREY BRUCE*	*$500.00*
HAN.&DIST. HOSPTIA	*6205*	*DONATION -APPRECIATION SERVICE -W.ROSEBOROUGH*	*$1,500.00*
KIN.&DIS. MINISTER	*6205*	*DONATION -APPRECIATION SERVICE -L.LOWRY*	*$1,500.00*
M.OF KINCARDINE	*6205*	*DONATION -KIN. LIONS SPLASH PAD*	*$5,000.00*
MUNC. OF BROCKTON	*6205*	*8001912 ELMWOOD BALL PARK - DONATIONS FROM WPI*	*$294.00*
PALMERSTON LIONS	*6205*	*DONATION -SHONSORSHIP -PALMERSTON LIONS*	*$100.00*
PORT EGLIN ROTARY	*6205*	*DONATION -SHONSORSHIP -MAYOR'S CHARITY GOLF*	*$150.00*
ROYAL LEGION WA	*6205*	*DONATION -POPPY FUND -WREATH ROYAL LEGION WA*	*$35.00*
SAUGEEN SUMMERFEST	*6205*	*DONATION -SHONSORSHIP -S.SUMMERFEST-JAILHOUSE ROCK*	*$1,000.00*
ST.MATTHEW'S EV	*6205*	*DONATION -G.RODY -CS*	*$25.00*
T.OF MINTO	*6205*	*DONATION -SPONSORSHIP -MAYOR'S CHARITY GOLF*	*$100.00*
COUNTY OF BRUCE	*6205*	*DONATION – ADDITIONAL LEAP FUNDING*	*$4,500.00*
US BANK -L.MILNE	*6205*	*DONATION -RUN FOR HEALTH*	*$1,000.00*
US BANK -T.VANNESS	*6205*	*DONATION -BEREAVEMENT (DALEY)*	*$125.00*
WALKERTON BUSINESS	*6205*	*DONATION -BUSKERS FESTIVAL WALKERTON*	*$1,000.00*
Total			*$16,829.00*

2016

Vendor	GL Number	Description	Amount
GEORGIAN BAY DISTR	6205	DONATION – ROCK FOR KIDS	$1,000.00
LIONS HEAD HOSPITAL	6205	DONATION -BEREAVEMENT -HENRY WARKENTIN	$25.00
MAYORS CHARITY	6205	DONATION -T.OF MINTO MAYOR CHARITY GOLF TOURNAMENT	$100.00
OWEN SOUND HOSPITAL	6205	DONATION -WESTARIO -OWEN SOUND HOSPITAL	$650.00
PORT ELGIN ROTARY	6205	DONATION -SHONSORSHIP -MAYOR'S CHARITY GOLF	$150.00
ROYAL LEGION PE	6205	DONATION -POPPY FUND -WREATH ROYAL LEGION PE	$115.00
ROYAL LEGION WA	6205	DONATION -POPPY FUND -WREATH ROYAL LEGION WA	$35.00
SAUGEEN VALLEY CSV	6205	DONATION -SAUGEEN VALLEY C.SAFTEYV.	$1,378.17
SAUGEEN VALLEY CSV	6205	DONATION -SAUGEEN VALLEY CHILDREN'S SAFETY VILLAGE	$10,000.00
SIGHTS AND SOUNDS	6205	DONATION -SPONSORSHIP -HANOVER SIGHTS & SOUNDS FES	$1,000.00
TOWNSHIP OF HURON KINLOSS	6205	DONATION -T.OF HURON-KINLOSS -MINOR SPORTS	$75.00
US BANK – T. VANNESS	6205	DONATION -BEREAVEMENT (MILNE)	$100.00
US BANK – T. VANNESS	6205	DONATION -SAFETY NET	$900.00
US BANK – T. VANNESS	6205	DONATION -BEREAVEMENT -DR. LEO SCHUETT	$45.00
US BANK – T. VANNESS	6205	DONATION -FOOD -FOOD BANK	$76.66
US BANK – T. VANNESS	6205	DONATION -FOOD -FOOD BANK	$166.81
WALK DIST HOSPITAL	6205	DONATION -SHONSORSHIP -RUN 4 HEALTH WALK.DIST.HOSP	$1,000.00
Total			$16,816.64

2017

Vendor	GL Number	Description	Amount
C.OF BRUCE	6205	DONATION -LEAP PROGRAM	$12,500.00
Corporate Donations	6205	Various Charities	$5,500.00
Total			$18,000.00

2018

Vendor	GL Number	Description	Amount
C.OF BRUCE	6205	DONATION -LEAP PROGRAM	$12,500.00

Corporate Donations	*6205*	*Various Charities*	*$5,500.00*
Total			*$18,000.00*

4.8.3 POLITICAL DONATIONS[26]

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

[26] Charitable Donations - the applicant must confirm that no political contributions have been included for recovery

4.9 DEPRECIATION, AMORTIZATION & DEPLETION

4.9.1 DEPRECIATION RATES AND METHODOLOGY[27]

WPI has not amended the useful lives on any of its assets that were approved in the 2013 Cost of Service application.

4.9.2 DEPRECIATION DETAILS[28]

[27] Explanations for any useful lives of an asset that are proposed that are not within the ranges contained in the Kinectrics Report

[28] Depreciation, Amortization and Depletion details by asset group for historical, bridge and test years. Include asset amount and rate of depreciation/amortization. Must agree to accumulated depreciation in Appendix 2-BA under rate base

		Asset Details			Useful Life				USoA Acct Number	USoA Account Description	Current		Proposed		Outside Range of Min, Max TUL?	
Parent *	#	Category| Component | Type			MIN UL	TUL	MAX UL				Years	Rate	Years	Rate	Below Min TUL	Above Max TUL
OH	1	Fully Dressed Wood Poles	Overall		35	45	75		1830	Poles, Towers, and Fixtures - Wood	50	2%	50	2%		
			Cross Arm	Wood	20	40	55		1830	Poles, Towers, and Fixtures – Wood	50	2%	50	2%		
				Steel	30	70	95		1830	Poles, Towers, and Fixtures – Wood	50	2%	50	2%		
	2	Fully Dressed Concrete Poles	Overall		50	60	80		N/A		N/A	N/A	N/A	N/A		
			Cross Arm	Wood	20	40	55		N/A		N/A	N/A	N/A	N/A		
				Steel	30	70	95		N/A		N/A	N/A	N/A	N/A		
	3	Fully Dressed Steel Poles	Overall		60	60	80		1830	Poles, Towers, and Fixtures - Steel	70	1%	70	1%		
			Cross Arm	Wood	20	40	55		1830	Poles, Towers, and Fixtures – Steel	70	1%	70	1%		
				Steel	30	70	95		1830	Poles, Towers, and Fixtures – Steel	70	1%	70	1%		
	4	OH Line Switch			30	45	55		1835	Overhead Conductors & Devices	65	2%	65	2%		
	5	OH Line Switch Motor			15	25	25		N/A		N/A	N/A	N/A	N/A		
	6	OH Line Switch RTU			15	20	20		N/A		N/A	N/A	N/A	N/A		
	7	OH Integral Switches			35	45	60		1835	Overhead Conductors & Devices	65	2%	65	2%		
	8	OH Conductors			50	60	75		1835	Overhead Conductors & Devices	65	2%	65	2%		
	9	OH Transformers & Voltage Regulators			30	40	60		1850	Line Transformers	40	3%	40	3%		
	10	OH Shunt Capacitor Banks			25	30	40		N/A		N/A	N/A	N/A	N/A		
	11	Reclosers			25	40	55		1835	Overhead Conductors & Devices	65	2%	65	2%		
TS & MS	12	Power Transformers	Overall		30	45	60		1850	Line Transformers	40	3%	40	3%		
			Bushing		10	20	30		1850	Line Transformers	40	3%	40	3%		
			Tap Changer		20	30	60		1850	Line Transformers	40	3%	40	3%		
	13	Station Service Transformer			30	45	55		1820	Distribution Station Equipment	45	2%	45	2%		
	14	Station Grounding Transformer			30	40	40		1820	Distribution Station Equipment	45	2%	45	2%		
	15	Station DC System	Overall		10	20	30		N/A		N/A	N/A	N/A	N/A		
			Battery Bank		10	15	15		N/A		N/A	N/A	N/A	N/A		
			Charger		20	20	30		N/A		N/A	N/A	N/A	N/A		
	16	Station Metal Clad Switchgear	Overall		30	40	60		1820	Distribution Station Equipment	45	2%	45	2%		

			Removable Breaker	*25*	*40*	*60*		*1820*	*Distribution Station Equipment*	*45*	*2%*	*45*	*2%*		
	17	*Station Independent Breakers*		*35*	*45*	*65*		*1820*	*Distribution Station Equipment*	*45*	*2%*	*45*	*2%*		
	18	*Station Switch*		*30*	*50*	*60*		*1820*	*Distribution Station Equipment*	*45*	*2%*	*45*	*2%*		
	19	*Electromechanical Relays*		*25*	*35*	*50*		*1820*	*Distribution Station Equipment*	*45*	*2%*	*45*	*2%*		
	20	*Solid State Relays*		*10*	*30*	*45*		*1820*	*Distribution Station Equipment*	*45*	*2%*	*45*	*2%*		
	21	*Digital & Numeric Relays*		*15*	*20*	*20*		*1820*	*Distribution Station Equipment*	*45*	*2%*	*45*	*2%*		
	22	*Rigid Busbars*		*30*	*55*	*60*		*1820*	*Distribution Station Equipment*	*45*	*2%*	*45*	*2%*		
	23	*Steel Structure*		*35*	*50*	*90*		*1820*	*Distribution Station Equipment*	*45*	*2%*	*45*	*2%*		
UG	*24*	*Primary Paper Insulated Lead Covered (PILC) Cables*		*60*	*65*	*75*		*N/A*		*N/A*	*N/A*	*N/A*	*N/A*		
	25	*Primary Ethylene-Propylene Rubber (EPR) Cables*		*20*	*25*	*25*		*1845*	*Underground Conductors & Devices*	*60*	*2%*	*60*	*2%*		
	26	*Primary Non-Tree Retardant (TR) Cross Linked Polyethylene (XLPE) Cables Direct Buried*		*20*	*25*	*30*		*1845*	*Underground Conductors & Devices*	*45*	*2%*	*45*	*2%*		
	27	*Primary Non-TR XLPE Cables in Duct*		*20*	*25*	*30*		*1845*	*Underground Conductors & Devices*	*45*	*2%*	*45*	*4%*		
	30	*Secondary PILC Cables*		*70*	*75*	*80*		*N/A*		*N/A*	*N/A*	*N/A*	*N/A*		
	31	*Secondary Cables Direct Buried*		*25*	*35*	*40*		*1855*	*Underground Services*	*45*	*2%*	*45*	*3%*		
	32	*Secondary Cables in Duct*		*35*	*40*	*60*		*1855*	*Underground Services*	*45*	*2%*	*45*	*3%*		
	33	*Network Tranformers*	*Overall*	*20*	*35*	*50*		*N/A*		*N/A*	*N/A*	*N/A*	*N/A*		
			Protector	*20*	*35*	*40*		*N/A*		*N/A*	*N/A*	*N/A*	*N/A*		
	34	*Pad-Mounted Transformers*		*25*	*40*	*45*		*1850*	*Line Transformers*	*40*	*3%*	*40*	*3%*		
	35	*Submersible/Vault Transformers*		*25*	*35*	*45*		*N/A*		*N/A*	*N/A*	*N/A*	*N/A*		
	36	*UG Foundation*		*35*	*55*	*70*		*1845*	*Line Transformers*	*40*	*3%*	*40*	*3%*		
	37	*UG Vaults*	*Overall*	*40*	*60*	*80*		*N/A*		*N/A*	*N/A*	*N/A*	*N/A*		
			Roof	*20*	*30*	*45*		*N/A*		*N/A*	*N/A*	*N/A*	*N/A*		
	38	*UG Vault Switches*		*20*	*35*	*50*		*N/A*		*N/A*	*N/A*	*N/A*	*N/A*		
	39	*Pad-Mounted Switchgear*		*20*	*30*	*45*		*1845*	*Underground Conductors & Devices*	*45*	*2%*	*45*	*2%*		
	40	*Ducts*		*30*	*50*	*85*		*1840*	*Underground Conduit*	*85*	*1%*	*85*	*1%*		
	41	*Concrete Encased Duct Banks*		*35*	*55*	*80*		*1840*	*Underground Conduit*	*85*	*1%*	*85*	*1%*		
	42	*Cable Chambers*		*50*	*60*	*80*		*1840*	*Underground Conduit*	*85*	*1%*	*85*	*1%*		
S	*43*	*Remote SCADA*		*15*	*20*	*30*		*1611*	*Computer Software*	*5*	*20%*	*5*	*20%*		

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In 2013 WPI change the useful lives of assets to match the approved rates from the 2013 Cost of Service Application. This was accounted for by amortizing the net value of the asset at December 31, 2012 over the new remaining useful life of the asset. In 2015 with the conversion to IFRS further adjustments were required to be made to the opening value of assets in order to record them at their fair market value at the time of transition. WPI determined that the best way of determining fair market value was to use the net book value at the time of transition to IFRS. Therefore, at the start of 2015 all accumulated amortization was netted against the gross value of assets in order to bring the assets to their fair market value at that date. Due to the adjustment to useful lives as required by the 2013 Cost of Service Application in 2013 and the adjustment to fair market value as required by the transition to IFRS in 2015 a standard continuity schedule isn't able to accurately account for all of these adjustments and re-calculate amortization expense for any given particular year. Table 29 shows the actual depreciation expense for each year from 2013 to 2016 along with the calculation from Appendix 2-C.

Table 29 - Asset Depreciation

	2013	2014	2015	2016
Actual Depreciation Expense	$ 1,557,712	$ 1,676,744	$1,780,108	$1,798,004
2013 BA Rates Depreciation Expense Calculation	$ 1,324,003	$ 1,611,860	$ 1,704,334	$1,760,326

Total Depreciation for 2013 was $2,316,244, this amount included $758,532 of adjustments related to Smart Meters that were deferred and realized as a credit to depreciation expense over the next 3 year. Amounts show are net of this adjustment in order to only show normalized amortization.[29]

The depreciation expense continuity schedules (Appendix 2-C) are presented at the next page.

[29] Identification of the changes and detailed explanation for the causes of the changes, including any changes subsequent to those made by January 1, 2013 –
use of Kinectrics study or another study to justify changes in useful life.
- list detailing all asset service lives tied to USoA, detail differences in TUL from Kinectrics and explain differences outside of minimum and maximum TUL range from Kinectrics; Appendix 2-BB

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

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

Accounting Standard	Revised CGAAP
Year	**2013**

Account	Description	Opening Regulatory Gross PP&E as at Jan. 1 (a)	Less Fully Depreciated (b)	Net for Depreciation (c)	Additions (d)	Total for Depreciation [2] (e) = (c) + ½ x (d)	Years (f)	Depreciation Rate (g) = 1 / (f)	Current Year Depreciation Expense (h) = (e) / (f)	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J (l)	Variance [3] (m) = (h) - (l)
1611	Computer Software (Formally known as Account 1925)	$ 926,780	$ 750,359	**$ 176,420**	$ 309,217	**$ 331,029**	3.50	28.54%	**$ 94,473**	$ 94,473	**$ -**
1612	Land Rights (Formally known as Account 1906)	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1805	Land	$ 227,769	$ -	**$ 227,769**	$ -	**$ 227,769**	-	0.00%	**$ -**	$ -	**$ -**
1808	Buildings	$ 2,486,318	$ -	**$ 2,486,318**	$ 8,091	**$ 2,490,364**	47.70	2.10%	**$ 52,213**	$ 52,213	**$ -**
1810	Leasehold Improvements	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1815	Transformer Station Equipment >50 kV	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1820	Distribution Station Equipment <50 kV	$ 4,179,819	$ -	**$ 4,179,819**	$ 30,940	**$ 4,195,289**	14.44	6.93%	**$ 290,619**	$ 290,619	**$ -**
1825	Storage Battery Equipment	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1830	Poles, Towers & Fixtures	$ 7,760,246	$ -	**$ 7,760,246**	$ 923,362	**$ 8,221,927**	72.32	1.38%	**$ 113,689**	$ 113,689	**$ -**
1835	Overhead Conductors & Devices	$ 11,092,581	$ -	**$ 11,092,581**	$1,056,695	**$ 11,620,929**	77.69	1.29%	**$ 149,575**	$ 149,575	**$ -**
1840	Underground Conduit	$ 3,072,707	$ -	**$ 3,072,707**	$ 151,445	**$ 3,148,429**	111.55	0.90%	**$ 28,225**	$ 28,225	**$ -**
1845	Underground Conductors & Devices	$ 9,459,117	$ -	**$ 9,459,117**	$ 338,983	**$ 9,628,608**	47.62	2.10%	**$ 202,203**	$ 202,203	**$ 0**
1850	Line Transformers	$ 8,365,268	$ -	**$ 8,365,268**	$ 201,308	**$ 8,465,922**	38.79	2.58%	**$ 218,231**	$ 218,231	**-$ 0**
1855	Services (Overhead & Underground)	$ 4,791,959	$ -	**$ 4,791,959**	$ 261,100	**$ 4,922,510**	57.36	1.74%	**$ 85,814**	$ 85,814	**$ -**
1860	Meters	$ 1,679,831	$ -	**$ 1,679,831**	$ 77,975	**$ 1,718,818**	22.03	4.54%	**$ 78,006**	$ 78,006	**$ -**
1860	Meters (Smart Meters)	$ 150,793	$ -	**$ 150,793**	$3,849,692	**$ 2,075,639**	8.30	12.05%	**$ 250,125**	$ 250,125	**-$ 0**
1905	Land	$ 1,635	$ -	**$ 1,635**	$ -	**$ 1,635**	-	0.00%	**$ -**	$ -	**$ -**
1908	Buildings & Fixtures	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1910	Leasehold Improvements	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1915	Office Furniture & Equipment (10 years)	$ 265,118	$ 124,076	**$ 141,042**	$ 12,647	**$ 147,366**	9.09	11.00%	**$ 16,205**	$ 16,205	**-$ 0**
1915	Office Furniture & Equipment (5 years)	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1920	Computer Equipment - Hardware	$ 275,946	$ 275,946	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ 52,212	$ 52,212	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ 163,095	$ 29,316	**$ 133,779**	$ 82,496	**$ 175,027**	2.04	49.12%	**$ 85,968**	$ 85,968	**$ -**
1930	Transportation Equipment	$ 2,250,267	$ 480,400	**$ 1,769,868**	$ -	**$ 1,769,868**	16.93	5.91%	**$ 104,558**	$ 104,558	**$ -**
1935	Stores Equipment	$ 86,278	$ 2,078	**$ 84,199**	$ -	**$ 84,199**	8.63	11.58%	**$ 9,753**	$ 9,753	**$ -**
1940	Tools, Shop & Garage Equipment	$ 297,961	$ 125,031	**$ 172,930**	$ 41,298	**$ 193,579**	9.54	10.48%	**$ 20,281**	$ 20,281	**$ -**
1945	Measurement & Testing Equipment	$ 80,686	$ 1,095	**$ 79,591**	$ -	**$ 79,591**	8.67	11.54%	**$ 9,184**	$ 9,184	**$ -**
1950	Power Operated Equipment	$ 89,272	$ 9,299	**$ 79,973**	$ -	**$ 79,973**	8.41	11.89%	**$ 9,509**	$ 9,509	**$ -**
1955	Communications Equipment	$ 176,173	$ 74,263	**$ 101,911**	$ -	**$ 101,911**	11.90	8.40%	**$ 8,565**	$ 8,565	**$ -**
1955	Communication Equipment (Smart Meters)	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1960	Miscellaneous Equipment	$ 60,691	$ 21,142	**$ 39,549**	$ 26,266	**$ 52,682**	9.03	11.07%	**$ 5,831**	$ 5,831	**$ 0**
1970	Load Management Controls - Customer Premises	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1975	Load Management Controls Utility Premises	$ 258,631	$ 258,631	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1980	System Supervisor Equipment	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1985	Miscellaneous Fixed Assets	$ 1,427	$ 1,427	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1990	Other Tangible Property	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1995	Contributions & Grants	-$ 8,896,788	$ -	**-$ 8,896,788**	-$ 473,674	**-$ 9,133,625**	59.41	1.68%	**-$ 153,728**	-$ 153,728	**$ -**
	Total	**$ 49,355,790**	**$ 2,205,274**	**$ 47,150,517**	**$6,897,842**	**$ 50,599,438**			**$ 1,679,297**	**$ 1,679,297**	**-$ 0**
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets) (under MIFRS)								$ 624,028		
	Total Depreciation Expense								**$ 2,303,325**		

Accounting Standard	Revised CGAAP
Year	**2014**

Account	Description	Opening Regulatory Gross PP&E as at Jan. 1 (a)	Less Fully Depreciated (b)	Net for Depreciation (c)	Additions (d)	Total for Depreciation [2] (e) = (c) + ½ x (d)	Years (f)	Depreciation Rate (g) = 1 / (f)	Current Year Depreciation Expense (h) = (e) / (f)	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance [3] (m) = (h) - (l)
1611	Computer Software (Formally known as Account 1925)	$ 1,235,996	$ 750,359	**$ 485,637**	$ 115,489	**$ 543,382**	4.73	21.14%	**$ 114,869**	$ 114,869	**$ 0**
1612	Land Rights (Formally known as Account 1906)	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1805	Land	$ 227,769	$ -	**$ 227,769**	$ -	**$ 227,769**	-	0.00%	**$ -**	$ -	**$ -**
1808	Buildings	$ 2,494,409	$ -	**$ 2,494,409**	$ 39,429	**$ 2,514,124**	47.41	2.11%	**$ 53,025**	$ 53,025	**$ -**
1810	Leasehold Improvements	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1815	Transformer Station Equipment >50 kV	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1820	Distribution Station Equipment <50 kV	$ 4,210,759	$ 147,024	**$ 4,063,735**	$1,810,684	**$ 4,969,077**	19.15	5.22%	**$ 259,437**	$ 259,437	**$ 0**
1825	Storage Battery Equipment	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1830	Poles, Towers & Fixtures	$ 8,683,608	$ -	**$ 8,683,608**	$ 412,618	**$ 8,889,917**	70.02	1.43%	**$ 126,964**	$ 126,964	**$ -**
1835	Overhead Conductors & Devices	$ 12,149,276	$ -	**$ 12,149,276**	$ 400,615	**$ 12,349,583**	80.20	1.25%	**$ 153,987**	$ 153,987	**$ -**
1840	Underground Conduit	$ 3,224,152	$ -	**$ 3,224,152**	$ 67,599	**$ 3,257,951**	110.36	0.91%	**$ 29,521**	$ 29,521	**$ -**
1845	Underground Conductors & Devices	$ 9,798,100	$ -	**$ 9,798,100**	$ 421,513	**$ 10,008,856**	47.50	2.11%	**$ 210,719**	$ 210,719	**$ -**
1850	Line Transformers	$ 8,566,576	$ -	**$ 8,566,576**	$ 351,725	**$ 8,742,439**	38.83	2.58%	**$ 225,166**	$ 225,166	**$ -**
1855	Services (Overhead & Underground)	$ 5,053,060	$ -	**$ 5,053,060**	$ 214,778	**$ 5,160,449**	56.94	1.76%	**$ 90,626**	$ 90,626	**$ -**
1860	Meters	$ 1,507,212	$ -	**$ 1,507,212**	$ 79,997	**$ 1,547,210**	26.11	3.83%	**$ 59,261**	$ 59,261	**$ -**
1860	Meters (Smart Meters)	$ 4,000,485	$ -	**$ 4,000,485**	$ 298,853	**$ 4,149,912**	14.40	6.94%	**$ 288,105**	$ 288,105	**$ -**
1905	Land	$ 1,635	$ -	**$ 1,635**	$ -	**$ 1,635**	-	0.00%	**$ -**	$ -	**$ -**
1908	Buildings & Fixtures	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1910	Leasehold Improvements	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1915	Office Furniture & Equipment (10 years)	$ 267,490	$ 131,363	**$ 136,127**	$ 42,234	**$ 157,244**	11.86	8.43%	**$ 13,263**	$ 13,263	**$ -**
1915	Office Furniture & Equipment (5 years)	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1920	Computer Equipment - Hardware	$ 275,946	$ 275,946	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ 52,212	$ 52,212	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ 245,591	$ 93,570	**$ 152,021**	$ 2,446	**$ 153,245**	4.01	24.92%	**$ 38,195**	$ 38,195	**$ -**
1930	Transportation Equipment	$ 2,250,267	$ 243,181	**$ 2,007,086**	$ 371,134	**$ 2,192,653**	18.68	5.35%	**$ 117,351**	$ 117,351	**$ -**
1935	Stores Equipment	$ 86,278	$ 2,078	**$ 84,199**	$ 580	**$ 84,489**	8.64	11.58%	**$ 9,782**	$ 9,782	**$ -**
1940	Tools, Shop & Garage Equipment	$ 339,259	$ 125,031	**$ 214,228**	$ 73,832	**$ 251,144**	9.34	10.71%	**$ 26,899**	$ 26,899	**$ -**
1945	Measurement & Testing Equipment	$ 80,686	$ 1,095	**$ 79,591**	$ -	**$ 79,591**	8.67	11.54%	**$ 9,184**	$ 9,184	**$ -**
1950	Power Operated Equipment	$ 89,272	$ 9,299	**$ 79,973**	$ -	**$ 79,973**	8.41	11.89%	**$ 9,509**	$ 9,509	**-$ 0**
1955	Communications Equipment	$ 176,173	$ 74,263	**$ 101,911**	$ 545	**$ 102,183**	11.89	8.41%	**$ 8,592**	$ 8,592	**$ -**
1955	Communication Equipment (Smart Meters)	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1960	Miscellaneous Equipment	$ 86,957	$ 21,142	**$ 65,815**	$ 17,556	**$ 74,593**	9.13	10.95%	**$ 8,168**	$ 8,168	**$ -**
1970	Load Management Controls - Customer Premises	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1975	Load Management Controls Utility Premises	$ 258,631	$ 258,631	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1980	System Supervisor Equipment	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1985	Miscellaneous Fixed Assets	$ 1,427	$ 1,427	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1990	Other Tangible Property	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1995	Contributions & Grants	-$ 9,370,462	$ -	**-$ 9,370,462**	-$ 394,426	**-$ 9,567,675**	54.40	1.84%	**-$ 175,880**	-$ 175,880	**$ -**
	Total	**$ 55,992,764**	**$ 2,186,620**	**$ 53,806,144**	**$4,327,199**	**$ 55,969,743**			**$ 1,676,744**	**$ 1,676,744**	**$ 0**
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets) (under MIFRS)								-$ 134,504		
	Total Depreciation Expense								**$ 1,542,240**		

Accounting Standard	MIFRS
Year	**2015**

Account	Description	Opening Regulatory Gross PP&E as at Jan. 1 (a)	Less Fully Depreciated (b)	Net for Depreciation (c)	Additions (d)	Total for Depreciation [2] (e) = (c) + ½ x (d)	Years (f)	Depreciation Rate (g) = 1 / (f)	Current Year Depreciation Expense (h) = (e) / (f)	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance [3] (m) = (h) - (l)
1611	Computer Software (Formally known as Account 1925)	$ 1,351,485	$ 900,154	**$ 451,331**	$ 187,990	**$ 545,326**	4.37	22.88%	**$ 124,746**	$ 124,746	**$ -**
1612	Land Rights (Formally known as Account 1906)	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1805	Land	$ 227,769	$ -	**$ 227,769**	$ -	**$ 227,769**	-	0.00%	**$ -**	$ -	**$ -**
1808	Buildings	$ 2,533,838	$ -	**$ 2,533,838**	$ 40,949	**$ 2,554,313**	47.77	2.09%	**$ 53,470**	$ 53,470	**$ -**
1810	Leasehold Improvements	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1815	Transformer Station Equipment >50 kV	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1820	Distribution Station Equipment <50 kV	$ 6,021,444	$ 147,024	**$ 5,874,420**	$ 866,731	**$ 6,307,785**	21.02	4.76%	**$ 300,047**	$ 300,047	**$ -**
1825	Storage Battery Equipment	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1830	Poles, Towers & Fixtures	$ 9,096,225	$ -	**$ 9,096,225**	$ 563,724	**$ 9,378,087**	65.86	1.52%	**$ 142,399**	$ 142,399	**$ -**
1835	Overhead Conductors & Devices	$ 12,549,890	$ -	**$ 12,549,890**	$ 849,171	**$ 12,974,476**	79.76	1.25%	**$ 162,665**	$ 162,665	**$ -**
1840	Underground Conduit	$ 3,291,751	$ -	**$ 3,291,751**	$ 48,936	**$ 3,316,219**	109.77	0.91%	**$ 30,212**	$ 30,212	**$ -**
1845	Underground Conductors & Devices	$ 10,219,613	$ -	**$ 10,219,613**	$ 539,283	**$ 10,489,254**	48.59	2.06%	**$ 215,864**	$ 215,864	**$ -**
1850	Line Transformers	$ 8,918,301	$ -	**$ 8,918,301**	$ 309,609	**$ 9,073,106**	40.05	2.50%	**$ 226,572**	$ 226,572	**$ -**
1855	Services (Overhead & Underground)	$ 5,267,838	$ -	**$ 5,267,838**	$ 196,699	**$ 5,366,188**	56.49	1.77%	**$ 95,001**	$ 95,001	**$ -**
1860	Meters	$ 1,587,208	$ -	**$ 1,587,208**	$ 154,402	**$ 1,664,409**	28.63	3.49%	**$ 58,138**	$ 58,138	**$ -**
1860	Meters (Smart Meters)	$ 4,299,338	$ -	**$ 4,299,338**	$ 77,709	**$ 4,338,193**	14.87	6.73%	**$ 291,829**	$ 291,829	**$ -**
1905	Land	$ 1,635	$ -	**$ 1,635**	$ -	**$ 1,635**	-	0.00%	**$ -**	$ -	**$ -**
1908	Buildings & Fixtures	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1910	Leasehold Improvements	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1915	Office Furniture & Equipment (10 years)	$ 272,356	$ 131,363	**$ 140,993**	$ 21,091	**$ 151,538**	9.09	11.00%	**$ 16,663**	$ 16,663	**$ -**
1915	Office Furniture & Equipment (5 years)	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1920	Computer Equipment - Hardware	$ 275,946	$ 275,946	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ 52,212	$ 52,212	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ 248,038	$ 170,225	**$ 77,813**	$ 179,867	**$ 167,747**	4.47	22.35%	**$ 37,487**	$ 37,487	**$ -**
1930	Transportation Equipment	$ 2,621,401	$ 313,087	**$ 2,308,314**	$ 58,226	**$ 2,337,427**	17.79	5.62%	**$ 131,380**	$ 131,380	**$ -**
1935	Stores Equipment	$ 86,858	$ 2,078	**$ 84,779**	$ -	**$ 84,779**	8.64	11.58%	**$ 9,814**	$ 9,814	**$ -**
1940	Tools, Shop & Garage Equipment	$ 413,091	$ 153,729	**$ 259,362**	$ 93,460	**$ 306,092**	9.15	10.93%	**$ 33,441**	$ 33,441	**$ -**
1945	Measurement & Testing Equipment	$ 80,686	$ 10,229	**$ 70,457**	$ -	**$ 70,457**	8.75	11.42%	**$ 8,049**	$ 8,049	**$ 0**
1950	Power Operated Equipment	$ 89,272	$ 19,011	**$ 70,261**	$ -	**$ 70,261**	8.46	11.82%	**$ 8,302**	$ 8,302	**$ -**
1955	Communications Equipment	$ 176,718	$ 74,263	**$ 102,456**	$ 20,845	**$ 112,878**	11.68	8.56%	**$ 9,665**	$ 9,665	**$ -**
1955	Communication Equipment (Smart Meters)	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1960	Miscellaneous Equipment	$ 104,513	$ 27,970	**$ 76,543**	$ 17,800	**$ 85,443**	9.54	10.48%	**$ 8,952**	$ 8,952	**$ -**
1970	Load Management Controls - Customer Premises	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1975	Load Management Controls Utility Premises	$ 258,631	$ 258,631	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1980	System Supervisor Equipment	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1985	Miscellaneous Fixed Assets	$ 1,427	$ 1,427	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1990	Other Tangible Property	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1995	Contributions & Grants	-$ 9,727,880	$ -	**-$ 9,727,880**	-$ 360,794	**-$ 9,908,278**	53.68	1.86%	**-$ 184,587**	-$ 184,587	**$ -**
	Total	**$ 60,319,603**	**$ 2,537,348**	**$ 57,782,254**	**$3,865,697**	**$ 59,715,103**			**$ 1,780,108**	**$ 1,780,108**	**$ 0**
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets) (under MIFRS)								-$ 134,504		
	Total Depreciation Expense								**$ 1,645,605**		

Accounting Standard	MIFRS
Year	**2016**

Account	Description	Opening Regulatory Gross PP&E as at Jan. 1 (a)	Less Fully Depreciated (b)	Net for Depreciation (c)	Additions (d)	Total for Depreciation [2] (e) = (c) + ½ x (d)	Years (f)	Depreciation Rate (g) = 1 / (f)	Current Year Depreciation Expense (h) = (e) / (f)	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance [3] (m) = (h) - (l)
1611	Computer Software (Formally known as Account 1925)	$ 1,539,475	$ 1,087,369	**$ 452,106**	$ 406,812	**$ 655,512**	12.78	7.83%	**$ 51,311**	$ 51,311	**$ -**
1612	Land Rights (Formally known as Account 1906)	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1805	Land	$ 227,769	$ -	**$ 227,769**	$ -	**$ 227,769**	-	0.00%	**$ -**	$ -	**$ -**
1808	Buildings	$ 2,574,787	$ -	**$ 2,574,787**	$ 7,144	**$ 2,578,359**	47.77	2.09%	**$ 53,977**	$ 53,977	**$ -**
1810	Leasehold Improvements	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1815	Transformer Station Equipment >50 kV	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1820	Distribution Station Equipment <50 kV	$ 6,888,174	$ 434,817	**$ 6,453,357**	$2,315,620	**$ 7,611,167**	22.97	4.35%	**$ 331,291**	$ 331,291	**$ -**
1825	Storage Battery Equipment	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1830	Poles, Towers & Fixtures	$ 9,654,578	$ -	**$ 9,654,578**	$ 677,325	**$ 9,993,240**	64.58	1.55%	**$ 154,742**	$ 154,742	**$ 0**
1835	Overhead Conductors & Devices	$ 13,377,133	$ -	**$ 13,377,133**	$ 856,408	**$ 13,805,337**	78.56	1.27%	**$ 175,740**	$ 175,740	**$ -**
1840	Underground Conduit	$ 3,340,687	$ -	**$ 3,340,687**	$ 56,706	**$ 3,369,040**	109.26	0.92%	**$ 30,836**	$ 30,836	**$ -**
1845	Underground Conductors & Devices	$ 10,720,378	$ -	**$ 10,720,378**	$ 258,280	**$ 10,849,518**	48.34	2.07%	**$ 224,452**	$ 224,452	**$ -**
1850	Line Transformers	$ 9,146,501	$ -	**$ 9,146,501**	$ 607,982	**$ 9,450,492**	41.13	2.43%	**$ 229,775**	$ 229,775	**$ -**
1855	Services (Overhead & Underground)	$ 5,464,537	$ -	**$ 5,464,537**	$ 254,476	**$ 5,591,775**	56.14	1.78%	**$ 99,599**	$ 99,599	**$ -**
1860	Meters	$ 1,741,610	$ 156,642	**$ 1,584,968**	$ 291,747	**$ 1,730,841**	-	0.00%	**$ -**	$ -	**$ -**
1860	Meters (Smart Meters)	$ 4,319,794	$ -	**$ 4,319,794**	$ -	**$ 4,319,794**	12.06	8.29%	**$ 358,203**	$ 358,203	**$ -**
1905	Land	$ 1,635	$ -	**$ 1,635**	$ -	**$ 1,635**	-	0.00%	**$ -**	$ -	**$ -**
1908	Buildings & Fixtures	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1910	Leasehold Improvements	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1915	Office Furniture & Equipment (10 years)	$ 293,447	$ 137,087	**$ 156,360**	$ 6,259	**$ 159,489**	9.12	10.96%	**$ 17,483**	$ 17,483	**$ -**
1915	Office Furniture & Equipment (5 years)	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1920	Computer Equipment - Hardware	$ 275,946	$ 275,946	**$ -**	$ 35,314	**$ 17,657**	0.35	289.76%	**$ 51,163**	$ 51,163	**$ -**
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ 52,212	$ 52,212	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ 427,905	$ 216,710	**$ 211,195**	$ -	**$ 211,195**	-	0.00%	**$ -**	$ -	**$ -**
1930	Transportation Equipment	$ 2,679,627	$ 146,577	**$ 2,533,050**	$ 93,165	**$ 2,579,633**	19.91	5.02%	**$ 129,585**	$ 129,585	**$ 0**
1935	Stores Equipment	$ 86,858	$ 2,078	**$ 84,779**	$ -	**$ 84,779**	8.64	11.58%	**$ 9,814**	$ 9,814	**$ -**
1940	Tools, Shop & Garage Equipment	$ 506,551	$ 160,356	**$ 346,195**	$ 1,275	**$ 346,833**	9.14	10.94%	**$ 37,928**	$ 37,928	**$ -**
1945	Measurement & Testing Equipment	$ 80,686	$ 42,556	**$ 38,130**	$ -	**$ 38,130**	8.88	11.26%	**$ 4,293**	$ 4,293	**$ -**
1950	Power Operated Equipment	$ 89,272	$ 19,011	**$ 70,261**	$ -	**$ 70,261**	8.46	11.82%	**$ 8,302**	$ 8,302	**$ -**
1955	Communications Equipment	$ 197,563	$ 74,263	**$ 123,301**	$ 763	**$ 123,682**	11.39	8.78%	**$ 10,861**	$ 10,861	**$ -**
1955	Communication Equipment (Smart Meters)	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1960	Miscellaneous Equipment	$ 121,525	$ 27,970	**$ 93,555**	$ 100,662	**$ 143,886**	9.61	10.41%	**$ 14,976**	$ 14,976	**$ -**
1970	Load Management Controls - Customer Premises	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1975	Load Management Controls Utility Premises	$ 258,631	$ 258,631	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1980	System Supervisor Equipment	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1985	Miscellaneous Fixed Assets	$ 1,427	$ 1,427	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1990	Other Tangible Property	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1995	Contributions & Grants	-$ 10,088,675	$ 1,801	**-$ 10,090,476**	-$ 584,438	**-$ 10,382,695**	52.88	1.89%	**-$ 196,327**	-$ 196,327	**$ -**
	Total	**$ 63,980,032**	**$ 3,095,453**	**$ 60,884,579**	**$5,385,500**	**$ 63,577,329**			**$ 1,798,004**	**$ 1,798,004**	**$ 0**
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets) (under MIFRS)								-$ 134,504		
	Total Depreciation Expense								**$ 1,663,500**		

Accounting Standard	MIFRS
Year	**2017**

Account	Description	Opening Regulatory Gross PP&E as at Jan. 1 (a)	Less Fully Depreciated (b)	Net for Depreciation (c)	Additions (d)	Total for Depreciation [2] (e) = (c) + ½ x (d)	Years (f)	Depreciation Rate (g) = 1 / (f)	Current Year Depreciation Expense (h) = (e) / (f)	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance [3] (m) = (h) - (l)
1611	Computer Software (Formally known as Account 1925)	$ 1,693,680	$ 1,311,601	**$ 382,078**	$ 52,800	**$ 408,478**	3.00	33.33%	**$ 136,159**	$ 136,159	**$ -**
1612	Land Rights (Formally known as Account 1906)	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1805	Land	$ 227,769	$ -	**$ 227,769**	$ -	**$ 227,769**	-	0.00%	**$ -**	$ -	**$ -**
1808	Buildings	$ 2,581,931	$ -	**$ 2,581,931**	$ -	**$ 2,581,931**	50.00	2.00%	**$ 51,639**	$ 51,639	**$ -**
1810	Leasehold Improvements	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1815	Transformer Station Equipment >50 kV	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1820	Distribution Station Equipment <50 kV	$ 9,203,794	$ 662,373	**$ 8,541,422**	$1,520,000	**$ 9,301,422**	45.00	2.22%	**$ 206,698**	$ 206,698	**$ -**
1825	Storage Battery Equipment	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1830	Poles, Towers & Fixtures	$ 10,325,039	$ -	**$ 10,325,039**	$ 639,652	**$ 10,644,865**	62.33	1.60%	**$ 170,786**	$ 170,786	**$ -**
1835	Overhead Conductors & Devices	$ 14,229,447	$ -	**$ 14,229,447**	$ 815,191	**$ 14,637,043**	65.00	1.54%	**$ 225,185**	$ 225,185	**$ -**
1840	Underground Conduit	$ 3,397,393	$ -	**$ 3,397,393**	$ 79,020	**$ 3,436,903**	85.00	1.18%	**$ 40,434**	$ 40,434	**$ -**
1845	Underground Conductors & Devices	$ 10,975,295	$ -	**$ 10,975,295**	$ 438,283	**$ 11,194,436**	60.00	1.67%	**$ 186,574**	$ 186,574	**$ -**
1850	Line Transformers	$ 9,659,798	$ -	**$ 9,659,798**	$ 513,137	**$ 9,916,367**	40.00	2.50%	**$ 247,909**	$ 247,909	**$ 0**
1855	Services (Overhead & Underground)	$ 5,719,013	$ -	**$ 5,719,013**	$ 483,924	**$ 5,960,975**	52.92	1.89%	**$ 112,646**	$ 112,646	**$ -**
1860	Meters	$ 1,972,416	$ 156,642	**$ 1,815,774**	$ -	**$ 1,815,774**	27.91	3.58%	**$ 65,058**	$ 65,058	**$ -**
1860	Meters (Smart Meters)	$ 4,319,794	$ -	**$ 4,319,794**	$ 57,976	**$ 4,348,782**	15.00	6.67%	**$ 289,919**	$ 289,919	**$ -**
1905	Land	$ 1,635	$ -	**$ 1,635**	$ -	**$ 1,635**	-	0.00%	**$ -**	$ -	**$ -**
1908	Buildings & Fixtures	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1910	Leasehold Improvements	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1915	Office Furniture & Equipment (10 years)	$ 299,706	$ 179,415	**$ 120,291**	$ 15,000	**$ 127,791**	10.00	10.00%	**$ 12,779**	$ 12,779	**-$ 0**
1915	Office Furniture & Equipment (5 years)	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1920	Computer Equipment - Hardware	$ 311,260	$ 275,946	**$ 35,314**	$ -	**$ 35,314**	5.00	20.00%	**$ 7,063**	$ 7,063	**$ -**
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ 52,212	$ 52,212	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ 427,905	$ 216,710	**$ 211,195**	$ -	**$ 211,195**	5.00	20.00%	**$ 42,239**	$ 42,239	**$ -**
1930	Transportation Equipment	$ 2,764,478	$ 146,577	**$ 2,617,901**	$ 10,000	**$ 2,622,901**	13.72	7.29%	**$ 191,129**	$ 191,129	**$ -**
1935	Stores Equipment	$ 86,858	$ 13,942	**$ 72,915**	$ -	**$ 72,915**	10.00	10.00%	**$ 7,292**	$ 7,292	**$ -**
1940	Tools, Shop & Garage Equipment	$ 507,826	$ 184,420	**$ 323,406**	$ 25,000	**$ 335,906**	10.00	10.00%	**$ 33,591**	$ 33,591	**$ -**
1945	Measurement & Testing Equipment	$ 80,686	$ 51,482	**$ 29,204**	$ -	**$ 29,204**	10.00	10.00%	**$ 2,920**	$ 2,920	**$ 0**
1950	Power Operated Equipment	$ 89,272	$ 19,011	**$ 70,261**	$ -	**$ 70,261**	10.00	10.00%	**$ 7,026**	$ 7,026	**$ -**
1955	Communications Equipment	$ 198,326	$ 74,263	**$ 124,064**	$ -	**$ 124,064**	10.00	10.00%	**$ 12,406**	$ 12,406	**$ -**
1955	Communication Equipment (Smart Meters)	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1960	Miscellaneous Equipment	$ 222,187	$ 27,970	**$ 194,217**	$ -	**$ 194,217**	10.00	10.00%	**$ 19,422**	$ 19,422	**$ -**
1970	Load Management Controls - Customer Premises	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1975	Load Management Controls Utility Premises	$ 258,631	$ 258,631	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1980	System Supervisor Equipment	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1985	Miscellaneous Fixed Assets	$ 1,427	$ 1,427	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1990	Other Tangible Property	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1995	Contributions & Grants	-$ 10,673,899	$ 1,801	**-$ 10,675,700**	-$ 340,541	**-$ 10,845,971**	54.45	1.84%	**-$ 199,206**	-$ 199,206	**$ -**
	Total	**$ 68,933,878**	**$ 3,634,423**	**$ 65,299,454**	**$4,309,442**	**$ 67,454,175**			**$ 1,869,669**	**$ 1,869,669**	**$ 0**
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets) (under MIFRS)										
	Total Depreciation Expense								**$ 1,869,669**		

Accounting Standard	MIFRS
Year	**2018**

Account	Description	Opening Regulatory Gross PP&E as at Jan. 1 (a)	Less Fully Depreciated (b)	Net for Depreciation (c)	Additions (d)	Total for Depreciation [2] (e) = (c) + ½ x (d)	Years (f)	Depreciation Rate (g) = 1 / (f)	Current Year Depreciation Expense (h) = (e) / (f)	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance [3] (m) = (h) - (l)
1611	Computer Software (Formally known as Account 1925)	$ 1,746,480	$ 1,311,601	**$ 434,878**	$ 30,000	**$ 449,878**	3.00	33.33%	**$ 149,959**	$ 149,959	**$ -**
1612	Land Rights (Formally known as Account 1906)	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1805	Land	$ 227,769	$ -	**$ 227,769**	$ -	**$ 227,769**	-	0.00%	**$ -**	$ -	**$ -**
1808	Buildings	$ 2,581,931	$ -	**$ 2,581,931**	$ 35,000	**$ 2,599,431**	50.00	2.00%	**$ 51,989**	$ 51,989	**$ -**
1810	Leasehold Improvements	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1815	Transformer Station Equipment >50 kV	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1820	Distribution Station Equipment <50 kV	$ 10,723,794	$ 662,373	**$ 10,061,422**	$1,662,000	**$ 10,892,422**	45.00	2.22%	**$ 242,054**	$ 242,054	**$ 0**
1825	Storage Battery Equipment	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1830	Poles, Towers & Fixtures	$ 10,964,691	$ -	**$ 10,964,691**	$ 554,157	**$ 11,241,769**	61.52	1.63%	**$ 182,725**	$ 182,725	**$ -**
1835	Overhead Conductors & Devices	$ 15,044,638	$ -	**$ 15,044,638**	$ 687,193	**$ 15,388,235**	65.00	1.54%	**$ 236,742**	$ 236,742	**-$ 0**
1840	Underground Conduit	$ 3,476,413	$ -	**$ 3,476,413**	$ 96,015	**$ 3,524,421**	85.00	1.18%	**$ 41,464**	$ 41,464	**$ -**
1845	Underground Conductors & Devices	$ 11,413,578	$ -	**$ 11,413,578**	$ 535,769	**$ 11,681,462**	60.00	1.67%	**$ 194,691**	$ 194,691	**$ -**
1850	Line Transformers	$ 10,172,935	$ -	**$ 10,172,935**	$ 525,026	**$ 10,435,448**	40.00	2.50%	**$ 260,886**	$ 260,886	**$ -**
1855	Services (Overhead & Underground)	$ 6,202,937	$ -	**$ 6,202,937**	$ 478,726	**$ 6,442,300**	53.66	1.86%	**$ 120,051**	$ 120,051	**$ -**
1860	Meters	$ 1,972,416	$ 156,642	**$ 1,815,774**	$ -	**$ 1,815,774**	27.91	3.58%	**$ 65,058**	$ 65,058	**$ -**
1860	Meters (Smart Meters)	$ 4,377,770	$ -	**$ 4,377,770**	$ 57,899	**$ 4,406,719**	15.00	6.67%	**$ 293,781**	$ 293,781	**$ -**
1905	Land	$ 1,635	$ -	**$ 1,635**	$ -	**$ 1,635**	-	0.00%	**$ -**	$ -	**$ -**
1908	Buildings & Fixtures	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1910	Leasehold Improvements	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1915	Office Furniture & Equipment (10 years)	$ 314,706	$ 179,415	**$ 135,291**	$ 35,000	**$ 152,791**	10.00	10.00%	**$ 15,279**	$ 15,279	**-$ 0**
1915	Office Furniture & Equipment (5 years)	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1920	Computer Equipment - Hardware	$ 311,260	$ 275,946	**$ 35,314**	$ -	**$ 35,314**	5.00	20.00%	**$ 7,063**	$ 7,063	**$ -**
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ 52,212	$ 52,212	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ 427,905	$ 216,710	**$ 211,195**	$ -	**$ 211,195**	5.00	20.00%	**$ 42,239**	$ 42,239	**$ -**
1930	Transportation Equipment	$ 2,774,478	$ 146,577	**$ 2,627,901**	$ 500,000	**$ 2,877,901**	13.76	7.27%	**$ 209,129**	$ 209,129	**$ -**
1935	Stores Equipment	$ 86,858	$ 13,942	**$ 72,915**	$ -	**$ 72,915**	10.00	10.00%	**$ 7,292**	$ 7,292	**$ -**
1940	Tools, Shop & Garage Equipment	$ 532,826	$ 184,420	**$ 348,406**	$ 35,000	**$ 365,906**	10.00	10.00%	**$ 36,591**	$ 36,591	**$ -**
1945	Measurement & Testing Equipment	$ 80,686	$ 51,482	**$ 29,204**	$ -	**$ 29,204**	10.00	10.00%	**$ 2,920**	$ 2,920	**$ 0**
1950	Power Operated Equipment	$ 89,272	$ 19,011	**$ 70,261**	$ -	**$ 70,261**	10.00	10.00%	**$ 7,026**	$ 7,026	**$ -**
1955	Communications Equipment	$ 198,326	$ 74,263	**$ 124,064**	$ -	**$ 124,064**	10.00	10.00%	**$ 12,406**	$ 12,406	**$ -**
1955	Communication Equipment (Smart Meters)	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1960	Miscellaneous Equipment	$ 222,187	$ 27,970	**$ 194,217**	$ -	**$ 194,217**	10.00	10.00%	**$ 19,422**	$ 19,422	**$ -**
1970	Load Management Controls - Customer Premises	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1975	Load Management Controls Utility Premises	$ 258,631	$ 258,631	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1980	System Supervisor Equipment	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1985	Miscellaneous Fixed Assets	$ 1,427	$ 1,427	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1990	Other Tangible Property	$ -	$ -	**$ -**	$ -	**$ -**	-	0.00%	**$ -**	$ -	**$ -**
1995	Contributions & Grants	-$ 11,014,440	$ 1,801	**-$ 11,016,241**	-$ 340,541	**-$ 11,186,512**	54.60	1.83%	**-$ 204,881**	-$ 204,881	**$ -**
	Total	**$ 73,243,320**	**$ 3,634,423**	**$ 69,608,896**	**$4,891,244**	**$ 72,054,518**			**$ 1,993,885**	**$ 1,993,885**	**-$ 0**
	Depreciation exp. adj. from gain or loss on the retirement of assets (pool of like assets) (under MIFRS)										
	Total Depreciation Expense								**$ 1,993,885**		

4.9.3 ASSET RETIREMENT OBLIGATIONS[30]

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

4.9.4 DEPRECIATION RATES AND METHODOLOGY[31]

WPI's current depreciation/amortization policy is based on Canadian Generally Accepted Accounting Principles (CGAAP), and guidelines set out by the Ontario Energy Board, where applicable. WPI converted to IFRS on January 1, 2015 and as such the depreciation/amortization policy in effect for the 2016 Bridge Year and 2017 Test Year is compliant with MIFRS.

On July 17, 2013 the Board issued a statement that changes to depreciation rates and capitalization policies that would have been implemented under IFRS could be made in 2012 under CGAAP (i.e. effective January 1, 2012), and must be made no later than 2013 (i.e. effective January 1, 2013), regardless of whether the Canadian Accounting Standards Board (AcSB) permitted further deferrals beyond 2013 for the changeover to IFRS (Board Letter, July 17, 2013 "Regulatory accounting policy direction regarding changes to depreciation expense and capitalization policies in 2013 and 2014"). In 2013, WPI implemented the change to depreciation rates and the componentization of PP&E. An assessment was made of remaining service lives for the purposes of determining the computation of depreciation expense on a go-forward basis. WPI confirms that significant parts or components of each item of PP&E are being depreciated separately.

WPI's capital assets related to the Distribution System and Capital Contributions are amortized on a straight line basis. WPI has applied the "half-year" rule for all capital additions in accordance with Section 2.7.4 of Chapter 2 of the Filing Requirements for Electricity Distribution Rate Applications.

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[30] Identification of any Asset Retirement Obligations and associated depreciation, accretion expense
[31] Identification of historical depreciation practice and proposal for test year. Variances from half year rule must be documented and supporting rationale provided

Construction work in progress assets are not amortized until the project is in service.

WPI's accounting policy is to expense borrowing costs. It does not capitalize interest on capital projects unless they meet the IFRS criteria of a qualifying asset which is defined in the Board's Report of the Board EB-2008-0408 Transition to International Financial Reporting Standards, June 28, 2009 as "an asset that necessarily takes a substantial period of time to get ready for its intended use or sale." WPI does not have any capitalized borrowing costs forecast in it 2016 Bridge or 2017 Test Years.

For the purposes of calculating depreciation for this Application the "half-year" rule has been applied for all in-service 2016 Test Year capital additions for Distribution System Assets and Capital Contributions.

4.9.5 DEPRECIATION AND CAPITALIZATION POLICY[32]

Effective January 1, 2015 WPI moved to IFRS requiring depreciation to be based on NBV using straight line methodology, with the half year rule in year of acquisition, and no depreciation in year of disposition. NBV for comparative purposes in 2014 and for 2015 to comply with IFRS. WPI uses the "half year rule" for newly acquired assets. WPI confirms that it has not deviated from the practice of depreciating significant parts or components of PP&E separately.[33]

[32] Copy of depreciation/amortization policy, or equivalent written description; summary of changes to depreciation/amortization policy since last CoS
[33] Explanation of any deviations from the practice of depreciating significant parts or components of PP&E separately

4.10 PILS AND PROPERTY TAXES

4.10.1 PILS MODEL[34]

WPI makes annual payments to the Ontario Electricity Financial Corporation for "Payments in Lieu of Taxes". WPI engages their auditor KPMG to assist in the preparation of their annual tax return. WPI's PILs model for the 2016 actual year as well as the 2017 Bridge Year and the 2018 Test Year is filed along with this application.[35] A PDF version of the model can be found at Appendix E of this Exhibit. Included with these models are the supporting schedules and calculations identifying reconciling items.[36]

Table 30 – Summary of Test Year PILs

Particulars		Application
Determination of Taxable Income		
Utility net income before taxes		$1,809,788
Adjustments required to arrive at taxable utility income		($720,810)
Taxable income		$1,088,978
Calculation of Utility income Taxes		
Income taxes		$288,577
Total taxes		$288,577
Gross-up of Income Taxes		$104,045
Grossed-up Income Taxes		$392,622

[34] Completed version of the PILs model (PDF and Excel); derivation of adjustments for historical, bridge, test years
[35] Calculation of Tax Credits; redact where required (filing of unredacted versions is not required)
[36] Supporting schedules and calculations identifying reconciling items

PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)		$392,622
Other tax Credits		$ -
Tax Rates		
Federal tax (%)		15.00%
Provincial tax (%)		11.50%
Total tax rate (%)		26.50%

4.10.2 INTEGRITY CHECKS[37]

The integrity checks inside of the PILs models have been completed.

4.10.3 TAX RETURNS[38]

Attached as Appendix C and D are copies of WPI's most recent federal and provincial tax returns.[39] The calculation for the apprentice tax credit has been redacted to respect the confidential nature of individual WPI employee salaries. Supporting schedules, calculations, and explanations for other additions and deductions have been included.[40]

4.10.4 PROPERTY TAXES[41]

WPI pays property taxes to the Municipality of Brockton for its Service Centre and Administration premises. The property taxes for paid for the administration building were $32,030 in 2016 and $32,150 in 2015. Property taxes for the past 2 years have been paid to the following municipalities for Municipal Substations and Transformer Stations:

Table 31 - Municipal Taxes Paid

Municipality	2016 Taxes Paid	2015 Taxes Paid
Municipality of Brockton	*$2,131*	*$2,123*

[37] Completion of the integrity checks in the PILs Model
[38] Most recent federal and provincial tax returns
[39] Financial Statements included with tax returns if different from those filed with application
[40] Supporting schedules, calculations and explanations for other additions and deductions
[41] Explanation of how taxes other than income taxes or PILS (e.g. property taxes) are derived

Municipality of Kincardine	*$11,150*	*$9,505*
Municipality of South Bruce	*$279*	*$277*
Town of Hanover	*$8,347*	*$7,998*
Town of Minto	*$1,532*	*$1,450*
Town of Saugeen Shores	*$5,180*	*$8,673*
Township of Huron-Kinloss	*$571*	*$562*
Township of North Huron	*$2,499*	*$2,413*

Property taxes for the 2017 Bridge Year and 2018 Test Year are based on 2016’s actual with forecast cost increases of 3% for each year.

4.11 NON-RECOVERABLE AND DISALLOWED EXPENSES

4.11.1 DISALLOWED EXPENSES[42]

WPI has no Non-recoverable or Disallowed expenses other than charitable donations. These donation expenses have been excluded from the regulatory tax calculation.

[42] Exclude from regulatory tax calculation any non-recoverable or disallowed expenses

4.12 CONSERVATION AND DEMAND MANAGEMENT

4.12.1 OVERVIEW OF CDM

Lost Revenue Adjustment Mechanism ("LRAM") for 2011 – 2014

On March 31, 2011, the Minister of Energy and Infrastructure issued a directive (the "Directive") to the Board regarding electricity CDM targets to be met by licensed electricity distributors. The Directive required that the Board amend the licenses of distributors to add, as a condition of license, the requirement for distributors to achieve reductions in electricity demand through the delivery of CDM programs over a four-year period beginning January 1, 2011. Section 12 of the Directive required that the Board have regard to the objective that lost revenues that result from CDM Programs should not act as a disincentive to a distributor.

On April 26, 2012, the Board issued Guidelines for Electricity Distributor Conservation and Demand Management ("CDM Guidelines"). In keeping with the Directive, the Board adopted a mechanism to capture the difference between the results of actual, verified impacts of authorized CDM activities undertaken by distributors between 2011 and 2014 and the level of activities embedded into rates through the distributors load forecast in an LRAM variance account.

LRAM for pre-2011 CDM Activities

WPI is not requesting recovery of lost revenue resulting from any pre-2011 CDM activities or legacy programs.

Background

The Conservation and Demand Management Code for Electricity Distributors (“the CDM Code”) sets out the obligations and requirements with which electricity distributors must comply in relation to the CDM targets set out in their licenses. The CDM Code also sets out the conditions and rules that licensed electricity distributors are required to follow if they choose to apply for Board-Approved CDM programs to meet the CDM targets. The CDM Code applies to the four year period that started on January 1, 2011 and finishes on December 31, 2014. In its April 26, 2012 “Guidelines for Electricity Distributor Conservation and Demand Management” (EB-2012-

0003), the Board provided additional guidance on certain provisions in the CDM Code and details on the Los Revenue Adjustment Mechanism (LRAM) related to CDM programs implemented under the CDM code. The Guidelines are applicable to this same timeframe.

4.12.2 LRAM[43]

Background

The Conservation and Demand Management Code for Electricity Distributors ("the CDM Code") sets out the obligations and requirements with which electricity distributors must comply in relation to the CDM targets set out in their licenses. The CDM Code also sets out the conditions and rules that licensed electricity distributors are required to follow if they choose to apply for Board-Approved CDM programs to meet the CDM targets. The CDM Code applies to the four year period that started on January 1, 2011 and finishes on December 31, 2014. In its April 26, 2012 "Guidelines for Electricity Distributor Conservation and Demand Management" (EB-2012-0003), the Board provided additional guidance on certain provisions in the CDM Code and details

[43] LRAMVA - disposition of balance. Distributors must provide new LRAMVA Workform in a working Excel file and provide the following:
- statement identifying the year(s) of new lost revenues and prior year savings persistence claimed in the LRAMVA disposition
- statement confirming LRAMVA based on verified savings results supported by the distributors final CDM Report and Persistence Savings Report (both filed in Excel format) and a statement indicating use of most recent input assumptions when calculating lost revenue
- summary table with principal and carrying charges by rate class and resulting rate riders
- statement providing the disposition period; rationale provided for disposing the balance in the LRAMVA if one or more classes do not generate significant rate riders
- statement confirming LRAMVA reference amounts, rationale for the distributors circumstances if LRAMVA threshold not used
- rationale confirming how rate class allocations for actual CDM savings were determined by class and program (Tab 3-A of LRAMVA Workform)
- statement confirming whether additional documentation was provided in support of projects that were not included in distributors final CDM Annual Report (Tab 8 of LRAMVA Workform as applicable)
- for OEB-approved programs prior to 2014, a submission of a third party report that provides a review and verification of the LRAM calculation including: confirmation of use of correct input assumptions and lost revenue calculations, participation amounts, net and gross impacts of each program (kW and kWh) by class by year, and verification of any carrying charges requested

on the Los Revenue Adjustment Mechanism (LRAM) related to CDM programs implemented under the CDM code. The Guidelines are applicable to this same timeframe.

In the Guidelines, the Board authorized the 1 establishment of LRAMVA Account 1568 (LRAMVA) to capture, at the customer rate class level, the difference between:

- The results of actual, verified impacts of authorized CDM activities undertaken by distributors between 2011 and 2014 for both Board-Approved CDM programs and OPA-Contracted Province-Wide CDM programs in relation to activities undertaken by the distributor and/or are delivered for the distributor by a third party under contract (in the distributor's franchise area), and;

- The level of CDM program activities included in the distributor's load forecast (i.e. the level embedded in rates).

The OEB stated that distributors are generally expected to include a CDM component in their load forecast in Cost of Service proceedings to ensure that customers are realizing the true effects of conservation at the earliest date possible and to mitigate the variance between forecasted revenue losses and actual revenue losses. Further, if a distributor has included a CDM load reduction forecast in its distribution rates, the amount of the forecast that was adjusted for CDM at the rate class level would be compared to the actual CDM results verified by an independent third party for each year of the CDM program in accordance with the OPS's EM&V Protocols as set out in the CDM Code. The calculated variance results in a credit or debit payable or receivable to the ratepayers. This account will continue on a going-forward basis.

In its Guidelines, the Board stated that the LRAMVA will attract carrying charges.

Further, the Board stated that it expected distributors to apply for disposition of the balance in the LRAMVA in their next Cost of Service Rate Application.

WPI has applied previously under the 4th Generation IRM for the LRAMVA for $6,571 including interest to December 31, 2015. In the Boards Decision and Order dated EB-2015-0112 dated March 17, 2016 section 9 under Findings "The OEB will not dispose of the balance in the LRAMVA account at this time. In making this decision it is notes that the OEB made a similar decision in other proceedings this year. The OEB has initiated a generic review of how the revenue from demand savings should be reflected in the LRAMVA account. The outcome of the review may impact the LRAMVA balance for Westario Power and therefore disposition of any balance will not be consider until the OEB's review is complete."

We accordingly have not recognized any LRAM revenue or amount owing to WPI in the LRAMVA until such time the amount is calculable, once the new guidelines are provided.

APPENDICES

Appendix A	2015 Actuarial Valuation Report.pdf
Appendix B	2016 Actuarial Valuation Report.pdf
Appendix C	Westario Power Inc. 2016 Tax (exempt)
Appendix D	Westario Power Inc. 2016 Tax (PILS)
Appendix E	OEB PILs Model in PDF format

APPENDIX A - 2015 ACTUARIAL VALUATION REPORT.PDF

COLLINS BARROW TORONTO

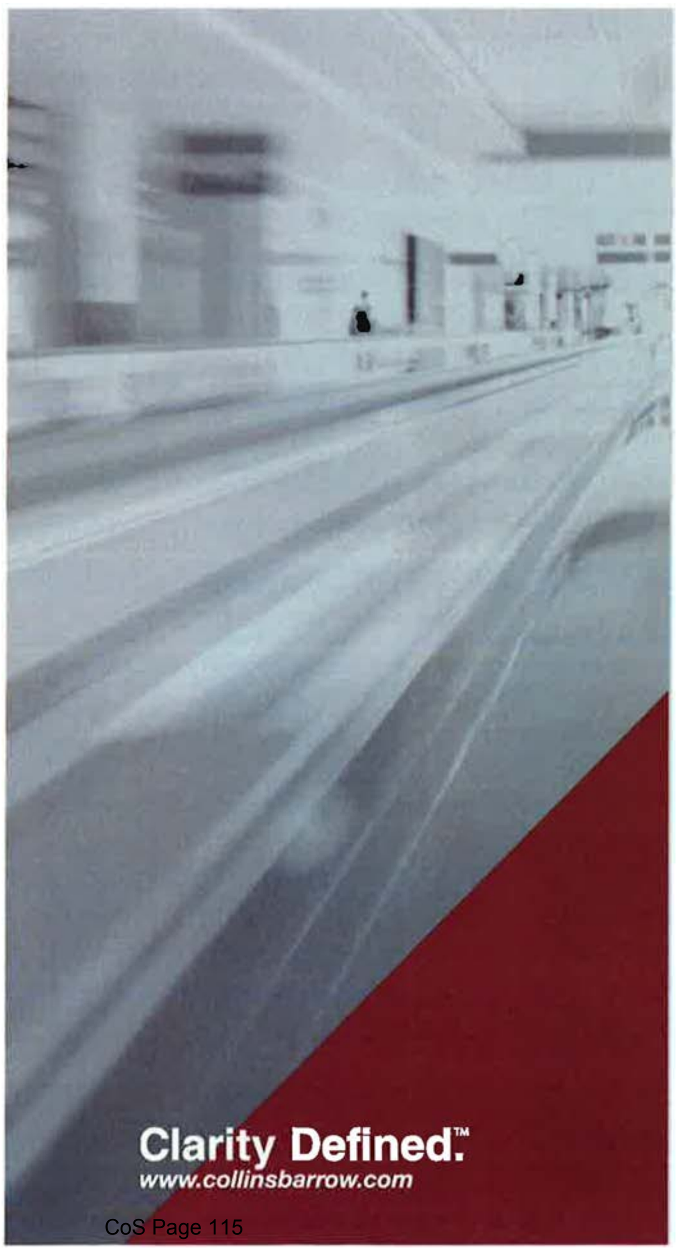
ACTUARIAL SERVICES

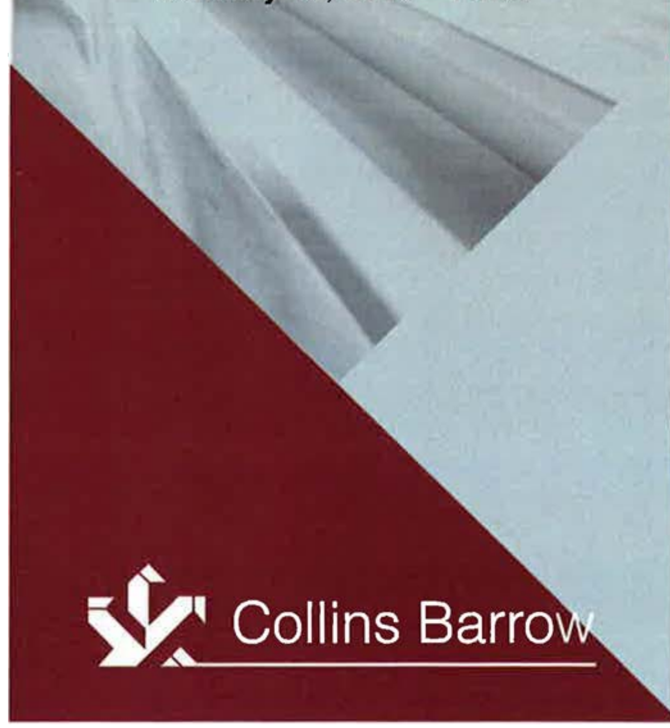
WESTARIO POWER INC.

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

As at December 31, 2015

January 19, 2016 – Final





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EXECUTIVE SUMMARY

PURPOSE

Collins Barrow Toronto Actuarial Services Inc. was engaged by Westario Power Inc. (the "Corporation") to perform an actuarial valuation of the post-retirement non-pension benefits sponsored by the Corporation and to determine the accounting results for those benefits for the fiscal period ending December 31, 2015. The nature of these benefits is defined benefit.

This report is prepared in accordance with the International Financial Reporting Standards (the "IFRS") guidelines for post-retirement non-pension benefits as outlined in the amendments to the International Accounting Standard 19 - Employee Benefits ("IAS 19") issued in June 2011. The Corporation will be reporting on the basis of IFRS for the fiscal year beginning January 1, 2015. Prior to this date, the valuation of the Corporation's post-retirement non-pension benefits was prepared in accordance with the Canadian Institute of Chartered Accountants ("CICA") guidelines outlined in Employee Future Benefits, Section 3461 of the CICA Handbook-Accounting ("CICA 3461").

The most recent full valuation was prepared as at January 1, 2013 based on the then appropriate assumptions and in accordance with CICA 3461.

The purpose of this valuation is threefold:

i) to determine the Corporation's liabilities in respect of post-retirement non-pension benefits at December 31, 2015;

ii) to determine the expense to be recognized in the income statement for fiscal year 2016; and

iii) to provide all other pertinent information necessary for compliance with IAS 19.

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

SUMMARY OF KEY RESULTS

The key results of this actuarial valuation as at December 31, 2015 with comparative results from the previous valuation as at January 1, 2013 are shown below, in thousands of dollars:

	January 1, 2013 (CICA 3461)	December 31, 2015 (IAS 19)
Present Value of Defined Benefit Obligation (PV DBO)		
a) People in Receipt of Benefits	375	364
b) Fully Eligible Actives	**47**	35
c) Not Fully Eligible Actives	11	-
Total PV DBO	**433**	**399**

	CY 2013 (CICA 3461)	CY 2016 (IAS 19)
Current Service Cost	1	-
Interest Cost	15	**15**
Recognition of Actuarial (Gains)/Losses	23	n/a
Defined Benefit Cost Recognized in Income Statement	**39**	**15**

ACTUARIAL CERTIFICATION

An actuarial valuation has been performed on the post-retirement non-pension benefit plans sponsored by Westario Power Inc. (the "Corporation") as at December 31, 2015, for the purposes described in this report.

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

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

We are not aware of any subsequent events after December 31, 2015 that would have a significant effect on our valuation.

The latest date on which the next actuarial valuation should be performed is December 31, 2018. If any supplemental advice or explanation is required, please advise the undersigned.

Respectfully submitted,

COLLINS BARROW TORONTO ACTUARIAL SERVICES INC.

Stanley Caravaggio

Stanley Caravaggio, FSA FCIA
Senior Manager

Patrick G. Kavanagh

Patrick G. Kavanagh, AB ASA ACIA CERA
Senior Manager

Toronto, Ontario

January 19, 2016

SECTION A-
VALUATION RESULTS

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

Table A - 2 shows the sensitivity of the valuation results to certain changes in assumptions. We have shown a change to the assumed retirement age from age 60 to 58, and an increase/decrease in the discount rate by 1% per annum.

Table A - 3 presents the reconciliation of changes in the present value of defined benefit obligation at December 31, 2015.

VALUATION RESULTS

Table A.1-Valuation Results
(in thousands of dollars)

	January 1, 2013 (CICA 3461)	December 31, 2015 (IAS 19)
Present Value of Defined Benefit Obligation (PV 080)		
a) People in Receipt of Benefits	375	364
b) Fully Eligible Actives	47	35
c) Not Fully Eligible Actives	11	-
Total PV DBO	**433**	**399**

	CY 2013 (CICA 3461)	CY 2016 (IAS 19)
Current Service Cost	1	-
Interest Cost	15	15
Recognition of Actuarial (Gains)/Losses	23	n/a
Defined Benefit Cost Recognized in Income Statement	**39**	**15**
Actuarial (Gains)/Losses	n/a	n/a
Defined Benefit Cost Recognized in Other Comprehensive Income	**n/a**	**n/a**
Total Defined Benefit Cost	**39**	**15**
Expected Benefit Payments	**35**	**27**

The benefit payments for CY 2016 are based on the estimated payments to be made for those expected to be eligible for benefits.

SENSITIVITY ANALYSIS

Table A.2-Sensitivity Analysis
(in thousands of dollars)

	December 31, 2015 (IAS 19			
	Valuation Results	**Retirement Age58**	**Discount Rate 2.80%**	**Discount Rate 4.80%**
Present Value of Defined Benefit Obligation(PV DBO)				
a) People in Receipt of Benefits	364	364	**412**	**324**
b) Fully Eligible Actives	35	35	**45**	**28**
c) Not Fully Eligible Actives	-	-	-	-
Total PV DBO	**399**	**399**	**457**	**352**

	CY 2016 IAS 19)			
	Valuation Results	**Retirement Age 58**	**Discount Rate 2.80%**	**Discount Rate 4.80%**
Current Service Cost	-	-	-	**-**
Interest Cost	15	15	13	16

RECONCILIATION OF CHANGES IN THE DEFINED BENEFIT OBLIGATION

Table A.3-Reconciliation of Changes in the Defined Benefit Obligation (in thousands of dollars)

PV DBO at December 31, 2014 (IAS 19)	407
2015 Current Service Cost	
2015 Benefit Payments	(30)
2015 Interest Cost	15
Expected PV DBO at December 31, 2015	**392**
Net Actuarial Loss/(Gain)	7
PV DBO at December 31, 2015	**399**

The following provides a breakdown of the $7,300 increase due to the net actuarial loss noted above:

- A change in the salary scale (a decrease of approximately $200)
- Deviations from the expected demographic changes of the valued group resulting in decrement loss (an increase of approximately $7,500)

SECTION B-
PLAN PARTICIPANTS

Table B - 1 sets out the summary information with respect to the plan participants valued in the report, along with comparisons to the participants in the previous valuation with data as of January 1, 2013.

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

PARTICIPANT DATA

Table 8.1-Participant Data

Membership data as at November 30, 2015 was received from the Corporation via e-mail and included information such as name, sex, age, date of hire, current salary, benefit amounts and other applicable details for all active employees and people in receipt of benefits.

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

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

In addition, the following tests were performed:

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

Active Employees

	January 1, 2013			November 30, 2015		
	Male	Female	Total	Male	Female	Total
Number of Employees	3	3	6	1	2	3
Avg. Length of Service	27.2	27.6	27.4	38.2	28.1	31.5

Count as of November 30, 2015

	Active Lives - Not Fully Eligible			Active Lives - Fully Eligible		
Age Band	Male	Female	Total	Male	Female	Total
Less than 30						
30- 35						
36-40						
41 - 45						
46- 50						
51 - 55						
56- 60					2	3
61 - 65						
66- 70						
71 - 75						
Greater than 75						
Total				1	**2**	**3**

Average Service as of November 30, 2015

	Active Lives - Not Fully Eligible			Active Lives - Fully Eligible		
Age Band	Male	Female	Total	Male	Female	Total
Less than 30						
30- 35						
36-40						
41 - 45						
46- 50						
51 - 55						
56-60				38.2	28.1	31.5
61 - 65						
66- 70						
71 - 75						
Greater than 75						
Total				**38.2**	**28.1**	**31.5**

People in Receipt of Benefits (includes people on LTD)

	January 1, 2013			November 30, 2015		
	Male	Female	Total	Male	Female	Total
Number of Members	21	11	32	22	12	34

Expected Annual Benefit Payments for CY 2016

Age Band	Male	Female	Total
Less than 30			
30- 35			
36-40			
41 -45			
46- 50			
51 - 55			
56 - 60	595	88	683
61 - 65	972	103	1,075
66- 70	1,103	610	1,714
71 - 75	650	390	1,040
Greater than 75	15,582	7,056	22,638
Total	**18,903**	**8,248**	**27,151**

PARTICIPATION RECONCILIATION

Table 8.2-Participation Reconciliation

Participant Reconciliation

	Actives	Disabled	Retired
As at Jan. 1, 2013	**6**		**32**
New Entrants			
New Dependants			
Active		1	2
LTD	(1)		
Terminated			
Deceased			(1)
Retired	(2)		
No Longer Eligible			
As at Nov. 30, 2015	3	1	**33**

SECTION C-
SUMMARY OF ACTUARIAL METHOD AND ASSUMPTIONS

ACTUARIAL METHOD

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

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

The Present Value of the Defined Benefit Obligation and Current Service Cost were determined using the projected benefit method, pro-rated on service. This is the method stipulated by IAS 19 when future salary levels or cost escalation affect the amount of the employee's future benefits. Under this method, the projected post-retirement benefits are deemed to be earned on a pro-rata basis over the years of service in the attribution period. IAS 19 stipulates that the attribution period commences on the date when service by the employee first leads to post-retirement non-pension benefits under the plan and ends on the date when further service by the employee will lead to no material amount of further post-retirement non-pension benefits under the plan, other than from further salary increases.

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

The PV DBO at December 31, 2015 is based on membership data and management's best estimate assumptions at December 31, 2015.

MANAGEMENT'S BEST ESTIMATE ASSUMPTIONS

The following are management's best estimate economic and demographic assumptions as at December 31, 2015.

ECONOMIC ASSUMPTIONS

Consumer Price Index

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

This assumption remains unchanged from the previous valuation.

Discount Rate

The rate used to discount future benefits is assumed to be 3.80% per annum as at December 31, 2015. This rate reflects the Corporation's expected projected benefit cash flows for post-retirement non-pension benefits and the spot rate curve published by Fiera Capital at December 31, 2015.

This assumption remains unchanged from the extrapolated valuation results as at December 31, 2014. The assumption used in the previous valuation was 3.70% per annum at January 1, 2013.

Salary Increase Rate

The rate used to increase salaries is assumed to be 2.25% per annum. This rate reflects the expected Consumer Price Index adjusted for productivity, merit and promotion adjusted for company-specific information.

The assumption used in the previous valuation was 3.00% per annum.

DEMOGRAPHIC ASSUMPTIONS

Mortality Table

The mortality tables used are as per the Canadian Institute of Actuaries Canadian Pensioners' Mortality Pension Experience Subcommittee final report dated February 11, 2014 (CIA Report). More specifically, the Canada Pensioners Mortality ("CPM") Table Public Sector (CPM2014 PUBL) has been used with the generational projection of mortality improvement based upon CPM Improvement Scale B1-2014.

Mortality rates are applied on a sex-distinct basis.

This assumption remains unchanged from the extrapolated valuation results as at December 31, 2014. The assumption used in the previous valuation was the 1994 Uninsured Pensioner Mortality (UP-94) table, with a generational projection of mortality improvements based upon Projection Scale AA.

Rates of Withdrawal

All active employees are assumed to remain employed until retirement.

In the previous valuation, termination of employment was assumed to be in accordance with the following withdrawal table:

Age Bucket	Previous Valuation
18-29	2.75%
30-34	2.25%
35-39	2.00%
40-49	1.50%
50-54	1.50%

Retirement Age

All active employees are assumed to retire at age 60 (or immediately if currently over age 60), which was based on the Corporation's retirement experience as well as a seven year retirement experience study on a group of local distribution companies for which data was available.

This assumption remains unchanged from the previous valuation.

Disability

Similar to the previous valuation, no provision was made for future disability.

The one employee on LTD was assumed to remain disabled until retirement at age 65.

Expenses and Taxes

We have assumed 10% of benefits is required for the cost of sponsoring the program for life insurance.

This assumption remains unchanged from the previous valuation.

SECTION D-
SUMMARY OF POST-RETIREMENT BENEFITS

The following is a summary of the plan provisions that are pertinent to this valuation, based on information provided by and discussions with the Corporation.

GOVERNING DOCUMENTS

The program is governed by the Collective Agreement between Westario Power Inc. and the Canadian Union of Public Employees and its Local 255.03, from May 1, 2011 to April 30, 2015.

While the agreement is expired, it is understood that the Corporation will continue under this agreement and that further negotiations will not yield any changes to post-retirement non-pension benefits per discussions with the Corporation. It should also be noted that the union has changed from the Canadian Union of Public Employees to the Power Worker's Union.

Based on discussions with the Corporation, although no formal documentation exists with respect to post-retirement non-pension benefits for management and non-union employees, it is our understanding that the benefit provisions for post-retirement non-pension benefits for union employees are extended to management and non-union employees of the Corporation.

What follows is only a summary of the post retirement non-pension benefits program. For a complete description, please refer to the above-noted document.

ELIGIBILITY

Upon retirement, all employees of the Corporation are eligible for post-retirement life insurance.

PARTICIPANT CONTRIBUTIONS

The Corporation shall pay 100% of the cost of the post-retirement life insurance for eligible retirees.

PAST SERVICE

Past service is defined as continuous service prior to joining the plan if the participant was employed by another local distribution company prior to joining the Corporation.

LENGTH OF SERVICE

Length of service is defined as continuous service from the date of hire to the valuation date, measured in years and months.

SUMMARY OF BENEFITS

Life Insurance

Eligible employees are entitled to the following post-retirement life insurance, as per the MEARIE plan, administered by Great West Life, based upon the following table:

Plan Option	Amount of Coverage	Eligibility
1	Flat $2,000.	If employee retires with less than 10 years of service in the Plan.
2	50% of final annual earnings reducing by 2.5% of final annual earnings each year thereafter for 1O years, to a final benefit equal to 25.0% of final annual earnings. Reduction occurs on anniversary date of retirement.	If employee was ever insured under Employee Plan options 2, 3 or 4, or if employee retires with 10 or more years of service in Plan but was never in superseded plan.
3	50% of final annual earnings.	If employee was insured under superseded plan and was hired on or after May 1, 1967 and elected coverage under Option 1 only.
4	70% of the final amount insured for under the life plan immediately prior to retirement.	If employee was insured under the superseded plan and was hired before May 1, 1967 and elected coverage under Option 1 only.
5	Amount of retirement insurance coverage in force under superseded plan grandfathered.	Frozen group of insured whose retirement occurred under superseded plan.

SECTION E-
EMPLOYER CERTIFICATION

Post-Retirement Non-Pension Benefit Plan
of Westario Power Inc.
Actuarial Valuation as at December 31, 2015

I hereby confirm as an authorized signing officer of the administrator of the Post-Retirement Non-Pension Benefit Plan of Westario Power Inc. that, to the best of my knowledge and belief, for the purposes of the valuation:

i) the membership data summarized in Section B is accurate and complete;

ii) the assumptions upon which this report is based as summarized in Section C, are management's best estimate assumptions and are adequate and appropriate for the purposes of this valuation; and

iii) the summary of Plan Provisions in Section D is an accurate and complete summary of the terms of the Plan in effect on December 31, 2015.

WESTARIO POWER INC.

Jan 15/16
Date

Signature

/.!:{./: r/ t..1,1'» I(.T.
Name

VP Finance & CFO
Title

APPENDIX B - 2016 ACTUARIAL VALUATION REPORT.PDF

APPENDIX C - WESTARIO POWER INC. 2016 TAX (EXEMPT)

Canada Revenue Agency / Agence du revenu du Canada

Information Return for Corporations Filing Electronically

- You have to complete this return for every initial and amended T2 Corporation Income Tax Return electronically filed to the Canada Revenue Agency (CRA) on your behalf.
- By completing Part 2 and signing Part 3, you acknowledge that, under the *Income Tax Act*, you have to keep all records used to prepare your corporation income tax return, and provide this information to us on request.
- Part 4 must be completed by either you or the electronic transmitter of your corporation income tax return.
- Give the signed original of this return to the transmitter and keep a copy in your own records for six years.
- **Do not submit** this form to the CRA unless we ask for it.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted it.

This return is for your records. Do not send it to us unless we ask for it.

Part 1 – Identification

Corporation's name	Business number
Westario Power Inc.	89276 4416 RC0003

Tax year	From (Y M D)	To (Y M D)	Is this an amended return?
	2016-01-01	2016-12-31	☐ Yes ☒ No

Part 2 – Declaration

Enter the following amounts, if applicable, from your corporation income tax return for the tax year noted above:

Net income (or loss) for income tax purposes from Schedule 1, financial statements, or GIFI (line 300)	400,133
Part I tax payable (line 700)	
Part II surtax payable (line 708)	
Part III.1 tax payable (line 710)	
Part IV tax payable (line 712)	
Part IV.1 tax payable (line 716)	
Part VI tax payable (line 720)	
Part VI.1 tax payable (line 724)	
Part XIV tax payable (line 728)	
Net provincial and territorial tax payable (line 760)	

Part 3 – Certification and authorization

I, Milne (Last name), Lisa (First name), President & CEO (Position, office, or rank),

am an authorized signing officer of the corporation. I certify that I have examined the corporation T2 income tax return, including accompanying schedules and statements, and that the information given on the T2 return and this T183 Corp information return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

I authorize the transmitter identified in Part 4 to electronically file the corporation income tax return identified in Part 1. The transmitter can also modify the information originally filed in response to any errors Canada Revenue Agency identifies. This authorization expires when the Minister of National Revenue accepts the electronic return as filed.

2017-05-04		(519) 507-6666
Date (yyyy/mm/dd)	Signature of an authorized signing officer of the corporation	Telephone number

Part 4 – Transmitter identification

The following transmitter has electronically filed the tax return of the corporation identified in Part 1.

KPMG LLP	A4970
Name of person or firm	Electronic filer number

Privacy statement

Personal information is collected under the *Income Tax Act* to administer tax, benefits, and related programs. It may also be used for any purpose related to the administration or enforcement of the Act such as audit, compliance and the payment of debts owed to the Crown. It may be shared or verified with other federal, provincial/territorial government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the *Privacy Act*, individuals have the right to access their personal information and request correction if there are errors or omissions. Refer to Info Source **http://www.cra-arc.gc.ca/gncy/tp/nfsrc/nfsrc-eng.html**, personal information bank CRA PPU 047.

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

200

EXEMPT FROM TAX

055 Do not use this area

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

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

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

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

Identification

Business number (BN) 001 89276 4416 RC0003

Corporation's name
002 Westario Power Inc.

Address of head office
Has this address changed since the last time we were notified? . . . . 010 1 Yes [ ] 2 No [X]
(If **yes**, complete lines 011 to 018.)
011 24 Eastridge Road
012 RR 2
City: 015 Walkerton
Province, territory, or state: 016 ON
Country (other than Canada): 017
Postal code/Zip code: 018 N0G 2V0

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? . . . . 020 1 Yes [ ] 2 No [X]
(If **yes**, complete lines 021 to 028.)
021 c/o
022
023
City: 025
Province, territory, or state: 026
Country (other than Canada): 027
Postal code/Zip code: 028

Location of books and records (if different from head office address)
Has this address changed since the last time we were notified? . . . . 030 1 Yes [ ] 2 No [X]
(If **yes**, complete lines 031 to 038.)
031 24 Eastridge Road
032 RR 2
City: 035 Walkerton
Province, territory, or state: 036 ON
Country (other than Canada): 037
Postal code/Zip code: 038 N0G 2V0

040 **Type of corporation at the end of the tax year**
1 [X] Canadian-controlled private corporation (CCPC)
2 [ ] Other private corporation
3 [ ] Public corporation
4 [ ] Corporation controlled by a public corporation
5 [ ] Other corporation (specify, below)

If the type of corporation changed during the tax year, provide the effective date of the change . . . . 043 Year Month Day

To which tax year does this return apply?
Tax year start (Year Month Day): 060 2016-01-01
Tax year-end (Year Month Day): 061 2016-12-31

Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060? . . . . 063 1 Yes [ ] 2 No [X]

If **yes**, provide the date control was acquired . . . . 065 Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? . . . . 066 1 Yes [ ] 2 No [X]

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

Is this the first year of filing after:
Incorporation? . . . . 070 1 Yes [ ] 2 No [X]
Amalgamation? . . . . 071 1 Yes [ ] 2 No [X]
If **yes**, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? . . . . 072 1 Yes [ ] 2 No [X]
If **yes**, complete and attach Schedule 24.

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

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

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

Is the corporation a resident of Canada? 080 1 Yes [X] 2 No [ ]
If **no**, give the country of residence on line 081 and complete and attach Schedule 97.
081

Is the non-resident corporation claiming an exemption under an income tax treaty? . . . . 082 1 Yes [ ] 2 No [X]
If **yes**, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:
085
1 [ ] Exempt under paragraph 149(1)(e) or (l)
2 [ ] Exempt under paragraph 149(1)(j)
3 [ ] Exempt under paragraph 149(1)(t)
4 [X] Exempt under other paragraphs of section 149

Do not use this area
095 096 898

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

		Yes	Schedule
Is the corporation related to any other corporations?	150		9
Is the corporation an associated CCPC?	160		23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the *Income Tax Regulations*?	170		29
Did the corporation have a total amount over $1 million of reportable transactions with non-arm's length non-residents?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		
Does the corporation earn income from one or more Internet webpages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202	X	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	X	3
Is the corporation claiming any type of losses?	204		4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) does the corporation have aggregate investment income at line 440?	207		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210	X	10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves (other than transitional reserves under section 34.2)?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231		31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	
Is the corporation claiming a surtax credit?	237		37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments – continued from page 2

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

Additional information

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

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

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

Line	Product or service	Line	%
284	Hydro Services	285	100.000 %
286		287	%
288		289	%

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

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible 294 Year Month Day

If the corporation's major business activity is construction, did you have any subcontractors during the tax year? 295 1 Yes 2 No

Taxable income

	Line			
Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI.	300		400,133	A
Deduct: Charitable donations from Schedule 2	311	12,645		
Cultural gifts from Schedule 2	313			
Ecological gifts from Schedule 2	314			
Gifts of medicine from Schedule 2	315			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320			
Part VI.1 tax deduction*	325			
Non-capital losses of previous tax years from Schedule 4	331			
Net capital losses of previous tax years from Schedule 4	332			
Restricted farm losses of previous tax years from Schedule 4	333			
Farm losses of previous tax years from Schedule 4	334			
Limited partnership losses of previous tax years from Schedule 4	335			
Taxable capital gains or taxable dividends allocated from a central credit union	340			
Prospector's and grubstaker's shares	350			
Subtotal		12,645 ▶	12,645	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")			387,488	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360		387,488	
Income exempt under paragraph 149(1)(t)	370			
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 **minus** line 370)				Z
Taxable income for the year from a personal services business**				Z.1

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 9.

** For a taxation year that ends after 2015.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the tax year

Income from active business carried on in Canada from Schedule 7	400	400,133	A
Taxable income from line 360 on page 3, **minus** 100/28 3.57143 of the amount on line 632* on page 8, **minus** 4 times the amount on line 636** on page 8, and **minus** any amount that, because of federal law, is exempt from Part I tax	405		B
Business limit (see notes 1 and 2 below)	410	500,000	C

Notes:

1. For CCPCs that are not associated, enter $ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year divided by 365, and enter the result on line 410.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C 500,000 x 415 *** 99,595 D / 11,250 = 4,426,444 E

Reduced business limit (amount C **minus** amount E) (if negative, enter "0")	425		F
Business limit the CCPC assigns under subsection 125(3.2) (amount O below)			G
Amount F **minus** amount G			H

Small business deduction

Amount A, B, C, or H, whichever is the least ______ x (Number of days in the tax year before January 1, 2016 ______ / Number of days in the tax year 366) x 17 % = ______ 1

Amount A, B, C, or H, whichever is the least ______ x (Number of days in the tax year after December 31, 2015 366 / Number of days in the tax year 366) x 17.5 % = ______ 2

Total of amounts 1 and 2 (enter amount I on line J on page 8) 430 ______ I

* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporation tax reductions under section 123.4.

*** **Large corporations**

- If the corporation is not associated with any corporations in both the current and previous tax years, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **prior year** minus $10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **current year** minus $10,000,000) x 0.225%.
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

Specified corporate income and assignment under subsection 125(3.2)

	J Name of corporation receiving the income and assigned amount	K Business number of the corporation	L Income for the small business deduction given to the corporation identified in column J [under clause 125(1)(a)(i)(B)] [3]	M Business limit assigned to corporation identified in column J [4]
1.				
			Total ______ N	Total ______ O

Notes:

3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if

   (A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and

   (B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to

   (I) persons (other than the private corporation) with which the corporation deals at arm's length, or

   (II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.

4. The amount of the business limit you assign cannot be greater than the amount in column L.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from page 3 (line 360 or amount Z, whichever applies)				A
Lesser of amounts B9 and H9 from Part 9 of Schedule 27			B	
Amount K13 from Part 13 of Schedule 27			C	
Personal services business income	432		D	
Amount used to calculate the credit union deduction (amount F from Schedule 17)			E	
Amount from line 400, 405, 410, or amount H on page 4, whichever is the least			F	
Aggregate investment income from line 440 on page 6*			G	
Subtotal (**add** amounts B to G)			►	H
Amount A **minus** amount H (if negative, enter "0")				I
General tax reduction for Canadian-controlled private corporations – Amount I **multiplied** by 13 %				J

Enter amount J on line 638 on page 8.

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

General tax reduction

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

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

Enter amount R on line 639 on page 8.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7	440		A	
Amount A ___ x (Number of days in the tax year before January 1, 2016 ___ / Number of days in the tax year 366) x 26 2/3 % =			1	
Amount A ___ x (Number of days in the tax year after December 31, 2015 366 / Number of days in the tax year 366) x 30 2/3 % =			2	
Subtotal (amount 1 **plus** amount 2)			▶	B
Foreign investment income from Schedule 7	445		C	
Amount C ___ x (Number of days in the tax year before January 1, 2016 ___ / Number of days in the tax year 366) x 9 1/3 % =			3	
Amount C ___ x (Number of days in the tax year after December 31, 2015 366 / Number of days in the tax year 366) x 8 % =			4	
Subtotal (amount 3 **plus** amount 4)			D	
Foreign non-business income tax credit from line 632 on page 8 **minus** amount D (if negative, enter "0")				E
Amount B **minus** amount E (if negative, enter "0")				F
Foreign non-business income tax credit from line 632 on page 8			G	
(Number of days in the tax year before January 1, 2016 ___ / Number of days in the tax year 366) x 35 =			5	
(Number of days in the tax year after December 31, 2015 366 / Number of days in the tax year 366) x 38 2/3 =		38.66667	6	
Subtotal (amount 5 **plus** amount 6)		38.6667	H	
Amount G ___ x 100 / H x 100 / 38.6667 =			I	
Taxable income from line 360 on page 3		387,488	J	
Deduct:				
Amount from line 400, 405, 410, or amount H on page 4, whichever is the least			K	
Amount I			L	
Foreign business income tax credit from line 636 on page 8 ___ x 4 =			M	
Subtotal (total of amounts K to M)	▶		N	
Subtotal (amount J **minus** amount N)		387,488	O	
Amount O 387,488 x (Number of days in the tax year before January 1, 2016 ___ / Number of days in the tax year 366) x 26 2/3 % =			7	
Amount O 387,488 x (Number of days in the tax year after December 31, 2015 366 / Number of days in the tax year 366) x 30 2/3 % =		118,830	8	
Subtotal (amount 7 **plus** amount 8)		118,830	▶	118,830 P
Part I tax payable **minus** investment tax credit refund (line 700 **minus** line 780 from page 9)				Q
Refundable portion of Part I tax – Amount F, P, or Q, whichever is the least	450			R

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the previous tax year	460			
Deduct:				
Dividend refund for the previous tax year	465			
			▶	A
Add the total of:				
Refundable portion of Part I tax from line 450 on page 6			B	
Total Part IV tax payable from Schedule 3			C	
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation	480			
			▶	D
Refundable dividend tax on hand at the end of the tax year – Amount A **plus** amount D	485			

Dividend refund

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

Taxable dividends paid in the tax year from line 460 on page 3 of Schedule 3				800,000	E	
Amount E 800,000 x	Number of days in the tax year before January 1, 2016 / Number of days in the tax year	/ 366	x 33 1/3 % =		1	
Amount E 800,000 x	Number of days in the tax year after December 31, 2015 / Number of days in the tax year	366 / 366	x 38 1/3 % =	306,667	2	
Subtotal (amount 1 **plus** amount 2)				306,667	▶	306,667 F
Refundable dividend tax on hand at the end of the tax year from line 485 above						G
Dividend refund – Amount F or G, whichever is less						H

Enter amount H on line 784 on page 9.

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) **multiplied** by 38 %* . . **550** ______ A

Personal services business income tax (section 123.5)

Taxable income from a personal services business **555** ______ x (Number of days in the tax year after December 31, 2015 366 / Number of days in the taxation year 366) x 5 % = **560** ______ B

Recapture of investment tax credit from Schedule 31 . . . . . . **602** ______ C

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

Aggregate investment income from line 440 on page 6			D
Taxable income from line 360 on page 3	387,488	E	
Deduct:			
Amount from line 400, 405, 410, or amount H on page 4, whichever is the least		F	
Net amount (amount E **minus** amount F)	387,488 ▶	387,488	G

Amount D or G, whichever is less ______ x (Number of days in the tax year before January 1, 2016 ______ / Number of days in the tax year 366) x 6 2 / 3 % = ______ 1

Amount D or G, whichever is less ______ x (Number of days in the tax year after December 31, 2015 366 / Number of days in the tax year 366) x 10 2 / 3 % = ______ 2

Refundable tax on CCPC's investment income (amount 1 **plus** amount 2) . . . . . . **604** ______ ▶ ______ H

Subtotal (**add** amounts A, B, C, and H) ______ I

Deduct:

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

Subtotal ______ ▶ ______ K

Part I tax payable – Amount I **minus** amount K . . . . . . ______ L
Enter amount L on line 700 on page 9.

Privacy statement

Personal information is collected under the *Income Tax Act* to administer tax, benefits, and related programs. It may also be used for any purpose related to the administration or enforcement of the Act such as audit, compliance and the payment of debts owed to the Crown. It may be shared or verified with other federal, provincial/territorial government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the *Privacy Act*, individuals have the right to access their personal information and request correction if there are errors or omissions. Refer to Info Source cra.gc.ca/gncy/tp/nfsrc/nfsrc-eng.html, personal information bank CRA PPU 047.

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 8	700	
Part II surtax payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		

Add provincial or territorial tax:

Provincial or territorial jurisdiction . . . 750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial or territorial tax payable (except Quebec and Alberta)	760		
Total tax payable	770		A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from amount H on page 7	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld 801		
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	
Total credits	890	▶ B

Refund code 894 1 Overpayment

Balance (amount A **minus** amount B)

If the result is positive, you have a **balance unpaid**.
If the result is negative, you have an **overpayment**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Balance unpaid . . . . . .

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

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 Branch number

914 Institution number 918 Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

If this return was prepared by a tax preparer for a fee, provide their EFILE number 920 A4970

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Certification

I, 950 Milne (Last name) 951 Lisa (First name) 954 President & CEO (Position, office, or rank),

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

955 2017-05-04 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation 956 (519) 507-6666 Telephone number

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

958 Name of other authorized person 959 Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français. 990 1

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 100

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
	Assets				
	Total current assets	1599	+	12,280,707	13,268,236
	Total tangible capital assets	2008	+	49,687,357	44,500,694
	Total accumulated amortization of tangible capital assets	2009	–	4,961,625	3,209,165
	Total intangible capital assets	2178	+	2,896,135	2,741,931
	Total accumulated amortization of intangible capital assets	2179	–	240,779	239,615
	Total long-term assets	2589	+	17,180,419	12,397,865
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	76,842,214	69,459,946
	Liabilities				
	Total current liabilities	3139	+	11,630,568	8,925,689
	Total long-term liabilities	3450	+	33,920,019	30,391,134
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	45,550,587	39,316,823
	Shareholder equity				
	Total shareholder equity (mandatory field)	3620	+	31,291,627	30,143,123
	Total liabilities and shareholder equity	3640	=	76,842,214	69,459,946
	Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849	=	13,044,267	11,903,380

* Generic item

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 125

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

Income statement information

Description	GIFI	
Operating name	0001	
Description of the operation	0002	
Sequence number	0003	01

Account	Description	GIFI		Current year	Prior year
	Income statement information				
	Total sales of goods and services	8089	+	70,459,425	65,887,692
	Cost of sales	8518	–	60,656,114	53,632,762
	Gross profit/loss	8519	=	9,803,311	12,254,930
	Cost of sales	8518	+	60,656,114	53,632,762
	Total operating expenses	9367	+	7,657,216	10,185,992
	Total expenses (mandatory field)	9368	=	68,313,330	63,818,754
	Total revenue (mandatory field)	8299	+	70,497,217	65,953,330
	Total expenses (mandatory field)	9368	–	68,313,330	63,818,754
	Net non-farming income	9369	=	2,183,887	2,134,576
	Farming income statement information				
	Total farm revenue (mandatory field)	9659	+		
	Total farm expenses (mandatory field)	9898	–		
	Net farm income	9899	=		
	Net income/loss before taxes and extraordinary items	9970	=	2,183,887	2,134,576
	Total other comprehensive income	9998	=	7,617	-6,456
	Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–		
	Current income taxes	9990	–	243,000	226,000
	Future (deferred) income tax provision	9995	–		
	Total – Other comprehensive income	9998	+	7,617	-6,456
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	1,948,504	1,902,120

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Canada Revenue Agency / Agence du revenu du Canada

Schedule 141

Notes Checklist

Corporation's name	Business number	Tax year-end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

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

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

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

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

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

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

Part 2 – Type of involvement with the financial statements

Choose the option that represents the highest level of involvement of the accountant: 198

Completed an auditor's report . . . . . 1 [X]

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

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

Part 3 – Reservations

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

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

Part 4 – Other information

If you have a professional designation and are not the accountant associated with the financial statements in Part 1 above, choose one of the following options: 110

Prepared the tax return (financial statements prepared by client) . . . . . 1 [ ]

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

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

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

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

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

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

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

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

Part 4 – Other information (continued)

Impairment and fair value changes

In any of the following assets, was an amount recognized in net income or other comprehensive income (OCI) as a result of an impairment loss in the tax year, a reversal of an impairment loss recognized in a previous tax year, or a change in fair value during the tax year? . . . . . **200** 1 Yes [ ] 2 No [X]

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

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

Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)? . . . . . **250** 1 Yes [ ] 2 No [X]

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

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

Adjustments to opening equity

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year? . . . . . **265** 1 Yes [ ] 2 No [X]

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

T2 BAR CODE RETURN

Name: Westario Power Inc.

BN: 89276 4416 RC 0003

Tax Year Start: 2016-01-01

Tax Year End: 2016-12-31

1. Reporting entity

Westario Power Inc. (the Corporation) is a rate regulated, municipally

owned hydro distribution

company incorporated under the laws of Ontario, Canada. The Corporation is

located in the Town

of Walkerton of the Municipality of Brockton. The address of the Corporation

s registered office is

24 Eastridge Road, Walkerton, Ontario.

The Corporation delivers electricity and related energy services to

residential and commercial

customers in the following communities, specifically:

h The Township of Huron-Kinloss (Villages of Ripley and Lucknow)

h The Municipality of Kincardine (Kincardine Ward 1)

h The Municipality of South Bruce (Villages of Mildmay and Teeswater)

h The Town of Saugeen Shores (Towns of Port Elgin and Southampton)

h The Township of North Huron (Town of Wingham)

h The Municipality of Brockton (Town of Walkerton and Village of Elmwood)

h The Town of Hanover (Town of Hanover)

h The Town of Minto (Towns of Harriston and Palmerston, Village of Clifford)

h The Municipality of West Grey (Village of Neustadt)

The Corporation is owned generally by the communities they serve,

specifically:

h The Township of Huron-Kinloss

h The Municipality of Kincardine

h The Municipality of South Bruce

h The Town of Saugeen Shores

h The Township of North Huron

h The Municipality of Brockton

h The Town of Hanover

h The Town of Minto

h FortisOntario Inc.

The financial statements are for the Corporation as at and for the year ended

December 31, 2016.

2. Basis of presentation

(a) Statement of compliance

The Corporation's financial statements have been prepared in accordance with

International

Financial Reporting Standards ("IFRS").

The financial statements were approved by the Board of Directors on April 12,

2017.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis,

unless otherwise

stated.

Westario Power Inc.

Notes to Financial Statements

Year ended December 31, 2016

8

2. Basis of presentation (continued)

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the

Corporation's

functional currency. All financial information presented in Canadian dollars

has been rounded

to the nearest dollar.

(d) Use of estimates

Assumptions and estimation uncertainty

T2 BAR CODE RETURN

Name: Westario Power Inc.

BN: 89276 4416 RC 0003
Tax Year Start: 2016-01-01
Tax Year End: 2016-12-31

The preparation of financial statements in conformity with IFRS requires
management to make
judgments, estimates and assumptions that affect the application of accounting
policies and
the reported amounts of assets, liabilities, income and expenses and
disclosure of contingent
assets and liabilities. Actual results may differ from those estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis.
Revisions to
accounting estimates are recognized in the year in which the estimates are
revised and in any
future years affected.
Information about assumptions and estimation uncertainties that have a
significant risk of
resulting in material adjustment is included in the following notes:
(i) Note 3(b) V measurement of unbilled revenue
(ii) Notes 7, 8 V estimation of useful lives of its property, plant and
equipment and
intangible assets
(iii) Note 10 V recognition and measurement of regulatory balances
(iv) Note 13 V measurement of defined benefit obligations: key actuarial
assumptions
(v) Note 19 V recognition and measurement of provisions and contingencies
(e) Rate regulation
The Corporation is regulated by the Ontario Energy Board (OEB), under the
authority granted
by the Ontario Energy Board Act, 1998. Among other things, the OEB has the
power and

responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe licence requirements and conditions of service to local distribution companies (LDCs), such as the Corporation, which may include among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes.

The Corporation is required to bill customers for the debt retirement charge set by the province.

The Corporation may file to recover uncollected debt retirement charges from Ontario Electricity Financial Corporation (OEFC) once each year.

2. Basis of presentation (continued)

(e) Rate regulation (continued)

Rate setting

Distribution revenue

For the distribution revenue included in sale of energy, the Corporation files a Cost of Service

(COS) rate application with the OEB every five years where rates are
determined through a
review of the forecasted annual amount of operating and capital expenditures,
debt and
shareholder s equity required to support the Corporation s business. The
Corporation
estimates electricity usage and the costs to service each customer class to
determine the
appropriate rates to be charged to each customer class. The COS application is
reviewed by
the OEB and interveners and rates are approved based upon this review,
including any
revisions resulting from that review.
In the intervening years an Incentive Rate Mechanism application (IRM) is
filed. An IRM
application results in a formulaic adjustment to distribution rates that were
set under the last
COS application. The previous year s rates are adjusted for the annual change
in the Gross
Domestic Product Implicit Price Inflator for Final Domestic Demand (GDP IPI-
FDD) net of a
productivity factor and a stretch factor determined by the relative
efficiency of an electricity
distributor.
As a licenced distributor, the Corporation is responsible for billing
customers for electricity
generated by third parties and the related costs of providing electricity
service, such as

transmission services and other services provided by third parties. The
Corporation is required,
pursuant to regulation, to remit such amounts to these third parties,
irrespective of whether the
Corporation ultimately collects these amounts from customers.
The Corporation last filed a Cost of Service application on October 10, 2012
for rates effective
May 1, 2013 to April 30, 2014, with annual Incentive Regulation Mechanism (
IRM) filed
September 29, 2014, for rates effective May 1, 2015 to April 30, 2016, and
December 23, 2016
for rates effective May 1, 2017 to April 30, 2018. The GDP IPI-FDD for 2016 is
2.1%, the
Corporation s productivity factor is nil% and the stretch factor is 0.3%,
resulting in a net
adjustment of 1.8% to the previous year s rates.
Electricity rates
The OEB sets electricity prices for low-volume consumers twice each year based
on an
estimate of how much it will cost to supply the province with electricity for
the next year. All
remaining consumers pay the market price for electricity. The Corporation is
billed for the cost
of the electricity that its customers use and passes this cost on to the
customer at cost without
a mark-up.
Westario Power Inc.
Notes to Financial Statements

Year ended December 31, 2016

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3. Significant accounting policies

The accounting policies set out below have been applied consistently in all years presented in these financial statements:

(a) Financial instruments

All financial assets are classified as loans and receivables and all financial liabilities are classified as other liabilities except for investment in equities which is classified as available for sale. These financial instruments are recognized initially at fair value plus any directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method less any impairment for the financial assets as described in note 3(f).

Available for sale financial assets are subsequently measured at fair value, within the changes therein recognized in OCI until the assets are sold.

The Corporation holds derivative financial instruments to manage its interest rate risk exposures. Derivatives are initially measured at fair value; any directly attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and change therein are recognized in the statement of operations.

Hedge accounting has not been used in the preparation of these financial statements.

Cash equivalents include short-term investments with maturities of three months or less when purchased.

(b) Revenue recognition

Sale and distribution of electricity

Revenue from the sale and distribution of electricity is recognized as the electricity is delivered to customers on the basis of cyclical meter readings and estimated customer usage since the last meter reading date to the end of the year. Revenue includes the cost of electricity supplied, distribution, and any other regulatory charges. The related cost of power is recorded on the basis of power used.

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Corporation has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.

Customer billings for debt retirement charges are recorded on a net basis as the Corporation is acting as an agent for this billing stream.

Other revenue

Revenue earned from the provision of services is recognized as the service is rendered or

contract milestones are achieved. Amounts received in advance of these

milestones are

presented as deferred revenue.

Westario Power Inc.

Notes to Financial Statements

Year ended December 31, 2016

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3. Significant accounting policies (continued)

(b) Revenue recognition (continued)

Other revenue (continued)

Certain customers and developers are required to contribute towards the

capital cost of

construction of distribution assets in order to provide ongoing service. Cash

contributions are

recorded as deferred revenue. When an asset other than cash is received as a

capital

contribution, the asset is initially recognized at its fair value, with a

corresponding amount

recognized as deferred revenue. The deferred revenue, which represents the

Corporation's

obligation to continue to provide the customers access to the supply of

electricity, is amortized

to income on a straight-line basis over the useful life of the related asset.

Government grants and the related performance incentive payments under CDM

programs are

recognized as revenue in the year when there is reasonable assurance that the

program

conditions have been satisfied and the payment will be received.

(c) Materials and supplies

Materials and supplies, the majority of which is consumed by the Corporation in the provision of its services, is valued at the lower of cost and net realizable value, with cost being determined on an weighted average cost basis, and includes expenditures incurred in acquiring the materials and supplies and other costs incurred in bringing them to their existing location and condition.

(d) Property, plant and equipment

Items of property, plant and equipment (PP&E) used in rate-regulated activities and acquired prior to January 1, 2014 are measured at deemed cost, less accumulated depreciation. All other items of PP&E are measured at cost, or, where the item is contributed by customers, its fair value, less accumulated depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes contracted services, materials and transportation costs, direct labour, overhead costs and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs on qualifying assets may be capitalized as part of the cost of the asset based

upon the weighted average cost of debt incurred on the Corporation s
borrowings. Qualifying
assets are considered to be those that take in excess of 12 months to
construct.
When parts of an item of PP&E have different useful lives, they are accounted
for as separate
items (major components) of PP&E.
When items of PP&E are retired or otherwise disposed of, a gain or loss on
disposal is
determined by comparing the proceeds from disposal, if any, with the carrying
amount of the
item and is included in profit or loss.
Major spare parts and standby equipment are recognized as items of PP&E.
Westario Power Inc.
Notes to Financial Statements
Year ended December 31, 2016
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3. Significant accounting policies (continued)
(d) Property, plant and equipment (continued)
The cost of replacing a part of an item of PP&E is recognized in the net book
value of the item
if it is probable that the future economic benefits embodied within the part
will flow to the
Corporation and its cost can be measured reliably. In this event, the replaced
part of PP&E is
written off, and the related gain or loss is included in profit or loss. The
costs of the day-to-day
servicing of PP&E are recognized in profit or loss as incurred.

Name: **Westario Power Inc.**

BN: **89276 4416 RC 0003**

Tax Year Start: **2016-01-01**

Tax Year End: **2016-12-31**

The need to estimate the decommissioning costs at the end of the useful lives
of certain assets
is reviewed periodically. The Corporation has concluded it does not have any
legal or
constructive obligation to remove PP&E.
Depreciation is calculated to write off the cost of items of PP&E using the
straight-line method
over their estimated useful lives, and is generally recognized in profit or
loss. Depreciation
methods, useful lives, and residual values are reviewed at each reporting date
and adjusted
prospectively if appropriate. Land is not depreciated. Construction-in-
progress assets are not
depreciated until the project is complete and the asset is available for use.
The estimated useful lives are as follows:
Years
Buildings 50
Distribution stations 45
Distribution lines, overhead 65
Distribution lines, underground 60
Distribution equipment 45 V 60
Distribution transformers 40
Meters 15 V 35
Communications equipment 10
Computer equipment 5
Office furniture 10
Tools and garage equipment 10
Trucks 10 - 15

(e) Intangible assets

Intangible assets used in rate-regulated activities and acquired prior to
January 1, 2014 are
measured at deemed cost, less accumulated amortization. All other intangible
assets are
measured at cost.

Computer software that is acquired or developed by the Corporation after
January 1, 2014,
including software that is not integral to the functionality of equipment
purchased which has
finite useful lives, is measured at cost less accumulated amortization.

Amortization is recognized in profit or loss on a straight-line basis over the
estimated useful
lives of intangible assets, other than goodwill, from the date that they are
available for
use. Amortization methods and useful lives of all intangible assets are
reviewed at each
reporting date and adjusted prospectively if appropriate. The estimated useful
lives are:

Years

Computer software 5

Westario Power Inc.

Notes to Financial Statements

Year ended December 31, 2016

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3. Significant accounting policies (continued)

(f) Impairment

(i) Financial assets measured at amortized cost

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss is calculated as the difference between an asset s carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Interest on the impaired assets continues to be recognized through the unwinding of the discount. Losses are recognized in profit or loss. An impairment loss is reversed through profit or loss if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

(ii) Non-financial assets

The carrying amounts of the Corporation's non-financial assets, other than materials and supplies and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or CGU).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a prorate basis, if applicable.

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

Westario Power Inc.

Notes to Financial Statements

Year ended December 31, 2016

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3. Significant accounting policies (continued)

(g) Customer deposits

Customer deposits represent cash deposits from electricity distribution customers and retailers to guarantee the payment of energy bills. Interest is paid on customer deposits.

Deposits are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Corporation in accordance with policies set out by the OEB or upon termination of their electricity distribution service.

(h) Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Regulatory balances

Regulatory deferral account debit balances represent costs incurred in excess of amounts billed to the customer at OEB approved rates. Regulatory deferral account credit balances represent amounts billed to the customer at OEB approved rates in excess of costs incurred by the Corporation.

Regulatory deferral account debit balances are recognized if it is probable that future billings in an amount at least equal to the deferred cost will result from inclusion of that cost in allowable costs for rate-making purposes. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. When the customer is billed at rates approved by the OEB for the recovery of the deferred costs, the customer billings are recognized in revenue.

The regulatory debit balance is reduced by the amount of these customer billings with the offset to net movement in regulatory balances in profit or loss or OCI.

The probability of recovery of the regulatory deferral account debit balances is assessed annually based upon the likelihood that the OEB will approve the change in rates to recover the balance. The assessment of likelihood of recovery is based upon previous decisions made

by the OEB for similar circumstances, policies or guidelines issued by the
OEB. Any resulting
impairment loss is recognized in profit or loss in the year incurred.
When the Corporation is required to refund amounts to ratepayers in the
future, the Corporation
recognizes a regulatory deferral account credit balance. The offsetting amount
is recognized
in net movement in regulatory balances in profit or loss or OCI. The amounts
returned to the
customers are recognized as a reduction of revenue. The credit balance is
reduced by the
amount of these customer repayments with the offset to net movement in
regulatory balances
in profit or loss or OCI.

Westario Power Inc.
Notes to Financial Statements
Year ended December 31, 2016
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3. Significant accounting policies (continued)
(j) Post-employment benefits
i. Pension plan

The Corporation provides a pension plan for all its full-time employees
through Ontario
Municipal Employees Retirement System (OMERS). OMERS is a multi-employer
pension plan which operates as the Ontario Municipal Employees Retirement Fund
(the
Fund), and provides pensions for employees of Ontario municipalities, local
boards and

public utilities. The Fund is a contributory defined benefit pension plan,
which is financed
by equal contributions from participating employers and employees, and by the
investment
earnings of the Fund. To the extent that the Fund finds itself in an under-
funded position,
additional contribution rates may be assessed to participating employers and
members.
OMERS is a defined benefit plan. However, as OMERS does not segregate its
pension
asset and liability information by individual employers, there is insufficient
information
available to enable the Corporation to directly account for the plan.
Consequently, the
plan has been accounted for as a defined contribution plan. The Corporation is
not
responsible for any other contractual obligations other than the
contributions. Obligations
for contributions to defined contribution pension plans are recognized as an
employee
benefit expense in profit or loss when they are due.
ii. Post-employment benefits, other than pension
The Corporation provides some of its retired employees with life insurance and
medical
benefits beyond those provided by government sponsored plans. The obligations
for these
post-employment benefit plans are actuarially determined by applying the
projected unit

credit method and reflect management s best estimate of certain underlying assumptions.

Re-measurements of the net defined benefit obligations, including actuarial gains and losses and the return on plan assets (excluding interest), are recognized immediately in other comprehensive income. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized immediately in profit or loss as part of operating expenses.

(k) Finance income and finance costs

Finance income is recognized as it accrues in profit or loss, using the effective interest method.

Finance income comprises interest earned on cash and cash equivalents.

Finance costs comprise interest expense on borrowings, finance lease obligations and unwinding of the discount on provisions, net interest expense on post-employment benefits and impairment losses on financial assets. Finance costs are recognized in profit or loss unless they are capitalized as part of the cost of qualifying assets.

3. Significant accounting policies (continued)

(l) Income taxes

The income tax expense comprises current and deferred tax. Income tax expense
is
recognized in profit or loss except to the extent that it relates to items
recognized directly in
equity, in which case, it is recognized in equity.
The Corporation is currently exempt from taxes under the Income Tax Act
(Canada) and the
Ontario Corporations Tax Act (collectively the Tax Acts). Under the
Electricity Act, 1998, the
Corporation makes payments in lieu of corporate taxes to the Ontario
Electricity Financial
Corporation (OEFC). These payments are calculated in accordance with the
rules for
computing taxable income and taxable capital and other relevant amounts
contained in the Tax
Acts as modified by the Electricity Act, 1998, and related regulations. Prior
to October 1, 2001,
the Corporation was not subject to income or capital taxes. Payments in lieu
of taxes are
referred to as income taxes.
Current tax comprises the expected tax payable or receivable on the taxable
income or loss for
the year, using tax rates enacted or substantively enacted at the reporting
date, and any
adjustment to tax payable in respect of previous years.
Deferred tax is recognized in respect of temporary differences between the tax
basis of assets
and liabilities and their carrying amounts for accounting purposes. Deferred

tax assets are
recognized for unused tax losses, unused tax credits and temporary differences
to the extent
that it is probable that future taxable profits will be available against
which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to
temporary
differences when they reverse, using tax rates enacted or substantively
enacted, at the
reporting date.

(m) Change in accounting policies

The Company has adopted the following amendments to standards, with a date of
initial
application of January 1, 2016.

Annual Improvements to IFRS (2012-2014) cycle

On September 25, 2014 the IASB issued narrow-scope amendments to a total of
four standards
as part of its annual improvements process. The amendments will apply for
annual periods
beginning on or after January 1, 2016. Earlier application is permitted, in
which case, the related
consequential amendments to other IFRSs would also apply. Each of the
amendments has its
own specific transition requirements .Amendments were made to clarify the
following in their
respective standards:

h Changes in method for disposal under IFRS 5 Non-current Assets Held for
Sale and

Discontinued;

h Operations;

h Continuing involvement for servicing contracts and offsetting disclosures

in condensed

interim financial;

h statements under IFRS 7 Financial Instruments: Disclosures;

h Discount rate in a regional market sharing the same currency under IAS 19

Employee

Benefits; and

h Disclosure of information elsewhere in the interim financial report

under IAS 34 Interim

Financial Reporting

The amendments did not result in a material impact on the financial

statements.

Westario Power Inc.

Notes to Financial Statements

Year ended December 31, 2016

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4. Standards issued but not yet adopted

There are new standards, amendments to standards and interpretations which

have not been

applied in preparing these financial statements. The Corporation is still

evaluating the adoption of

the following new and revised standards along with any subsequent amendments.

i. Disclosure Initiative

On January 7, 2016 the IASB issued Disclosure Initiative (Amendments to IAS

7). The amendments

apply prospectively for annual periods beginning on or after January 1, 2017.

Earlier application is
permitted.
The amendments require disclosures that enable users of financial statements
to evaluate changes
in liabilities arising from financing activities, including both changes
arising from cash flow and noncash
changes. One way to meet this new disclosure requirement is to provide a
reconciliation
between the opening and closing balances for liabilities from financing
activities.
The Company will adopt the amendments to IAS 7 in its financial statements for
the annual period
beginning on January 1, 2017. The Company does not expect the amendments to
have a material
impact on the financial statements.
ii. Recognition of Deferred Tax Assets for Unrealized Losses
On January 19, 2016 the IASB issued Recognition of Deferred Tax Assets for
Unrealized Losses
(Amendments to IAS 12). The amendments apply retrospectively for annual
periods beginning on
or after January 1, 2017. Earlier application is permitted
The amendments clarify that the existence of a deductible temporary difference
depends solely on
a comparison of the carrying amount of an asset and its tax base at the end of
the reporting period,
and is not affected by possible future changes in the carrying amount or
expected manner of
recovery of the asset. The amendments also clarify the methodology to

determine the future taxable
profits used for assessing the utilization of deductible temporary
differences.

The Company will adopt the amendments to IAS 12 in its financial statements
for the annual period
beginning on January 1, 2017. The extent of the impact of adoption of the
amendments has not yet
been determined.

iii. Revenue from Contracts with Customers

On May 28, 2014 the IASB issued IFRS 15 Revenue from Contracts with Customers.
The new
standard is effective for annual periods beginning on or after January 1,
2018. Earlier application
is permitted. IFRS 15 will replace IAS 11 Construction Contracts, IAS 18
Revenue, IFRIC 13
Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real
Estate, IFRIC
18 Transfer of Assets from Customers, and SIC 31 Revenue V Barter
Transactions Involving
Advertising Services. On April 12, 2016, the IASB issued Clarifications to
IFRS 15, Revenue from
Contracts with Customers, which is effective at the same time as IFRS 15.

The standard contains a single model that applies to contracts with customers
and two approaches
to recognizing revenue: at a point in time or over time. The model features a
contract-based fivestep
analysis of transactions to determine whether, how much and when revenue is
recognized.

New estimates and judgmental thresholds have been introduced, which may affect the amount
and/or timing of revenue recognized.

4. Standards issued but not yet adopted (continued)

iii. Revenue from Contracts with Customers (continued)

The new standard applies to contracts with customers. It does not apply to insurance contracts,
financial instruments or lease contracts, which fall in the scope of other IFRSs. The clarifications to
IFRS 15 provide additional guidance with respect to the five-step analysis, transition, and the
application of the Standard to licenses of intellectual property.

The Company intends to adopt IFRS 15 and the clarifications in its financial statements for the
annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard
has not yet been determined.

iv. Financial Instruments

On July 24, 2014 the IASB issued the complete IFRS 9 (IFRS 9 (2014)). The mandatory effective
date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied
retrospectively with some exemptions. Early adoption is permitted. The restatement of prior periods

is not required and is only permitted if information is available without the use of hindsight.

IFRS 9 (2014) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2014), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The standard introduces additional changes relating to financial liabilities. It also amends the impairment model by introducing a new expected credit loss model for calculating impairment. IFRS 9 (2014) also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness, however it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship.

The Company intends to adopt IFRS 9 (2014) in its financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

v. Leases

On January 13, 2016 the IASB issued IFRS 16 Leases. The new standard is

effective for annual
periods beginning on or after January 1, 2019. Earlier application is
permitted for entities that apply
IFRS 15 Revenue from Contracts with Customers at or before the date of initial
adoption of IFRS
16. IFRS 16 will replace IAS 17 Leases.
This standard introduces a single lessee accounting model and requires a
lessee to recognize
assets and liabilities for all leases with a term of more than 12 months,
unless the underlying asset
is of low value. A lessee is required to recognize a right-of-use asset
representing its right to use
the underlying asset and a lease liability representing its obligation to make
lease payments. This
standard substantially carries forward the lessor accounting requirements of
IAS 17, while requiring
enhanced disclosures to be provided by lessors. Areas of the lease accounting
model have been
impacted, including the definition of a lease. Transitional provisions have
been provided.
The Company intends to adopt IFRS 16 in its financial statements for the
annual period beginning
on January 1, 2019. The Company does not expect the standard to have a
material impact on the
financial statements.
Westario Power Inc.
Notes to Financial Statements
Year ended December 31, 2016

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4. Standards issued but not yet adopted (continued)

vi. Annual Improvements to IFRS Standards (2014-2016) Cycle

On December 8, 2016 the IASB issued narrow-scope amendments to three standards as part of its annual improvements process. Each of the amendments has its own specific transition requirements and effective date.

Amendments were made to the following standards:

E Clarification that IFRS 12 Disclosures of Interests in Other Entities also applies to interests that are classified as held for sale, held for distribution, or discontinued operations, effective retrospectively for annual periods beginning on or after January 1, 2017;

E Removal of out-dated exemptions for first time adopters under IFRS 1 First-time Adoption of International Financial Reporting Standards, effective for annual periods beginning on or after January 1, 2018; and

E Clarification that the election to measure an associate or joint venture at fair value under IAS 28 Investments in Associates and Joint Ventures for investments held directly, or indirectly, through a venture capital or other qualifying entity can be made on an investment-by-investment basis. The amendments are effective retrospectively for annual periods beginning on or after January 1, 2018.

The Company intends to adopt these amendments in its financial statements for the annual period

beginning on January 1, 2017 or 2018 as applicable. The Company does not

expect the

amendments to have a material impact on the financial statements.

5. Accounts receivable

2016 2015

Trade receivables $ 3,427,160 $ 3,424,500

Other receivables 992,445 1,610,637

Billable work 429,569 79,624

$ 4,849,174 $ 5,114,761

6. Materials and supplies

The amount of materials and supplies written down due to obsolescence in 2016

was $2,548 (2015

- $36,975).

Westario Power Inc.

Notes to Financial Statements

Year ended December 31, 2016

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7. Property, plant and equipment

Land and Distribution Other fixed Construction

buildings equipment assets -in-progress Total

Cost or deemed cost

Balance at January 1, 2016 $ 2,499,556 $ 38,746,643 $ 2,300,672 $ 953,823

$44,500,694

Additions 7,144 5,519,871 259,843 (421,170) 5,365,688

Transfers - - - - -

Disposals/retirements - (170,711) (8,314) - (179,025)

Balance at December 31, 2016 $ 2,506,700 $ 44,095,803 $ 2,552,201 $ 532,653

$49,687,357

Balance at January 1, 2015 $ 2,458,607 $ 35,458,418 $ 1,910,171 $ 312,233

$40,139,429

Additions 40,949 3,492,705 391,289 641,590 4,566,533

Transfers - - - - -

Disposals/retirements - (204,480) (788) - (205,268)

Balance at December 31, 2015 $ 2,499,556 $ 38,746,643 $2,300,672 $ 953,823

$44,500,694

Accumulated depreciation

Balance at January 1, 2016 $ 106,495 $ 2,622,767 $ 479,903 $ - $3,209,165

Depreciation 53,976 1,423,440 306,812 - 1,784,228

Disposals/retirements - (23,454) (8,314) - (31,768)

Balance at December 31, 2016 $ 160,471 $ 4,022,753 $ 778,401 $ - $ 4,961,625

Balance at January 1, 2015 $ 53,025 $ 1,276,268 $ 216,150 $ - $ 1,545,443

Depreciation 53,470 1,346,499 263,753 - 1,663,722

Disposals/retirements - - - - -

Balance at December 31, 2015 $ 106,495 $ 2,622,767 $ 479,903 $ - $ 3,209,165

Carrying amounts

At December 31, 2016 $ 2,346,229 $ 40,073,050 $1,773,800 $ 532,653 $44,725,732

At December 31, 2015 2,393,061 36,123,876 1,820,769 953,823 41,291,529

At December 31, 2016 land and buildings with a carrying amount of $2,346,229

(2015 -

$2,393,061) are subject to a general security agreement.

During the year, borrowing costs of nil (2015 - nil) were capitalized as part

of the cost of property,

plant and equipment. A capitalization rate of nil (2015 - nil) was used to

determine the amount of

borrowing costs to be capitalized.

PP&E and intangible asset purchase commitments outstanding as at December 31,

2016 was

$308,074 (2015 - $820,622).

Westario Power Inc.

Notes to Financial Statements

Year ended December 31, 2016

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8. Intangible assets

Computer q

Goodwill software Total

Cost or deemed cost

Balance at January 1, 2016 $ 2,214,322 $ 527,609 $ 2,741,931

Additions - 406,812 406,812

Disposals/retirements - (252,608) (252,608)

Balance at December 31, 2016 2,214,322 681,813 2,896,135

Balance at January 1, 2015 2,214,322 339,619 2,553,941

Additions - 187,990 187,990

Balance at December 31, 2015 $ 2,214,322 $ 527,609 $ 2,741,931

Accumulated amortization

Balance at January 1, 2016 $ - $ 239,615 $ 239,615

Amortization - 51,311 51,311

Disposals/retirements - (50,147) (50,147)

Balance at December 31, 2016 - 240,779 240,779

Balance at January 1, 2015 - 114,869 114,869

Amortization - 124,746 124,746

Balance at December 31, 2015 $ - $ 239,615 $ 239,615

Carrying amounts

At December 31, 2016 $ 2,214,322 $ 441,034 $ 2,655,356

At December 31, 2015 2,214,322 287,994 2,502,316

Westario Power Inc.

Notes to Financial Statements

Year ended December 31, 2016

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9. Income tax expense

Income tax expense is comprised of:

2016 2015

Current tax expense $ 102,000 $ 308,000

Deferred tax expense:

Change in recognized deductible temporary differences

Property, plant and equipment $ 324,000 $ 311,000

Intangible assets 12,000 14,000

Post-retirement benefits 5,000 4,000

Unrealized interest 93,000 (47,000)

Other 42,000 (17,000)

$ 476,000 $ 265,000

Income tax expense $ 578,000 $ 573,000

Other comprehensive income

Post-retirement benefits (1,000) (2,000)

Other 3,000 -

Net movement in regulatory balances (337,000) (345,000)

Income tax expense recognized in Statement of

Comprehensive Income $ 243,000 $ 226,000

Reconciliation of effective tax rate:

2016 2015

Income before taxes $ 2,191,504 $2,128,120

Canada and Ontario statutory Income tax rates 26.5% 26.5%

Expected tax provision on income at statutory rates 581,000 564,000

Increase (decrease) in income taxes resulting from:

Permanent differences 1,000 3,000

Recognized deductible temporary differences due

to/from customers (337,000) (345,000)

Other (2,000) 4,000

Income tax expense $ 243,000 $ 226,000

Westario Power Inc.

Notes to Financial Statements

Year ended December 31, 2016

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9. Income tax expense (continued)

Significant components of the Corporation s deferred tax balances:

2016 2015

Deferred tax assets (liabilities):

Property, plant and equipment $ (1,686,000) $ (1,362,000)

Intangible assets (278,000) (266,000)

Post-employment benefits 102,000 106,000

Unrealized interest 341,000 434,000

Other (192,000) (147,000)

$ (1,713,000) $ (1,235,000)

10. Regulatory balances

Reconciliation of the carrying amount for each class of regulatory balances:

Regulatory deferral account

debit balances

January 1,

2016 Additions

Recovery/

reversal

December 31,

2016

Remaining

recovery/

reversal

years

Group 1 deferred accounts $ 2,814,478 $ 2,521,233 $ (201,225) $ 5,134,486 1

Regulatory settlement account 5,992,621 2,240,430 (145,944) 8,087,107 1

Other regulatory accounts 1,648,580 26,013 (291) 1,674,302 3

Income tax 1,626,000 337,000 - 1,963,000

$ 12,081,679 $ 5,124,676 $ (347,460) $ 16,858,895

Regulatory deferral account

debit balances

January 1,

2015 Additions

Recovery/

reversal

December 31,

2015

Remaining

years

Group 1 deferred accounts $ 7,916,718 $ 953 $ (5,103,193) $ 2,814,478 1

Regulatory settlement account 2,912,467 3,085,323 (5,169) 5,992,621 1

Other regulatory accounts 1,636,300 25,712 (13,432) 1,648,580 3

Income tax 1,281,000 345,000 - 1,626,000

$ 13,746,485 $ 3,456,988 $ (5,121,794) $ 12,081,679

Regulatory deferral account

credit balances

January 1,

2016 Additions

Recovery/

reversal

December 31,

2016

Remaining

years

Group 1 deferred accounts $ (2,115,484) $ 78,400 $ (1,069,818) $ (3,106,902) 1

Regulatory settlement account (4,654,794) - (3,120,138) (7,774,932) 1

Other regulatory accounts (1,715,797) 126,371 (6,304) (1,595,730) 3

$ (8,486,075) $ 204,771 $ (4,196,260) $ (12,477,564)

Regulatory deferral account

credit balances

January 1,

2015 Additions

Recovery/

reversal

December 31,

2015

Remaining

years

Group 1 deferred accounts $ (4,507,771) $ 2,974,440 $ (582,153) $ (2,115,484)

1

Regulatory settlement account (2,301,645) - (2,353,149) (4,654,794) 1

Other regulatory accounts (1,712,206) 134,503 (138,094) (1,715,797) 3

$ (8,521,622) $ 3,108,943 $ (3,073,396) $ (8,486,075)

Westario Power Inc.

Notes to Financial Statements

Year ended December 31, 2016

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10. Regulatory balances (continued)

IFRS 14 Regulatory Deferral Accounts, paragraph 36 stipulates that when an entity concludes that a regulatory deferral account balance is no longer fully recoverable or reversible, it shall disclose that fact, the reason why it is not recoverable or reversible and the amount by which the regulatory deferral account balance has been reduced. The Corporation continues to reasonably expect full recovery of regulatory balances.

The regulatory balances are recovered or settled through rates approved by the OEB which are determined using estimates of future consumption of electricity by its customers. Future consumption is impacted by various factors including the economy and weather. The Corporation has received approval from the OEB to establish its regulatory balances.

Settlement of the Group 1 deferral accounts is done on an annual basis through application to the OEB. An application was made to the OEB to recover $1,447,781 of the Group 1 deferral accounts.

Approval was received March 17, 2016. The approved account balance has been moved to the regulatory settlement account. The balance is to be recovered over a period of

12 months.

The OEB requires the Corporation to estimate its income taxes when it files a
COS application to
set its rates. As a result, the Corporation has recognized a regulatory
deferral account for the
amount of deferred taxes that will ultimately be recovered from/paid back to
its customers. This
balance will fluctuate as the Corporation s deferred tax balance fluctuates.
Settlement of the
regulatory transition to IFRS account has been approved by the OEB with
recovery from the
customers over a period of up to 4 years, completed December 31, 2016.
Regulatory balances attract interest at OEB prescribed rates, which are based
on Bankers'
Acceptances three-month rate plus a spread of 25 basis points. In 2016 the
annual rate was 1.1%.

11. Accounts payable and accrued liabilities

2016 2015

Accounts payable V energy purchases $ 6,949,251 $ 4,539,827

Debt retirement charge payable to OEFC 131,818 228,582

Payroll 64,807 99,812

Interest 86,448 78,099

Trade and other 1,714,247 1,669,905

$ 8,946,571 $ 6,616,225

Westario Power Inc.

Notes to Financial Statements

Year ended December 31, 2016

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12. Long-term debt

2016 2015

Non-revolving term installment loan bearing interest

at the Banker s Acceptance rate of 5.33% plus a

stamping fee of 0.80%, payable in blended monthly

installments of $48,800, due February 22, 2022

$ 2,587,274 $ 3,000,340

Non-revolving term installment loan bearing interest

at the Banker s Acceptance rate of 3.38% plus a

stamping fee of 1.65%, payable in blended monthly

installments of $27,900 due December 30, 2024

1,690,785 1,800,639

Non-revolving term installment loan bearing interest

at the Banker s Acceptance rate of 5.38% plus a

stamping fee of 0.80%, payable in blended monthly

installments of $18,200 due July 2, 2027

2,202,000 2,420,154

Non-revolving term installment loan bearing interest

at the Banker s Acceptance rate of 3.34% plus a

stamping fee of 1.00%, payable in blended monthly

installments of $22,705 due August 18, 2028

2,490,762 2,651,326

Non-revolving term installment loan bearing interest

at the Banker s Acceptance rate of 2.99% plus a

stamping fee of 1.00%, payable in blended monthly

installments of $22,176 due June 12, 2029

2,615,774 2,774,070

Shareholder loan Municipality of South Bruce, 4.12% payable quarterly, interest only

292,498 292,498

Shareholder loan Town of Hanover, 4.12% payable

quarterly, interest only

1,135,083 1,135,083

Shareholder loan Town of Saugeen Shores, 4.12%

payable quarterly, interest only

3,062,913 3,062,913

Shareholder loan Township of Huron Kinloss, 4.12%

payable quarterly, interest only

370,285 370,285

Shareholder loan Township of North Huron, 4.12%

payable quarterly, interest only

399,682 399,682

16,847,056 17,906,990

Current portion of term loans: (1,117,733) (1,059,933)

$ 15,729,323 $ 16,847,057

CIBC Term secured bank loans are secured by a general security agreement

conveying a security

interest in the personal property of the Corporation, a first priority present

and future fixed charge

securing not more than $2,500,000 over the real property at 24 Eastridge Road,

and

acknowledgement of fire insurance, with first loss payable to CIBC.

Westario Power Inc.

Notes to Financial Statements

Year ended December 31, 2016

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12. Long-term debt (continued)

The Corporation entered into an interest rate swap agreement on a notional principal of $5,655,638 as at June 28, 2007 maturing on February 28, 2022 for CIBC Term #1. The swap is a receive variable, pay fixed swap with the CIBC World Markets. This agreement has effectively converted variable interest rates on the unsecured Banker's Acceptances to an effective fixed interest rate of 5.33% plus stamping fee.

The Corporation entered into an interest rate swap agreement on a notional principal of $3,277,000 as at June 30, 2011 maturing on December 30, 2024 for CIBC Term #2. The swap is a receive variable, pay fixed swap with the CIBC World Markets. This agreement has effectively converted variable interest rates on the unsecured Banker's Acceptances to an effective fixed interest rate of 3.38% plus stamping fee.

The Corporation entered into an interest rate swap agreement on a notional principal of $2,500,000 as at July 3, 2012 maturing on July 2, 2027 for CIBC Term #3. The swap is a receive variable, pay fixed swap with the CIBC World Markets. This agreement has effectively converted variable interest rates on the unsecured Banker's Acceptances to an effective fixed interest rate of 5.38% plus stamping fee.

The Corporation entered into an interest rate swap agreement on a notional principal of $3,000,000 as at August 19, 2013 maturing on August 18, 2028 for CIBC Term #4. The swap is a receive variable, pay fixed swap with the CIBC World Markets. This agreement has effectively converted variable interest rates on the unsecured Banker's Acceptances to an effective fixed interest rate of 3.34% plus stamping fee.

The Corporation entered into an interest rate swap agreement on a notional principal of $3,000,000 as at June 12, 2014 maturing on June 12, 2029 for CIBC Term #5. The swap is a receive variable, pay fixed swap with the CIBC World Markets. This agreement has effectively converted variable interest rates on the unsecured Banker's Acceptances to an effective fixed interest rate of 2.99% plus stamping fee.

The five swaps entered into by the Corporation do not meet the standard to apply hedge accounting. Accordingly, the interest rate swap contracts are marked to market at each year end with the gain or loss recorded in the statement of operations. The net gain on all the swaps recorded in 2016 was $350,268 (2015 loss - $174,330).

The shareholders notes are only due on demand to the extent the shareholder can request payment ninety days prior to year end. In the event a request is made, the

Corporation is obligated
to repay the shareholder during the following fiscal year. No repayments are
required without a
written request. No amounts were requested by shareholders of the Corporation
on or before
September 30, 2016. Shareholder loans bear interest at 4.12% payable
quarterly.
Westario Power Inc.
Notes to Financial Statements
Year ended December 31, 2016
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13. Post-employment benefits
(a) OMERS pension plan
The Corporation provides a pension plan for its employees through OMERS. The
plan is a
multi-employer, contributory defined pension plan with equal contributions by
the employer and
its employees. In 2016, the Corporation made employer contributions of
$248,751 to OMERS
(2015 - $251,526), of which approximately $47,500 (2015 - $23,751) has been
capitalized as
part of PP&E and the remaining amount of $201,251 (2015 - $227,774) has been
recognized
in profit or loss. The Corporation estimates that a contribution of $260,000
to OMERS will be
made during the next fiscal year.
As at December 31, 2016, OMERS had approximately 470,000 members, of whom 34
are

employees of the Company. The most recently available OMERS annual report is
for the year
ended December 31, 2016, which reported that the plan was 93.4% funded, with
an unfunded
liability of $5.7 billion. This unfunded liability is likely to result in
future payments by participating
employers and members.

(b) Post-employment benefits other than pension

The Corporation pays certain life insurance benefits on behalf of some of its
retired employees.

The Corporation recognizes these post-employment benefits in the year in which
employees
services were rendered. The Corporation is recovering its post-employment
benefits in rates
based on the expense and re-measurements recognized for post-employment
benefit plans.

Reconciliation of the obligation 2016 2015

Defined benefit obligation, beginning of year $ 398,965 $ 406,551

Included in profit or loss

Current service cost - 144

Interest cost 14,644 14,881

14,644 15,025

Included in OCI

Actuarial (gains) losses arising from:

Changes in actual and expected plan experience (1,989) 7,467

Changes in financial assumptions - (183)

(1,989) 7,284

Benefits paid (25,193) (29,895)

Defined benefit obligation, end of year $ 386,427 $ 398,965

Actuarial assumptions 2016 2015

Discount rate 3.80% 3.80%

Salary levels actuals actuals

A 1% increase in the assumed discount rate would result in the defined benefit obligation

decreasing by $ 45,000. A 1% decrease in the assumed discount rate would result in the

defined benefits obligation increasing by $ 56,000.

Westario Power Inc.

Notes to Financial Statements

Year ended December 31, 2016

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14. Share capital

2016 2015

Authorized:

Unlimited number of common shares

Issued:

10,000 common shares $ 18,269,168 $ 18,269,168

Dividends

The Corporation has established a dividend policy with consideration given to the cash position,

the working capital requirements, the net capital expenditures requirements and other

considerations from time to time.

The Corporation paid aggregate dividends in the year on common shares of $80 per share (2015 -

$75), which amount to total dividends paid in the year of $800,000 (2015 -

$750,007).

15. Other revenue

2016 2015

Rendering of services $ 485,973 $ 522,117

Amortization of contributions received from customers 25,329 8,360

Revenue guarantee retained revenue 32,522 -

Performance incentive payments under CDM programs - 140,226

$ 543,824 $ 670,703

16. Employee salaries and benefits

2016 2015

Salaries, wages and benefits $ 2,594,355 $ 2,491,984

CPP and EI remittances 147,577 125,209

Contributions to OMERS 248,751 251,526

Post-employment benefit plans 25,193 25,274

$ 3,015,876 $ 2,893,993

17. Operating expenses

2016 2015

Contract/consulting $ 1,634,830 $ 1,146,725

Materials and supplies 40,113 357,740

Vehicles 103,263 60,381

Write down of material and supplies 2,548 36,795

Losses on disposal of property, plant and equipment 146,493 201,444

Other 1,029,126 730,085

$ 2,956,373 $ 2,533,170

Westario Power Inc.

Notes to Financial Statements

Year ended December 31, 2016

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18. Finance income and costs

2016 2015

Finance income

Interest income on bank deposits $ 37,792 $ 65,638

Finance costs

Interest expense on long-term debt $ 830,637 $ 918,821

Interest expense on customer deposits 7,651 2,230

Net interest expense on post-employment benefits 14,644 14,881

Impairment losses on accounts receivable 65,655 92,475

Other 56,273 58,925

974,860 1,087,332

Net finance costs recognized in profit or loss $ 937,068 $ 1,021,694

19. Commitments and contingencies

Contractual Obligations

In the normal course of operations, the Corporation executes agreements that can provide for the indemnification to third parties in transactions such as service agreements and purchases of goods. Under these agreements, the Corporation agrees to indemnify the counterparty against loss or liability arising from the acts or omissions of the Corporation in relation to the agreement.

General

From time to time, the Corporation is involved in various litigation matters arising in the ordinary course of its business. The Corporation has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the

Corporation s financial position, results of operations or its ability to

carry on any of its business

activities.

General Liability Insurance

The Corporation is a member of the Municipal Electric Association Reciprocal

Insurance Exchange

(MEARIE). MEARIE is a pooling of public liability insurance risks of many of

the LDCs in Ontario.

All members of the pool are subjected to assessment for losses experienced by

the pool for the

years in which they were members, on a pro-rata basis based on the total of

their respective service

revenues. As at December 31, 2016, no assessments have been made.

Westario Power Inc.

Notes to Financial Statements

Year ended December 31, 2016

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20. Related party transactions

Transactions with Shareholders

In the ordinary course of business, the Corporation delivers electricity to

the following

Shareholders that are billed at prices and under terms approved by the OEB.

h The Township of Huron-Kinloss

h The Municipality of Kincardine

h The Municipality of South Bruce

h The Town of Saugeen Shores

h The Township of North Huron

h The Municipality of Brockton

h The Town of Hanover

h The Town of Minto

In the ordinary course of business, the Corporation receives and pays for

services under

contract for Information Technology from Canadian Niagara Power Inc. a

subsidiary of

FortisOntario Inc.

Outstanding balances due from/(due to) related parties and shareholders are:

2016 2015

Due from:

The Township of Huron-Kinloss $ 6,805 $ -

The Municipality of Kincardine 73,326 -

The Municipality of South Bruce 66,184 34,393

The Town of Saugeen Shores 49,166 24,988

The Township of North Huron 36,957 371

The Municipality of Brockton 36,267 318

The Town of Hanover 65,882 17,922

The Town of Minto 45,484 -

$ 380,071 $ 77,992

Due to:

Canadian Niagara Power Inc. $ (29,867) $ (30,686)

The Township of Huron-Kinloss - (43,860)

The Municipality of Kincardine - (7,401)

The Town of Minto - (4,850)

(29,867) (86,797)

$ 350,204 $ (8,805)

Westario Power Inc.

Notes to Financial Statements

Year ended December 31, 2016

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21. Financial instruments and risk management

Fair value disclosure

The carrying values of cash and cash equivalents, accounts receivable, unbilled revenue, due from/to related parties and accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments. The carrying value of the customer deposits approximates fair value because the amounts are payable on demand.

The fair value of the long-term debt at December 31, 2016 is $11,586,596 (2015 - $14,282,876).

The fair value is calculated based on the present value of future principal and interest cash flows, discounted at the current rate of interest at the reporting date from a third party banking institution.

The Corporation holds shares in Sunlife that are traded on the TSX under symbol SLF. The closing price on the last trading day of the year is used to calculate the fair value of these shares.

The swap agreements are measured at fair value, which are provided by a third party banking institution and is based on market rates at the date of the valuation.

Financial risks

The Corporation understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives.

The Corporation s exposure

to a variety of risks such as credit risk, interest rate risk, and liquidity

risk, as well as related

mitigation strategies are discussed below.

(a) Credit risk

Financial assets carry credit risk that a counterparty will fail to discharge

an obligation which

could result in a financial loss. Financial assets held by the Corporation,

such as accounts

receivable, expose it to credit risk. The Corporation earns its revenue from a

broad base of

customers located in the Communities served as outlined in note 1. No single

customer

accounts for a balance in excess of 9% of total accounts receivable.

The carrying amount of accounts receivable is reduced through the use of an

allowance for

impairment and the amount of the related impairment loss is recognized in

profit or loss.

Subsequent recoveries of receivables previously provisioned are credited to

profit or loss. The

balance of the allowance for impairment at December 31, 2016 is $207,500 (2015

- $246,000).

An impairment loss of $65,655 (2015 - $90,250) was recognized during the year.

The Corporation s credit risk associated with accounts receivable is

primarily related to

payments from distribution customers. At December 31, 2016, approximately

$323,531 (2015

- $343,390) is considered 60 days past due. The Corporation has over 23,000
customers, the
majority of whom are residential. Credit risk is managed through collection of
security deposits
from customers in accordance with directions provided by the OEB. As at
December 31, 2016,
the Corporation holds security deposits in the amount of $531,720 (2015 -
$425,790).

Westario Power Inc.
Notes to Financial Statements
Year ended December 31, 2016
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21. Financial instruments and risk management (continued)

(b) Market risk

Market risks primarily refer to the risk of loss resulting from changes in
commodity prices,
foreign exchange rates, and interest rates. The Corporation currently does not
have any
material commodity or foreign exchange risk. The Corporation is exposed to
fluctuations in
interest rates as the regulated rate of return for the Corporation s
distribution business is
derived using a complex formulaic approach which is in part based on the
forecast for long-term
Government of Canada bond yields. This rate of return is approved by the OEB
as part of the
approval of distribution rates.

A 1% increase in the interest rate at December 31, 2016 would have increased interest

expense on the long-term debt by $168,471 (2015 - $180,028), assuming all

other variables

remain constant. A 1% decrease in the interest rate would have an equal but

opposite effect.

(c) Liquidity risk

The Corporation monitors its liquidity risk to ensure access to sufficient

funds to meet

operational and investing requirements. The Corporation s objective is to

ensure that sufficient

liquidity is on hand to meet obligations as they fall due while minimizing

interest exposure.

The Corporation has access to a $3.5 million credit facility and monitors cash

balances daily to

ensure that a sufficient level of liquidity is on hand to meet financial

commitments as they

become due. The line of credit bears interest at the bank s prime rate. The

credit facility is

secured by a general security agreement conveying a security interest in the

personal property

of the Corporation. As at December 31, 2016, $491,269 amounts had been drawn

under the

Corporation s $3.5 million credit facility.

The Corporation as part of its credit facility also has a bilateral facility

for $1,897,399 (the LC

facility) for the purpose of issuing letters of credit mainly to support the

prudential requirements

of the IESO, of which $1,897,399 has been drawn and posted with the IESO (2015

-

$1,897,399).

The Corporation as part of its credit facility also has a standby letter of

credit for $100,000 (the

LC facility) for the purpose of issuing letters of credit to the Ministry

of Environment with

regards to compliance under the terms of the Provisional Certificate of

Approval for Waste

Management System. Currently $100,000 has been drawn and posted with the

Ministry of

Environment (2015 - $100,000).

The majority of accounts payable, as reported on the statement of financial

position, are due

within 30 days.

(d) Capital disclosures

The main objectives of the Corporation, when managing capital, are to ensure

ongoing access

to funding to maintain and improve the electricity distribution system,

compliance with

covenants related to its credit facilities, prudent management of its capital

structure with regard

for recoveries of financing charges permitted by the OEB on its regulated

electricity distribution

business, and to deliver the appropriate financial returns.

The Corporation s definition of capital includes shareholder s equity and

long-term debt. As at

December 31, 2016, shareholder s equity amounts to $31,291,627 (2015 -

$30,143,123) and

long-term debt amounts to $15,729,323 (2015 - $16,847,057).

Canada Revenue Agency / Agence du revenu du Canada

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business Number	Tax year end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

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

Amount calculated on line 9999 from Schedule 125 . . . . . 1,948,504 A

Add:

Provision for income taxes – current	101	243,000	
Interest and penalties on taxes	103	1,412	
Amortization of tangible assets	104	1,613,358	
Loss on disposal of assets	111	142,733	
Charitable donations and gifts from Schedule 2	112	12,645	
Non-deductible meals and entertainment expenses	121	2,954	
Subtotal of additions		2,016,102 ▶	2,016,102

Other additions:

Miscellaneous other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	16,822
2	Post retirement - end of year	386,427
3	Swap Valuation - current year	1,286,079
4	Items capitalized for tax purposes	252,607
	Total of column 2	1,941,935

Total of column 2 1,941,935 ▶	296	1,941,935	
Subtotal of other additions	199	1,941,935 ▶	1,941,935
Total additions	500	3,958,037 ▶	3,958,037 B

Amount A **plus** amount B . . . . . 5,906,541 C

Deduct:

Capital cost allowance from Schedule 8	403	3,226,253	
Cumulative eligible capital deduction from Schedule 10	405	46,111	
Subtotal of deductions		3,272,364 ▶	3,272,364

Other deductions:

Miscellaneous other deductions:

	1 Description 705	2 Amount 395
1	Post Retirement - beg of year	398,965
2	Unrealized gain on investments - OCI	9,606
3	Swap Valuation - prior year	1,636,347
4	Capital items expensed for tax purposes	5,021
5	Amortization of LTA	3,431
6	Regulatory asset adjustment	180,674
	Total of column 2	2,234,044

Total of column 2 2,234,044 ▶ 396 2,234,044

Subtotal of other deductions	499	2,234,044 ▶	2,234,044	
Total deductions	510	5,506,408 ▶	5,506,408	D
Net income (loss) for income tax purposes (amount C **minus** amount D)			400,133	E

Enter amount E on line 300 of the T2 return.

Inducement

This form is used to calculate inducements that a corporation must add to its income under paragraph 12(1)(x) of the ITA. If an amount reduces the capital cost of a property, this amount will be indicated in Part "Tax credits whose amount should reduce the capital cost of property."

If you want to transfer an amount to Schedule 1 and include it in the corporation's income for tax purposes, select the corresponding check box in column A. You can also select the option **Select this check box to add all the amounts to income calculated in Schedule 1** to transfer all the amounts to Schedule 1. In either case, the column A check box will be selected for that amount and it will therefore be updated to Schedule 1.

Tax credits whose amount should be added to income

Select this check box to add all the amounts to income calculated in Schedule 1. . . . . ☐

Federal

A		
X	Investment tax credit from apprenticeship job creation expenditures	4,000
	Investment tax credit from child care spaces expenditures	
	Canadian film or video production tax credit* * Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
	Film or video production services tax credit* * Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
X	Investment tax credit claimed on contributions made to SR&ED farming organizations	

Ontario

A		
	Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
	Ontario co-operative education tax credit	
X	Ontario apprenticeship training tax credit	12,822
	Ontario computer animation and special effects tax credit* * Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
	Ontario film and television tax credit* * Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
	Ontario production services tax credit* * Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
	Ontario interactive digital media tax credit* * Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
	Ontario sound recording tax credit* * Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
	Ontario book publishing tax credit	
X	Portion of the Ontario innovation tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
	Ontario business-research institute tax credit	
	Ontario community food program donation tax credit for farmers	

Tax credits whose amount should reduce the capital cost of property

Canada Revenue Agency / Agence du revenu du Canada

Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

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

Part 1 – Charitable donations

Charity/Recipient	Amount ($100 or more only)
Various	12,645
Subtotal	12,645
Add: Total donations of less than $100 each	
Total donations in current tax year	12,645

Part 1 – Charitable donations

	Line	Federal		Québec	Alberta
Charitable donations at the end of the previous tax year			A		
Deduct: Charitable donations expired after five tax years*	239				
Charitable donations at the beginning of the current tax year	240		B		
Add:					
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250				
Total charitable donations made in the current year (include this amount on line 112 of Schedule 1)	210	12,645		12,645	12,645
Subtotal (line 250 **plus** line 210)		12,645	C	12,645	12,645
Subtotal (amount B **plus** amount C)		12,645	D	12,645	12,645
Deduct: Adjustment for an acquisition of control	255				
Total charitable donations available (amount D **minus** amount on line 255)		12,645	E	12,645	12,645
Deduct: Amount applied in the current year against taxable income (cannot be more than amount O in Part 2) (enter this amount on line 311 of the T2 return)	260	12,645		12,645	12,645
Charitable donations closing balance (amount E **minus** amount on line 260)	280				
Ontario community food program donation for farmers included in the amount on line 260 (for donations made after December 31, 2013)	262				
Ontario community food program donation tax credit for farmers (amount on line 262 **multiplied** by 25 %)			1		

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

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

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2015-12-31			
2nd prior year	2014-12-31			
3rd prior year	2013-12-31			
4th prior year	2012-12-31			
5th prior year	2011-12-31			
6th prior year*	2010-12-31			
7th prior year	2009-12-31			
8th prior year	2008-12-31			
9th prior year	2007-12-31			
10th prior year	2006-12-31			
11th prior year	2005-12-31			
12th prior year	2004-12-31			
13th prior year	2003-12-31			
14th prior year	2002-12-31			
15th prior year				
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total (to line A)				

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

Part 2 – Maximum allowable deduction for charitable donations

Net income for tax purposes* **multiplied** by 75 %			300,100	F
Taxable capital gains arising in respect of gifts of capital property included in Part 1 **	225	G		
Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01)	227	H		
The amount of the recapture of capital cost allowance in respect of charitable donations	230			
Proceeds of disposition, **less** outlays and expenses**	I			
Capital cost**	J			
Amount I or J, whichever is less	235			
Amount on line 230 or 235, whichever is less		K		
Subtotal (**add** amounts G, H, and K)		L		
Amount L **multiplied** by 25 %				M
Subtotal (amount F **plus** amount M)			300,100	N
Maximum allowable deduction for charitable donations (enter amount E from Part 1, amount N, or net income for tax purposes, whichever is less)			12,645	O

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

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

Part 3 – Gifts of certified cultural property

	Code	Federal		Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year			A		
Deduct: Gifts of certified cultural property expired after five tax years*	439				
Gifts of certified cultural property at the beginning of the current tax year	440		B		
Add:					
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary	450				
Total gifts of certified cultural property in the current year (include this amount on line 112 of Schedule 1)	410				
Subtotal (line 450 **plus** line 410)			C		
Subtotal (amount B **plus** amount C)			D		
Deduct:					
Adjustment for an acquisition of control	455				
Amount applied in the current year against taxable income (enter this amount on line 313 of the T2 return)	460				
Subtotal (line 455 **plus** line 460)			E		
Gifts of certified cultural property closing balance (amount D **minus** amount E)	480				

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

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2015-12-31			
2nd prior year	2014-12-31			
3rd prior year	2013-12-31			
4th prior year	2012-12-31			
5th prior year	2011-12-31			
6th prior year*	2010-12-31			
7th prior year	2009-12-31			
8th prior year	2008-12-31			
9th prior year	2007-12-31			
10th prior year	2006-12-31			
11th prior year	2005-12-31			
12th prior year	2004-12-31			
13th prior year	2003-12-31			
14th prior year	2002-12-31			
15th prior year				
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

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

Part 4 – Gifts of certified ecologically sensitive land

	Line	Federal		Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year			F		
Deduct: Gifts of certified ecologically sensitive land expired after 5 tax years, or after 10 tax years for gifts made after February 10, 2014*	539				
Gifts of certified ecologically sensitive land at the beginning of the current tax year	540		G		
Add:					
Gifts of certified ecologically sensitive land transferred on an amalgamation or the wind-up of a subsidiary	550				
Total current-year gifts of certified ecologically sensitive land made before February 11, 2014 (include this amount on line 112 of Schedule 1)	510				
Total current-year gifts of certified ecologically sensitive land made after February 10, 2014 (include this amount on line 112 of Schedule 1)	520				
Subtotal (**add** lines 550, 510, and 520)			H		
Subtotal (amount G **plus** amount H)			I		
Deduct:					
Adjustment for an acquisition of control	555				
Amount applied in the current year against taxable income (enter this amount on line 314 of the T2 return)	560				
Subtotal (line 555 **plus** line 560)			J		
Gifts of certified ecologically sensitive land closing balance (amount I **minus** amount J)	580				

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

Amounts carried forward – Gifts of certified ecologically sensitive land

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

Year of origin:		Federal	Québec	Alberta
1st prior year	2015-12-31			
2nd prior year	2014-12-31			
3rd prior year	2013-12-31			
4th prior year	2012-12-31			
5th prior year	2011-12-31			
6th prior year*	2010-12-31			
7th prior year	2009-12-31			
8th prior year	2008-12-31			
9th prior year	2007-12-31			
10th prior year	2006-12-31			
11th prior year*	2005-12-31			
12th prior year	2004-12-31			
13th prior year	2003-12-31			
14th prior year	2002-12-31			
15th prior year				
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

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

Part 5 – Additional deduction for gifts of medicine

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

Federal

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

Québec

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

Alberta

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

where:
a is the **lesser** of line 2 and line 4
b is the eligible amount of gifts (line 600)
c is the proceeds of disposition (line 602)

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

* For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made before March 19, 2007, expire after five tax years and gifts made after March 18, 2007, expire after twenty tax years.

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2015-12-31			
2nd prior year	2014-12-31			
3rd prior year	2013-12-31			
4th prior year	2012-12-31			
5th prior year	2011-12-31			
6th prior year*	2010-12-31			
7th prior year	2009-12-31			
8th prior year	2008-12-31			
9th prior year	2007-12-31			
10th prior year	2006-12-31			
11th prior year	2005-12-31			
12th prior year	2004-12-31			
13th prior year	2003-12-31			
14th prior year	2002-12-31			
15th prior year				
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

* For the federal and Alberta, the 6th prior year gifts expire in the current year. For Québec, gifts made before March 19, 2007, expire after five tax years and gifts made after March 18, 2007, expire after twenty tax years.

Québec – Gifts of musical instruments

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

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2015-12-31	
2nd prior year	2014-12-31	
3rd prior year	2013-12-31	
4th prior year	2012-12-31	
5th prior year	2011-12-31	
6th prior year*	2010-12-31	
7th prior year	2009-12-31	
8th prior year	2008-12-31	
9th prior year	2007-12-31	
10th prior year	2006-12-31	
11th prior year	2005-12-31	
12th prior year	2004-12-31	
13th prior year	2003-12-31	
14th prior year	2002-12-31	
15th prior year		
16th prior year		
17th prior year		
18th prior year		
19th prior year		
20th prior year		
21st prior year*		
Total		

* These gifts expired in the current year.

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Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculations

Schedule 3

Corporation's name	Business number	Tax year-end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

- This schedule is for the use of any corporation to report:
  - non-taxable dividends under section 83;
  - deductible dividends under subsection 138(6);
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (b) or (d); or
  - taxable dividends paid in the tax year that qualify for a dividend refund.
- All legislative references are to the federal *Income Tax Act*.
- The calculations in this schedule apply only to private or subject corporations.
- A recipient corporation is **connected** with a payer corporation at any time in a tax year, if at that time the recipient corporation:
  - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
  - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- If you need more space, continue on a separate schedule.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- Column A1 – Enter "X" if dividends received from a foreign source.
- Column F1 – Enter the amount of dividends received reported in column 240 that are eligible.
- Column F2 – Enter the code that applies to the deductible taxable dividend.

Part 1 – Dividends received in the tax year

- Do **not** include dividends received from foreign non-affiliates.
- Complete columns B, C, D, H and I **only if** the payer corporation is **connected**

Important instructions to follow if the payer corporation is connected

- If your corporation's tax year-end is different than that of the **connected** payer corporation, your corporation could have received dividends from more than one tax year of the payer corporation. If so, **use a separate line** to provide the information for each tax year of the payer corporation.
- When completing Column J and K use the **special calculations provided in the notes**.

A Name of payer corporation (from which the corporation received the dividend) 200	A1	B Enter 1 if payer corporation is **connected** 205	C Business Number of **connected** corporation 210	D Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYY/MM/DD 220	E Non-taxable dividend under section 83 230

Total of column E (enter amount on line 402 of Schedule 1)

F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (a.1),(b), or (d)[note 1] **240**	F1 Eligible dividends (included in column F)	F2	G Amount of dividend included in column F that was received **before** 2016 **241**	H Total taxable dividends paid by **connected** payer corporation (for tax year in column D) **250**	I Dividend refund of the **connected** payer corporation (for tax year in column D)[note 2] **260**	J Dividends (from Column G) received **before** 2016 **multiplied** by 33 1/3%[note 3] **270**	K Dividends received **after** 2015 (column F **minus** column G) **multiplied** by 38 1/3%[note 4] **275**
Total of column F (enter amount on line 320 of the T2 Return)						**Total of column J** (enter amount on line a in Part 2)	**Total of column K** (enter amount on line b in Part 2)

1 If taxable dividends are received, enter the amount in column 240, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column 270 or column 275 as applicable. Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

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

3 For dividends received **before** 2016 from **connected** corporations, Part IV tax on dividends is equal to: Column G **multiplied** by Column I **divided** by Column H.

4 For dividends received **after** 2015 from **connected** corporations, Part IV tax on dividends is equal to: the result of Column F **minus** column G, **multiplied** by Column I **divided** by Column H.

Part 2 – Calculation of Part IV tax payable

Part IV tax on dividends received **before** 2016, before deductions (Total of column J in part 1) . . ______ a

Part IV tax on dividends received **after** 2015, before deductions (Total of column K in part 1) . . . ______ b

Part IV tax before deductions (amount a **plus** amount b) . . . . ______ ▶ ______ L

Deduct:

Part IV.I tax payable on dividends subject to Part IV tax (from line 360 of Schedule 43) . . . . **320** ______

Subtotal (amount L **minus** line 320) ______ M

Deduct:

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

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

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

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

Total losses applied against Part IV tax (total of amounts c to f) ______ g

If your tax year begins after December 31, 2015:

Amount g **multiplied** by 38 1 / 3 % . . . . ______ h

If your tax year begins before January 1, 2016:

Amount b or M whichever is less

______ ÷ 38 1 / 3 % . . . = ______ 1

Amount 1 or g, whichever is less . . . . ______ 2

Amount g **minus** amount 2 . . . . ______ 3

Amount 2 ______ x 38 1 / 3 % = ______ i

Amount 3 ______ x 33 1 / 3 % = ______ j

Subtotal (amount i **plus** amount j) ______ k

Amount h or amount k, whichever applies . . . . ______ N

Part IV tax payable (amount M **minus** amount N, if negative enter "0") . . . . **360** ______
(enter amount on line 712 of the T2 return)

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

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

	O Name of connected recipient corporation 400	P Business Number 410	Q Tax year-end of connected recipient corporation in which the dividends in column R were received YYYY/MM/DD 420	R Taxable dividends paid to connected corporations 430	R1 Eligible dividends (included in column R)
1	The Corporation of the Municipality of Brockton	88070 7625 RC0001	2016-12-31	100,872	
2	The Corporation of the Town of Hanover	10812 6947 RC0001	2016-12-31	120,719	
3	The Corporation of the Municipality of Kincardine	87830 9020 RC0001	2016-12-31	107,815	
4	The Corporation of the Town of Saugeen Shores	87894 8629 RC0001	2016-12-31	199,838	
			Total of column R	529,244	

Total taxable dividends paid in the tax year to other than connected corporations **450** 270,756

Eligible dividends (included in line 450) 450a

Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column R **plus** line 450) **460** 800,000

Part 4 – Total dividends paid in the tax year

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

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above) 800,000

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

Total dividends paid in the tax year **500** 800,000

Deduct:

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

Capital gains dividends **520**

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

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

Subtotal (total of lines 510 to 540) ► S

Total taxable dividends paid in the tax year that qualify for a dividend refund (Line 500 **minus** amount S) 800,000 T

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Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

- Use this schedule if, during the tax year, the corporation:
  - had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only complete columns A, B and D in Part 1);
  - is claiming provincial or territorial tax credits or rebates (see Part 2); or
  - has to pay taxes, other than income tax, for Newfoundland and Labrador, or Ontario (see Part 2).
- All legislative references mentioned in this schedule are from the *Income Tax Regulations*.
- For more information, see the *T2 Corporation – Income Tax Guide.*
- Enter the regulation number in field 100 of Part 1.

Part 1 – Allocation of taxable income

100 ____________ Enter the Regulation that applies (402 to 413).

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

* "Permanent establishment" is defined in subsection 400(2).
** For corporations other than those described under section 402, use the appropriate calculation described in the Regulations to allocate taxable income.

Notes:
1. After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see the instructions for Schedule 5 in the *T2 Corporation – Income Tax Guide*.
2. If the corporation has provincial or territorial tax payable, complete Part 2.
3. If the corporation is a member of a partnership and the partnership had a permanent establishment in a jurisdiction, select the jurisdiction in Column A and include your proportionate share of the partnership's salaries and wages and gross revenue in columns B and D, respectively.

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

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits

Ontario basic income tax (from Schedule 500) 270

Deduct: Ontario small business deduction (from Schedule 500) 402

Subtotal ▶ A6

Add:

Ontario additional tax re Crown royalties (from Schedule 504) 274

Ontario transitional tax debits (from Schedule 506) 276

Recapture of Ontario research and development tax credit (from Schedule 508) 277

Subtotal ▶ B6

Subtotal (amount A6 **plus** amount B6) C6

Deduct:

Ontario resource tax credit (from Schedule 504) 404

Ontario tax credit for manufacturing and processing (from Schedule 502) 406

Ontario foreign tax credit (from Schedule 21) 408

Ontario credit union tax reduction (from Schedule 500) 410

Ontario political contributions tax credit (from Schedule 525) 415

Subtotal ▶ D6

Subtotal (amount C6 **minus** amount D6) (if negative, enter "0") E6

Deduct: Ontario research and development tax credit (from Schedule 508) 416

Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount E6 **minus** amount on line 416) (if negative, enter "0") F6

Deduct:

Ontario corporate minimum tax credit (from Schedule 510) 418

Ontario community food program donation tax credit for farmers (from Schedule 2) 420

Ontario corporate income tax payable (amount F6 **minus** amounts on line 418 and line 420) (if negative, enter "0") G6

Add:

Ontario corporate minimum tax (from Schedule 510) 278

Ontario special additional tax on life insurance corporations (from Schedule 512) 280

Subtotal ▶ H6

Total Ontario tax payable before refundable credits (amount G6 **plus** amount H6) I6

Deduct:

Ontario qualifying environmental trust tax credit 450

Ontario co-operative education tax credit (from Schedule 550) 452

Ontario apprenticeship training tax credit (from Schedule 552) 454

Ontario computer animation and special effects tax credit (from Schedule 554) 456

Ontario film and television tax credit (from Schedule 556) 458

Ontario production services tax credit (from Schedule 558) 460

Ontario interactive digital media tax credit (from Schedule 560) 462

Ontario sound recording tax credit (from Schedule 562) 464

Ontario book publishing tax credit (from Schedule 564) 466

Ontario innovation tax credit (from Schedule 566) 468

Ontario business-research institute tax credit (from Schedule 568) 470

Subtotal ▶ J6

Net Ontario tax payable or refundable credit (amount I6 **minus** amount J6) 290 K6
(if a credit, enter a negative amount) Include this amount on line 255.

Summary

Enter the total net tax payable or refundable credits for all provinces and territories on line 255.

Net provincial and territorial tax payable or refundable credits . . . . 255 ____________

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

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business Number	Tax year end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

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

Is the corporation electing under *Regulation* 1101(5q)? **101** 1 Yes [ ] 2 No [X]

	1 Class number (See Note) 200	Description	2 Undepreciated capital cost at the beginning of the year (amount from column 12 of last year's schedule 8) 201	3 Cost of acquisitions during the year (new property must be available for use)* 203	4 Adjustments and transfers** 205	5 Proceeds of dispositions during the year (amount not to exceed the capital cost) 207	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)*** 211	7 Reduced undepreciated capital cost	8 CCA rate % **** 212	9 Recapture of capital cost allowance***** (line 107 of Schedule 1) 213	10 Terminal loss (line 404 of Schedule 1) 215	11 Capital cost allowance (for declining balance method, column 7 **multiplied** by column 8, or a lower amount) (line 403 of Schedule 1) ****** 217	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11) 220
1.	1		8,327,056	7,144		0	3,572	8,330,628	4	0	0	333,225	8,000,975
2.	1b		1,444,966			0		1,444,966	6	0	0	86,698	1,358,268
3.	2		3,602,495			0		3,602,495	6	0	0	216,150	3,386,345
4.	8		1,928,088	399,431		0	199,716	2,127,803	20	0	0	425,561	1,901,958
5.	8	WPSI	53,653			0		53,653	20	0	0	10,731	42,922
6.	10		503,907	93,165		3,750	44,708	548,614	30	0	0	164,584	428,738
7.	12		93,995	408,086		0	204,043	298,038	100	0	0	298,038	204,043
8.	45	WPSI	134			0		134	45	0	0	60	74
9.	47		17,864,116	4,441,573		5,021	2,218,276	20,082,392	8	0	0	1,606,591	20,694,077
10.	50		136,188	35,314		0	17,657	153,845	55	0	0	84,615	86,887
		Totals	33,954,598	5,384,713		8,771	2,687,972	36,642,568				3,226,253	36,104,287

Note: Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed.
Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).

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

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

*** The net cost of acquisitions is the cost of acquisitions (column 3) **plus** or **minus** certain adjustments and transfers from column 4. For information on the exceptions to the 50% rule, as well as how to calculate the amounts to enter in column 6 in those cases, see Interpretation Bulletin IT-285, *Capital Cost Allowance - General Comments*.

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

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

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

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SCHEDULE 10

CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Name of corporation	Business Number	Tax year-end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*.
- A separate cumulative eligible capital account must be kept for each business.

Part 1 – Calculation of current year deduction and carry-forward

		Line	Amount		Line	Amount	
Cumulative eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0")					200	658,723	A
Add: Cost of eligible capital property acquired during the taxation year		222					
Other adjustments		226					
Subtotal (line 222 plus line 226)				x 3 / 4 =			B
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002		228		x 1 / 2 =			C
amount B minus amount C (if negative, enter "0")				▶			D
Amount transferred on amalgamation or wind-up of subsidiary					224		E
Subtotal (add amounts A, D, and E)					230	658,723	F
Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	242		G				
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244		H				
Other adjustments	246		I				
(add amounts G,H, and I)				x 3 / 4 =	248		J
Cumulative eligible capital balance (amount F minus amount J)						658,723	K

(if amount K is negative, enter "0" at line M and proceed to Part 2)

Cumulative eligible capital for a property no longer owned after ceasing to carry on that business **249**

amount K	658,723					
less amount from line 249						
Current year deduction	658,723	x 7.00 % =	250	46,111 *		
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)				46,111 ▶	46,111	L
Cumulative eligible capital – Closing balance (amount K minus amount L) (if negative, enter "0")				300	612,612	M

* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

Part 2 – Amount to be included in income arising from disposition

(complete this part only if the amount at line K is negative)

Amount from line K (show as positive amount)						N
Total of cumulative eligible capital (CEC) deductions from income for taxation years beginning after June 30, 1988			400		1	
Total of all amounts which reduced CEC in the current or prior years under subsection 80(7)			401		2	
Total of CEC deductions claimed for taxation years beginning before July 1, 1988	402		3			
Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988	408		4			
Line 3 minus line 4 (if negative, enter "0")			►		5	
Total of lines 1, 2 and 5					6	
Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 400			7			
Amounts at line T from Schedule 10 of previous taxation years ending after February 27, 2000			8			
Subtotal (line 7 plus line 8)	409		►		9	
Line 6 minus line 9 (if negative, enter "0")					►	O
Line N minus line O (if negative, enter "0")						P
Line 5				x 1 / 2 =		Q
Line P minus line Q (if negative, enter "0")						R
Amount R				x 2 / 3 =		S
Amount N or amount O, whichever is less						T
Amount to be included in income (amount S plus amount T) (enter this amount on line 108 of Schedule 1)					410	

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than $10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than $10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

	Line	Amount		
Reserves that have not been deducted in calculating income for the year under Part I	101	5,713,132		
Capital stock (or members' contributions if incorporated without share capital)	103	18,269,168		
Retained earnings	104	13,044,267		
Contributed surplus	105			
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	17,892,184		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112			
Subtotal (**add** lines 101 to 112)		54,918,751	▶ 54,918,751	A

Note:

Line 112 is determined by the formula (A – B) x C/D (as per paragraph 181.2(3)(g)) where:

A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
 a) those lines applied to partnerships in the same manner that they apply to corporations, and
 b) those amounts were computed without reference to amounts owing by the partnership
  (i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
  (ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.

B is the partnership's deferred unrealized foreign exchange losses at the end of the period,

C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and

D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

Subtotal A (from page 1)			54,918,751 A
Deduct the following amounts:			
Deferred tax debit balance at the end of the year	121		
Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122		
To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year.	123		
Deferred unrealized foreign exchange losses at the end of the year	124		
Subtotal (**add** lines 121 to 124)		▶	B
Capital for the year (amount A **minus** amount B) (if negative, enter "0")	190		54,918,751

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	34,539
A loan or advance to another corporation (other than a financial institution)	402	
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend payable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1)	406	
An interest in a partnership (see note 2 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	34,539

Notes:

1. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
2. Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation. Refer to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190)		54,918,751 C
Deduct: Investment allowance for the year (line 490)		34,539 D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	54,884,212

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500)			Taxable income earned in Canada / Taxable income				Taxable capital employed in Canada		
	54,884,212	x		610	1,000 / 1,000	=		690	54,884,212

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

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

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

Deduct the following amounts:

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

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

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

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

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

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

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (amount from line 690)		F
Deduct:	10,000,000	G
Excess (amount F **minus** amount G) (if negative, enter "0")		H
Calculation for purposes of the small business deduction (amount H x 0.225%)		I

Enter this amount at line 415 of the T2 return.

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Loans and advances

Description		Amount
Current portion of debt		1,117,733 00
Long-term portion of debt	+	15,729,323 00
Current portion of customer deposits	+	1,045,128 00
	Total	17,892,184 00

Attached Schedule with Total

Part 1 – Reserves that have not been deducted in calculating income for the year under Part I

Title Part 1 – Reserves that have not been deducted in computing income for th

Description		Amount	
Future tax liability		1,713,000	00
Post retirement benefits	+	386,427	00
Unrealized loss on swap	+	1,286,079	00
Deferred revenue	+	2,327,626	00
	+		
	Total	5,713,132	00

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SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Provide only one number per shareholder: Business Number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
	100	200	300	350	400	500
1	The Corporation of the Municipality of Brockton	88070 7625 RC0001			12.610	
2	The Corporation of the Town of Hanover	10812 6947 RC0001			15.090	
3	The Corporation of the Municipality of Kincardine	87830 9020 RC0001			13.480	
4	The Corporation of the Town of Saugeen Shores	87894 8629 RC0001			24.870	
5						
6						
7						
8						
9						
10						

Canada

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Schedule 55

Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name	Business number	Tax year-end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

Do not use this area

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

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

	Line	Amount	Line	Amount	
Taxable dividends paid in the tax year **not included** in Schedule 3					
Taxable dividends paid in the tax year **included** in Schedule 3		800,000			
Total taxable dividends paid in the tax year	100	800,000			
Total eligible dividends paid in the tax year			150		A
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")			160		B
Excessive eligible dividend designation (line 150 **minus** line 160)					C
Deduct:					
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *			180		D
Subtotal (amount C **minus** amount D)					E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E **multiplied** by 20 %)			190		F

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

Part 2 – Other corporations

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

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

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

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Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
  1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
  2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
  3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
  4) a congregation or business agency to which section 143 of the federal Act applies;
  5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
  6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	112	76,842,214
Share of total assets from partnership(s) and joint venture(s) *	114	
Total assets of associated corporations (amount from line 450 on Schedule 511)	116	
Total assets (total of lines 112 to 116)		76,842,214
Total revenue of the corporation for the tax year **	142	70,497,217
Share of total revenue from partnership(s) and joint venture(s) **	144	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	
Total revenue (total of lines 142 to 146)		70,497,217

The corporation is subject to CMT if:
– for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than $5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than $10,000,000.
– for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than $50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than $100,000,000.
If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

* **Rules for total assets**
– Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
– Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
– The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
– A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

** **Rules for total revenue**
– Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
– If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
– The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
– A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

Part 2 – Adjusted net income/loss for CMT purposes

	Line	Amount	Line	Amount	
Net income/loss per financial statements *			210	1,948,504	
Add (to the extent reflected in income/loss):					
Provision for current income taxes/cost of current income taxes	220	243,000			
Provision for deferred income taxes (debits)/cost of future income taxes	222				
Equity losses from corporations	224				
Financial statement loss from partnerships and joint ventures	226				
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230				
Other additions (see note below):					
Share of adjusted net income of partnerships and joint ventures **	228				
Total patronage dividends received, not already included in net income/loss	232				
281	282				
283	284				
Subtotal		243,000 ▶		243,000	A
Deduct (to the extent reflected in income/loss):					
Provision for recovery of current income taxes/benefit of current income taxes	320				
Provision for deferred income taxes (credits)/benefit of future income taxes	322				
Equity income from corporations	324				
Financial statement income from partnerships and joint ventures	326				
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330				
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332				
Gain on donation of listed security or ecological gift	340				
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342				
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344				
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346				
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348				
Other deductions (see note below):					
Share of adjusted net loss of partnerships and joint ventures **	328				
Tax payable on dividends under subsection 191.1(1) of the federal Act **multiplied** by 3	334				
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336				
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338				
381	382				
383	384				
385	386				
387	388				
389	390				
Subtotal		▶			B
Adjusted net income/loss for CMT purposes (line 210 **plus** amount A **minus** amount B)			490	2,191,504	

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

Note

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

– exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
– include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

* **Rules for net income/loss**

– Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)

– Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.

– Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.

– Corporations, other than insurance corporations, should report net income from line 9999 of the GIFI (Schedule 125) on line 210.

** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.

*** A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.

**** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.

***** A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive) . . . . **515** ______

Deduct:

CMT loss available (amount R from Part 7) . . . . ______

Minus: Adjustment for an acquisition of control * . . . . . . **518** ______

Adjusted CMT loss available . . . . ______ ▶ ______ C

Net income subject to CMT calculation (if negative, enter "0") . . . . **520** ______

Amount from line 520 ______ x (Number of days in the tax year before July 1, 2010 ______ / Number of days in the tax year 366) x 4 % = ______ 1

Amount from line 520 ______ x (Number of days in the tax year after June 30, 2010 366 / Number of days in the tax year 366) x 2.7 % = ______ 2

Subtotal (amount 1 **plus** amount 2) . . . . ______ 3

Gross CMT: amount on line 3 above x OAF ** . . . . **540** ______

Deduct:

Foreign tax credit for CMT purposes *** . . . . **550** ______

CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0") . . . . ______ D

Deduct:

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) . . . . ______

Net CMT payable (if negative, enter "0") . . . . ______ E

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

* Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act.

*** Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

** **Calculation of the Ontario allocation factor (OAF):**

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

Ontario taxable income **** / Taxable income ***** ______ = ______

Ontario allocation factor . . . . 1.00000 F

**** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were $1,000.

***** Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year * . . . . G

Deduct:

CMT credit expired * 600

CMT credit carryforward at the beginning of the current tax year * (see note below) . . . . ▶ 620

Add:

CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below) 650

CMT credit available for the tax year (amount on line 620 **plus** amount on line 650) . . . . H

Deduct:

CMT credit deducted in the current tax year (amount P from Part 5) I

Subtotal (amount H **minus** amount I) J

Add:

Net CMT payable (amount E from Part 3) . . . .

SAT payable (amount O from Part 6 of Schedule 512) . . . .

Subtotal ▶ K

CMT credit carryforward at the end of the tax year (amount J **plus** amount K) . . . . 670 L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line G or line 600;
- for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4) . . . . M

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) 1

For a corporation that is not a life insurance corporation:

CMT after foreign tax credit deduction (amount D from Part 3) . . 2

For a life insurance corporation:

Gross CMT (line 540 from Part 3) 3

Gross SAT (line 460 from Part 6 of Schedule 512) 4

The **greater** of amounts 3 and 4 5

Deduct: line 2 or line 5, whichever applies: 6

Subtotal (if negative, enter "0") ▶ N

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) . . . .

Deduct:

Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 **minus** line 450 from Schedule 5) . . . .

Subtotal (if negative, enter "0") ▶ O

CMT credit deducted in the current tax year (least of amounts M, N, and O) . . . . P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? . . . . 675 1 Yes ☐ 2 No ☒

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:
- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year * . . . . Q

Deduct:

CMT loss expired * 700

CMT loss carryforward at the beginning of the tax year * (see note below) . . . . ► 720

Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below) 750

CMT loss available (line 720 **plus** line 750) . . . . R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) . . . .

Subtotal (if negative, enter "0") S

Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) 760

CMT loss carryforward balance at the end of the tax year (amount S **plus** line 760) . . . . 770 T

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

** Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

Note: If you entered an amount on line 720 or line 750, complete Part 8.

Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

*** The total of these two columns must equal the total of the amounts entered on lines 720 and 750.

Canada Revenue Agency | Agence du revenu du Canada

SCHEDULE 511

ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS AND REVENUE FOR ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return.*

Names of associated corporations 200	Business number (Canadian corporation only) (see Note 1) 300	Total assets* (see Note 2) 400	Total revenue** (see Note 2) 500
	Total	450	550

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.
Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

Note 1: Enter ¨NR¨ if a corporation is not registered.

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

* **Rules for total assets**

– Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
– Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
– Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

** **Rules for total revenue**

– Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
– If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
– If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
– Include the associated corporation's share of the total revenue of partnerships and joint ventures.
– If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.

APPENDIX D - WESTARIO POWER INC. 2016 TAX (PILS)

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2017-12-31

Business number 89276 4416 RC0003

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

Canada Revenue Agency
875 Heron Road
Ottawa ON K1A 1B1

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

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2017-01-31	6,891				6,891
2017-02-28	6,891				6,891
2017-03-31	6,891				6,891
2017-04-30	6,891				6,891
2017-05-31	6,891				6,891
2017-06-30	6,891				6,891
2017-07-31	6,891				6,891
2017-08-31	6,891				6,891
2017-09-30	6,891				6,891
2017-10-31	6,891				6,891
2017-11-30	6,891				6,891
2017-12-31	6,883				6,883
Totals	82,684				82,684

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

200

055 Do not use this area

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

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

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

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

Identification

Business number (BN) **001** 89276 4416 RC0003

Corporation's name
002 Westario Power Inc.

Address of head office
Has this address changed since the last time we were notified? . . . . **010** 1 Yes [ ] 2 No [X]
(If **yes**, complete lines 011 to 018.)
011 24 Eastridge Road
012 RR 2
City **015** Walkerton
Province, territory, or state **016** ON
Country (other than Canada) **017**
Postal code/Zip code **018** N0G 2V0

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? . . . . **020** 1 Yes [ ] 2 No [X]
(If **yes**, complete lines 021 to 028.)
021 c/o
022
023
City **025**
Province, territory, or state **026**
Country (other than Canada) **027**
Postal code/Zip code **028**

Location of books and records (if different from head office address)
Has this address changed since the last time we were notified? . . . . **030** 1 Yes [ ] 2 No [X]
(If **yes**, complete lines 031 to 038.)
031 24 Eastridge Road
032 RR 2
City **035** Walkerton
Province, territory, or state **036** ON
Country (other than Canada) **037**
Postal code/Zip code **038** N0G 2V0

040 **Type of corporation at the end of the tax year**
1 [X] Canadian-controlled private corporation (CCPC)
2 [ ] Other private corporation
3 [ ] Public corporation
4 [ ] Corporation controlled by a public corporation
5 [ ] Other corporation (specify, below)

If the type of corporation changed during the tax year, provide the effective date of the change . . . . **043** Year Month Day

To which tax year does this return apply?
Tax year start **060** Year Month Day 2016-01-01
Tax year-end **061** Year Month Day 2016-12-31

Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060? . . . . **063** 1 Yes [ ] 2 No [X]

If **yes**, provide the date control was acquired . . . . **065** Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? . . . . **066** 1 Yes [ ] 2 No [X]

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

Is this the first year of filing after:
Incorporation? . . . . **070** 1 Yes [ ] 2 No [X]
Amalgamation? . . . . **071** 1 Yes [ ] 2 No [X]
If **yes**, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? . . . . **072** 1 Yes [ ] 2 No [X]
If **yes**, complete and attach Schedule 24.

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

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

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

Is the corporation a resident of Canada? **080** 1 Yes [X] 2 No [ ]
If **no**, give the country of residence on line 081 and complete and attach Schedule 97.
081

Is the non-resident corporation claiming an exemption under an income tax treaty? . . . . **082** 1 Yes [ ] 2 No [X]
If **yes**, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:
085
1 [ ] Exempt under paragraph 149(1)(e) or (l)
2 [ ] Exempt under paragraph 149(1)(j)
3 [ ] Exempt under paragraph 149(1)(t)
4 [ ] Exempt under other paragraphs of section 149

Do not use this area

095 **096** **898**

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

Question	Line	Yes	Schedule
Is the corporation related to any other corporations?	150		9
Is the corporation an associated CCPC?	160		23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the *Income Tax Regulations*?	170		29
Did the corporation have a total amount over $1 million of reportable transactions with non-arm's length non-residents?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		———
Does the corporation earn income from one or more Internet webpages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202	X	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	X	3
Is the corporation claiming any type of losses?	204		4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	X	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) does the corporation have aggregate investment income at line 440?	207		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210	X	10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves (other than transitional reserves under section 34.2)?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231		31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	———
Is the corporation claiming a surtax credit?	237		37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments – continued from page 2

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

Additional information

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

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

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

Line	Product or service	Line	%
284	Hydro Services	285	100.000 %
286		287	%
288		289	%

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

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible 294 Year Month Day

	Line	1 Yes	2 No
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295		

Taxable income

	Line	Amount		
Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI.	300		400,133	A
Deduct: Charitable donations from Schedule 2	311	12,645		
Cultural gifts from Schedule 2	313			
Ecological gifts from Schedule 2	314			
Gifts of medicine from Schedule 2	315			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320			
Part VI.1 tax deduction*	325			
Non-capital losses of previous tax years from Schedule 4	331			
Net capital losses of previous tax years from Schedule 4	332			
Restricted farm losses of previous tax years from Schedule 4	333			
Farm losses of previous tax years from Schedule 4	334			
Limited partnership losses of previous tax years from Schedule 4	335			
Taxable capital gains or taxable dividends allocated from a central credit union	340			
Prospector's and grubstaker's shares	350			
Subtotal		12,645 ▶	12,645	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")			387,488	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360		387,488	
Income exempt under paragraph 149(1)(t)	370			
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 **minus** line 370)			387,488	Z
Taxable income for the year from a personal services business**				Z.1

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 9.

** For a taxation year that ends after 2015.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the tax year

Income from active business carried on in Canada from Schedule 7	**400**	400,133	A
Taxable income from line 360 on page 3, **minus** 100/28 3.57143 of the amount on line 632* on page 8, **minus** 4 times the amount on line 636** on page 8, and **minus** any amount that, because of federal law, is exempt from Part I tax	**405**	387,488	B
Business limit (see notes 1 and 2 below)	**410**	500,000	C

Notes:

1. For CCPCs that are not associated, enter $ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year divided by 365, and enter the result on line 410.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C 500,000 x **415** *** 99,595 / 11,250 D = 4,426,444 E

Reduced business limit (amount C **minus** amount E) (if negative, enter "0")	**425**		F
Business limit the CCPC assigns under subsection 125(3.2) (amount O below)			G
Amount F **minus** amount G			H

Small business deduction

Amount A, B, C, or H, whichever is the least ______ x (Number of days in the tax year before January 1, 2016 ______ / Number of days in the tax year 366) x 17 % = ______ 1

Amount A, B, C, or H, whichever is the least ______ x (Number of days in the tax year after December 31, 2015 366 / Number of days in the tax year 366) x 17.5 % = ______ 2

Total of amounts 1 and 2 (enter amount I on line J on page 8) **430** ______ I

* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporation tax reductions under section 123.4.

*** **Large corporations**

- If the corporation is not associated with any corporations in both the current and previous tax years, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **prior year** minus $10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **current year** minus $10,000,000) x 0.225%.
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

Specified corporate income and assignment under subsection 125(3.2)

	J Name of corporation receiving the income and assigned amount	K Business number of the corporation	L Income for the small business deduction given to the corporation identified in column J [under clause 125(1)(a)(i)(B)] [3]	M Business limit assigned to corporation identified in column J [4]
1.				
			Total ______ N	Total ______ O

Notes:

3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if

   (A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and

   (B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to

   (I) persons (other than the private corporation) with which the corporation deals at arm's length, or

   (II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.

4. The amount of the business limit you assign cannot be greater than the amount in column L.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from page 3 (line 360 or amount Z, whichever applies)			387,488	A
Lesser of amounts B9 and H9 from Part 9 of Schedule 27		B		
Amount K13 from Part 13 of Schedule 27		C		
Personal services business income **432**		D		
Amount used to calculate the credit union deduction (amount F from Schedule 17)		E		
Amount from line 400, 405, 410, or amount H on page 4, whichever is the least		F		
Aggregate investment income from line 440 on page 6*		G		
Subtotal (**add** amounts B to G)		►		H
Amount A **minus** amount H (if negative, enter "0")			387,488	I
General tax reduction for Canadian-controlled private corporations – Amount I **multiplied** by 13 %			50,373	J

Enter amount J on line 638 on page 8.

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

General tax reduction

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

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

Enter amount R on line 639 on page 8.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 . . . . . **440** ______ A

Amount A ______ x (Number of days in the tax year before January 1, 2016 ______ / Number of days in the tax year 366) x 26 2/3 % = ______ 1

Amount A ______ x (Number of days in the tax year after December 31, 2015 366 / Number of days in the tax year 366) x 30 2/3 % = ______ 2

Subtotal (amount 1 **plus** amount 2) ______ ▶ ______ B

Foreign investment income from Schedule 7 . . . . . **445** ______ C

Amount C ______ x (Number of days in the tax year before January 1, 2016 ______ / Number of days in the tax year 366) x 9 1/3 % = ______ 3

Amount C ______ x (Number of days in the tax year after December 31, 2015 366 / Number of days in the tax year 366) x 8 % = ______ 4

Subtotal (amount 3 **plus** amount 4) ______ D

Foreign non-business income tax credit from line 632 on page 8 **minus** amount D (if negative, enter "0") . . . . . ______ E

Amount B **minus** amount E (if negative, enter "0") . . . . . ______ F

Foreign non-business income tax credit from line 632 on page 8 . . . . . ______ G

(Number of days in the tax year before January 1, 2016 ______ / Number of days in the tax year 366) x 35 = ... ______ 5

(Number of days in the tax year after December 31, 2015 366 / Number of days in the tax year 366) x 38 2/3 = ... 38.66667 6

Subtotal (amount 5 **plus** amount 6) 38.6667 H

Amount G ______ x 100 / H x 100 / 38.6667 = ... ______ I

Taxable income from line 360 on page 3 . . . . . 387,488 J

Deduct:

Amount from line 400, 405, 410, or amount H on page 4, whichever is the least . . . . . ______ K

Amount I . . . . . ______ L

Foreign business income tax credit from line 636 on page 8 . . . . . ______ x 4 = ______ M

Subtotal (total of amounts K to M) ______ ▶ ______ N

Subtotal (amount J **minus** amount N) 387,488 O

Amount O 387,488 x (Number of days in the tax year before January 1, 2016 ______ / Number of days in the tax year 366) x 26 2/3 % = ______ 7

Amount O 387,488 x (Number of days in the tax year after December 31, 2015 366 / Number of days in the tax year 366) x 30 2/3 % = 118,830 8

Subtotal (amount 7 **plus** amount 8) 118,830 ▶ 118,830 P

Part I tax payable **minus** investment tax credit refund (line 700 **minus** line 780 from page 9) . . . . . 58,123 Q

Refundable portion of Part I tax – Amount F, P, or Q, whichever is the least . . . . . **450** ______ R

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the previous tax year	**460**			
Deduct:				
Dividend refund for the previous tax year	**465**			
		▶		A
Add the total of:				
Refundable portion of Part I tax from line 450 on page 6		B		
Total Part IV tax payable from Schedule 3		C		
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation	**480**			
		▶		D
Refundable dividend tax on hand at the end of the tax year – Amount A **plus** amount D			**485**	

Dividend refund

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

Taxable dividends paid in the tax year from line 460 on page 3 of Schedule 3 .... 800,000 E

Amount E	800,000	x	Number of days in the tax year before January 1, 2016 / Number of days in the tax year	/ 366	x 33 1/3 % =		1
Amount E	800,000	x	Number of days in the tax year after December 31, 2015 / Number of days in the tax year	366 / 366	x 38 1/3 % =	306,667	2

Subtotal (amount 1 **plus** amount 2)	306,667	▶	306,667	F
Refundable dividend tax on hand at the end of the tax year from line 485 above				G
Dividend refund – Amount F or G, whichever is less				H

Enter amount H on line 784 on page 9.

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) **multiplied** by 38 %* . . **550** 147,245 A

Personal services business income tax (section 123.5)

Taxable income from a personal services business **555** ______ x (Number of days in the tax year after December 31, 2015 366 / Number of days in the taxation year 366) x 5 % = **560** ______ B

Recapture of investment tax credit from Schedule 31 . . . . . **602** ______ C

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

Aggregate investment income from line 440 on page 6				D
Taxable income from line 360 on page 3	387,488	E		
Deduct:				
Amount from line 400, 405, 410, or amount H on page 4, whichever is the least		F		
Net amount (amount E **minus** amount F)	387,488	▶	387,488	G

Amount D or G, whichever is less ______ x (Number of days in the tax year before January 1, 2016 ______ / Number of days in the tax year 366) x 6 2/3 % = ______ 1

Amount D or G, whichever is less ______ x (Number of days in the tax year after December 31, 2015 366 / Number of days in the tax year 366) x 10 2/3 % = ______ 2

Refundable tax on CCPC's investment income (amount 1 **plus** amount 2) . . . . . **604** ______ ▶ ______ H

Subtotal (**add** amounts A, B, C, and H) 147,245 I

Deduct:

Small business deduction from line 430 on page 4			J	
Federal tax abatement	608	38,749		
Manufacturing and processing profits deduction from Schedule 27	616			
Investment corporation deduction	620			
Taxed capital gains 624				
Additional deduction – credit unions from Schedule 17	628			
Federal foreign non-business income tax credit from Schedule 21	632			
Federal foreign business income tax credit from Schedule 21	636			
General tax reduction for CCPCs from amount J on page 5	638	50,373		
General tax reduction from amount R on page 5	639			
Federal logging tax credit from Schedule 21	640			
Eligible Canadian bank deduction under section 125.21	641			
Federal qualifying environmental trust tax credit	648			
Investment tax credit from Schedule 31	652			
Subtotal		89,122	▶	89,122 K

Part I tax payable – Amount I **minus** amount K . . . . . 58,123 L
Enter amount L on line 700 on page 9.

Privacy statement

Personal information is collected under the *Income Tax Act* to administer tax, benefits, and related programs. It may also be used for any purpose related to the administration or enforcement of the Act such as audit, compliance and the payment of debts owed to the Crown. It may be shared or verified with other federal, provincial/territorial government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the *Privacy Act*, individuals have the right to access their personal information and request correction if there are errors or omissions. Refer to Info Source cra.gc.ca/gncy/tp/nfsrc/nfsrc-eng.html, personal information bank CRA PPU 047.

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 8	700	58,123
Part II surtax payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		58,123

Add provincial or territorial tax:

Provincial or territorial jurisdiction . . . 750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial or territorial tax payable (except Quebec and Alberta)	760	24,561
Total tax payable	770	82,684 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from amount H on page 7	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	399,000
Total credits	890	399,000 ► 399,000 B

Refund code 894 1 Overpayment 316,316

Balance (amount A **minus** amount B) -316,316

If the result is positive, you have a **balance unpaid**.
If the result is negative, you have an **overpayment**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Balance unpaid . . . . . .

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

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information

910 ______ Branch number

914 ______ Institution number

918 ______ Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? . . . 896 1 Yes ☐ 2 No ☒

If this return was prepared by a tax preparer for a fee, provide their EFILE number . . . 920 A4970

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Certification

I, 950 Milne (Last name) 951 Lisa (First name) 954 President & CEO (Position, office, or rank),

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

955 2017-05-04 Date (yyyy/mm/dd) ______ Signature of the authorized signing officer of the corporation 956 (519) 507-6666 Telephone number

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

958 ______ Name of other authorized person 959 ______ Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français. 990 1

Schedule of Instalment Remittances

Name of corporation contact

Telephone number

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
	Instalments during year-end	342,000
	Instalments after year-end	57,000

Total amount of instalments claimed (carry the result to line 840 of the T2 Return) 399,000 **A**

Total instalments credited to the taxation year per T9 399,000 **B**

Transfer

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

Canada Revenue Agency / Agence du revenu du Canada

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business Number	Tax year end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

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

Amount calculated on line 9999 from Schedule 125			1,948,504	A

Add:

Provision for income taxes – current	101	243,000		
Interest and penalties on taxes	103	1,412		
Amortization of tangible assets	104	1,613,358		
Loss on disposal of assets	111	142,733		
Charitable donations and gifts from Schedule 2	112	12,645		
Non-deductible meals and entertainment expenses	121	2,954		
Subtotal of additions		2,016,102 ►	2,016,102	

Other additions:

Miscellaneous other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	16,822
2	Post retirement - end of year	386,427
3	Swap Valuation - current year	1,286,079
4	Items capitalized for tax purposes	252,607
	Total of column 2	1,941,935

Total of column 2 ►	296	1,941,935		
Subtotal of other additions	199	1,941,935 ►	1,941,935	
Total additions	500	3,958,037 ►	3,958,037	B
Amount A **plus** amount B			5,906,541	C

Deduct:

Capital cost allowance from Schedule 8	403	3,226,253	
Cumulative eligible capital deduction from Schedule 10	405	46,111	
Subtotal of deductions		3,272,364 ►	3,272,364

Other deductions:

Miscellaneous other deductions:

	1 Description 705	2 Amount 395
1	Post Retirement - beg of year	398,965
2	Unrealized gain on investments - OCI	9,606
3	Swap Valuation - prior year	1,636,347
4	Capital items expensed for tax purposes	5,021
5	Amortization of LTA	3,431
6	Regulatory asset adjustment	180,674
	Total of column 2	2,234,044

Total of column 2 ►	396	2,234,044

Subtotal of other deductions	499	2,234,044 ▶	2,234,044
Total deductions	510	5,506,408 ▶	5,506,408 D
Net income (loss) for income tax purposes (amount C **minus** amount D)			400,133 E

Enter amount E on line 300 of the T2 return.

Inducement

This form is used to calculate inducements that a corporation must add to its income under paragraph 12(1)(x) of the ITA. If an amount reduces the capital cost of a property, this amount will be indicated in Part "Tax credits whose amount should reduce the capital cost of property."

If you want to transfer an amount to Schedule 1 and include it in the corporation's income for tax purposes, select the corresponding check box in column A. You can also select the option **Select this check box to add all the amounts to income calculated in Schedule 1** to transfer all the amounts to Schedule 1. In either case, the column A check box will be selected for that amount and it will therefore be updated to Schedule 1.

Tax credits whose amount should be added to income

Select this check box to add all the amounts to income calculated in Schedule 1. [ ]

Federal

A		
X	Investment tax credit from apprenticeship job creation expenditures	4,000
	Investment tax credit from child care spaces expenditures	
	Canadian film or video production tax credit* * Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
	Film or video production services tax credit* * Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
X	Investment tax credit claimed on contributions made to SR&ED farming organizations	

Ontario

A		
	Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
	Ontario co-operative education tax credit	
X	Ontario apprenticeship training tax credit	12,822
	Ontario computer animation and special effects tax credit* * Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
	Ontario film and television tax credit* * Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
	Ontario production services tax credit* * Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
	Ontario interactive digital media tax credit* * Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
	Ontario sound recording tax credit* * Please verify if the credit amount relates to depreciable property. For more information, press F1 to consult the Help.	
	Ontario book publishing tax credit	
X	Portion of the Ontario innovation tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
	Ontario business-research institute tax credit	
	Ontario community food program donation tax credit for farmers	

Tax credits whose amount should reduce the capital cost of property

Canada Revenue Agency / Agence du revenu du Canada

Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

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

Part 1 – Charitable donations

Charity/Recipient	Amount ($100 or more only)
Various	12,645
Subtotal	12,645
Add: Total donations of less than $100 each	
Total donations in current tax year	12,645

Part 1 – Charitable donations

	Line	Federal		Québec	Alberta
Charitable donations at the end of the previous tax year			A		
Deduct: Charitable donations expired after five tax years*	239				
Charitable donations at the beginning of the current tax year	240		B		
Add:					
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250				
Total charitable donations made in the current year (include this amount on line 112 of Schedule 1)	210	12,645		12,645	12,645
Subtotal (line 250 **plus** line 210)		12,645	C	12,645	12,645
Subtotal (amount B **plus** amount C)		12,645	D	12,645	12,645
Deduct: Adjustment for an acquisition of control	255				
Total charitable donations available (amount D **minus** amount on line 255)		12,645	E	12,645	12,645
Deduct: Amount applied in the current year against taxable income (cannot be more than amount O in Part 2) (enter this amount on line 311 of the T2 return)	260	12,645		12,645	12,645
Charitable donations closing balance (amount E **minus** amount on line 260)	280				
Ontario community food program donation for farmers included in the amount on line 260 (for donations made after December 31, 2013)	262				
Ontario community food program donation tax credit for farmers (amount on line 262 **multiplied** by 25 %)			1		

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

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

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2015-12-31			
2nd prior year	2014-12-31			
3rd prior year	2013-12-31			
4th prior year	2012-12-31			
5th prior year	2011-12-31			
6th prior year*	2010-12-31			
7th prior year	2009-12-31			
8th prior year	2008-12-31			
9th prior year	2007-12-31			
10th prior year	2006-12-31			
11th prior year	2005-12-31			
12th prior year	2004-12-31			
13th prior year	2003-12-31			
14th prior year	2002-12-31			
15th prior year				
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total (to line A)				

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

Part 2 – Maximum allowable deduction for charitable donations

Net income for tax purposes* **multiplied** by 75 %				300,100	F
Taxable capital gains arising in respect of gifts of capital property included in Part 1 **	225		G		
Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01)	227		H		
The amount of the recapture of capital cost allowance in respect of charitable donations	230				
Proceeds of disposition, **less** outlays and expenses**			I		
Capital cost**			J		
Amount I or J, whichever is less	235				
Amount on line 230 or 235, whichever is less			K		
Subtotal (**add** amounts G, H, and K)			L		
Amount L **multiplied** by 25 %					M
Subtotal (amount F **plus** amount M)				300,100	N
Maximum allowable deduction for charitable donations (enter amount E from Part 1, amount N, or net income for tax purposes, whichever is less)				12,645	O

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

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

Part 3 – Gifts of certified cultural property

	Line	Federal		Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year			A		
Deduct: Gifts of certified cultural property expired after five tax years*	439				
Gifts of certified cultural property at the beginning of the current tax year	440		B		
Add:					
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary	450				
Total gifts of certified cultural property in the current year (include this amount on line 112 of Schedule 1)	410				
Subtotal (line 450 **plus** line 410)			C		
Subtotal (amount B **plus** amount C)			D		
Deduct:					
Adjustment for an acquisition of control	455				
Amount applied in the current year against taxable income (enter this amount on line 313 of the T2 return)	460				
Subtotal (line 455 **plus** line 460)			E		
Gifts of certified cultural property closing balance (amount D **minus** amount E)	480				

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

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2015-12-31			
2nd prior year	2014-12-31			
3rd prior year	2013-12-31			
4th prior year	2012-12-31			
5th prior year	2011-12-31			
6th prior year*	2010-12-31			
7th prior year	2009-12-31			
8th prior year	2008-12-31			
9th prior year	2007-12-31			
10th prior year	2006-12-31			
11th prior year	2005-12-31			
12th prior year	2004-12-31			
13th prior year	2003-12-31			
14th prior year	2002-12-31			
15th prior year				
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

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

Part 4 – Gifts of certified ecologically sensitive land

	Line	Federal		Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year			F		
Deduct: Gifts of certified ecologically sensitive land expired after 5 tax years, or after 10 tax years for gifts made after February 10, 2014*	539				
Gifts of certified ecologically sensitive land at the beginning of the current tax year	540		G		
Add:					
Gifts of certified ecologically sensitive land transferred on an amalgamation or the wind-up of a subsidiary	550				
Total current-year gifts of certified ecologically sensitive land made before February 11, 2014 (include this amount on line 112 of Schedule 1)	510				
Total current-year gifts of certified ecologically sensitive land made after February 10, 2014 (include this amount on line 112 of Schedule 1)	520				
Subtotal (**add** lines 550, 510, and 520)			H		
Subtotal (amount G **plus** amount H)			I		
Deduct:					
Adjustment for an acquisition of control	555				
Amount applied in the current year against taxable income (enter this amount on line 314 of the T2 return)	560				
Subtotal (line 555 **plus** line 560)			J		
Gifts of certified ecologically sensitive land closing balance (amount I **minus** amount J)	580				

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

Amounts carried forward – Gifts of certified ecologically sensitive land

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

Year of origin:		Federal	Québec	Alberta
1st prior year	2015-12-31			
2nd prior year	2014-12-31			
3rd prior year	2013-12-31			
4th prior year	2012-12-31			
5th prior year	2011-12-31			
6th prior year*	2010-12-31			
7th prior year	2009-12-31			
8th prior year	2008-12-31			
9th prior year	2007-12-31			
10th prior year	2006-12-31			
11th prior year*	2005-12-31			
12th prior year	2004-12-31			
13th prior year	2003-12-31			
14th prior year	2002-12-31			
15th prior year				
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

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

Part 5 – Additional deduction for gifts of medicine

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

Federal

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

Québec

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

Alberta

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

where:

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

b is the eligible amount of gifts (line 600)

c is the proceeds of disposition (line 602)

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

***** For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made before March 19, 2007, expire after five tax years and gifts made after March 18, 2007, expire after twenty tax years.

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2015-12-31			
2nd prior year	2014-12-31			
3rd prior year	2013-12-31			
4th prior year	2012-12-31			
5th prior year	2011-12-31			
6th prior year*	2010-12-31			
7th prior year	2009-12-31			
8th prior year	2008-12-31			
9th prior year	2007-12-31			
10th prior year	2006-12-31			
11th prior year	2005-12-31			
12th prior year	2004-12-31			
13th prior year	2003-12-31			
14th prior year	2002-12-31			
15th prior year				
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

* For the federal and Alberta, the 6th prior year gifts expire in the current year. For Québec, gifts made before March 19, 2007, expire after five tax years and gifts made after March 18, 2007, expire after twenty tax years.

Québec – Gifts of musical instruments

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

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2015-12-31	
2nd prior year	2014-12-31	
3rd prior year	2013-12-31	
4th prior year	2012-12-31	
5th prior year	2011-12-31	
6th prior year*	2010-12-31	
7th prior year	2009-12-31	
8th prior year	2008-12-31	
9th prior year	2007-12-31	
10th prior year	2006-12-31	
11th prior year	2005-12-31	
12th prior year	2004-12-31	
13th prior year	2003-12-31	
14th prior year	2002-12-31	
15th prior year		
16th prior year		
17th prior year		
18th prior year		
19th prior year		
20th prior year		
21st prior year*		
Total		

* These gifts expired in the current year.

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Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculations

Schedule 3

Corporation's name	Business number	Tax year-end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

- This schedule is for the use of any corporation to report:
  - non-taxable dividends under section 83;
  - deductible dividends under subsection 138(6);
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (b) or (d); or
  - taxable dividends paid in the tax year that qualify for a dividend refund.
- All legislative references are to the federal *Income Tax Act*.
- The calculations in this schedule apply only to private or subject corporations.
- A recipient corporation is **connected** with a payer corporation at any time in a tax year, if at that time the recipient corporation:
  - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
  - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- If you need more space, continue on a separate schedule.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- Column A1 – Enter "X" if dividends received from a foreign source.
- Column F1 – Enter the amount of dividends received reported in column 240 that are eligible.
- Column F2 – Enter the code that applies to the deductible taxable dividend.

Part 1 – Dividends received in the tax year

- Do **not** include dividends received from foreign non-affiliates.
- Complete columns B, C, D, H and I **only if** the payer corporation is **connected**

Important instructions to follow if the payer corporation is connected

- If your corporation's tax year-end is different than that of the **connected** payer corporation, your corporation could have received dividends from more than one tax year of the payer corporation. If so, **use a separate line** to provide the information for each tax year of the payer corporation.
- When completing Column J and K use the **special calculations provided in the notes**.

A Name of payer corporation (from which the corporation received the dividend) 200	A1	B Enter 1 if payer corporation is **connected** 205	C Business Number of **connected** corporation 210	D Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYY/MM/DD 220	E Non-taxable dividend under section 83 230

Total of column E (enter amount on line 402 of Schedule 1)

F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (a.1),(b), or (d)[note 1] 240	F1 Eligible dividends (included in column F)	F2	G Amount of dividend included in column F that was received **before** 2016 241	H Total taxable dividends paid by **connected** payer corporation (for tax year in column D) 250	I Dividend refund of the **connected** payer corporation (for tax year in column D)[note 2] 260	J Dividends (from Column G) received **before** 2016 **multiplied** by 33 1/3%[note 3] 270	K Dividends received **after** 2015 (column F **minus** column G) **multiplied** by 38 1/3%[note 4] 275
Total of column F (enter amount on line 320 of the T2 Return)						**Total of column J** (enter amount on line a in Part 2)	**Total of column K** (enter amount on line b in Part 2)

1 If taxable dividends are received, enter the amount in column 240, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column 270 or column 275 as applicable. Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

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

3 For dividends received **before** 2016 from **connected** corporations, Part IV tax on dividends is equal to: Column G **multiplied** by Column I **divided** by Column H.

4 For dividends received **after** 2015 from **connected** corporations, Part IV tax on dividends is equal to: the result of Column F **minus** column G, **multiplied** by Column I **divided** by Column H.

Part 2 – Calculation of Part IV tax payable

Part IV tax on dividends received **before** 2016, before deductions (Total of column J in part 1) . . ______ a

Part IV tax on dividends received **after** 2015, before deductions (Total of column K in part 1) . . . ______ b

Part IV tax before deductions (amount a **plus** amount b) . . . . ______ ▶ ______ L

Deduct:

Part IV.I tax payable on dividends subject to Part IV tax (from line 360 of Schedule 43) . . . . **320** ______

Subtotal (amount L **minus** line 320) ______ M

Deduct:

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

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

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

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

Total losses applied against Part IV tax (total of amounts c to f) ______ g

If your tax year begins after December 31, 2015:

Amount g **multiplied** by 38 1 / 3 % . . . . ______ h

If your tax year begins before January 1, 2016:

Amount b or M whichever is less

______ ÷ 38 1 / 3 % . . . = ______ 1

Amount 1 or g, whichever is less . . . . ______ 2

Amount g **minus** amount 2 . . . . ______ 3

Amount 2 ______ x 38 1 / 3 % = ______ i

Amount 3 ______ x 33 1 / 3 % = ______ j

Subtotal (amount i **plus** amount j) ______ k

Amount h or amount k, whichever applies . . . . ______ N

Part IV tax payable (amount M **minus** amount N, if negative enter "0") . . . . **360** ______
(enter amount on line 712 of the T2 return)

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

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

	O Name of connected recipient corporation 400	P Business Number 410	Q Tax year-end of connected recipient corporation in which the dividends in column R were received YYYY/MM/DD 420	R Taxable dividends paid to connected corporations 430	R1 Eligible dividends (included in column R)
1	The Corporation of the Municipality of Brockton	88070 7625 RC0001	2016-12-31	100,872	
2	The Corporation of the Town of Hanover	10812 6947 RC0001	2016-12-31	120,719	
3	The Corporation of the Municipality of Kincardine	87830 9020 RC0001	2016-12-31	107,815	
4	The Corporation of the Town of Saugeen Shores	87894 8629 RC0001	2016-12-31	199,838	
			Total of column R	529,244	

Total taxable dividends paid in the tax year to other than connected corporations . . . **450** 270,756

Eligible dividends (included in line 450) . . . 450a

Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column R **plus** line 450) . . . **460** 800,000

Part 4 – Total dividends paid in the tax year

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

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above) . . . 800,000

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

Total dividends paid in the tax year . . . **500** 800,000

Deduct:

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

Capital gains dividends . . . **520**

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

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

Subtotal (total of lines 510 to 540) ► S

Total taxable dividends paid in the tax year that qualify for a dividend refund (Line 500 **minus** amount S) 800,000 T

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Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

- Use this schedule if, during the tax year, the corporation:
  - – had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only complete columns A, B and D in Part 1);
  - – is claiming provincial or territorial tax credits or rebates (see Part 2); or
  - – has to pay taxes, other than income tax, for Newfoundland and Labrador, or Ontario (see Part 2).
- All legislative references mentioned in this schedule are from the *Income Tax Regulations*.
- For more information, see the *T2 Corporation – Income Tax Guide.*
- Enter the regulation number in field 100 of Part 1.

Part 1 – Allocation of taxable income

100 ____________ Enter the Regulation that applies (402 to 413).

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

* "Permanent establishment" is defined in subsection 400(2).
** For corporations other than those described under section 402, use the appropriate calculation described in the Regulations to allocate taxable income.

Notes:
1. After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see the instructions for Schedule 5 in the *T2 Corporation – Income Tax Guide*.
2. If the corporation has provincial or territorial tax payable, complete Part 2.
3. If the corporation is a member of a partnership and the partnership had a permanent establishment in a jurisdiction, select the jurisdiction in Column A and include your proportionate share of the partnership's salaries and wages and gross revenue in columns B and D, respectively.

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

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
387,488		387,488	44,561

Description	Line	Amount		Total	Ref
Ontario basic income tax (from Schedule 500)	270	44,561			
Deduct: Ontario small business deduction (from Schedule 500)	402				
Subtotal		44,561	▶	44,561	A6
Add:					
Ontario additional tax re Crown royalties (from Schedule 504)	274				
Ontario transitional tax debits (from Schedule 506)	276				
Recapture of Ontario research and development tax credit (from Schedule 508)	277				
Subtotal			▶		B6
Subtotal (amount A6 **plus** amount B6)				44,561	C6
Deduct:					
Ontario resource tax credit (from Schedule 504)	404				
Ontario tax credit for manufacturing and processing (from Schedule 502)	406				
Ontario foreign tax credit (from Schedule 21)	408				
Ontario credit union tax reduction (from Schedule 500)	410				
Ontario political contributions tax credit (from Schedule 525)	415				
Subtotal			▶		D6
Subtotal (amount C6 **minus** amount D6) (if negative, enter "0")				44,561	E6
Deduct: Ontario research and development tax credit (from Schedule 508)			416		
Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount E6 **minus** amount on line 416) (if negative, enter "0")				44,561	F6
Deduct:					
Ontario corporate minimum tax credit (from Schedule 510)			418		
Ontario community food program donation tax credit for farmers (from Schedule 2)			420		
Ontario corporate income tax payable (amount F6 **minus** amounts on line 418 and line 420) (if negative, enter "0")				44,561	G6
Add:					
Ontario corporate minimum tax (from Schedule 510)	278				
Ontario special additional tax on life insurance corporations (from Schedule 512)	280				
Subtotal			▶		H6
Total Ontario tax payable before refundable credits (amount G6 **plus** amount H6)				44,561	I6
Deduct:					
Ontario qualifying environmental trust tax credit	450				
Ontario co-operative education tax credit (from Schedule 550)	452				
Ontario apprenticeship training tax credit (from Schedule 552)	454	20,000			
Ontario computer animation and special effects tax credit (from Schedule 554)	456				
Ontario film and television tax credit (from Schedule 556)	458				
Ontario production services tax credit (from Schedule 558)	460				
Ontario interactive digital media tax credit (from Schedule 560)	462				
Ontario sound recording tax credit (from Schedule 562)	464				
Ontario book publishing tax credit (from Schedule 564)	466				
Ontario innovation tax credit (from Schedule 566)	468				
Ontario business-research institute tax credit (from Schedule 568)	470				
Subtotal		20,000	▶	20,000	J6
Net Ontario tax payable or refundable credit (amount I6 **minus** amount J6) (if a credit, enter a negative amount) Include this amount on line 255.			290	24,561	K6

Summary

Enter the total net tax payable or refundable credits for all provinces and territories on line 255.

Net provincial and territorial tax payable or refundable credits	255	24,561

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

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business Number	Tax year end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

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

Is the corporation electing under *Regulation* 1101(5q)? **101** 1 Yes [ ] 2 No [X]

	1 Class number (See Note) 200	Description	2 Undepreciated capital cost at the beginning of the year (amount from column 12 of last year's schedule 8) 201	3 Cost of acquisitions during the year (new property must be available for use)* 203	4 Adjustments and transfers** 205	5 Proceeds of dispositions during the year (amount not to exceed the capital cost) 207	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)*** 211	7 Reduced undepreciated capital cost	8 CCA rate % **** 212	9 Recapture of capital cost allowance***** (line 107 of Schedule 1) 213	10 Terminal loss (line 404 of Schedule 1) 215	11 Capital cost allowance (for declining balance method, column 7 **multiplied** by column 8, or a lower amount) (line 403 of Schedule 1) ****** 217	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11) 220
1.	1		8,327,056	7,144		0	3,572	8,330,628	4	0	0	333,225	8,000,975
2.	1b		1,444,966			0		1,444,966	6	0	0	86,698	1,358,268
3.	2		3,602,495			0		3,602,495	6	0	0	216,150	3,386,345
4.	8		1,928,088	399,431		0	199,716	2,127,803	20	0	0	425,561	1,901,958
5.	8	WPSI	53,653			0		53,653	20	0	0	10,731	42,922
6.	10		503,907	93,165		3,750	44,708	548,614	30	0	0	164,584	428,738
7.	12		93,995	408,086		0	204,043	298,038	100	0	0	298,038	204,043
8.	45	WPSI	134			0		134	45	0	0	60	74
9.	47		17,864,116	4,441,573		5,021	2,218,276	20,082,392	8	0	0	1,606,591	20,694,077
10.	50		136,188	35,314		0	17,657	153,845	55	0	0	84,615	86,887
		Totals	33,954,598	5,384,713		8,771	2,687,972	36,642,568				3,226,253	36,104,287

Note: Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed.
Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).

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

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

*** The net cost of acquisitions is the cost of acquisitions (column 3) **plus** or **minus** certain adjustments and transfers from column 4. For information on the exceptions to the 50% rule, as well as how to calculate the amounts to enter in column 6 in those cases, see Interpretation Bulletin IT-285, *Capital Cost Allowance - General Comments*.

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

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

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

T2 SCH 8 (14)

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SCHEDULE 10

CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Name of corporation	Business Number	Tax year-end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*.
- A separate cumulative eligible capital account must be kept for each business.

Part 1 – Calculation of current year deduction and carry-forward

Cumulative eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0")		200	658,723	A
Add: Cost of eligible capital property acquired during the taxation year	222			
Other adjustments	226			
Subtotal (line 222 plus line 226)		x 3 / 4 =		B
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002	228	x 1 / 2 =		C
amount B minus amount C (if negative, enter "0")		▶		D
Amount transferred on amalgamation or wind-up of subsidiary		224		E
Subtotal (add amounts A, D, and E)		230	658,723	F
Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	242			G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244			H
Other adjustments	246			I
(add amounts G,H, and I)		x 3 / 4 = 248		J
Cumulative eligible capital balance (amount F minus amount J)			658,723	K
(if amount K is negative, enter "0" at line M and proceed to Part 2)				
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business		249		
amount K	658,723			
less amount from line 249				
Current year deduction	658,723 x 7.00 % =	250	46,111 *	
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)		46,111 ▶	46,111	L
Cumulative eligible capital – Closing balance (amount K minus amount L) (if negative, enter "0")		300	612,612	M

* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

Part 2 – Amount to be included in income arising from disposition

(complete this part only if the amount at line K is negative)

Amount from line K (show as positive amount)						N
Total of cumulative eligible capital (CEC) deductions from income for taxation years beginning after June 30, 1988			400		1	
Total of all amounts which reduced CEC in the current or prior years under subsection 80(7)			401		2	
Total of CEC deductions claimed for taxation years beginning before July 1, 1988	402		3			
Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988	408		4			
Line 3 minus line 4 (if negative, enter "0")			▶		5	
Total of lines 1, 2 and 5					6	
Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 400			7			
Amounts at line T from Schedule 10 of previous taxation years ending after February 27, 2000			8			
Subtotal (line 7 plus line 8)	409		▶		9	
Line 6 minus line 9 (if negative, enter "0")					▶	O
Line N minus line O (if negative, enter "0")						P
Line 5			x 1 / 2 =			Q
Line P minus line Q (if negative, enter "0")						R
Amount R			x 2 / 3 =			S
Amount N or amount O, whichever is less						T
Amount to be included in income (amount S plus amount T) (enter this amount on line 108 of Schedule 1)					410	

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than $10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than $10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

	Line	Amount		
Reserves that have not been deducted in calculating income for the year under Part I	101	5,713,132		
Capital stock (or members' contributions if incorporated without share capital)	103	18,269,168		
Retained earnings	104	13,044,267		
Contributed surplus	105			
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	17,892,184		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112			
Subtotal (**add** lines 101 to 112)		54,918,751	54,918,751	A

Note:

Line 112 is determined by the formula (A – B) x C/D (as per paragraph 181.2(3)(g)) where:

A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
- a) those lines applied to partnerships in the same manner that they apply to corporations, and
- b) those amounts were computed without reference to amounts owing by the partnership
  - (i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
  - (ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.

B is the partnership's deferred unrealized foreign exchange losses at the end of the period,

C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and

D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

Subtotal A (from page 1)			54,918,751 A
Deduct the following amounts:			
Deferred tax debit balance at the end of the year	121		
Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122		
To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year.	123		
Deferred unrealized foreign exchange losses at the end of the year	124		
Subtotal (**add** lines 121 to 124)		▶	B
Capital for the year (amount A **minus** amount B) (if negative, enter "0")	190		54,918,751

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	34,539
A loan or advance to another corporation (other than a financial institution)	402	
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend payable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1)	406	
An interest in a partnership (see note 2 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	34,539

Notes:

1. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
2. Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation. Refer to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190)		54,918,751 C
Deduct: Investment allowance for the year (line 490)		34,539 D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	54,884,212

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500) 54,884,212 x Taxable income earned in Canada **610** 387,488 / Taxable income 387,488 = **Taxable capital employed in Canada** **690** 54,884,212

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

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

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

Deduct the following amounts:

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

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

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

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

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

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

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

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

Deduct: . . . . 10,000,000 G

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

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

Enter this amount at line 415 of the T2 return.

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Loans and advances

Description		Amount	
Current portion of debt		1,117,733	00
Long-term portion of debt	+	15,729,323	00
Current portion of customer deposits	+	1,045,128	00
	Total	17,892,184	00

Attached Schedule with Total

Part 1 – Reserves that have not been deducted in calculating income for the year under Part I

Title Part 1 – Reserves that have not been deducted in computing income for th

Description		Amount	
Future tax liability		1,713,000	00
Post retirement benefits	+	386,427	00
Unrealized loss on swap	+	1,286,079	00
Deferred revenue	+	2,327,626	00
	+		
	Total	5,713,132	00

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SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Tax year end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Provide only one number per shareholder: Business Number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
	100	200	300	350	400	500
1	The Corporation of the Municipality of Brockton	88070 7625 RC0001			12.610	
2	The Corporation of the Town of Hanover	10812 6947 RC0001			15.090	
3	The Corporation of the Municipality of Kincardine	87830 9020 RC0001			13.480	
4	The Corporation of the Town of Saugeen Shores	87894 8629 RC0001			24.870	
5						
6						
7						
8						
9						
10						

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Schedule 55

Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name	Business number	Tax year-end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

Do not use this area

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

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

	Line	Amount	Line	Amount	
Taxable dividends paid in the tax year **not included** in Schedule 3					
Taxable dividends paid in the tax year **included** in Schedule 3		800,000			
Total taxable dividends paid in the tax year	100	800,000			
Total eligible dividends paid in the tax year			150		A
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")			160	13,116,936	B
Excessive eligible dividend designation (line 150 **minus** line 160)					C
Deduct:					
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *			180		D
Subtotal (amount C **minus** amount D)					E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E **multiplied** by 20 %)			190		F

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

Part 2 – Other corporations

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

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

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

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Schedule 500

Ontario Corporation Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

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

Part 1 – Ontario basic rate of tax for the year

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

Part 2 – Calculation of Ontario basic income tax

Ontario taxable income * . . . . 387,488 B

Ontario basic income tax: amount B **multiplied** by Ontario basic rate of tax for the year (rate A from Part 1) . . . . . . 44,561 C

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

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

Part 3 – Ontario small business deduction (OSBD)

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

Income from active business carried on in Canada (amount from line 400 of the T2 return)		400,133	1
Federal taxable income, less adjustment for foreign tax credit (amount from line 405 of the T2 return)		387,488	2
Federal business limit before the application of subsection 125(5.1) (amount from line 410 of the T2 return)		500,000	3

Ontario business limit reduction:

Amount from line 3 . . . . . 500,000 a

Deduct:

Amount from line E of the T2 return 4,426,444 x (Number of days in the tax year after May 1, 2014 366 / Number of days in the tax year 366) = 4,426,444 b

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

Business limit the CCPC assigns under subsection 125(3.2) ITA d

Amount c **minus** amount d ▶ 4

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

Ontario domestic factor (ODF): Ontario taxable income * 387,488.00 / Taxable income earned in all provinces and territories ** 387,488 = 1.00000 E

Amount D × ODF (line E) e

Ontario taxable income (amount B from Part 2) 387,488 f

Reduced Ontario business limit (amount e **minus** amount f) (if negative, enter "0") . . . . . F

OSBD rate for the year . . . . . 7 % G

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

Enter amount H on line 402 of Schedule 5.

* Enter amount B from Part 2.

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

Part 4 – Ontario adjusted small business income

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

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

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

Part 5 – Calculation of credit union tax reduction

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

Amount D from Part 3 of Schedule 17		J		
Deduct:				
Ontario adjusted small business income (amount I from Part 4)		K		
Subtotal (amount J **minus** amount K) (if negative, enter "0")		L		
Amount L **multiplied** by rate G from Part 3				M
Ontario domestic factor (line E from Part 3)			1.00000	N
Ontario credit union tax reduction (amount M **multiplied** by ODF from line N)				O

Enter amount O on line 410 of Schedule 5.

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Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
  1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
  2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
  3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
  4) a congregation or business agency to which section 143 of the federal Act applies;
  5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
  6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	112	76,842,214
Share of total assets from partnership(s) and joint venture(s) *	114	
Total assets of associated corporations (amount from line 450 on Schedule 511)	116	
Total assets (total of lines 112 to 116)		76,842,214
Total revenue of the corporation for the tax year **	142	70,497,217
Share of total revenue from partnership(s) and joint venture(s) **	144	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	
Total revenue (total of lines 142 to 146)		70,497,217

The corporation is subject to CMT if:
– for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than $5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than $10,000,000.
– for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than $50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than $100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

* **Rules for total assets**
- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

** **Rules for total revenue**
- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

Part 2 – Adjusted net income/loss for CMT purposes

Net income/loss per financial statements *			210	1,948,504
Add (to the extent reflected in income/loss):				
Provision for current income taxes/cost of current income taxes	220	243,000		
Provision for deferred income taxes (debits)/cost of future income taxes	222			
Equity losses from corporations	224			
Financial statement loss from partnerships and joint ventures	226			
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230			
Other additions (see note below):				
Share of adjusted net income of partnerships and joint ventures **	228			
Total patronage dividends received, not already included in net income/loss	232			
281	282			
283	284			
Subtotal		243,000	▶	243,000 A
Deduct (to the extent reflected in income/loss):				
Provision for recovery of current income taxes/benefit of current income taxes	320			
Provision for deferred income taxes (credits)/benefit of future income taxes	322			
Equity income from corporations	324			
Financial statement income from partnerships and joint ventures	326			
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330			
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332			
Gain on donation of listed security or ecological gift	340			
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342			
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344			
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346			
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348			
Other deductions (see note below):				
Share of adjusted net loss of partnerships and joint ventures **	328			
Tax payable on dividends under subsection 191.1(1) of the federal Act **multiplied** by 3	334			
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336			
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338			
381	382			
383	384			
385	386			
387	388			
389	390			
Subtotal			▶	B
Adjusted net income/loss for CMT purposes (line 210 **plus** amount A **minus** amount B)			490	2,191,504

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

Note

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

– exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
– include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

* **Rules for net income/loss**

– Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)

– Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.

– Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.

– Corporations, other than insurance corporations, should report net income from line 9999 of the GIFI (Schedule 125) on line 210.

** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.

*** A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.

**** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.

***** A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive)	515		
Deduct:			
CMT loss available (amount R from Part 7)			
Minus: Adjustment for an acquisition of control *	518		
Adjusted CMT loss available	▶		C
Net income subject to CMT calculation (if negative, enter "0")	520		

Amount from line 520 ______ x (Number of days in the tax year before July 1, 2010 ______ / Number of days in the tax year 366) x 4 % = ______ 1

Amount from line 520 ______ x (Number of days in the tax year after June 30, 2010 366 / Number of days in the tax year 366) x 2.7 % = ______ 2

Subtotal (amount 1 **plus** amount 2) ______ 3

Gross CMT: amount on line 3 above x OAF **	540		
Deduct:			
Foreign tax credit for CMT purposes ***	550		
CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0")			D
Deduct:			
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		44,561	
Net CMT payable (if negative, enter "0")			E

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

* Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act.

*** Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

** **Calculation of the Ontario allocation factor (OAF):**

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

Ontario taxable income **** / Taxable income ***** ______ = ______

Ontario allocation factor 1.00000 F

**** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were $1,000.

*****Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *			G		
Deduct:					
CMT credit expired *	600				
CMT credit carryforward at the beginning of the current tax year * (see note below)			▶	620	
Add:					
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)				650	
CMT credit available for the tax year (amount on line 620 **plus** amount on line 650)					H
Deduct:					
CMT credit deducted in the current tax year (amount P from Part 5)					I
Subtotal (amount H **minus** amount I)					J
Add:					
Net CMT payable (amount E from Part 3)					
SAT payable (amount O from Part 6 of Schedule 512)					
Subtotal			▶		K
CMT credit carryforward at the end of the tax year (amount J **plus** amount K)				670	L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line G or line 600;
- for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4)					M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		44,561	1		
For a corporation that is not a life insurance corporation:					
CMT after foreign tax credit deduction (amount D from Part 3)		2			
For a life insurance corporation:					
Gross CMT (line 540 from Part 3)		3			
Gross SAT (line 460 from Part 6 of Schedule 512)		4			
The **greater** of amounts 3 and 4		5			
Deduct: line 2 or line 5, whichever applies:			6		
Subtotal (if negative, enter "0")		44,561	▶	44,561	N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		44,561			
Deduct:					
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 **minus** line 450 from Schedule 5)		20,000			
Subtotal (if negative, enter "0")		24,561	▶	24,561	O
CMT credit deducted in the current tax year (least of amounts M, N, and O)					P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? 675 1 Yes [ ] 2 No [X]

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year * . . . . ______ Q

Deduct:

CMT loss expired * . . . . 700 ______

CMT loss carryforward at the beginning of the tax year * (see note below) . . . . ______ ► 720 ______

Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below) . . . . 750 ______

CMT loss available (line 720 **plus** line 750) . . . . ______ R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) . . . . ______

Subtotal (if negative, enter "0") ______ S

Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) . . . . 760 ______

CMT loss carryforward balance at the end of the tax year (amount S **plus** line 760) . . . . 770 ______ T

* For the first harmonized T2 return filed with a tax year that includes days in 2009:

- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

** Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

Note: If you entered an amount on line 720 or line 750, complete Part 8.

Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:
- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

*** The total of these two columns must equal the total of the amounts entered on lines 720 and 750.

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 511

ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS AND REVENUE FOR ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return.*

Names of associated corporations 200	Business number (Canadian corporation only) (see Note 1) 300	Total assets* (see Note 2) 400	Total revenue** (see Note 2) 500
	Total	450	550

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.
Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

Note 1: Enter ¨NR¨ if a corporation is not registered.

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

* **Rules for total assets**

– Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
– Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
– Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

** **Rules for total revenue**

– Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
– If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
– If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
– Include the associated corporation's share of the total revenue of partnerships and joint ventures.
– If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.

T2 SCH 511

Canada

Canada Revenue Agency — Agence du revenu du Canada

Schedule 552

Ontario Apprenticeship Training Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
Westario Power Inc.	89276 4416 RC0003	2016-12-31

- Use this schedule to claim an Ontario apprenticeship training tax credit (ATTC) under section 89 of the *Taxation Act, 2007* (Ontario).
- The ATTC is a refundable tax credit that is equal to a specified percentage (25% to 45%) of the eligible expenditures incurred by a corporation for a qualifying apprenticeship. For eligible expenditures incurred after March 26, 2009 for an apprenticeship program that began before April 24, 2015, the maximum credit for each qualifying apprenticeship is $10,000 per year to a maximum credit of $40,000 over the first 48-month period of the qualifying apprenticeship. For an apprenticeship program that began after April 23, 2015, the maximum credit for each qualifying apprenticeship is $5,000 per year to a maximum credit of $15,000 over the first 36-month period of the qualifying apprenticeship.
- Eligible expenditures are salaries and wages (including taxable benefits) paid to an apprentice in a qualifying apprenticeship or fees paid to an employment agency for the provision of services performed by the apprentice in a qualifying apprenticeship. These expenditures must be:
  - paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario;
  - for services provided by the apprentice during the first 48 months of the apprenticeship program, if an apprenticeship program began before April 24, 2015; and
  - for services provided by the apprentice during the first 36 months of the apprenticeship program, if an apprenticeship program began after April 23, 2015.
- An expenditure is not eligible for an ATTC if:
  - the same expenditure was used, or will be used, to claim a co-operative education tax credit; or
  - it is more than an amount that would be paid to an arm's length apprentice.
- An apprenticeship must meet the following conditions to be a qualifying apprenticeship:
  - the apprenticeship is in a qualifying skilled trade approved by the Ministry of Training, Colleges and Universities (Ontario) or a person designated by him or her; and
  - the corporation and the apprentice must be participating in an apprenticeship program in which the training agreement has been registered under the *Ontario College of Trades and Apprenticeship Act, 2009, or* the *Apprenticeship and Certification Act, 1998,* or in which the contract of apprenticeship has been registered under the *Trades Qualification and Apprenticeship Act*.
- Do not submit the training agreement or contract of apprenticeship with your *T2 Corporation Income Tax Return*. Keep a copy of the training agreement or contract of apprenticeship to support your claim.
- File this schedule with your *T2 Corporation Income Tax Return*.

Part 1 – Corporate information

110 Name of person to contact for more information: Lisa Milne

120 Telephone number: (519) 507-6666

Is the claim filed for an ATTC earned through a partnership? * . . . . . **150** 1 Yes [ ] 2 No [X]

If you answered **yes** to the question at line 150, what is the name of the partnership? . **160** ______

Enter the percentage of the partnership's ATTC allocated to the corporation . . . . . **170** ______ %

* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 552 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 552 to claim the partner's share of the partnership's ATTC. The total of the partners' allocated amounts can never exceed the amount of the partnership's ATTC.

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year? . . . . . **200** 1 Yes [X] 2 No [ ]
2. Was the corporation exempt from tax under Part III of the *Taxation Act, 2007* (Ontario)? . . . . . **210** 1 Yes [ ] 2 No [X]

If you answered **no** to question 1 or **yes** to question 2, then you are **not eligible** for the ATTC.

Part 3 – Specified percentage

Corporation's salaries and wages paid in the previous tax year * **300** 1,000,000

For eligible expenditures incurred after March 26, 2009 for an apprenticeship program that began before April 24, 2015:

- If line 300 is $400,000 or less, enter 45% on line 312.
- If line 300 is $600,000 or more, enter 35% on line 312.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 312 using the following formula:

$$\text{Specified percentage} = 45\,\% - \left[10\,\% \times \left(\frac{\text{amount on line 300} \quad \textbf{minus} \quad 400{,}000}{200{,}000} \right) \right]$$

Specified percentage . . . . . **312** 35.000 %

For eligible expenditures incurred for an apprenticeship program that began after April 23, 2015:

- If line 300 is $400,000 or less, enter 30% on line 314.
- If line 300 is $600,000 or more, enter 25% on line 314.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 314 using the following formula:

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

Specified percentage . . . . . **314** 25.000 %

* If this is the first tax year of an amalgamated corporation and subsection 89(6) of the *Taxation Act, 2007* (Ontario) applies, enter salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Ontario apprenticeship training tax credit

Complete a **separate entry** for each apprentice for each qualifying apprenticeship with the corporation. When claiming an ATTC for repayment of government assistance, complete a **separate entry** for each repayment, and complete columns A to G and M and N with the details for the employment period in the previous tax year in which the government assistance was received.

	A Trade code 400	B Apprenticeship program/trade name 405	C Name of apprentice 410
1.	434a	Powerline Technician	Graeme Thompson
2.	434a	Powerline Technician	Zachary Etmanskie
3.			

	D Original contract or training agreement number 420	E Original registration date of apprenticeship contract or training agreement (YYYYMMDD) (see note 1) 425	F Start date of employment as an apprentice in the tax year (YYYYMMDD) (see note 2) 430	G End date of employment as an apprentice in the tax year (YYYYMMDD) (see note 3) 435
1.	BD8276	2013-09-17	2016-01-01	2016-12-31
2.	BD8261	2013-09-17	2016-01-01	2016-12-31
3.				

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

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

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

Part 4 – Ontario apprenticeship training tax credit (continued)

	H1 Number of days in the tax year employed as an apprentice in a qualifying apprenticeship program that began before April 24, 2015 (see note 1) 442	H2 Number of days in the tax year employed as an apprentice in a qualifying apprenticeship program that began after April 23, 2015 (see note 1) 443	I Maximum credit amount for the tax year (see note 2) 445
1.	366		10,000
2.	366		10,000
3.			

Note 1: When there are multiple employment periods as an apprentice in the tax year with the corporation, do not include days in which the individual was not employed as an apprentice.
For H1: The days employed as an apprentice must be within 48 months of the registration date provided in column E.
For H2: The days employed as an apprentice must be within 36 months of the registration date provided in column E.

Note 2: Maximum credit = ($10,000 × H1/365*****) or ($5,000 × H2/365*****), whichever applies.
***** 366 days, if the tax year includes February 29

	J1 Eligible expenditures incurred after March 26, 2009 for a qualifying apprenticeship program that began before April 24, 2015 (see note 3) 452	J2 Eligible expenditures incurred for a qualifying apprenticeship program that began after April 23, 2015 (see note 3) 453	K Eligible expenditures **multiplied** by specified percentage (see note 4) 460
1.	61,781		21,623
2.	61,257		21,440
3.			

Note 3: Reduce eligible expenditures by all government assistance, as defined under subsection 89(19) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, in respect of the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.
For J1: Eligible expenditures must be for services provided by the apprentice to the taxpayer during the first 48 months of the apprenticeship program, and not relating to services performed before the apprenticeship program began or after it ended.
For J2: Eligible expenditures must be for services provided by the apprentice to the taxpayer during the first 36 months of the apprenticeship program, and not relating to services performed before the apprenticeship began or after it ended.

Note 4: Calculate the amount in column K as follows:
Column K = (J1 × line 312) or (J2 × line 314), whichever applies.

	L ATTC on eligible expenditures (lesser of columns I and K) 470	M ATTC on repayment of government assistance (see note 5) 480	N ATTC for each apprentice (column L or M, whichever applies) 490
1.	10,000		10,000
2.	10,000		10,000
3.			

Ontario apprenticeship training tax credit (total of amounts in column N) 500 20,000 **O**

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

Amount O ______ x percentage on line 170 in Part 1 ______ % = ... ______ **P**

Enter amount O or P, whichever applies, on line 454 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 552, **add** the amounts from line O or P, whichever applies, on all the schedules, and enter the total amount on line 454 of Schedule 5.

Note 5: Include the amount of government assistance repaid in the tax year multiplied by the specified percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the ATTC in that tax year. Complete a **separate entry** for each repayment of government assistance.

See the privacy notice on your return.

APPENDIX E – PILS MODEL

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

			Test Year	Bridge Year	
Rate Base		S	**$ 51,531,560**	**$ 51,958,700**	

Return on Ratebase

Deemed ShortTerm Debt %	4.00%	T	$ 2,061,262	*W = S * T*	
Deemed Long Term Debt %	56.00%	U	$ 28,857,673	*X = S * U*	
Deemed Equity %	40.00%	V	$ 20,612,624	*Y = S * V*	
Short Term Interest Rate	1.76%	Z	$ 36,278	*AC = W * Z*	
Long Term Interest	3.72%	AA	$ 1,073,505	*AD = X * AA*	
Return on Equity (Regulatory Income)	8.78%	AB	**$ 1,809,788**	*AE = Y * AB*	T1
Return on Rate Base			**$ 2,919,572**	*AF = AC + AD + AE*	

Questions that must be answered

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

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Version **1.02**

Utility Name	Westario Power Inc.
Assigned EB Number	
Name and Title	
Phone Number	
Email Address	
Date	
Last COS Re-based Year	**2013**

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

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your rate application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.

Instructions

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

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

Methodology
To calculate the PILs for the Test Year:

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

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

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

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

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

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

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

Updated: June 14, 2016

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

1. Info
S. Summary
A. Data Input Sheet
B. Tax Rates & Exemptions

Historical Year

H0 - PILs, Tax Provision Historical Year
H1 - Adj. Taxable Income Historical Year
H4 - Schedule 4 Loss Carry Forward Historical Year
H8 - Schedule 8 Historical
H10 - Schedule 10 CEC Historical Year
H13 - Schedule 13 Tax Reserves Historical

Bridge Year

B0 - PILs,Tax Provision Bridge Year
B1 - Adj. Taxable Income Bridge Year
B4 - Schedule 4 Loss Carry Forward Bridge Year
B8 - Schedule 8 CCA Bridge Year
B10 - Schedule 10 CEC Bridge Year
B13 - Schedule 13 Tax Reserves Bridge Year

Test Year

T0 PILs, Tax Provision Test Year
T1 Taxable Income Test Year
T4 Schedule 4 Loss Carry Forward Test Year
T8 Schedule 8 CCA Test Year
T13 Schedule 13 Reserve Test Year

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

No inputs required on this worksheet.

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

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

Notes

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

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

PILs Tax Provision - Historical Year

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

				Wires Only	
Regulatory Taxable Income			H1	$ 400,133	**A**
Combined Tax Rate and PILs	Ontario Tax Rate (Maximum 11.5%)	11.50%	**B**		
	Federal tax rate (Maximum 15%)	15.00%	**C**		
	Combined tax rate (Maximum 26.5%)			26.50%	**D = B+C**
Total Income Taxes				**$ 106,035**	**E = A * D**
Investment Tax Credits				$ -	**F**
Miscellaneous Tax Credits				$ -	**G**
Total Tax Credits				**$ -**	**H = F + G**
Corporate PILs/Income Tax Provision for Historical Year				**$ 106,035**	**I = E - H**

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	A	2,191,504		2,191,504
Additions:				
Interest and penalties on taxes	103	1,412		1,412
Amortization of tangible assets	104	1,613,358		1,613,358
Amortization of intangible assets	106			0
Recapture of capital cost allowance from Schedule 8	107			0
Gain on sale of eligible capital property from Schedule 10	108			0
Income or loss for tax purposes- joint ventures or partnerships	109			0
Loss in equity of subsidiaries and affiliates	110			0
Loss on disposal of assets	111	142,733		142,733
Charitable donations	112	12,645		12,645
Taxable Capital Gains	113			0
Political Donations	114			0
Deferred and prepaid expenses	116			0
Scientific research expenditures deducted on financial statements	118			0
Capitalized interest	119			0
Non-deductible club dues and fees	120			0
Non-deductible meals and entertainment expense	121	2,954		2,954
Non-deductible automobile expenses	122			0
Non-deductible life insurance premiums	123			0
Non-deductible company pension plans	124			0
Tax reserves deducted in prior year	125			0
Reserves from financial statements- balance at end of year	126			0
Soft costs on construction and renovation of buildings	127			0
Book loss on joint ventures or partnerships	205			0
Capital items expensed	206			0
Debt issue expense	208			0
Development expenses claimed in current year	212			0
Financing fees deducted in books	216			0
Gain on settlement of debt	220			0
Non-deductible advertising	226			0
Non-deductible interest	227			0
Non-deductible legal and accounting fees	228			0
Recapture of SR&ED expenditures	231			0
Share issue expense	235			0
Write down of capital property	236			0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237			0
Other Additions				
Interest Expensed on Capital Leases	290			0
Realized Income from Deferred Credit Accounts	291			0
Pensions	292			0
Non-deductible penalties	293			0
	294			0
	295			0
ARO Accretion expense				0
Capital Contributions Received (ITA 12(1)(x))				0
Lease Inducements Received (ITA 12(1)(x))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
Inducement under 12(1)(x) ITA		16,822		16,822

Post Retirement - end of year		386,427		386,427
Swap Valuation - Current year		1,286,079		1,286,079
Items capitalized for tax purposes		252,607		252,607
				0
				0
				0
				0
				0
				0
Total Additions		**3,715,037**	**0**	**3,715,037**
Deductions:				
Gain on disposal of assets per financial statements	401			0
Dividends not taxable under section 83	402			0
Capital cost allowance from Schedule 8	403	3,226,253		3,226,253
Terminal loss from Schedule 8	404			0
Cumulative eligible capital deduction from Schedule 10	405	46,111		46,111
Allowable business investment loss	406			0
Deferred and prepaid expenses	409			0
Scientific research expenses claimed in year	411			0
Tax reserves claimed in current year	413			0
Reserves from financial statements - balance at beginning of year	414			0
Contributions to deferred income plans	416			0
Book income of joint venture or partnership	305			0
Equity in income from subsidiary or affiliates	306			0
Other deductions: (Please explain in detail the nature of the item)				
Interest capitalized for accounting deducted for tax	390			0
Capital Lease Payments	391			0
Non-taxable imputed interest income on deferral and variance accounts	392			0
	393			0
	394			0
ARO Payments - Deductible for Tax when Paid				0
ITA 13(7.4) Election - Capital Contributions Received				0
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds				0
Deferred Revenue - ITA 20(1)(m) reserve				0
Principal portion of lease payments				0
Lease Inducement Book Amortization credit to income				0
Financing fees for tax ITA 20(1)(e) and (e.1)				0
Post Retirement - beg of year		398,965		398,965
Unrealized gain on investments - OIC		9,606		9,606
Swap Valuation - prior year		1,636,347		1,636,347
Capital items expensed for tax purposes		5,021		5,021
Amortization of LTA		3,431		3,431
Regulatory asset adjustment		180,674		180,674
				0
Total Deductions		**5,506,408**	**0**	**5,506,408**
Net Income for Tax Purposes		**400,133**	**0**	**400,133**
Charitable donations from Schedule 2	311			0
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320			0
Non-capital losses of preceding taxation years from Schedule 4	331			0
Net-capital losses of preceding taxation years from Schedule 4 *(Please include explanation and calculation in Manager's summary)*	332			0
Limited partnership losses of preceding taxation years from Schedule 4	335			0
TAXABLE INCOME		**400,133**	**0**	**400,133**

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Schedule 7-1 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

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

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

Income Tax/PILs Workform for 2017 Filers

Schedule 8 - Historical Year

Class	Class Description	UCC End of Year Historical per tax returns	Less: Non-Distribution Portion	UCC Regulated Historical Year
1	Distribution System - post 1987	8,000,975		8,000,975
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	1,358,268		1,358,268
2	Distribution System - pre 1988	3,386,345		3,386,345
8	General Office/Stores Equip	1,944,880		1,944,880
10	Computer Hardware/ Vehicles	428,738		428,738
10.1	Certain Automobiles			0
12	Computer Software	204,043		204,043
13_1	Lease # 1			0
13_2	Lease #2			0
13_3	Lease # 3			0
13_4	Lease # 4			0
14	Franchise			0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs			0
42	Fibre Optic Cable			0
43.1	Certain Energy-Efficient Electrical Generating Equipment			0
43.2	Certain Clean Energy Generation Equipment			0
45	Computers & Systems Software acq'd post Mar 22/04	74		74
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			0
47	Distribution System - post February 2005	20,694,077		20,694,077
50	Data Network Infrastructure Equipment - post Mar 2007	86,887		86,887
52	Computer Hardware and system software			0
95	CWIP			0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
	SUB-TOTAL - UCC	36,104,287	0	36,104,287

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filer

Schedule 10 CEC - Historical Year

Cumulative Eligible Capital				**658,723**
Additions				
Cost of Eligible Capital Property Acquired during Test Year				
Other Adjustments	0			
Subtotal	0	**x 3/4 =**	0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0	**x 1/2 =**	0	
			0	**0**
Amount transferred on amalgamation or wind-up of subsidiary	0			**0**
Subtotal				**658,723**
Deductions				
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year				
Other Adjustments	0			
Subtotal	0	**x 3/4 =**		**0**
Cumulative Eligible Capital Balance				**658,723**
Current Year Deduction		**658,723**	**x 7% =**	**46,111**
Cumulative Eligible Capital - Closing Balance				**612,612**

Ontario Energy Board

Income Tax/PILs Workform for 2

Schedule 13 Tax Reserves - Historical

Continuity of Reserves

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

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

PILS Tax Provision - Bridge Year

						Reference	Wires Only	
Regulatory Taxable Income						B1	$ 1,915,623	**A**
	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate				
Ontario (Max 11.5%)	11.5%	11.5%	$ 220,297	11.5%	**B**			
Federal (Max 15%)	15.0%	15.0%	$ 287,343	15.0%	**C**			
Combined effective tax rate (Max 26.5%)							26.50%	**D = B + C**
Total Income Taxes							**$ 507,640**	**E = A * D**
Investment Tax Credits							$ -	**F**
Miscellaneous Tax Credits							$ -	**G**
Total Tax Credits							**$ -**	**H = F + G**
Corporate PILs/Income Tax Provision for Bridge Year							**$ 507,640**	**I = E - H**

Note:

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

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	A		2,914,542
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets	104		2,252,833
Amortization of intangible assets	106		
Recapture of capital cost allowance from Schedule 8	107		
Gain on sale of eligible capital property from Schedule 10	108		
Income or loss for tax purposes- joint ventures or partnerships	109		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		
Charitable donations	112		18,000
Taxable Capital Gains	113		
Political Donations	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment expense	121		3,000
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves deducted in prior year	125	B13	0
Reserves from financial statements- balance at end of year	126	B13	0
Soft costs on construction and renovation of buildings	127		
Book loss on joint ventures or partnerships	205		
Capital items expensed	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in books	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property	236		
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		
Other Additions			
Interest Expensed on Capital Leases	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		
Non-deductible penalties	293		
	294		
	295		
ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
Total Additions			**2,273,833**
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	B8	3,229,869
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10	405	B10	42,883
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves claimed in current year	413	B13	0
Reserves from financial statements - balance at beginning of year	414	B13	0
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
Other deductions: (Please explain in detail the nature of the item)			
Interest capitalized for accounting deducted for tax	390		
Capital Lease Payments	391		
Non-taxable imputed interest income on deferral and variance accounts	392		
	393		
	394		
ARO Payments - Deductible for Tax when Paid			
ITA 13(7.4) Election - Capital Contributions Received			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
Total Deductions		calculated	**3,272,752**
Net Income for Tax Purposes		calculated	**1,915,623**
Charitable donations from Schedule 2	311		
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320		
Non-capital losses of preceding taxation years from Schedule 4	331	B4	0
Net-capital losses of preceding taxation years from Schedule 4 *(Please include explanation and calculation in Manager's summary)*	332		
Limited partnership losses of preceding taxation years from Schedule 4	335		
TAXABLE INCOME		calculated	**1,915,623**

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Corporation Loss Continuity and Application

Schedule 4 Loss Carry Forward - Bridge Year

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

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

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Schedule 8 CCA - Bridge Year

Class	Class Description	Working Paper Reference	UCC Regulated Historical Year	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Bridge Year CCA		UCC End of Bridge Year
1	Distribution System - post 1987	H8	$ 8,000,975			$ 8,000,975	$ -	$ 8,000,975	4%	$ 320,039		$ 7,680,936
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	H8	$ 1,358,268			$ 1,358,268	$ -	$ 1,358,268	6%	$ 81,496		$ 1,276,772
2	Distribution System - pre 1988	H8	$ 3,386,345			$ 3,386,345	$ -	$ 3,386,345	6%	$ 203,181		$ 3,183,164
8	General Office/Stores Equip	H8	$ 1,944,880	$ 40,000		$ 1,984,880	$ 20,000	$ 1,964,880	20%	$ 392,976		$ 1,591,904
10	Computer Hardware/ Vehicles	H8	$ 428,738	$ 10,000		$ 438,738	$ 5,000	$ 433,738	30%	$ 130,121		$ 308,617
10.1	Certain Automobiles	H8				$ -	$ -	$ -	30%	$ -		$ -
12	Computer Software	H8	$ 204,043	$ 52,800		$ 256,843	$ 26,400	$ 230,443	100%	$ 230,443		$ 26,400
13 1	Lease # 1	H8				$ -	$ -	$ -		$ -		$ -
13 2	Lease #2	H8				$ -	$ -	$ -		$ -		$ -
13 3	Lease # 3	H8				$ -	$ -	$ -		$ -		$ -
13 4	Lease # 4	H8				$ -	$ -	$ -		$ -		$ -
14	Franchise	H8				$ -	$ -	$ -		$ -		$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	H8				$ -	$ -	$ -	8%	$ -		$ -
42	Fibre Optic Cable	H8				$ -	$ -	$ -	12%	$ -		$ -
43.1	Certain Energy-Efficient Electrical Generating Equipment	H8				$ -	$ -	$ -	30%	$ -		$ -
43.2	Certain Clean Energy Generation Equipment	H8				$ -	$ -	$ -	50%	$ -		$ -
45	Computers & Systems Software acq'd post Mar 22/04	H8	$ 74			$ 74	$ -	$ 74	45%	$ 33		$ 41
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	H8				$ -	$ -	$ -	30%	$ -		$ -
47	Distribution System - post February 2005	H8	$ 20,694,077	$ 4,206,642		$ 24,900,719	$ 2,103,321	$ 22,797,398	8%	$ 1,823,792		$ 23,076,927
50	Data Network Infrastructure Equipment - post Mar 2007	H8	$ 86,887			$ 86,887	$ -	$ 86,887	55%	$ 47,788		$ 39,099
52	Computer Hardware and system software	H8				$ -	$ -	$ -	100%	$ -		$ -
95	CWIP	H8				$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
						$ -	$ -	$ -		$ -		$ -
	TOTAL		$ 36,104,287	$ 4,309,442	$ -	$ 40,413,729	$ 2,154,721	$ 38,259,008		$ 3,229,869	B1	$ 37,183,860

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filer

Schedule 10 CEC - Bridge Year

				Reference	
Cumulative Eligible Capital				H10	**612,612**
Additions					
Cost of Eligible Capital Property Acquired during Test Year	0				
Other Adjustments	0				
Subtotal	0	**x 3/4 =**	0		
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0	**x 1/2 =**	0		
			0		**0**
Amount transferred on amalgamation or wind-up of subsidiary	0				**0**
Subtotal					**612,612**
Deductions					
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year					
Other Adjustments	0				
Subtotal		**x 3/4 =**			**0**
Cumulative Eligible Capital Balance					**612,612**
Current Year Deduction		**612,612**		**x 7% =**	**42,883**
Cumulative Eligible Capital - Closing Balance					**569,730**

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Schedule 13 Tax Reserves - Bridge Year

Continuity of Reserves

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

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

PILs Tax Provision - Test Year

						Wires Only	
Regulatory Taxable Income					T1	$ 1,088,978	**A**

	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate	
Ontario (Max 11.5%)	11.5%	11.5%	$ 125,232	11.5%	**B**
Federal (Max 15%)	15.0%	15.0%	$ 163,347	15.0%	**C**

Combined effective tax rate (Max 26.5%)			26.50%	**D = B + C**	
Total Income Taxes			**$ 288,579**	**E = A * D**	
Investment Tax Credits				**F**	
Miscellaneous Tax Credits				**G**	
Total Tax Credits			**$ -**	**H = F + G**	
Corporate PILs/Income Tax Provision for Test Year			**$ 288,579**	**I = E - H**	S. Su
Corporate PILs/Income Tax Provision Gross Up [1]	73.50%	**J = 1-D**	**$ 104,046**	**K = I/J-I**	
Income Tax (grossed-up)			**$ 392,625**	**L = K + I**	S. Su

Note:

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

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Income Tax/PILs Workform for 2017 File

Taxable Income - Test Year

		Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes		A.	1,809,788

	T2 S1 line #		
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets *2-4 ADJUSTED ACCOUNTING DATA P489*	104		2,391,247
Amortization of intangible assets *2-4 ADJUSTED ACCOUNTING DATA P490*	106		
Recapture of capital cost allowance from Schedule 8	107		
Gain on sale of eligible capital property from Schedule 10	108		
Income or loss for tax purposes- joint ventures or partnerships	109		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		
Charitable donations	112		18,000
Taxable Capital Gains	113		
Political Donations	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment expense	121		3,000
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves beginning of year	125	T13	0
Reserves from financial statements- balance at end of year	126	T13	0
Soft costs on construction and renovation of buildings	127		
Book loss on joint ventures or partnerships	205		
Capital items expensed	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in books	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property	236		

Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		
Other Additions: (please explain in detail the nature of the item)			
Interest Expensed on Capital Leases	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		
Non-deductible penalties	293		
	294		
	295		
	296		
	297		
ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
Total Additions			**2,412,247**
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	T8	3,093,176
Terminal loss from Schedule 8	404		
Cumulative eligible capital deduction from Schedule 10 CEC	405	T10	39,881
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves end of year	413	T13	0
Reserves from financial statements - balance at beginning of year	414	T13	0
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
Other deductions: (Please explain in detail the nature of the item)			
Interest capitalized for accounting deducted for tax	390		
Capital Lease Payments	391		

Non-taxable imputed interest income on deferral and variance accounts	392		
	393		
	394		
	395		
	396		
	397		
ARO Payments - Deductible for Tax when Paid			
ITA 13(7.4) Election - Capital Contributions Received			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
Total Deductions		calculated	**3,133,057**
NET INCOME FOR TAX PURPOSES		calculated	**1,088,978**
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of preceding taxation years from Schedule 7-1	331	T4	0
Net-capital losses of preceding taxation years (Please show calculation)	332		
Limited partnership losses of preceding taxation years from Schedule 4	335		
REGULATORY TAXABLE INCOME		calculated	**1,088,978**

T0

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Schedule 7-1 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

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

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

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Schedule 8 CCA - Test Year

Class	Class Description	Working Paper Reference	UCC Test Year Opening Balance	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Test Year CCA		UCC End of Test Year
1	Distribution System - post 1987	B8	$ 7,680,936			$ 7,680,936	$ -	$ 7,680,936	4%	$ 307,237		$ 7,373,699
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	B8	$ 1,276,772	35,000		$ 1,311,772	$ 17,500	$ 1,294,272	6%	$ 77,656		$ 1,234,116
2	Distribution System - pre 1988	B8	$ 3,183,164			$ 3,183,164	$ -	$ 3,183,164	6%	$ 190,990		$ 2,992,174
8	General Office/Stores Equip	B8	$ 1,591,904	70,000		$ 1,661,904	$ 35,000	$ 1,626,904	20%	$ 325,381		$ 1,336,523
10	Computer Hardware/ Vehicles	B8	$ 308,617			$ 308,617	$ -	$ 308,617	30%	$ 92,585		$ 216,032
10.1	Certain Automobiles	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
12	Computer Software	B8	$ 26,400	30,000		$ 56,400	$ 15,000	$ 41,400	100%	$ 41,400		$ 15,000
13 1	Lease # 1	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 2	Lease #2	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 3	Lease # 3	B8	$ -			$ -	$ -	$ -		$ -		$ -
13 4	Lease # 4	B8	$ -			$ -	$ -	$ -		$ -		$ -
14	Franchise	B8	$ -			$ -	$ -	$ -		$ -		$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than E	B8	$ -			$ -	$ -	$ -	8%	$ -		$ -
42	Fibre Optic Cable	B8	$ -			$ -	$ -	$ -	12%	$ -		$ -
43.1	Certain Energy-Efficient Electrical Generating Equipment	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
43.2	Certain Clean Energy Generation Equipment	B8	$ -			$ -	$ -	$ -	50%	$ -		$ -
45	Computers & Systems Software acq'd post Mar 22/04	B8	$ 41			$ 41	$ -	$ 41	45%	$ 18		$ 22
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	B8	$ -			$ -	$ -	$ -	30%	$ -		$ -
47	Distribution System - post February 2005	B8	$ 23,076,927	4,756,244		$ 27,833,171	$ 2,378,122	$ 25,455,049	8%	$ 2,036,404		$ 25,796,767
50	Data Network Infrastructure Equipment - post Mar 2007	B8	$ 39,099			$ 39,099	$ -	$ 39,099	55%	$ 21,505		$ 17,595
52	Computer Hardware and system software	B8	$ -			$ -	$ -	$ -	100%	$ -		$ -
95	CWIP	B8	$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
			$ -			$ -	$ -	$ -	0%	$ -		$ -
	TOTAL		$ 37,183,860	$ 4,891,244	$ -	$ 42,075,104	$ 2,445,622	$ 39,629,482		$ 3,093,176	T1	$ 38,981,928

Ontario Energy Board

Income Tax/PILs Workform for 2016 Filers

Schedule 10 CEC - Test Year

Cumulative Eligible Capital			B10	**569,730**
Additions				
Cost of Eligible Capital Property Acquired during Test Year				
Other Adjustments	0			
Subtotal	0	**x 3/4 =**	0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0	**x 1/2 =**	0	
			0	**0**
Amount transferred on amalgamation or wind-up of subsidiary	0			**0**
Subtotal				**569,730**
Deductions				
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year	0			
Other Adjustments	0			
Subtotal	0	**x 3/4 =**		**0**
Cumulative Eligible Capital Balance				**569,730**
Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income")	**569,730**		**x 7% =**	**39,881**
Cumulative Eligible Capital - Closing Balance				**529,848**

Ontario Energy Board

Income Tax/PILs Workform for 2017 Filers

Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

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